

Satellite frozen out of US National Broadband Plan

The satellite industry reacted with resigned consternation to this week's release of the US Federal Communications Commission's National Broadband Plan, which made virtually no reference to satellite technology as a means of achieving the federal government's ambitious goals to extend broadband coverage to every American citizen.

The 361-page document contains more than 200 recommendations that will be approved separately, encompassing billions of dollars of new and redirected funding.

The only money reported to have been allocated to satellites from any of the numerous broadband programs thus far comes from the US\$7.2bn directed towards broadband expansion in the American Recovery and Reinvestment Act signed into law in 2009. The share of this sum will take the form of US\$100m, directed through the Department of Agriculture's Rural Utilities Service, to bring broadband to remote communities unable to gain access to terrestrial networks.

Speaking at the Satellite 2010 Conference in Washington DC, Maury Mechanick of White and Case LLP said that the satellite industry had been afflicted by "a perfect storm" of factors that contributed to the government's antipathy towards any role it could play in the broadband solution.



Satellite 2010, Washington DC

He stated that these issues included the government's wish to spend as much money as possible to create as many jobs as possible in the shortest space of time. For example, the US\$7.2bn sent towards broadband for the

Recovery Act must be spent by September 30 this year. The problem for satellites is that terrestrial rollout creates more jobs.

One of the other major problems, which was reiterated strongly in the National Broadband Plan, is the government's desire to supply 100 million US households with affordable broadband at 100 Mb/s second by 2020, a speed far in advance of the current average household speed of 4Mbps and beyond the capability of satellite broadband providers.

Mechanick said: "We should not have the people who require this speed defining the broadband policy. I think the people in Washington are fascinated with new technology that can provide faster speeds than satellite, but I don't see these speeds as entirely necessary."

Erez Antebi, CEO of Gilat Network Systems and Spacenet Rural, both of which have made major contributions in delivering satellite communications services as part of Universal Service Agreements in a number of countries around the world, said: "I think in general it's a mistake on the part of the government to decide which technology needs to be deployed.

"If the government is going to provide subsidies for a service, they should define what it is they want to achieve and then have the industries figure out the best way to reach those goals. In that sense, it was a mistake on the part of government to almost completely ignore satellite."

David McCourt, CEO of the antenna manufacturing group SkyWare Global and a man recognised as a revolutionary in the telecommunications industry for his work in the cable business, told SatelliteFinance: "The governments are missing the point of satellite. I think it's the most misunderstood communications medium that we have. The reason is because it's an



SkyWare Global booth at the Satellite 2010 Conference in Washington DC

industry that's been mostly run by engineers and it's an industry that doesn't really have that many spokes-people – when you thought of cable TV in the old days you thought of John Malone and certain other people that really helped drive the strategy, we don't have that with satellites.

"Because the industry didn't have that much scale, it couldn't really afford the lobbying dollars as the digital divide programs and the new broadband initiative were being developed. When you put these things together, you see satellite conspicuously absent from the broadband conversation, and I think that's a mistake. In the US government's case it's a misunderstanding of what satellite can bring to the table, and I think they're going to have to change that attitude. When you've got the likes of ViaSat investing the money they are into consumer broadband it can't go unnoticed."

The only satellite company to welcome the Broadband Plan was Globalstar, due to the emphasis one section of the document placed on the need to accelerate terrestrial deployment in the 90 Mhz of Mobile Satellite Spectrum used for ATC services, and to grant ATC licensees greater flexibility in their operations.

In a press release on the subject, Globalstar CEO Peter Walton said: "We applaud the FCC's plans to create an economic and regulatory environment that will stimulate job creation and foster development of the world's fastest and most innovative broadband networks here in the United States, and we are encouraged by their thoughts regarding optimizing the use of MSS spectrum. We are already utilising our ATC authorisation to lease satellite spectrum to terrestrial rural broadband provider Open Range Communications. We welcome the Commission's view that the public would benefit if we, and the rest of the MSS community, had greater flexibility to use our spectrum for further terrestrial applications."