SES AMERICOM
An SES GLOBAL Company

July 2, 2004

Dean A. Olmstead
President & CEO

Laura H. Parsky, Esq.
Deputy Assistant Attorney General
Criminal Division
U.S. Department of Justice
950 Pennsylvania Avenue, N.W.
Washington, DC 20530-0001

Tina W. Gabbrielli, Esq.
Director of Intelligence Coordination and
Special Infrastructure Protection Programs
Office of Infrastructure Protection
U.S. Department of Homeland Security
Washington, DC 20528

**Re: Pending Acquisition by SES Americom of Assets of Verestar under Terms of Bankruptcy Court Order**

Dear Ms. Parsky and Ms. Gabbrielli:

We appreciate the opportunity provided on May 10 to meet with representatives of the Department of Justice ("DOJ"), the Federal Bureau of Investigation (the "FBI"), the Department of Homeland Security ("DHS"), and the Department of Defense ("DOD") to discuss the pending purchase by SES Americom, Inc. ("Americom") of the assets of Verestar, Inc. and two of its subsidiaries (collectively, "Verestar") out of bankruptcy. As requested, this letter is intended to update Americom's letter of June 4, 2001 to Mr. Jim Lovelace of the FBI (copy attached), both in terms of Americom's activities and in terms of the Verestar assets to be acquired. It is also intended to reiterate our commitment to provide DOJ – and to add a commitment to provide DHS -- with advance notice before Americom or any of its US subsidiaries provides switched communications services in the future.

**SES Americom**

Americom is the successor entity to GE Americom, and is a wholly owned subsidiary of SES Global S.A. of Luxembourg. Americom is currently the largest US satellite operator, with 16 operational communications satellites in orbit, another satellite just launched, and several more under construction.

The essence of Americom's business is the provision of bulk satellite capacity. Americom also provides custom network solutions, flexible-use broadband services, and

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domestic and international end-to-end services on a limited basis to certain customers. Providing "end-to-end" services is not part of Americom's core business, and any necessary terrestrial capacity is leased by Americom.

Americom has a wholly owned subsidiary, Americom Government Services, Inc. ("AGS"), that is focused on servicing government customers, both directly and indirectly through other government contractors. AGS holds a security clearance, operating under a Special Security Agreement with DOD. After the transaction with Verestar closes, all of Verestar's government contracts and its key personnel and assets for servicing those contracts will become part of AGS.

Americom provides satellite capacity to a variety of customers, including media companies, telecommunications carriers, other private enterprises, and (through AGS) to government agencies. Media customers use Americom capacity, among other things, for the distribution of cable television programming, television and radio network broadcasts, and network backhaul, and also employ Americom occasional use capacity for special events, breaking news stories, and the like. Carrier customers use capacity to support a variety of services to their customers, including shared and private networks and internet access for remote sites, as well as back-up/restoration capability for their own terrestrial networks. Private enterprise and government customers employ Americom capacity for a wide array of private network services, including voice, data, and video services.

At least one carrier customer – namely, AT&T Alascom – uses Americom's satellite capacity in connection with its provision of switched services to the public. It is possible that other carrier customers of Americom do the same. Americom does not provide or control these services or switch this traffic; it merely provides access to the in-orbit satellite facilities that form a portion of any such carrier's network. The carriers providing the switched services have their own authorizations (as required) from the Federal Communications Commission ("FCC") and/or state public utility commissions. The carriers' use of Americom's satellites for their provision of communications services does not provide Americom with any special ability to access the communications that these carriers distribute.

Regardless of the type of customer, Americom does not provide switched communications services.[1] Moreover, Americom has no plans to provide switched communications services in the future, either before or after the acquisition of Verestar's assets.

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[1] One of Americom's video service offerings does provide, as an ancillary service, limited access to the public switched telephone network ("PSTN") via its Grand Junction, Colorado earth station facility. Specifically, this service is designed to enable the operators of remote satellite news gathering ("SNG") trucks to use a portion of the satellite circuit to place and receive telephone calls to and from their main studio or other network control facility. These calls are routed into the PSTN at Grand Junction. Only the SNG truck operators have access to this service, which is accessible only while the truck's main satellite antenna is in

**Verestar**

Via four domestic and one European teleport, Verestar provides end-to-end communications services between the United States or Europe and any other part of the globe. While the five teleports are owned by Verestar, the requisite satellite and terrestrial capacity is leased. The four domestic teleports are located in Alexandria, Virginia, Holmdel, New Jersey, Cedar Hill, Texas, and Brewster, Washington; the European teleport is located in Leuk, Switzerland. In addition, Verestar owns certain antennae located at an AT&T teleport in Pearl City, Hawaii.

Verestar uses these teleports to serve approximately 450 customers worldwide, including government agencies, media companies, telecommunications carriers, and other business enterprises (for private network services). Verestar's teleports and its packaging of satellite and terrestrial capacity enable global voice, video, data, and internet services using a variety of technologies (including VSAT, SCPC, and mesh networks).

Verestar provides only one function that might be construed as a switched communications service, which is handled by a single router located in Miami, Florida. This one function involves international VoIP services for certain enterprise customers, which connect through this router to AT&T, MCI, and Bell South PSTNs. Verestar no longer owns the Miami facility where this router is located, and has been planning for some time to relocate this piece of equipment to a Verestar teleport.

As discussed during the meeting on May 10, Americom has no interest in maintaining this type of switching function after acquiring the Verestar assets. Americom intends to maintain the international VoIP business itself, but to outsource the switching function to a US carrier or other service provider. We will notify you of the US company to which this switching function will be outsourced prior to the closing of the Verestar transaction.

**FCC Authorizations Held or Requested by SES Americom and Verestar**

A. Section 214 Common Carrier Authorizations

Americom and its subsidiaries currently hold no authorizations granted under Section 214 of the Communications Act of 1934, as amended ("Communications Act"), and have no requests for Section 214 authorization pending at the FCC. The Section 214 authorizations identified in our letter of June 4, 2001 have expired or been relinquished. At no time subsequent to June 4, 2001 has Americom provided any common carrier switched services.

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operation. As cellular/PCS coverage has become more ubiquitous and competitively priced, fewer SNG organizations request this service.

Verestar presently holds a number of domestic and international Section 214 authorizations.[2] None of these Section 214 authorizations are being used by Verestar to provide any common carrier switched services. Americom and Verestar have assessed whether any of these Section 214 authorizations are necessary to support Verestar's business going forward, and have concluded that none of these authorizations are needed. As a result of this assessment, Americom and Verestar informed the FCC, by letter dated June 7, 2004, that they were withdrawing their request to assign Verestar's Section 214 authorizations to Americom.

Thus, when Americom completes the acquisition of Verestar's assets, Americom will hold no Section 214 authorizations.

B. Title III Radio Licenses

Americom and its subsidiaries hold a number of radio communications licenses issued by the FCC under Title III of the Communications Act (47 U.S.C. § 301 *et seq.*). Certain of these licenses permit Americom and its subsidiaries to operate fixed service satellites serving the United States, and between the United States and foreign points to the extent that the footprints of those satellites also cover other countries. The remaining Title III radio licenses permit Americom and its subsidiaries to operate earth station facilities, as well as a limited number of terrestrial point-to-point microwave radio links, each in connection with its satellite business.

Americom and its subsidiaries have pending applications before the FCC for additional Title III radio licenses for new satellite and ground facilities, and we anticipate the need for further applications in the future. Americom and its subsidiaries will also be required to file with the FCC for renewal of their current Title III licenses from time to time as those authorizations expire.

Verestar holds a number of Title III radio licenses permitting it to operate earth station facilities, as well as terrestrial fixed microwave links and a small, private mobile system for Verestar's internal communications. Verestar also has a number of applications pending at the FCC for similar radio licenses and for the renewal of existing licenses.

Neither Americom (including its subsidiaries) nor Verestar provides or has plans to provide switched communications services via equipment authorized under its current or anticipated Title III licenses.

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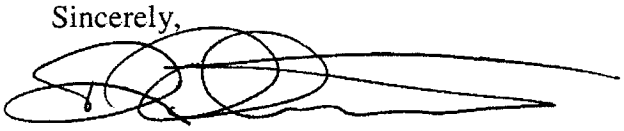
[2] Under current FCC practice, domestic Section 214 authorizations do not have individual FCC file numbers. Verestar's current international Section 214 authorizations have the following FCC file numbers: (i) ITC-214-19960801-00362, (ii) ITC-214-19961230-00657, (iii) ITC-214-19971209-00769, and (iv) ITC-T/C-19980528-00353.

In sum, Americom's fundamental business has been and remains providing satellite access for use by others to distribute communications services, and the company's facilities and systems are designed for this purpose. The acquisition of Verestar's assets will add teleport capabilities, as well as valuable customer relationships and employee skills, but will not change the basic "pipeline" nature of Americom's business. As a consequence, it seems unlikely to us that law enforcement authorities would find it useful to work through Americom to address surveillance concerns and related matters with respect to traffic that passes through Americom's network, before or after the acquisition of Verestar's assets.

With respect to services that could be offered by Americom or its subsidiaries in the future (both before and after the closing of the Verestar transaction), Americom agrees that it will notify DOJ and DHS at least 30 days before switched communications services are provided, including any such provision of services via equipment authorized under Title III licenses.[3] In addition, Americom will provide DOJ and DHS with a copy of any application for authorization to provide such services at the time that it is submitted to the FCC.

Please let us know if you require any further information. Thank you for your attention to this matter.

Sincerely,



Dean A. Olmstead
President & CEO

Attachment

cc: Patrick W. Kelley, Esq.
Federal Bureau of Investigation

John R. LoGalbo, Esq.
Department of Justice

Louis Brenner, Esq.
Department of Homeland Security

Richard S. Elliott
Paul, Weiss, Rifkind, Wharton & Garrison LLP

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[3] If for any reason the switched communications service to be provided involves activities by AGS that may be viewed as sensitive under AGS's security arrangements with DOD or with US government customers, such notice will be supplied directly by AGS.

ATTACHMENT

**GE American Communications**

**Mark R. O'Leary**
*Senior Vice President & General Counsel*

*GE American Communications, Inc.*
*Four Research Way, Princeton, NJ 08540-6684*
*609 987-4448, Fax: 609 987-4233*
*mark.o'leary@gecapital.com*

June 4, 2001

James Lovelace, Esq.
Supervisory Special Agent
Chief, Technology Law Unit
Office of the General Counsel
Federal Bureau of Investigation
Room 7877 FBI Building
935 Pennsylvania Ave., NW
Washington, DC 20535-0001

**Re: Planned Transfer of Control of GE American Communications, Inc. from General Electric Capital Corporation to SES Global S.A.**

Dear Mr. Lovelace:

We appreciate the opportunity to confer with representatives of the Department of Justice ("Justice") and the Federal Bureau of Investigation (the "FBI") about the planned indirect acquisition of GE American Communications, Inc. ("GE Americom") by SES Global S.A. ("SES Global"). This letter is in response to your request for certain information about GE Americom's business and its current Federal Communications Commission ("FCC") authorizations, and for certain advance notice commitments related to potential new areas of business in the future.

**Section 214 Common Carrier Authorizations**

GE Americom has been granted authorizations pursuant to Section 214 of the Communications Act of 1934, as amended ("the Act" or the "Communications Act"). These authorizations allow the company to provide common carrier telecommunications services of various specific kinds.

Several preliminary points should be noted. First, GE Americom provides domestic dedicated private line service via satellite, but does not itself provide any domestic switched services. Second, GE Americom holds certain authorizations from the FCC to provide international service between the United States and foreign points. However, none of these permit the company to provide common carrier switched services, and GE Americom does not provide any such services. The company would need to return to the FCC with a new Section 214 application if it were to decide to enter that market in the future.

In addition, GE Americom provides certain domestic and international private carrier services. None of those activities are subject to Section 214 of the Act. None of them involve the provision of switched services.

In general, GE Americom simply provides its customers with access to satellite transponders. Television companies, for example, use GE Americom satellites for one-way video traffic. Included in this traffic are network feeds that are distributed to local television stations for subsequent retransmission to the public, and cable television programming services that are distributed to cable headends for retransmission to subscribers.

GE Americom has some customers that are telecommunications carriers. At least one such carrier -- AT&T Alascom -- uses the company's satellite capacity in connection with its own provision of switched services to the public. It is possible that other GE Americom customers that are telecommunications carriers do the same. GE Americom does not provide or control these services or switch that traffic; it merely provides access to the in-orbit satellite facilities that form a portion of any such carrier's network. The carriers providing the switched services have their own authorizations (as required) from the FCC. The carriers' use of GE Americom's satellites for their provision of communications services does not provide GE Americom with any special ability to access the communications that these carriers distribute.

With that background, GE Americom notes that it holds the Section 214 authorizations listed in Attachment A to this letter. (As indicated, these authorizations are generally quite old, and GE Americom is not using all of them at this time.)

**Title III Radio Licenses**

In addition, GE Americom (including its subsidiary, Columbia Communications Corporation) holds radio communications licenses issued by the FCC under Title III of the Communications Act (47 U.S.C. § 301 *et seq.*). Certain of these licenses permit GE Americom to operate fixed service satellites serving the United States, and between the United States and foreign points to the extent that the footprints of those satellites also cover other countries. Under other satellite licenses, GE Americom is permitted by the FCC to operate spacecraft providing service between the United States and foreign points. The remaining Title III radio licenses allow GE Americom to operate earth station uplink facilities, and a limited number of terrestrial point-to-point microwave radio links, each in connection with its satellite business.

GE Americom has pending applications before the FCC for additional Title III radio licenses for new satellite and ground facilities, and we anticipate the need for additional

applications in the future. GE Americom also will be required to file with the FCC for renewal of its current Title III licenses from time to time as those time-bounded authorizations expire.

GE Americom does not provide and has no plans to provide switched communications services via equipment authorized under its current or anticipated future Title III licenses. GE Americom did not secure its Title III licenses, and is not presently seeking any additional Title III licenses, for any purpose related to switched communications services. In the unlikely event that GE Americom were to decide to provide such services at a later date, it would expect to seek additional Title III licenses for equipment -- such as mobile, fixed or gateway earth stations -- that would be needed for this purpose.

* * *

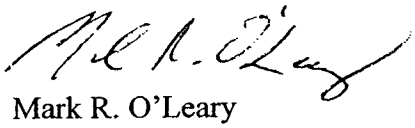
In sum, GE Americom is in the business of providing satellite access for use by others to distribute communications services, and the company's facilities and equipment systems are designed for this purpose. GE Americom has no control over the provision of those services. As a consequence, it seems unlikely to us that law enforcement authorities would find it useful to work through GE Americom to address surveillance concerns and related matters with respect to traffic that relies on GE Americom satellites.

With respect to services that could be offered by GE Americom in the future, GE Americom and SES Global agree that GE Americom will notify Justice and the FBI at least 30 days before providing switched services, including any such provision of services via equipment authorized under Title III licenses. In addition, GE Americom and SES Global will provide Justice and the FBI with a copy of any application for authorization (such as a license application) to provide such services at the time that it is submitted to the FCC.

The parties plan to submit a notification concerning the pending acquisition of GE Americom by SES Global to the Committee on Foreign Investment in the United States under Section 721 of the Defense Production Act (the Exon-Florio Amendment). They will include a copy of this letter in that notification.

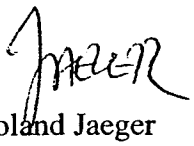
Please let us know if Justice or the FBI requires any further information. Thank you for your attention to this matter.

Sincerely,



Mark R. O'Leary
Senior Vice President and General Counsel
GE American Communications, Inc.

Acknowledged and agreed by:



Roland Jaeger
Chairman, Board of Directors
SES Global S.A.

Attachment

cc: Richard Salgado, Esq. -- Department of Justice

| *FCC File Number* | *Authorization* |
|---|---|
| ITC-83-029 | Authorization to operate facilities in its domestic satellite system to provide a 1.544 mbps service to DOD between Colorado Springs, Colorado, and Thule, Greenland. |
| ITC-85-147 | Authorization to provide two-way voice and data services and occasional one-way and two-way video services between the United States and various points in the Caribbean and Latin America, where the services involve the extension of, or access to, an existing domestic network. |
| ITC-86-176 | Authorization to extend existing television channels of communications with associated audio, as well as subcarriers, on its Satcom K-2 satellite, originating from a Ku-band earth station in New York, to Canada, Mexico, and other points in the Caribbean and Central America; and<br><br>to transmit occasional video programming, such as news feeds, live sport events and other special events over the same television channels of communication on Satcom K-2 from earth stations in Canada and Mexico to receive earth stations in the United States. |
| ITC-87-140 | Authorization to provide INTELSAT Business Services (IBS) and television space segment between earth stations that are now or may be licensed to it in the future and appropriate INTELSAT satellites; and<br><br>to establish channels of communication between U.S. earth stations and appropriate INTELSAT satellites for the provision of IBS and related digital video services and International Television Service between the U.S. and those countries that now or hereafter will be listed in Comsat's tariff provisions for the space segment component of IBS international or television service. |
| ITC-88-119 | Authorization to use its domestic satellite system to provide two duplex voice grade circuits and the duplex 14.4 kbps data circuit between the Customs Service facility at Miami, Florida, and the Customs Service Base at Gun Cay, Bahamas. |
| ITC-92-187 | Authorization to establish one simplex 2.048 Mbps satellite cir- |

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| | cuit between Dam Neck, Virginia, and U.S. Navy facilities at Tudor Hill, Bermuda; and<br><br>to use the facilities to provide service between the U.S. and Bermuda to support the U.S. Navy's Integrated Undersea Surveillance System. |
| ITC-92-148 | Authorization to establish channels of communications between appropriately licensed earth stations in the United States and the appropriate INTELSAT AOR and POR satellites for the provision of IBS, television and program audio services between the United States and those AOR and POR countries listed in Comsat tariffs for such services; and<br><br>to establish four 36-MHz circuits over appropriately licensed earth stations in the U.S. and Alpha Lyracom's PAS-1 satellite for the provision of full-time video and occasional video services between the U.S. and the following countries: (1) Ku-band – the Bahamas, Denmark, France, Germany, Ireland, Italy, Luxembourg, Monaco, the Netherlands, Portugal, Sweden, and the United Kingdom; (2) C-band – Argentina, the Bahamas, Bolivia, Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, Guatemala, Honduras and Peru; and<br><br>to establish a total of two 36-MHz circuits over appropriately licensed earth stations in the U.S. and the Columbia satellites, TDRSS-41 (1 36-MHz circuit) and TDRSS-174 (1 36-MHz circuit) located at 41 degrees and 174 degrees W.L. respectively, for the provision of full-time video and occasional video services between the U.S. and the United Kingdom and Hong Kong; and<br><br>to establish one 36-MHz circuit, between appropriately licensed satellite earth station in the U.S. and the Intersputnik Statsionar 4 located at 14 degrees W.L. for the provision of full-time video and occasional video services between the U.S. and Armenia, Azerbaijan, Belarus, Estonia, Georgia, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine, Uzbekistan, Poland, Hungary, Albania, Romania, Czechoslovakia and Bulgaria. |

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