



TODAY

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COMSAT Explores New Business Frontiers In Soviet Union And Eastern European Nations

As the curtain rises on the nations of Eastern Europe and the Soviet Union, few eyes are as closely trained on the emerging landscape as those of U.S. businesses — COMSAT included.

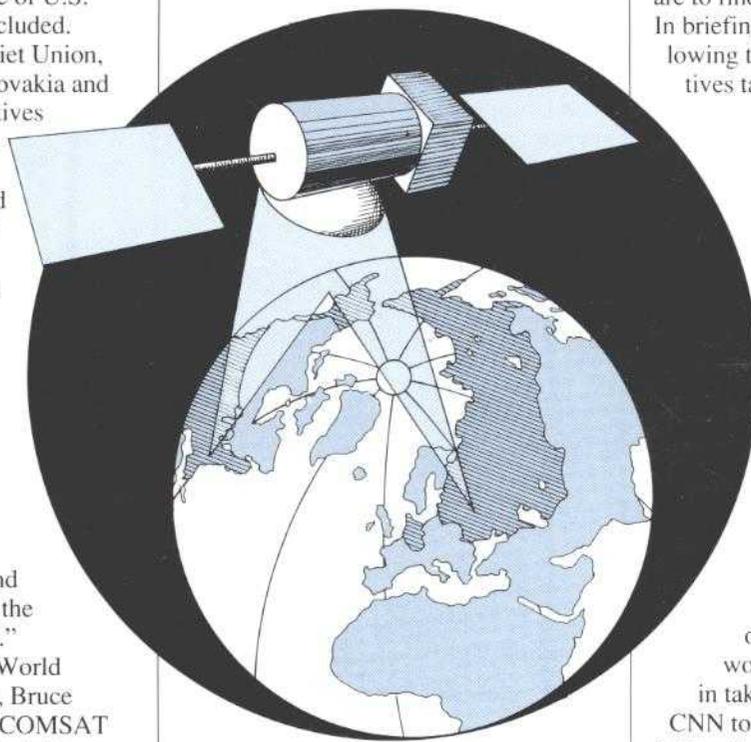
In recent visits to the Soviet Union, Poland, Hungary, Czechoslovakia and Romania, COMSAT executives began the important first steps of researching and evaluating opportunities and measuring them against the costs and risks.

"I'm optimistic about the telecommunications business in the Soviet Union and Eastern Europe for two reasons," said Chairman Irving Goldstein, summing up the tour. "One, their desperate need for telecommunications and, two, COMSAT's own very positive relationship and experiences in dealing with the Soviets and East Europeans."

In addition to Goldstein, World Systems' two top managers, Bruce Crockett and Jack Hannon, COMSAT Systems' (CSD) President Joel Alper and COMSAT Video Enterprises' (CVE) CEO Robert Wussler conducted the fact-finding mission.

"The Soviets and East Europeans know that communications is absolutely essential to developing other sectors,"

said Goldstein. "They know they will not be able to attract Western banks and business without good communications.



In the modern age, it's as basic as roads and electricity."

All in all, the COMSAT team found eagerness to adopt modern communi-

cations. But they also found obstacles that will require creative thinking if COMSAT — and other foreign companies — are to find profits there.

In briefing members of the press following their visits, COMSAT executives talked about what they learned:

Potential Opportunities

■ COMSAT may already have an edge on many other telecommunications firms because it is known and respected through its role in INTELSAT and INMAR-SAT. The COMSAT name is probably as well established as any communications company, AT&T included. COMSAT Systems Division's recent success in installing a data network for the Soviet Academy of Sciences has positioned it well for other communications networks projects. CVE's Wussler, in taking Turner Broadcasting's CNN to the Soviet Union and establishing the Goodwill Games, has valuable contacts.

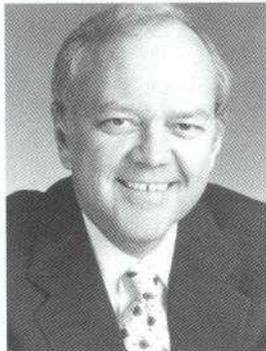
■ The outdated, inefficient, low-capacity Intersputnik satellite system is not adequate to meet current interna-

(continued next page)

New Business Frontiers, from page 1

tional communications needs, much less the growing requirements of the future. COMSAT executives urged the governments they visited to join INTELSAT as an avenue for full integration into the global economy. They came home feeling optimistic that Eastern European governments and the Soviet Union will join.

■ International communications appears to offer one of the quickest entrees into these new markets: COMSAT could, through joint ventures, help to



"There's a tremendous desire for entertainment on the part of Muscovites and other citizens of the Soviet Union."
CVE President and CEO Wussler.

bankroll and install new, updated international earth stations. Since most of the traffic would be West to East, the Soviet Union and East European nations would receive hard currency with which to help finance the costs. Earth station facilities could be installed in three to six months.

■ Demand for international service will grow as more multinational corporations move into the new markets.

■ People are video-starved. That could spell exciting opportunities for video entertainment companies, such as CVE.

Obstacles

■ A major hurdle in the Soviet Union is getting paid in a currency that can be used anywhere else. The Soviet ruble is



"The need for telecommunications is desperate. Yet, it will not be easy to modernize."
Chairman Goldstein.

not convertible to other currencies. Creative alternatives, such as barter or reinvestment of rubles in Soviet-produced goods that can be sold elsewhere for hard currency, could be developed. PepsiCo, for example, takes payment in vodka and tankers.

■ Long-standing full-employment policies have spawned inefficient business practices. Automation is not exploited fully because of potential job losses. A tendency to throw people at

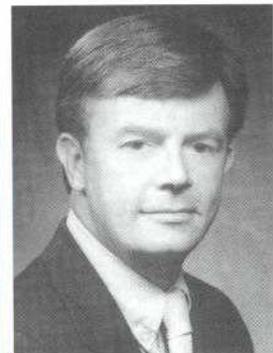


"We are interested in all kinds of communications opportunities--local area and international business networks, earth station installations, satellite-based systems primarily, but fiber if that's the best way to go."
CSD President Alper.

problems — instead of investing in labor-saving answers — is a mind-set that will slow progress.

■ Because communications needs are so great, the upfront investments required are likely to be substantial. Distance from the U.S. also adds to the cost and to the challenges of management.

■ Change has left agencies within the new governments confused about their specific responsibilities. For example, the Soviet Academy of Sciences, now equipped with a CSD-installed data network, is being looked to by the Ministry



"In a sense, international communications is a precondition for economic growth because the world has gotten so small."
WSD President Crockett.

of Communications to help define the Ministry's telecommunications needs.

International Competition

The reality of the global economy comes home quickly when visiting the Soviet Union and the newly created governments of Eastern Europe these days. Besides the Americans, the Germans and Japanese are among those eager to grab a share of the market. Lack of any comprehensive strategy forged by the U.S. government in concert with business may place U.S. companies at a competitive disadvantage, according to the COMSAT executives. Favorable trade policies, low interest loans and attractive business insurance arrangements are among the many options that should be made available, the fact-finding team said. ■

Second Front Page

CSD Field Service Unit Moves To New Palm Bay Home

Systems Support & Service, which provides field service operations and maintenance support to COMSAT Systems Division (CSD) customers, has moved to a new 22,000 square foot facility in Palm Bay, Fla., south of Melbourne. Systems Support & Service was created with last year's purchase of the unit from the Harris Corporation.

Some 200 area civic and community leaders attended the late April dedication, led by CSD President Joel Alper and Larry O. Tennant, onsite senior director. Among them were executives of NBC-TV, who presented a plaque from "your satellite system partners at NBC" to Tennant and COMSAT General Vice President Larry O. Westerlund.

NBC-TV is a primary customer supported by the Palm Bay facility. Located there is the COMSAT hub which operates, monitors and maintains the Ku-band network over which the company distributes NBC television pro-



The new Palm Bay Maintenance Control Center provides round-the-clock status of the NBC program feed to its affiliates. Maintenance Control Center coordinator Greg Palm, seated, confers with Dick Lingo, Systems Support & Service Region Manager.

gramming to network affiliates nationwide.

"From here, we monitor the health and status of 177 earth stations, 10 of which are major transmit sites for news or remote broadcasts," Tennant said. In addition, the Systems Support & Service group also operates and maintains six transportable earth stations, available to meet specific NBC requirements for news and sports coverage, and 50 portable uplink packages, used to change sites from receive-only to transmit.

Some 35 of Systems Support & Service's 60 employees work at the Palm Bay location. Others work at the unit's 27 regional service centers across the U.S.

Those attending the dedication toured the facility, which provides space for the COMSAT Maintenance Control Center, satellite antenna farm, transportable earth stations, the hub station supporting Skycom news — a news service shared among NBC affiliate stations — and computer, parts, logistics, repair and test areas. ■

COMSAT Hosts Marconi Awards

COMSAT Corporation last month hosted the 1990 Marconi Awards program, which each year honors creative work in communications science or technology and its contribution to humanity.

Winner of the Marconi Fellowship Award, which includes a grant of \$50,000 from the Marconi Foundation, was Dr. Andrew J. Viterbi. Viterbi is the inventor of the "Viterbi Algorithm," which, when applied to signals transmitted over noisy or unreliable communications channels, extracts information from those signals more reliably than any other method. Viterbi has served as research scientist, engineer, educator and entrepreneur, having founded Linkabit Corp., in 1968 and Qualcomm, Inc., in 1985.

Dr. Theodore S. Rappaport was

named winner of the 1990 Marconi Young Scientist award, which carries a grant of \$10,000. He was cited for contributions — before age 27 — in the areas of mobile and portable radio propagation, which have resulted in new channel models for indoor radio communications systems that may someday link telephones and computers in buildings. Rappaport, now 30, is assistant professor of electrical engineering at Virginia Polytechnic Institute and State University.

The awards were announced by Gioia Marconi Braga, Chairperson of the Marconi Fellowship Council and daughter of the late Guglielmo Marconi whose Morse Code transmissions in 1901 laid the foundation for modern, reliable communications between any two points on earth. ■

First Quarter Net Income Up 13 Percent

COMSAT Corporation's net income for the first quarter of 1990 rose 13 percent over that of the same period in 1989. For the quarter ended March 31, COMSAT recorded consolidated net income of \$19 million, or \$1.01 per primary share, up 12 cents from 1989's first quarter.

Quarterly revenues totaled \$110.8 million, an increase of \$13.4 million over the same period last year.

Operating income rose from \$22.7 million in 1989's first quarter to \$24.1 million.

All of the company's business segments — International, Systems and Video Entertainment — reported good revenue growth. Excellent volume for

International — both Intelsat Satellite Services and Mobile Communications — fueled most of the overall revenue increase.

Higher revenues from International and Systems led to improved operating income. However, Video Entertainment reported increased operating losses due to expenses incurred in expanding into new business areas.

At its April meeting, the COMSAT Board of Directors declared a regular quarterly dividend of 33 cents per share, payable June 11 to shareholders of record on May 11. It was the 79th consecutive quarterly dividend declared by the corporation. ■



Sonia Mariano

For Benefits Answers, Call Sonia Mariano

Got a question about your benefits? Stumped by a detail concerning coverage?

Make life easy. Call the Human Resources Department's new benefits service representative, Sonia Mariano.

New to the job as of early April, Mariano is on hand to explain company benefits and answer questions. Employees should look to her as a central source of information on employee benefit programs.

Most of the 83 calls in her first month on the job concerned medical benefits, Mariano said. "People expect me to know the answer to every question right away. Unfortunately certain aspects of benefits coverage can vary—especially when there's a change in tax regulations."

Mariano graduated from the University of the Phillipines with a degree in economics. She joined COMSAT in May 1988 after holding administrative positions with MCI, the Brookings Institution and the World Bank. When it's time to relax she often pursues her favorite sports, bowling and racquetball.

"I'm pleased to be in this position," she said, adding that dealing with different types of people in the past has given her confidence for her new task. "I'm committed to giving the best of my ability and skills."

Mariano can be reached at 863-6622 or 6029. ■

COMING JULY 8th! COMSAT'S ANNUAL EMPLOYEE PICNIC

Make plans to come to Smokey Glen Farm — near Gaithersburg — on Sunday, July 8th, for COMSAT'S annual employee picnic. There'll be fun for all ages.

- Barbequed Chicken and Spare Ribs — All You Can Eat
- Pony Rides
- Hay Rides
- Horseshoe Pitching
- Pie-Eating Contest
- Prizes and Games

Watch for more details soon from COMSAT Human Resources. But make plans now to come to Smokey Glen Farm, 16407 Riffleford Road, Gaithersburg.

COMSAT Extends Its Reach In Education To Support Management Training For Principals

Extending its leadership in education beyond its alliance with Jefferson Junior High School, COMSAT Corporation will make a substantial grant to underwrite the cost of training school administrators in techniques vital to the success of the concept of "school-based management."

COMSAT Chairman Irving Goldstein announced the grant last month to local business and professional leaders attending a Federal City Council luncheon.

"COMSAT is not interested in a one-school, band-aid approach to the problems of the D. C. schools," he said. "We need basic, systemic change. We need to help school officials develop the executive skills they must have to turn their schools around. We need to share with all in the school system our insights on planning and meeting demand and getting results."

The grant, which will go to the Committee on Public Education and the Federal City Council, is earmarked for the training of principals and assistant principals at 17 of the District's schools. The 17 schools were previously identified by the Superintendent of Schools for decentralized, school-based management. Also to be included in the training are members of the Superintendent's office staff with responsibilities directly relating to the identified schools.

Training could take place this summer and new concepts applied in the 1990-91 school year, Goldstein said.

As school-based management is put into practice, teachers and principals gain independence in designing curricula, budgeting and contracting out for services. Such a decentralized approach opens the door to what Goldstein described as "entrepreneurship — developing a product we believe in, a product for which we think we can make a return. The return here is learning."

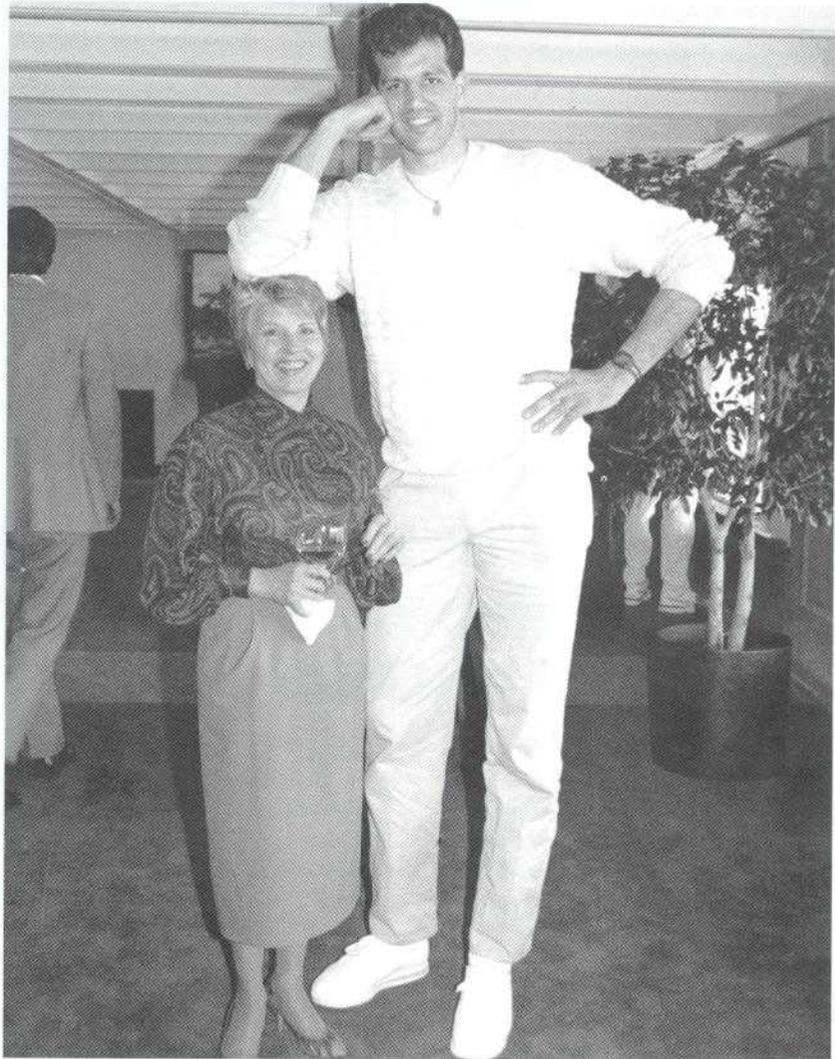
The goal of the training will be to help educators learn to manage the new responsibilities that come with school-based management. "Why should we expect educators to know about contracting

out and long-range planning when they've never been called upon to do such things? Will principals and administrators be prepared to handle those decisions?" Goldstein said.

Goldstein urged other business leaders in the audience to follow COMSAT's lead in education. "I am

asking for more than your money," he said. "I'm asking for you to make a psychological investment in helping schools readjust their attitude to one that is more responsive and entrepreneurial. This is the way to reinvigorate education in this country and in this city." ■

The Long and the Short of It



"If you weren't so short, I wouldn't be so tall," Denver Nugget Dan Schayez told COMSAT legal assistant Pat Carlton when the Nuggets stopped by for a brief reception at COMSAT earlier this spring. The Nuggets were in Washington to play the Bullets. Before the reception, they had stopped at Jefferson Junior High to deliver a "don't do drugs" message.

Play Ball!!!

Words of joy heard but once each year in baseball-starved Washington. Words of joy brought to the city this spring by COMSAT Video Enterprises (CVE), title sponsor of the April 7th exhibition match-up between the Baltimore Orioles and the St. Louis Cardinals at RFK Stadium.

From the first pitch thrown out by CVE President and CEO Robert Wussler to the final out, the 21, 298 fans who attended the COMSAT Baseball Classic had a lot to cheer about—despite the Orioles' 11-10 loss and the cold, windy weather.

As the ninth inning got under way, the score stood at 10-10. But a Dave Collins hit in the top of the inning scored the Cardinals' winning run. By any measure, the game's 11 home runs and 24 hits made it one of the most exciting of the four games played in Washington since the Senators left in the early 1970s.

Some 500 business, community and civic leaders, as well as the girls' and boys' softball teams at Jefferson, attended as COMSAT's guests. Ticket sales benefitted the Special Olympics and the American Cancer Society, with 25 cents for each ticket purchased do-



CVE's Wussler presents check to organizations benefitting from ticket sales.

nated to each of the organizations.

CVE's sponsorship of the event gained a considerable amount of name visibility for COMSAT, with virtually all local news media doing pre- and post-game stories. Sponsorship also enabled CVE to gain additional visi-

bility and credibility in the sports world. Through its ownership of the Denver Nuggets and through events such as the COMSAT Baseball Classic, CVE is working to gain entry to sports broadcasting opportunities, one of its major new directions. ■

Science Week Kick-Off Shows Students That Science and Math Are Fun

For those who shy from loud noises, it was no place to be:

The auditorium at Jefferson Junior High was packed with 700 students, most with a blown-up balloon in one hand and a sharp skewer in the other.

Following directions from the host of PBS's "Newton's Apple" science program, Dave Heil, students took skewer to balloon. Most balloons did as expected. They went pop. But several didn't. With skewers sticking all the way through, the balloons remained inflated.

There was method to Heil's madness. He wanted to demonstrate that, above all, science is about questioning expectations — and questioning what you see happening around you. (Aren't you

wondering how it's possible that a balloon won't pop when stuck with a skewer?)

Along with the "Human Calculator," Scott Flansburg, Heil appeared at Jefferson to kick off the National Science Foundation's National Science & Technology Week, April 22 - 28. COMSAT and the National Science Foundation joined in sponsoring the event. Judging from audience reaction, the demonstrations achieved the event's main goal: to show students that science and math are fun.

Members of the audience had come outfitted with hand-held calculators, devices they had hoped would enable them to match wits with the "Human Calculator". Several were invited on-

stage to participate in the experiments that Heil demonstrated.

As the program ended, students were urged to become "lifetime learners" of science and math, a theme of National Science and Technology Week.

The program at Jefferson was designed to highlight the importance of math and science at the middle school level. "Here is where we can have a real impact. All the recent data indicate that this is the age when kids can be turned on or off to science and math for life," said Principal Vera White.

By the way, if you're still wondering how a balloon can survive a good poke with a skewer, just ask a Jefferson student. ■

Survey Probes How COMSAT Is Viewed By Local Thought Leaders

They know that COMSAT is associated with communications satellites. And they think the company is a far bigger organization than it actually is. But fewer than half of a group of Washington thought leaders interviewed recently can link the company with its principal line of business, international satellite communications.

These and other findings of importance to those responsible for shaping the company's public image and its marketing strategies emerged after a telephone survey of 150 individuals in four major leadership groups: legislative — Congressmen, Senators or their aides; administrative — Pentagon, State Department and other agency staff members; community leaders — directors of colleges, museums and community groups; and the news media. Research Strategies Corp., of Princeton and Response Analysis Corp., conducted the study on COMSAT's behalf.

On the matter of size, about half the respondents said they believed COMSAT, MCI and Sprint were in the same league. Three of 10 placed COMSAT closer to C&P Telephone and AT&T. COMSAT's perceived size "puts it in a position of importance when it speaks

either for its own interests, for the industry's, or both," the study report noted.

Among major international telecommunications companies, COMSAT's name visibility is relatively high — about equal to that of Sprint, but lower than that of MCI. Members of the news media were more likely to name COMSAT as a player in international communications than the other groups questioned.

Overall opinion of the company among the targeted groups was either moderately or strongly favorable. However, both MCI and Sprint were rated slightly more favorably. "Of prime importance," the report said, "is that when the views of those who know COMSAT best are separately examined, they turn out to be also those who admire the company most."

Relatively few of those surveyed remembered "having heard or read anything favorable lately" about COMSAT — and, similarly, only a few mentioned anything unfavorable. "The prevailing picture," according to the report, "is one of a vacuum of information." It's a vacuum which a continuing, aggressive advertising campaign can help fill.

Significant majorities of those questioned agreed that COMSAT plays an important role in its industry and that it provides an influential voice in representing U.S. interests in international telecommunications. A majority think of COMSAT as a place to which scientists look for "support in technological development of satellite communications."

Few of those responding were sure of COMSAT's standing in developing maritime and mobile services or in providing digital networking services to companies. Hotel video and other COMSAT businesses were rarely mentioned as offering opportunities for growth. Results showed relatively little concern about COMSAT being "unfairly regulated" compared to its competitors.

Among those who know COMSAT best, the greatest potential for growth is seen in international satellite communications, particularly now that new markets are becoming accessible in Eastern Europe and the Soviet Union. Indeed, they said, the biggest hindrance to growth may be in keeping up with fast emerging markets and gaining prompt access to them. ■

New CVE Officers To Handle Marketing, Broadcast Operations

Two broadcast industry veterans have recently joined COMSAT Video Enterprises (CVE), bringing substantial management strength to two critical areas—marketing and broadcast operations.

Joining CVE were Arthur Sando, as vice president, marketing and communications, and David Buksbaum, as vice president, broadcast operations/executive producer.

Sando served in a similar position with Turner Broadcasting System for the past nine years. He is credited with establishing Turner's international public relations department and strengthen-

ing its advertising and promotion programs. An energetic worker on behalf of the cable TV industry, Sando received the National Cable Television Association President's Award for outstanding contribution to the industry in 1987. Before joining Turner, Sando was press secretary to U.S. Representative James M. Hanley (N.Y.). He began his career in radio and television news.

Buksbaum, who joined CVE after 27 years with CBS News, is responsible for all aspects of broadcast operations and programming distribution. He is charged with overseeing the expansion of CVE's broadcast operations in the

U.S. and abroad.

Most recently, Buksbaum was head of special events broadcast operations for CBS, where he won recognition for such events as campaign and election night coverage, presidential foreign travel and coverage of major international events. While at CBS, Buksbaum also served as senior producer to Dan Rather, vice president and director of news coverage and operations and vice president and director of special events. He has won Emmy, Christopher and Peabody awards for broadcast productions. ■

News Briefs

Edwards Is New Board Member

President Bush has nominated and the Senate has confirmed Dr. James B. Edwards as a member of the COMSAT Board of Directors. The COMSAT Board includes three directors appointed by the president and 12 who are elected by the shareholders.

Edwards, former U.S. Secretary of Energy from 1981-82, South Carolina governor from 1975-1979 and state senator from 1972-1974, is currently president of the Medical University of South Carolina in Charleston. Educated in dentistry and oral surgery, Edwards has had a long and distinguished professional, civic and political career.

"I am, indeed, grateful for the opportunity to serve in this position of honor, especially to represent the president

who appointed me," Edwards said.

He replaces Michael A. McManus Jr. on the Board. ■

Maritime Sales Pioneer Retires

Robert Eichberg, whose pioneering efforts in selling satellite communications services to the maritime community led to the development and success of one of COMSAT's major business segments, retired this spring.

An employee since 1974, Eichberg began selling satellite communications to maritime customers even before launch of the first MARISAT communications satellite in 1976. The petroleum industry, which Eichberg had been serving through an international consulting firm he had founded, was among his earliest satellite customers.

Eichberg is credited with managing the development of many of the mari-

time services that COMSAT now offers and with building a sales team that has made maritime communications a major contributor to COMSAT's bottom line. ■

Principal White Receives Honor

Jefferson Junior High Principal Vera White was recently honored by the Potomac Chapter of The Links, Inc., a national women's social service organization. At a recent luncheon, White was presented the Links' Torchlighter Award for her contributions to the organization's overall mission — enhancing educational, cultural and civic opportunities in local communities. White has been involved in classroom teaching for over 35 years — the last 10 as principal at Jefferson. ■

SERVICE ANNIVERSARIES

January 1-March 31, 1990

COMSAT's Quarter Century Club Congratulations to Robert George, who is only the fourth COMSAT employee ever to celebrate 25 years with the company. George, a manager of operational applications in COMSAT Systems Division, joined COMSAT on March 22, 1965.

25 Years
Robert George

20 Years
Jo Anne Wagner
Nancy Weber
Thomas Kaneshiro

15 Years
Luz Cunanan
Paul Coelho
Karen Bowens
Rita Carter
John Martin

10 Years

David Carter
Richard Lessig
Ramesh Gupta
Michael Hulley
Diane Peluso
Joyce Stretton
Jerry Casto
Kenneth Harris
Lauris Davidson
Kathryn Holman
Thomas Pauly
Gary Philbrick
Debra Schneider

5 Years

Tanveer Iqbal
Br Bhaskar
Todd Burke
Tracy Effland
Michael Eng
Srinivas Krishnamurthy
David Layer
Marie Hasson
Judith Hatcher
Paul Mosher
Joann Torres
Earl Westphal
John Alexander
Leon Dongelewicz



PROMOTIONS

January 1-March 31, 1990

L'ENFANT PLAZA

Andre Cortese
Director, Corporate Contracts and Procurement
Susan Koch
Senior Tax Accountant
Frances Thompson
Purchasing Manager
Claudia Toy
Attorney
Sean Twitchell
Senior Financial Analyst
Teya Warren
Senior Secretary

Sheila Breen
Switch/Communications Operator
Peter Malcolm
Operations Engineer II
David Reynolds
IBS Coordinator
Robert Twining
Director, Video Sales
Rhonda Wilcom
Marketing Services Specialist
Charles Yost
Senior Applications Engineer

CLARKSBURG

Kevin Banks
Field Survey Specialist
William Goodrich
Systems Analyst
Al Norcott
Vice President, Technology
Charlene Rhodes
Data Analyst
Debra Schlundt
Manager, Cable Affiliate Relations
Teresa Owens
Senior Secretary
Linda Roberts
Division Administrator
Tarra Woodfield
Executive Secretary

Paul Coelho
Configuration Specialist II
Mary Cotton
Configuration Specialist I
Sharon Eklund
Cost/Schedule Specialist I
William Harvey
Senior Technical Specialist
Douglas Tanner
Manager, Proposal Development

VAN NESS

Robert George
Manager, Operational Applications
Franklin Graves
Senior Software Engineer

EL SEGUNDO

Dipankar Dasgupta
Senior RF Engineer
Ulrika Williamson
Principal Engineer

FIELD

David Densford
Hotel Marketing Representative
Lynn Rader
Account Manager

ETAM

Jay Bolyard
Senior Technician

SOUTHBURY

Fay Cooper
Senior Communications Operator

ENGLAND

Joslyn Read
Director, International Relations