

Guest editorial: BTOP and satellite

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Unless you have been out of the country, you can't help but hear about the American Recovery and Reinvestment Act of 2009 (Recovery Act). It is the benchmark of President Obama's economic stimulus plan and it contains a Broadband Initiative that instructs the National Telecommunications and Information Administration (NTIA) and the Rural Utilities Service (RUS) to make grants and loans for the deployment and construction of broadband systems. The Recovery Act established a Broadband Technology Opportunities Program (BTOP) to disperse \$7.2 Billion (\$4.7 Billion NTIA/ \$2.5 Billion RUS) of funds in the form of grants and loans through the NTIA and RUS.

With the legislation now enacted, the NTIA and RUS have the monumental task of quickly dispersing funds for the stated purposes of providing access or improved access to unserved areas, providing broadband awareness education, providing access to public entities and stimulating broadband demand, economic growth and job creation. In addition, there will be a national broadband mapping program. The catch is that these funds must be distributed by the RUS by September 2009 and the NTIA by September 2010. They are anticipating in excess of 10,000 applications for funds. Wow!

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The NTIA conducted a series of public meetings to discuss how applicants would be qualified, how funds will be dispersed, how companies will be held accountable, who will implement the broadband plan and a number of pertinent issues that will need to be decided by the NTIA. For detailed information and transcripts of the meeting go to the BTOP website at www.ntia.doc.gov/broadbandgrants/index.

For the most part the BTOP meetings were informative, but punctuated too often by respective industries positioning themselves as the broadband saviors of underserved America. During these meetings, informative, useful insights and great thought went into defining the unserved/underserved, the respective roles of the states and what exactly is broadband. Perhaps the most used phrase in the BTOP meetings was the cliché "getting the most bang for the buck." (Note to the fiber guys,

the idea of running fiber optic cable to every home in America isn't the way to do it).

So, given that President Obama has made it a mandate that every person should have the ability to acquire high speed broadband, and that satellite is an ideal platform for delivering broadband to rural, remote areas, will the satellite industry be part of this program? As the parameters of the entity qualifications are better defined it will be extremely important that satellite is not strategically removed from the rural broadband equation.

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Satellite Broadband, vintage 2009 is different from prior generations. End-users can now experience DSL levels of service, service prices are affordable and CPE costs have dropped drastically. Technology advancements (and the sheer scale of the operators) have brought down operating costs and increased efficiencies. Satellite must be part of the Broadband Initiative that bridges the "Digital Divide" and both service providers and satellite providers should partner in this bridging.

As the NTIA and RUS move toward determining what entities/industries will qualify for funding it will be extremely important to understand the uniqueness of satellite. Some issues that need to be considered are:

- Satellite needs a separate approval process that does not involve separate state approval of funds. Since footprints are CONUS each state might have to approve the application. Getting timely approval of each state will be difficult and specific states may be politically adverse to funds going to an entity not domiciled in their respective states. It could only take one state to tie up funding.
- The threshold broadband speed should be gauged on actual speeds received by the end-user as opposed to possible speeds a system could provide. Too often an industry boasts of providing greater speeds than the actual speed a user receives. Satellite could provide 100 mbps service, but it isn't cost effective nor needed by every consumer.
- A separate set of standards should be developed based on end-user needs for broadband. The rancher in Wyoming is not going to get 100 mbps service in the near future and that should be realized in the grading process. Likewise, a

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hospital in Barnum, WY has a different need than the rancher 50 miles away.

- Satellite characteristics need to be taken in to consideration. Under the previous underwriting standards for RUS, Broadband Loans eligible applicants could not offer a competing service in a geographic area where the RUS funded a project and the service could not be available in areas that were urban or suburban. Satellite, by nature, is a potentially large region or CONUS footprint which covers these areas. That characteristic alone eliminated qualifying for funds. While satellite could theoretically be received in Manhattan, in the real world would it? The demand satellite broadband in Manhattan will probably mirror tractor sales in Manhattan. Satellite is a rural product and the regulations should recognize this.
- New companies should not be excluded or considered later for funding. There is a push to fund only companies that have received RUS funding in the past or are presently licensed by the FCC. That is wrong. New companies should be accepted for funding. New concepts and new technology should not be ignored. Insanity is doing the same over and over again, and expecting different results. New, innovative companies should not be discouraged from receiving funds.

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Satellite is the perfect solution to bridging the geographic digital divide and needs to be included in the Broadband Initiative. Too often there is a conception that terrestrial fiber systems and satellite systems compete with each other for broadband service customers. They do not. Cable is superior in pricing and performance where population density is great, but satellites can offer affordable service anywhere in the country. Satellite is scalable, doesn't require costly terrestrial build-outs and is a cost effective option for providing rural America broadband service.

Before any satellite company can receive Recovery Act funds they have to be in the race. The NTIA and RUS are in the process of deciding the qualifications of systems and companies for funding. You may submit a comment to the NTIA before April 13th at www.ntia.doc.gov/broadbandgrants/index supporting the inclusion of satellite and the special characteristics of satellite in the application process. Satellite needs to be part of the Broadband Initiative bridging the "Digital Divide."



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