

# Space Business Review

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

## July 2017

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### GEE CALLS OFF PLANNED CHINESE JV

**Global Eagle Entertainment Inc. (GEE)** announced in a July 25 filing with the **U.S. Securities and Exchange Commission** that it terminated an investment agreement with **Beijing Shareco Technologies Co., Ltd. (Shareco)**, a unit of Chinese conglomerate **HNA Group Co., Ltd. (HNA)**, because of the parties' failure to obtain approval from the **Committee on Foreign Investment in the United States (CFIUS)**. Pursuant to the agreement, the two companies planned to establish a joint venture that would be 51% owned by Shareco, with the primary purpose of enabling GEE to provide inflight entertainment and connectivity services to HNA-owned airlines. They also agreed under the agreement that Shareco would invest up to \$416m in GEE for a 34.9% interest in the company. CFIUS reviews focus on the national security impacts of investments in the United States by foreign individuals and entities. According to GEE, CFIUS concluded that the transactions contemplated under the investment agreement presented unresolved national security concerns. GEE also stated that, despite termination of the agreement, it will still be able to serve three of the 14 airlines within HNA.

### PLANETS WINS SECOND NGA CONTRACT

On July 19, the **U.S. National Geospatial-Intelligence Agency (NGA)** announced that it selected **Planet Labs, Inc. (Planet)** to provide satellite imagery to the agency under a one-year \$14m contract. This selection follows a seven-month \$20m pilot contract awarded to Planet by NGA to assess how Planet could most effectively support the agency's mission; NGA seeks to monitor changes across vast geographic areas for humanitarian and intelligence purposes. According to NGA, Planet was selected on the basis of its revisit rate, among other capabilities. Planet's 190 **Dove** satellites comprise the largest remote sensing satellite constellation in orbit.

### LUXEMBOURG SPACE RESOURCES LAW

On July 13, the Parliament of the **Grand Duchy of Luxembourg** passed legislation granting ownership of space resources to the companies that extract them from asteroids and other space bodies. Luxembourg is the first European country to join the United States in adopting a legal framework for ownership of space resources by private actors; the **Commercial Space Launch Competitiveness Act** was enacted into law in the United States in November 2015.

### JULY LAUNCH SERVICES

**July 5** – **Space Exploration Technologies Corp. (SpaceX)** successfully launched the **Intelsat 35e** satellite for **Intelsat S.A. (Intelsat)** on a **Falcon 9** launch vehicle from the Kennedy Space Center, marking SpaceX's tenth successful mission this year. Intelsat 35e is the fourth satellite to be orbited for Intelsat's **EPIC<sup>NG</sup>** High-Throughput Satellite constellation. Manufactured by **Boeing Space & Intelligence Systems** based on its **702 MP** satellite platform, Intelsat35e is equipped with a C- and Ku-band payload and will be used to support enterprise, mobility and government applications, and to provide wireless backhaul and Direct-to-Home television services, with coverage of Europe, Africa and the Caribbean from the 325.5°E orbital position. Due to mission requirements, SpaceX did not attempt to recover the Falcon 9's first stage following the launch.

**July 14** – A Russian **Soyuz** launch vehicle successfully launched 73 small satellites from the Baikonur Cosmodrome. The primary payload on the mission was **Kanopus-V-1K**, a **ROSCOSMOS State Space Corporation** Earth observation satellite that will be used primarily for fire source detection. Among the 72 secondary payloads included in the mission were 48 **Dove** satellites for **Planet Labs, Inc.** and eight **Lemur-2** satellites for **Spire Global, Inc.**

### MDA, DIGITALGLOBE DEVELOPMENTS

On July 6, **MacDonald, Dettwiler and Associates Ltd. (MDA)** announced that its subsidiary **Space Systems Loral (SSL)** was selected by **DigitalGlobe, Inc. (DigitalGlobe)** to manufacture the satellites that will comprise **WorldView Legion**, DigitalGlobe's next generation high-resolution Earth imaging Low Earth Orbit constellation. The WorldView Legion satellites will replace DigitalGlobe's existing **WorldView-1**, **WorldView-2** and **GeoEye-1** satellites and are expected to more than double the satellite operator's high-resolution capacity in important regions of the globe. The first satellite launch for WorldView Legion is planned for 2020. In related news, DigitalGlobe and MDA announced on July 12 the withdrawal and re-filing of their Joint Voluntary Notice with the **Committee on Foreign Investment in the United States (CFIUS)** in order to allow more time for CFIUS review of their contemplated \$2.4b merger. Later, on July 27, the parties announced that their respective shareholders voted to approve the deal, which is now expected to close in Q3 2017, subject to CFIUS approval.