WASHINGTON — With new customers, strategies and alliances, Universal Space
Network is making the transition from a visionary company to a business with
proven products, the company's president said.

Following the July 8 death of Charles “Pete” Conrad, chairman of the satellite
ground station provider, Universal Space Network (USN) is working to make
Conrad’s dream of selling space services a reality.

In the last few months, the Horsham, Pa., company, which operates a network of
ground stations around the world and sells time on those stations to multiple
customers, has inked deals with ground-systems and spacecraft manufacturers to
improve its offerings and contract-bidding position, Tom Ingersoll, USN’s
president and chief executive officer, said in an interview at his office in
Newport Beach, Calif.

The company's leaders also have been watching the satellite communications
industry for pitfalls and opportunities. Lessons are being learned from pioneering satellite telephone service
providers such as Iridium LLC, Washington, and Globalstar L.P., San Jose,
Calif., Ingersoll said.

“What our industry needs to understand is that technical elegance is no longer
the goal. Business viability is needed,” Ingersoll said. “USN is not elegant,
but look at the cost-effectiveness.”

While Ingersoll would not release financial details, he did say USN is on
track for projected revenues and expects to exceed its incoming cash flow
goals for 1999. The company is one-third of the way into bookings for revenue
in 2000, he said.

But the company needs to prove its solutions in the market to attract more
investors, Ingersoll said.

The company has appointed a new chairman of the board, Thomas K.
Mattingly, who has worked since February 1998 as president, chief executive
officer and a director of one of Conrad’s other ventures, Rocket Development
He was on the Apollo 16 crew and commanded two shuttle missions.

“Pete was the visionary,” said Ingersoll, who spent 10 years working with
Conrad at McDonnell Douglas Aerospace and USN. “T.K. [Mattingly] is the
pragmatist, which is a culture change for us.”

Conrad’s vision was to change the aerospace culture from a fee-for-service to
a commodity market, Ingersoll said. Of his five companies, which are
developing reusable space vehicles, spaceports and software, USN is the first
to gain customers for its services.

The company’s ground network is providing supplemental service for NASA’s Far
Ultraviolet Spectroscopic Explorer satellite, managed by Johns Hopkins
University, as its first customer.
The company also will provide service for NASA’s Thermosphere Ionosphere Mesosphere Energetics Dynamics satellite and the Triana spacecraft through Houston-based Lockheed Martin Space Operations’ contract with NASA to consolidate and commercialize space operations. The space network anticipates up to four new contract awards by the end of 1999, Ingersoll said. Early-stage industries need to form alliances with other well-established companies, particularly as “we move from government to commercial customers,” Ingersoll said.

USN is expanding its relationship with the Swedish Space Corp., which now provides USN customers access to ground stations in Kiruna and Sturup, Sweden. “We expect that they’ll play a key role in our global expansion plans,” Ingersoll said.

The company also recently established an alliance with GTE Government Systems Corp., which was purchased by General Dynamics, Falls Church, Va., for $1.05 billion on Sept. 1. Through the alliance, USN will be able to provide expanded services for low Earth orbit, mid-Earth orbit and geostationary spacecraft, according to a USN statement. GTE will provide a backup Network Management Center to USN’s facilities in Newport Beach and Horsham, and geostationary spacecraft communications services to USN subscribers.

USN will provide a backup to GTE’s spacecraft command and control center as well as expand the USN network to include a new tracking station in Las Cruces, N.M. USN and GTE will jointly market the new combined capabilities through GTE’s Total Spectrum Marketing campaign, which will target government and commercial customers. GTE also is a member of Lockheed Martin’s Consolidated Space Operations Contract team.

The company also is establishing alliances with spacecraft manufacturers such as Ball Aerospace & Technologies Corp., Boulder, Colo. The two have teamed to offer NASA an integrated approach to mission operations, said Tom Pirrone, USN’s executive vice president. USN also will provide a spacecraft anomaly resolution center located at Ball’s facility to allow Ball engineers access to their spacecraft in orbit.

A similar deal is in the works with spacecraft manufacturer Orbital Sciences Corp., Dulles, Va., which often provides its own ground networks. “We save money by not having to build or construct our own ground stations for missions that we can’t repeatedly use the same ground network,” said Barron Beneski, Orbital spokesman.

While Orbital plans to use USN’s ground network to get data for NASA’s Galaxy Evolution Explorer and Acrimsat missions, Orbital has no plans to get out of the ground systems business, Beneski said. “It augments what we do, but we need the central control here,” Beneski said.

USN hopes to establish a standard communications protocol for satellites, Ingersoll said.

“The best way to make it a global industry standard is to work with the satellite manufacturers to get that built into the spacecraft bus,” Ingersoll said.

USN’s competition includes Allied Signal Technical Services Corp., Columbia, Md., which is offering its Datalynx system to multiple customers and has won a
contract through NASA’s Consolidated Space Operations Contract to provide extra ground-station services for the Earth Observing System satellites.

Another firm, Kongsberg/Lockheed Martin Space Data Services, Tromso, Norway, is marketing similar services in anticipation of commercial remote sensing satellite needs.

While USN is concentrating on satellite services for now, that will not always be the end product, Ingersoll said. The company is getting involved in Internet applications such as data distribution and hopes to be part of the space-based telecommunications industry as the need for those services grows, he said.

“You’re crazy if you try to pin yourself to one thing,” he said. “In an industry with change, those that are most nimble and push the envelope for a change are going to do well.”