Boeing Forms Commercial Satellite Services Group to Sell Satellite Capacity

EL SEGUNDO, Calif., Feb. 22, 2011 -- Boeing [NYSE: BA] announced today that it has established Boeing Commercial Satellite Services to market commercial satellite telecommunications services to the U.S. government and other satellite users. Headquartered in El Segundo, the group is a part of Boeing Space & Intelligence Systems.

"Boeing has received orders for five hosted payloads in the past 18 months," said Craig Cooning, CEO of Boeing Satellite Systems International and vice president and general manager of Boeing Space & Intelligence Systems. "The market response to hosted payloads as a creative solution to limited military bandwidth availability has been extremely positive, and we believe that the Boeing Commercial Satellite Services unit will perform a valuable service both for the military and for commercial users of satellite services to meet mission needs."

Hosted payloads represent an important move Boeing is making to respond to the global demand for more communications bandwidth. Hosted payloads can be designed in a variety of configurations based on customer needs and can be a more affordable and timely option than procuring a complete satellite. A commercial satellite carrying a hosted payload can generally be delivered in less than three years.

Boeing Commercial Satellite Services will work with the owners of satellite systems to market available bandwidth on active systems as well as to include hosted payloads on their future spacecraft. The new division will market the payloads to prospective customers in cooperation with the host satellites' owners.

"The demand for satellite communications continues to be greater than the supply, and in 2010 we entered into an agreement with Inmarsat to assist them in leasing Ka-band services to the U.S. government and others," said Cooning. "This business model can be applied to a commercial satellite operator interested in leasing service to governments."

Boeing's history of hosted payloads dates back to 1993, when the company helped the U.S. Navy upgrade its ultra-high frequency (UHF) satellite communications system by augmenting several vehicles to host an extremely high frequency (EHF) payload as well as the first military Ka-band payload, which has provided Global Broadcast Service capabilities since 1998. Boeing has also built L-band, X-band and Ka-band hosted payloads that have served foreign governments through spacecraft owned by commercial satellite operators.

In July 2009, Boeing announced a four-satellite contract from Intelsat; two of these satellites incorporate hosted payloads in the UHF band. In August 2010, Inmarsat ordered three Boeing 702HP satellites, each of which will carry a hosted payload operating in the Ka-band. Boeing also is pursuing opportunities to expand this concept to cover other types of communications capacity.

A unit of The Boeing Company, Boeing Defense, Space & Security is one of the world's largest defense, space and security businesses specializing in innovative and capabilities-driven customer solutions, and the world's largest and most versatile manufacturer of military aircraft. Headquartered in St. Louis, Boeing Defense, Space & Security is a $32 billion business with 66,000 employees worldwide. Follow us on Twitter: @BoeingDefense.

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