



27 April 1999

Mr. Jim Roberts  
Inquiry Manager  
International Telecommunications Market Regulation Inquiry  
Productivity Commission  
PO Box 80  
BELCONNEN ACT 2616

Facsimile: 6240 3311

Dear Mr. Roberts

***PANAMSAT – PRELIMINARY SUBMISSION***

PanAmSat is pleased to take this opportunity to provide preliminary comments in relation to the International Telecommunications Market Inquiry.

We consider the Commission's wide-ranging study of the international telecommunications market appropriate and timely, since the early years of operation of the new, open telecommunications framework will have highlighted issues within the international services sector that the Commission will be well-placed to examine.

PanAmSat is the world's largest privately owned satellite operator. Our global network of 19 satellites and 7 technical ground facilities enables delivery by PanAmSat of video programming and digital communications to leading corporations, broadcasters, telecommunications service providers, news organisations and Internet service providers.

Our Australian operations were limited in scale and scope prior to introduction of open competition in mid-1997. Since that time, PanAmSat has gained a carrier license, and significantly expanded its Australian activities to include a range of domestic and international satellite-based carriage services.

Our Australian experience has highlighted two issues of concern that relate to the Commission's current Inquiry. They are:

- Arrangements for calculation of the Universal Service Obligation (USO) contribution, whereby PanAmSat and other international satellite carriers have international revenue counted towards the USO contribution, but international submarine cable consortia are not included in the contribution scheme; and
- Preferential regulatory treatment for the international satellite consortia, INTELSAT and Inmarsat – This is no longer appropriate as they move towards a fundamentally commercial style of operation.

As I was travelling overseas for much of April, there was no opportunity for me to confer with colleagues and expand on these points prior to the 30 April submission lodgment date. I would be grateful therefore for the opportunity to come back to the Commission during early May with an expanded submission.

Please feel free to contact me via email ([qkilian@panamsat.com](mailto:qkilian@panamsat.com)) should you wish to clarify aspects of this preliminary submission.

Yours sincerely

A handwritten signature in black ink, appearing to read "Quentin Kilian", written over a horizontal line.

**Quentin Kilian**  
Regional Manager Regulatory Affairs Asia Pacific