

Satellites Are Part of the Solution

As Chair of the Satellite Industry Association (SIA) I would like to thank Chairman Steven and Co-Chairman Inouye for again recognizing the critical role satellite communications play in meeting the important broadband needs of consumers and business throughout the United States, and the vital communications needs of our nation's first responders.

SIA specifically supports two provisions in the recently introduced S.2686 the "Communications, Consumer's Choice, and Broadband Deployment Act of 2006"

First, I would like to focus on Section 252 – the *Establishment of a Broadband for Unserved Areas Account* which would designate both satellite service providers and satellite broadband consumer premises equipment eligible for funding from the USF Account.

Today, satellite broadband providers serve more than 330,000 American consumers and small businesses and we have been contributing to the Universal Service Fund for years.

However, until now, most satellite broadband providers have been ineligible to participate in many USF distribution programs for two reasons;

- 1) Satellite operators typically conduct their business as non-common carriers, and therefore cannot qualify for USF distributions earmarked for common carrier services, and
- 2) The nature of satellite communications requires that all network infrastructure be constructed and launched before even the first customer can be served.

We have no fiber to lay and no wireless towers to construct to extend our networks to reach new users. The "last mile" for satellite broadband service is instead the deployment and activation of satellite customer premises equipment.

S.2686 is the first legislation that recognizes that satellite broadband customers should benefit from the federal incentives that have long been available for broadband services using other technologies. Importantly, many of these satellite customers are in rural and remote parts of the United States.

This inefficiency has resulted in a situation where terrestrial network providers can potentially build out broadband-capable networks, with financial assistance from the Universal Service Fund, while many satellite service providers cannot apply for like assistance. The result is a competitively skewed marketplace.

By making customer premises equipment eligible as a USF "project," this legislation significantly enhances satellite's capability to compete throughout rural America in a technologically neutral fashion and on a level playing field with our wireline competitors.

Second, the satellite industry also supports Section 151, the *Strategic Technology Reserve* portion of the Bill which proposes additional funding for federal, state, and local public

safety and first responders to pre-position communications equipment, including satellite equipment of all kinds, to help prepare for future emergencies.

As we all know, satellite communications have played a critical role during the response to each of the natural and man-made disasters in recent years. Following the terrorist attacks of September 11th, 2001, when New York City's terrestrial communications networks were damaged and overloaded, satellite communications services were quickly deployed to meet urgent needs.

In 2005 satellite communications provided a lifeline for aid workers and victims in the remote islands of the Indian Ocean and in the earthquake-desolated towns and villages of Pakistan.

And most recently during last year's hurricane season, satellite communications once again proved their essential value when all other forms of communication were wiped out in the Gulf region following the devastation caused by Hurricanes Katrina, Rita and Wilma.

When the terrestrial telephone and broadcast networks went down, satellite networks maintained service. Satellites connected emergency personnel and first responders. Satellites reconnected communities. And satellites enabled the world to witness the devastation of these disasters and also the many acts of heroism.

Though the performance of satellite systems was impressive, their use was limited by a lack of preparation and training. Had satellite systems been more effectively pre-positioned and integrated into our emergency communications network, many of the communications problems that occurred could have been substantially mitigated.

Until recently, satellite communications was only considered as a last resort option when terrestrial facilities failed. Until recently, the availability of satellite equipment for emergency response had been handled largely by relying on whatever excess capacity exists after the event.

Hurricanes Katrina and Rita have demonstrated that this type of reliance is flawed and ultimately dangerous. Given the advance warnings for Hurricanes Katrina and Rita, satellite handsets, mobile terminals, and small transportable satellite antennas could have been pre-positioned in the region prior to landfall and available for immediate deployment in the aftermath.

Therefore, we commend the Chairman and the members of the Committee for learning from these recent disasters and creating the Strategic Technology Reserve Initiative which will allocate funding for federal, state, and local first responders and enable them to think strategically about the satellite communications equipment, including but not limited to satellite telephones, that they will need to adequately respond to a disaster, before such an event occurs.

The satellite industry has heeded those calls. Several satellite companies are moving toward deploying hybrid satellite-terrestrial networks that will provide greater redundancy and interoperability than any previous communications medium. Others are enhancing their service provision to configure needed services on a moment's notice.

In recent months there have been calls for a new interoperable communications network for federal, state, and local first responders and funding for new technologies and networks that can withstand such disasters. However, these technologies already exist in the form of the highly survivable, redundant, and ubiquitous services the satellite industry offers.

The satellite industry is working hard to maximize utilization of the highly survivable, redundant, and ubiquitous services that are uniquely available via space communications today. Interoperability is an important goal, but you must ensure OPERABILITY following a disaster before you can benefit from INTEROPERABILITY. Satellites provide that OPERABILITY when terrestrial networks have been damaged or destroyed.

In sum, the Satellite Industry Association would like to congratulate Chairman Stevens and Co-Chairman Inouye for their foresight and recognition that whether serving the voice, video or broadband data needs of consumers and businesses, or serving the unique communications needs of first responders, SATELLITES ARE PART OF THE SOLUTION.

Joslyn Read is Chair of the Board of the Satellite Industry Association; excerpted from SIA testimony before the Senate Commerce Committee on Thursday, May 18th, 2006.