Milbank

Space Business Review

A monthly round-up of space industry developments for the information of our clients and friends.

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AVANTI RESTRUCTURING APPROVED

On January 6, Avanti Communications (Avanti) announced that its financial restructuring plan was approved by 91.85% of its bondholders, clearing the 90% threshold required for the plan to be executed. According to Avanti, the restructuring will produce $242m in liquidity by securing new cash and deferring interest repayments. The additional liquidity will afford Avanti significant working capital to grow its capital structure and complete and launch its HYLAS-4 high-throughput Ka-band satellite, which is currently being manufactured by Orbital ATK Inc. and will carry 66 fixed beams covering Africa and Europe and four steerable beams that can serve Africa or Latin America.

JANUARY LAUNCH SERVICES

January 14 – Space Exploration Technologies Corp. (SpaceX) successfully launched the first 10 satellites of the Iridium NEXT constellation for Iridium Communications Inc. (Iridium) on a Falcon 9 launch vehicle and then successfully recovered the Falcon 9's first stage, landing it on the company's Just Read the Instructions drone ship. With this and other launches over the next 18 months, Iridium plans to gradually replace and upgrade its existing constellation with Iridium NEXT, a next generation LEO system that will count at least 70 satellites and provide mobile voice and data communications services globally. Thales Alenia Space and Orbital ATK Inc. are the manufacturers of the Iridium NEXT satellites, as prime contractor and subcontractor for production, respectively. The Iridium NEXT mission marked a return to flight for the Falcon 9, which was grounded after a launch pad explosion last September destroyed both the launch vehicle and Space-Communication Ltd.'s AMOS-6 satellite; SpaceX later identified a ruptured helium tank as the cause and stated that it would adjust the vehicle's fueling process.

January 27 – Arianespace S.A. successfully launched the Hispasat 36W-1 satellite for Hispasat, S.A. on a Soyuz STB launch vehicle. Hispasat 36W-1 was manufactured based on Europe's new SmallGEO geostationary satellite platform developed by OHB System AG under the European Space Agency's Advance Research in Telecommunications Systems (ARTES) program and is equipped with 20 Ku- and 3 Ka-band transponders. It will provide telecommunications services to users in Europe, the Canary Islands and South America from the 36°W orbital position.

GEE REFINANCING AND CAPACITY DEALS

On January 6, Global Eagle Entertainment Inc. (GEE) announced that it secured a new $500m senior secured term loan and a new $85m senior secured revolving credit facility. The company plans to use the proceeds of the new term loan to pay down all of its existing term loan and revolving credit facility debt. In a separate development, on January 13, GEE announced that it purchased all of the capacity of the Ku-band payload on SES S.A.'s AMC 3 satellite, which GEE plans to rebrand as Eagle 1. GEE will use the payload to provide additional capacity for its customers in North America, the Gulf of Mexico and the Caribbean region.

SES & SATCOM STRATEGIC PARTNERSHIP

On January 31, SES S.A. (SES) announced that it entered into a strategic partnership with Satcom Global Ltd. (Satcom), a provider of satellite communications services to the maritime and land sectors, for the establishment of Aura, Satcom's new Ku-band VSAT service. Under the terms of the partnership, SES will provide to Satcom access to SES' satellite fleet, including upcoming next generation hybrid satellites with high throughput payloads, as well as a ground network infrastructure that will enable multi-satellite access and service integration. SES will also provide to Satcom an open and scalable VSAT platform that affords flexibility for bandwidth and coverage customization and anytime broadband connectivity. Aura will offer seamless, reliable and high-speed connectivity to hundreds of maritime, offshore and land-based customers worldwide.

IRIDIUM ADDS EIGHTH SPACEX LAUNCH

On January 31, Iridium Communications Inc. (Iridium) announced that it purchased its eighth Falcon 9 launch services, selecting Space Exploration Technologies Corp. to launch five Iridium NEXT constellation satellites from the Vandenberg Air Force Base in California by early 2018. The procurement represents the first rideshare launch procured by Iridium; its five satellites will be joined on the launch vehicle by two satellites for the Gravity Recovery and Climate Experiment Follow-On (GRACE-FO) mission, a joint U.S.-German project of the National Aeronautics and Space Administration (NASA) and the German Research Centre for Geosciences (GFZ) to map the Earth's gravity field to high precision and track changes in large-scale water movement.