

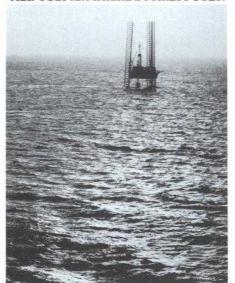
**MARCH 1989** 

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VOL. 4 NO. 3

## **COMSAT Launches Ad Campaign:** A Time To Beat the Drum for Satellites

#### THERE'S ONE COMMUNICATIONS SYSTEM THAT GOES ANYWHERE BUSINESS GOES.



#### One of several COMSAT print ads

says, COMSAT wants to educate its target audience about satellites, tailoring its message for an elite corps of Washington decision makers.

"We want to underscore the importance of satellites, and bring attention to COMSAT's role, as both a pioneer and communication's leader," says McGraw. The messages are a direct pitch to Capitol Hill and certain key

federal agencies, where on a routine basis, policies are shaped and decisions made that regularly influence COMSAT's competitive footing.

"We want to dispel the destructive myth that fiber optics will make satellites obsolete," says McGraw. In reality, McGraw says, the two technologies complement each other, and should usher in a period of new growth opportunities for COMSAT.

The COMSAT campaign is the creation of DDB-Needham World-Wide, an established fixture in corporate advertising, with strong telecommunications experience. COMSAT's "informational campaign" will rely on a healthy mix of newspaper, magazine, and more than 200 TV advertisements.

McGraw says COMSAT will rely on attention-getting visuals, with enough space to explain the vital role satellites

continued on page 4

If you think you're seeing more of COMSAT in your morning papers and on the network news, don't be surprised. It's all part of an ambitious image campaign, a new corporate advertising effort COMSAT unveiled this month and will continue

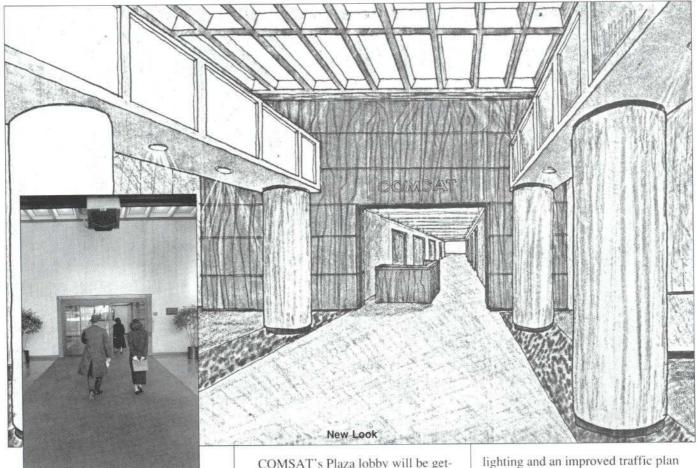
throughout the year.

"We are doing something that is long overdue," says Richard McGraw, COMSAT's vice president of corporate affairs. "We've heard plenty about fiber optics in recent years, but few in our industry have beaten the drum for satellites. We think that time is now.'

The Washington Post and Wall Street Journal; magazines such as the National Journal, and New Republic, and the network news and Sunday panel shows are among the several outlets COMSAT will use during its 1989 campaign.

The goal is not to sell COMSAT products or services. Instead, McGraw

## **New Face for COMSAT's Plaza:** First in 20 Years



COMSAT's Plaza lobby will be getting a new look in the coming months, complete with round columns, recessed

## 1988: It Was A Record Year For COMSAT

COMSAT's annual report released this month reveals good news for both the company and its employees. As announced in February, COMSAT recorded one of its best year's ever in 1988 with a record breaking net income of \$61.9 million (\$3.35 per primary share) on revenues on \$358.9 million.

Revenues for 1988 increased \$25.2 million, up eight percent over 1987. Earnings were up 38 percent from continuing operations, from \$45 million in 1987 to \$61.9 million in 1988.

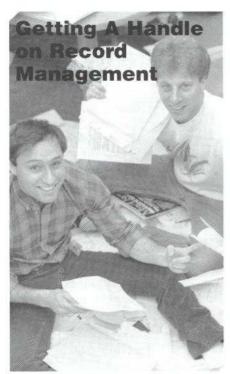
Fourth quarter growth in 1988 also was strong. For the period, COMSAT recorded a consolidated net income of \$12.4 million, or 66 cents per share on revenues of \$91.8 million. This represents a revenue increase of \$9.6 million, or 12 percent, over fourth quarter results in 1987.

for the reception area.

Corporate Services is consulting with an outside architect/design firm to create the updated look. The lobby renovation will include a new structure that will breakup the height of the lobby space, a new paint job and an overall cleaning for the travertine "marble" walls in the Plaza lobby.

Diana Johnson, manager of Corporate Services and coordinator for the renovation, says the visual transformation is the first impression for COM-SAT visitors. "When guests walk in, we want to give the impression we're a company in touch with the future," says Johnson.

The Plaza face lift is the first in 20 years for COMSAT, and it's expected to be completed by June 1989.



Who are the real paper pushers inside COMSAT's World Systems Division? Intelsat Satellite Services' Ben Levitan and Bruce Hashim appear to push the stuff by the pound.

Shedding the usual corporate uniform for blue jeans and sweatshirts, World System Division employees set aside a special work day in late February to bring down a growing mountain of paperwork.

The inspired effort was dubbed "Record Retention Day," and was driven by a growing shortage of storage space, and certain legal requirements. WSD employees were dutifully asked to sort out their work files, retaining certain original documents but purging others such as inactive customer files, old correspondence and those 'vital' interoffice memos.

Spearheading this paper shoveling effort was Betsy Christie, COMSAT's corporate records manager. Christie said much of the dispatched material has a historical relevance and as such, is sorted and boxed for COMSAT's archives. She pointed out that WSD was the first COMSAT division to comply with the new program. For COMSAT divisions looking to launch equally ambitious efforts, call Christie at X4450.

## Building A Better Workplace: COMSAT's Norm Schafer

If your electricity ever went on the fritz, you needed an extra outlet, or you were concerned about the power requirements for a new computer, chances are you've run into Norm Schafer or somebody on his staff.

Schafer, a seven-year COMSAT employee, is the new manager of building operations for the Plaza. "Norm Schafer will try and make your workplace at the Plaza a little better," said Chris Leber COMSAT's general

manager of corporate services. At Clarksburg, Leber relies on Kevin Spade to keep that facility running smoothly.

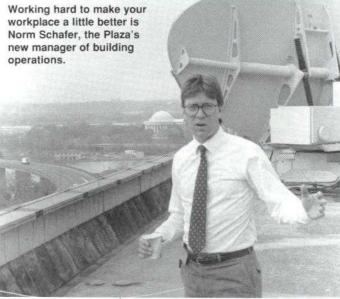
A graduate of the University of Maryland, Schafer was recently promoted by Leber, replacing Alan Duncan, who resigned to take a post with another company. In his new job, Schafer will supervise a staff

of six, which includes four building engineers, a utility supervisor and a maintenance mechanic.

Ask Schafer about his new job and he'll tell you the silence is golden. "We tend to measure success around here by the number of phone calls we receive." A well-run facility generally means few complaints, Schafer says, leaving he and his staff valuable time for more weighty projects, such as capital improvements & planned maintenance activities.

This includes a new computer room for COMSAT's World Systems Division on the Plaza first floor, and the completion of a major upgrade for the Plaza's air conditioning system.

"Much of what of we do around here is less visible," Schafer says. Count energy conservation, among them. Gas and electric bills were the largest component of the facilities budget at the Plaza. COMSAT actually would pay much higher costs, if not for an automated system that regulates the Plaza's lighting and environment controls, a system recently installed by the Plaza's



chief engineer Phil Cifizzari.

"There's no free lunch," Schafer says. All utility costs are included in the building allocation charges distributed to COMSAT divisions. Schafer says all employees can assist in the effort to reduce utility costs by turning off idle lights and other power users so that demand can be reduced.

Though Schafer can't promise any merit pay increases for COMSAT "kilowatchers," he is, nonetheless, the man to talk to about any building service needs. Plaza employees can call him directly at X6662. Clarksburg employ ees can call Kevin Spade at X4016.

#### TODAY

## COMSAT Ad Campaign continued from page 1

play today. At the same time, McGraw says, each ad will point out a single and unique benefit that satellites offer.

One print ad, which includes a photo of an oil rig, draws its headline by reinforcing the business benefit. "ONE COMMUNICATIONS SYSTEM GOES ANYWHERE BUSINESS NEEDS TO GO." The copy also points out that satellites can go anywhere fiber optic cable can go and every place fibers can't.

Other ads will focus on the Olympics, disaster relief efforts, and international trading.

#### **APRIL ADS TO** WATCH Washington Post 4/11,12,13,18,19,20 4/10,13,18 4/11,12,13,18,19,20 Journal 4/14.21 NBC News 60 Minutes 4/11,12,13,18,19,20 TODAY ABC Nightline 4/11,12,13,18,19,20 ABC GMA 4/11,12,13,18,19,20

Many of these themes are stressed in COMSAT's TV advertising, a medium, McGraw thinks, is as suited to the COMSAT message as print. "When Americans watch TV these days, they almost certainly are watching satellite communications at work," he says. To illustrate this, one COMSAT commercial shows the bustling scenes on the floor of a stock exchange, while a voiceover tells the viewer:"THE TECH-NOLOGY THAT BRINGS THE WORLD TO WALL STREET IS THE SAME TECHNOLOGY THAT BRINGS THIS BROADCAST TO YOU. SATELLITE TECHNOLOGY."

"Our objective is to remind the target audience that satellites can do everything that fiber optics can do and more," says McGraw. "The campaign will dispel the negative myths surrounding satellites and reaffirm their importance both today and in the future." Most important, McGraw says, it's directed at an audience that has a hand in shaping COMSAT's future.

# COMSAT Making HDTV a Commercial Reality

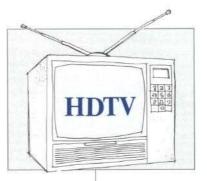
Clearing the way for an important field test in April, COM-SAT has brought high definition television (HDTV) a step closer to commercial reality. In March, COMSAT Lab scientists, work-

ing with INTELSAT, AT&T, and KDD, successfully simulated a satellite transmission of an HDTV digital signal.

The simulation was important because it laid the groundwork for two weeks of testing in early April. At that time, World Systems Division managers plan to stage an impressive show, linking Japan and the U.S. over an INTELSAT Pacific Ocean satellite. COMSAT and KDD are the U.S. and Japanese signatories to INTELSAT. The HDTV demonstration will be a worldwide first, and will feature plenty of action to heighten the clarity of the new technology.

Wayne Shore, who's helping to coordinate the project for WSD, said that the two weeks of testing will be concluded by a two-and-one-half-hour special broadcast, linking AT&T's earth station in Malibu, California to KDD's headquarters in Tokyo April 13. The show will feature pre-recorded high definition tapes of a variety of sporting and musical events. Shore said, as well as tapes, highlighting some spectacular scenery from the U.S. The broadcast also will feature special V.I.P. messages from COMSAT, INTELSAT, AT&T, and KDD. In addition, depending on availability, there will be live performances by clowns, magicians, and aerobic dancers.

Besides offering improved picture clarity, HDTV has many applications outside the home entertainment industry. HDTV offers certain defense and medical diagnostic applications. Even Hollywood thinks it could reduce its movie production and distribution costs by beaming to theater chains directly by satellite.



KDD has developed a device, called a codec, which compresses an HDTV signal down to a data rate of 140 megabits per second. COMSAT has developed a 140

mbps COPSK modem which is essential for sending the HDTV signal over the INTELSAT system.



Maritime Services Telex Switch
Operator Cynthia Newkirk prepares
to type a message while a Department of the Army film crew prepares
to make her a star. Newkirk was one
of several COMSAT employees who
last month acted in an Army
commercial designed to show how
soldiers can use their skills in civilian
life following their discharge from the
military.

## COMSAT's Glen Coleman: An Employees Advocate

Glenn Coleman walks a delicate line as COMSAT's Employee Relations Representative at the Plaza.

On the one hand, he's an advocate for COMSAT employees seeking to resolve work related concerns through the conflict resolution process. In this role, Coleman is charged with the responsibility of ensuring that employees receive a fair and complete hearing when they seek to resolve their concerns with management or co-workers, and that the dignity is maintained as he strives to assist them in reaching an amicable resolution. On the other hand, he must ensure that management's practices are consistently applied.

"The task of resolving employee concerns is not as difficult as it may appear on the surface once you begin to focus on what is right as opposed to who is right," says Coleman. "Fact-finding is usually the most difficult part of the conflict resolution. Pride, ego, and self-interest can sometimes 'cloud' the facts. When you add the differing perceptions and occasional emotions of the respective parties to a dispute, you often find the parties tend to view the facts somewhat differently. I try to bring a fresh, unbiased, and dispassionate perspective to the process."

COMSAT has a conflict resolution process which encourages employees to

"The task of resolving employee concerns is not as difficult as it may appear on the surface once you begin to focus on what is right as opposed to who is right,"

Glenn Coleman

resolve work related concerns through discussion with successive levels of management culminating, and if necessary, with the division president or senior staff officer. "The human resources staff wants to do all we can to handle employee relations fairly and consistently," says Coleman. Conciliation is a large part of the job. Conflicts are an inevitable part of life; when they arise, I try to arrive at a 'win-win' resolution.

I don't want either party to walk away feeling as though they have lost. I try to resolve matters in such a way that there are no lingering animosities or bruised egos. The ideal situation is when all parties to a difference can walk away from the issue with the dispute amicably resolved, their dignity intact, and the rights of the parties respected. After all, in most instances, the individuals will continue to work with one another. COMSAT would like to see that working relationship characterized by mutual trust, mutual respect and a mutual understanding of the requirements, expectations and job performance standards."

It is indeed a very delicate balance act. But Glenn Coleman has spent his entire corporate career as the person in the middle, holding posts with the National Labor Relations Board, Shell Oil Company, the Houston Metropolitan Transit Authority, and Cameron Iron Works. Responsibilities have included industrial relations, management training and development and succession planning.

# Nepal Joins INTELSAT



The tiny mountain country of Nepal, which borders northern India and China, became the newest member of INTELSAT this month, becoming the 116th country to join the cooperative satellite organization.

"We are happy that Nepal has decided to become a partner in our global telecommunications family," INTELSAT Director General Dean Burch said, in welcoming Nepal to INTELSAT membership.

#### TODAY

## Road to Good Health: Avoiding Hypertension

Hypertension can exist for years without symptoms and most cases arise for no known reason. To help you determine if your are a candidate, COMSAT's Fitness Center has provided a list of certain factors that can increase your statistical risk. These include:

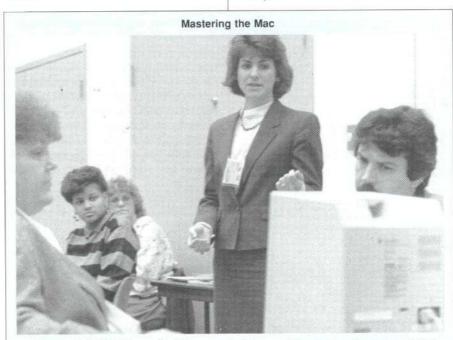
- Family History. Children with one hypertensive parent have a higher risk than those with no high blood pressure in the family. When both parents have hypertension, the odds are even greater.
- Age. High blood pressure often develops in the 30's and the 40's, but it becomes more prevalent with age. Many elderly people develop some degree of hypertension.
- Race. Hypertension is generally more common among the blacks than in whites. The reason in unknown; speculation centers on the roles of diet and socioeconomic factors.
- Salt consumption. Some people seem genetically susceptible to the effects of sodium in blood vessels. Since it's difficult to screen for salt sensitivity, it makes sense for everyone to moderate salt intake.
- Obesity. Being overweight increases your risk of high blood pressure and several other diseases. To compound the problem, salt intake is often higher in obese people, due to simply eating more food.
- Alcohol. Heavy drinking can elevate pressure in the arteries. People with hypertension should have no more than one or two drinks a day at the very most.
- The Pill. Oral contraceptives cause slight high blood pressure rises in many women. In women over 35, the combination of smoking and and the Pill may be especially dangerous.



(L-R) Understanding the benefits of good health, COMSAT's Pat Carlton, a legal assistant from the office of corporate secretary, is one of many COMSAT employees regularly monitored each month for high blood pressure, in this case by Amy Baer of the Plaza Fitness Center.

- Cigarette smoking. Smoking a cigarette temporarily elevates blood pressure; it also makes the heart work harder. While there's no direct link to hypertension, smoking is a risk factor for heart disease.
- Diabetes and kidney disease. Both of these conditions make the development of high blood pressure more likely.
- Chronic stress. Increased heart rate and a temporary rise in blood pressure are typical reactions to psychological stress. It has been postulated that prolonged stress can lead to hypertension.

The first Tuesday of every month, blood pressure assessments are performed by Fitness Center staff for COMSAT employees in the Plaza lobby.



(L-R) Since COMSAT began its 30-course training and development program in late January, by far the most popular and in-demand class has been Macintosh training, with classes already booked full until June. Getting a few pointers from instructor Sandra Elam are COMSAT's Sharon Paynter of WSD Finance, and Greg Martinez of COMSAT Maritime. For details about Mac training or other COMSAT classes, call the Plaza's Bren White at X6407.

# Intelsat Rescues TAT-8 Customers

Less than two months after its much ballyhooed launch, the owners of the TAT-8 transatlantic cable found themselves asking for Intelsat help last month. Intelsat was asked to restore service in early February after the French tail of the AT&T-owned line was severed, shutting down service for about two weeks.

AT&T suspects the cable was damaged by fishing trawlers, or other vessels using dredging equipment. During installation, AT&T had trouble with sharks severing the cable, but a spokesman this time attributed the most likely failure to fishing vessels. A likely scenario is the cable was exposed due to the shifting sands off the French coast and later was snagged. AT&T says the topography was near France's continental shelf is quite sandy, and ocean movement may have exposed the fiber cable.

Servicing the fiber cable meant shutting down service temporarily, because the armor-clad cable is powered by a 7000-volt DC line. Intelsat, nonetheless, was able to fill the gap, restoring service to TAT-8 customers for two weeks between February 7-19, 1989.

# Delivering the Goods: A Snap for CSD Team



L-R-Starting From Back: Jackie Arnold, Russ Schulman, Eddie Ambrose, Mickey Fleming, Garnet Beswick, Bob Rubock, Paul Wyar, John Chen, Pete Carlton, Victor Schendler, Paul Ebert, Marva Hursey, John Conroy, Pat Fritz, Alan Murray

From idea to production, it took just five months. Just five months for a group of COMSAT Systems Division (CSD) employees to deliver the first four of 35 mobile satellite receivers to Geostar Corporation.

Geostar provides satellite services to trucking companies, offering haulers two-way communications links and location tracking services. The COM-SAT designed receiver will complement these services, allowing Geostar for the first time to offer a messenging service between trucks on the road and company dispatchers.

A group of 15 from CSD's Mobile Systems Development Department teamed to deliver the goods for COM-SAT — mobile earth stations which operate using the high frequency Cband. The units operate at a data rate of 1200 bits per second, using an omnidirectional antenna only five inches in diameter.

For the time being, COMSAT is producing limited quantities for Geostar. Geostar wants the units to test the waters as part of an early entry marketing strategy encouraging new users of the service. COMSAT is scheduled to deliver the remaining 31 receivers over the next two months.

Over the last four years, COMSAT has helped make Geostar's business go, designing satellite components and providing other services worth a total of \$10 million. COMSAT's role is an expansive one. It also serves as a systems integrator for Geostar headquarters, designing and installing equipment as well as major portions of the operating software.

## **COMSAT Continues Good Work in Armenia**

COMSAT continues to extend it's helping hand to residents of Soviet Armenia. At the request of top State Department and NASA officials, COMSAT officials in late February were asked to be a part of an ambitious plan to help provide medical consulting services via satellite.

Though many details were still being worked out at press time, the proposed project would involve COMSAT providing free satellite time, allowing So-

viet and U.S. doctors to discuss diagnosis and potential treatment for the thousands of earthquake victims still in need of medical help.

The NASA-COMSAT project was first proposed in mid-January 1989, during talks between Soviet Foreign Minister Schevardnadze and former State Department Secretary George Schultz. The high-level talks make the project a "very high" priority for NASA officials, according to Jack Han-

non, vice president and deputy division manager of COMSAT's World Systems Division.

A special delegation of U.S. officials was sent to Moscow in early March to finalize arrangements. COMSAT is being asked to provide a single video link for diagnostic treatments, and two voice channels. The proposed start date for the "medical spacebridge" is April 1 and would run about three months.

# News Briefs Klein: New Man For Maritime

Jon F. Klein has joined COMSAT as director of international sales for COMSAT's Maritime Services. Klein replaces Jerry Shipley, who assumes a new position as director of sales planning.

Klein is a graduate of the United States Merchant Marine Academy and most recently served as a vice president for Sea-Land Services, Inc. Klein helped build Sea-Land into the world's largest operator of container vessels, with more than 60 sea-going ships world-wide.

In his new COMSAT post, Klein will be asked to strengthen the international sales program for Maritime Services, continuing its strong growth.

## CEA's New Officers

The Clarksburg chapter of the COM-SAT Employees Association recently elected and installed its 1989 officers. They are Kevin Grantham, president; Tim Salerno, vice president; Camilla Holaday, treasurer; Debbie Mendez, secretary; and Pat Marsh, club coordinator. Throughout the year, we'll bring you news about CEA events and how you can be involved. Interested employees should call Grantham at X4198.

### WSD Launches SeaPhone™

A special phone system tailored for the commercial shipping industry was unveiled for the first time by COMSAT this month.

The new phone system is called SeaPhone and gives sea-going crews the same ease of service as phone users at home. Calls can be made collect or by credit card, and other uses for the new COMSAT service include facsim-

## Charting Your Pension Plan's Growth

If you participate in the Savings and Profit-Sharing Plan, here's a list you may find helpful. COMSAT's Benefits Department has provided a breakdown of the plan, charting each of the three investment funds annualized rates of return. Denise Baker, COMSAT's benefit representative, points out your actual rate of return may differ slightly depending on your individual cash flow. For more details, call Baker at X6622.

Fund A Guaranteed Interest Fund		Fund B Equity Fund	Fund C COMSAT Common Stock
1988	9.7%	24.2%	1.3%
1987	10.1	1,5	3.8
1986	10.7	19.1	-17.4
1985	10.3	20.2	41.2
1984	10.1	- 4.8	-16.3

ile, computers, and other forms of equipment that typically rely on phone lines.

Particularly appealing to ship owners is SeaPhone's automatic billing and other administrative services it provides to ship owners, according to Edward

Ryznar, COMSAT's director of mari-

time industries sales.

"SeaPhone provides a real service to the vessel owner," says Ryznar. "Without the administrative headaches, it allows the crews, the privilege of making satellite calls automatically, at any time during the day or night."

# **CSD** Raising Expectations in Middle East

In case you missed it, COMSAT's Systems Division (CSD) has begun a major push to attract new business from the Middle East. CSD drew enthusiastic reviews from attendees of 10th Annual Middle East Electronics Communication (MECOM '89) show held recently in the tiny Persian Gulf state of Bahrain.

"Our name recognition is quite high due to our Arabsat consulting work," says Jim Sutton, CSD's regional marketing director, "but since we're pursuing several new networking opportunities in the area, and hopeful of others, MECOM has become a great forum for us to focus our efforts."

MECOM has become a staple for foreign firms eager to establish a Middle East presence. The 5,500-plus attendees typically include top government officials from the area, and regional organizations, along with local manufacturers and university experts on telcom issues. Prospects for peace in the Middle East has improved in recent months, and so apparently has the economic mood.

COMSAT was joined by at least 80 other communications companies, such as AT&T, Harris, Aerospatiale, Ericcson, GEC-Plessey, Marconi, Mitel, NEC and Northern Telecom. But CSD was the only exhibitor mentioned in the post-show review reported by Communications Week International, the bible of the telecommunications industry worldwide.

CSD today is working with Islamic Development Bank on a regional proposal that would link remote areas of the Middle East using remote earth stations.