Globalstar and Arianespace settle differences

(Sep 21 2012)

Globalstar and launch services provider Arianespace have settled a payment dispute between the companies which will see the fourth launch campaign under the companies’ current Launch Services Agreement go ahead.

The companies’ agreement regards the additional amounts that Globalstar will pay to cover costs associated with the delays experienced during three prior launch campaigns.

The dispute had thrown the fourth launch into doubt after Arianespace threatened to terminate the contract between the parties after claiming that Globalstar had defaulted on payments.

Globalstar says that it now anticipates that satellite manufacturer Thales Alenia Space will complete the Pre-Shipment Reviews of the final six spacecraft purchased under the terms of its 2009 contract shortly and that, once completed, the fourth launch campaign can begin.

Due to available launch windows and the upcoming end-of-year holiday season, the company says that the fourth launch is now anticipated in early 2013.

Globalstar has also entered into a further agreement with Thales Alenia Space France for the manufacture and delivery of six additional satellites for the Globalstar second-generation constellation.

The purchase price for the six satellites, certain software upgrades and related services is €149.9 million, payable over 34 months after the first payment based on Thales reaching construction milestones.

Performance under the contract is dependent upon Globalstar obtaining financing for at least 85 per cent of the total contract price, among other conditions.

“We are only months away from completing the fourth launch of our second-generation satellites to re-establish Globalstar’s preeminent position within the mobile satellite industry,” said Jay Monroe, chairman and chief executive officer of Globalstar.

“With our landline quality voice service, industry leading handset data speeds, high quality innovative M2M data solutions and low cost pricing plans, we are ready to mix it up in the MSS marketplace.”