



Brazilsat undergoing tests in the thermal vacuum chamber at the federal Department of Communications' Communications Research Centre just outside of Ottawa.

The major competitor for Spar (who teamed with Hughes Aircraft) in the Brazilian market was Aerospatiale (who teamed with Ford). Aerospatiale, owned by the French government, had as its president the brother of the French president, François Mitterrand. The competition was able therefore to strengthen its bid for the contract through high-level official visits and medal-awarding ceremonies to deserving Brazilians. Spar drew on the support of Canadian ministers in their departmental roles to counter this French approach. Knowing that financing would be a major consideration in this market, Spar put together a financing package using Export Development Corporation financing for the Canadian component and U.S. Export-Import Bank financing for the Hughes component. The Spar package included participation for Brazilians in building the earth-based satellite-interface structures and the transfer of technology in this field. This approach was based on the recognition that technology, prestige and national pride were important considerations to the Brazilians, and that an attractive package would need to include trade offsets, financing and the training of Brazilian technicians and engineers.

One of the largest barriers faced by Spar was its track record; the company could only point to the potential of its prime contract for the Anik D satellite, while Aerospatiale had the advantage of having built successful satellites. Fortunately, during negotiations, the Spar-built Canadarm made its successful debut, while the Aerospatiale-built satellite for India's domestic communications system malfunctioned.

Charles Danneman, corporate director, marketing, believes that Spar owes its success in winning the contract to the following: "We knew we were up against powerful competition in Aerospatiale (a French equivalent of our Crown corporations) and countered this with some creative teaming arrangements with our government, particularly in the area of training and technology transfer." The contract has gone well, and Spar is hoping that Brazil will exercise its option on a second system worth about \$50 million. In addition, work has begun on 26 satellite earth stations in China. For this company, patience has paid off.