

**One Lawyer Pondering
The FCC and Satellite Technology:
A Scorned Love Affair or
Sleepless in Washington, DC**

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Intelsat Retirees Association

October 16, 2011

One Lawyer Pondering

1) Why Did Satellites Become the Rodney Dangerfield of Broadband Stimulus?

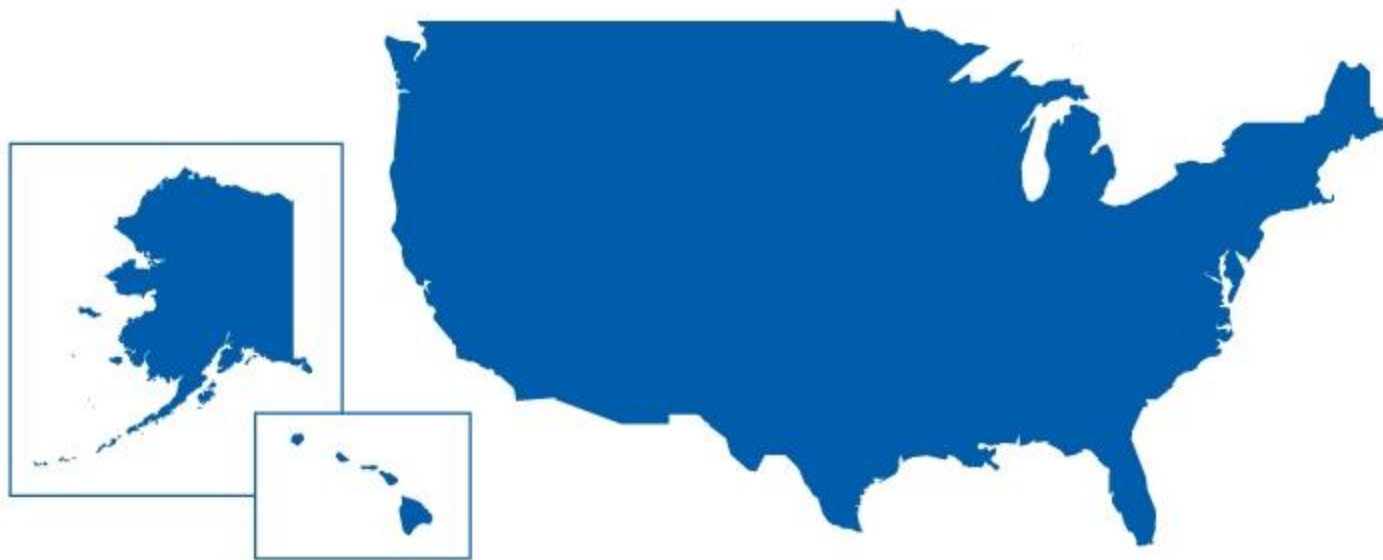


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The U.S. Government Did Not View Satellites as an Important Element of its Broadband Stimulus Strategy

- ❖ Exhibit A: The emphasis and associated expense placed on broadband mapping
- ❖ Exhibit B: The ground rules for grants made under the American Recovery and Investment Act of 2009 (ARRA) via the Broadband Technology Opportunities Program (BTOP) and the Broadband Initiatives Program (BIP)
- ❖ Exhibit C: The how and why of the \$100M BIP satellite set aside established by the Department of Agriculture's Rural Utilities Service (RUS)
- ❖ Conclusion: "Shovel Ready" does not play well in geosynchronous orbit

Broadband Mapping With Satellites as Part of the Solution



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A Cynic's Guide to the U.S. Approach to Broadband Stimulus

- Spend as much money as you can before it goes away (\$7.2B)
- Other national priorities should not stand in the way of spending as much on broadband as possible, whether necessary or not
- More expensive but less effective may be preferable to less expensive but more effective
- Meeting the requirements of “uber-gamers” should take precedence over that of ordinary people (100Mbps download speeds)
- It's not our job to pick winners and losers, except of course in the case of satellites

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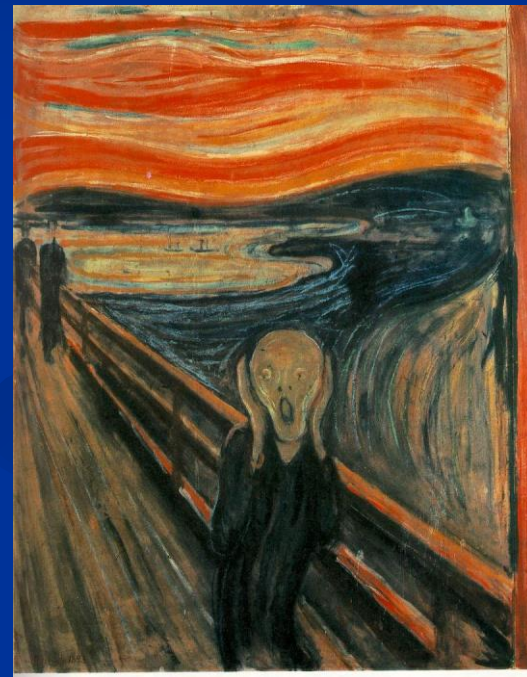
Messages to Wall Street (2009/2010):

- Satellite broadband is not part of the solution
(invest at your peril!)
- Further to your peril, we will provide a \$7.1B
subsidy for competing technologies

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Just When You
Thought It
Couldn't Get Any
Worse

The National
Broadband Plan
(March 2010)



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- FCC continues to marginalize the role of satellites for nationwide broadband deployment in The National Broadband Plan
- Obama Administration commitment to spend \$18B on wireless broadband connectivity

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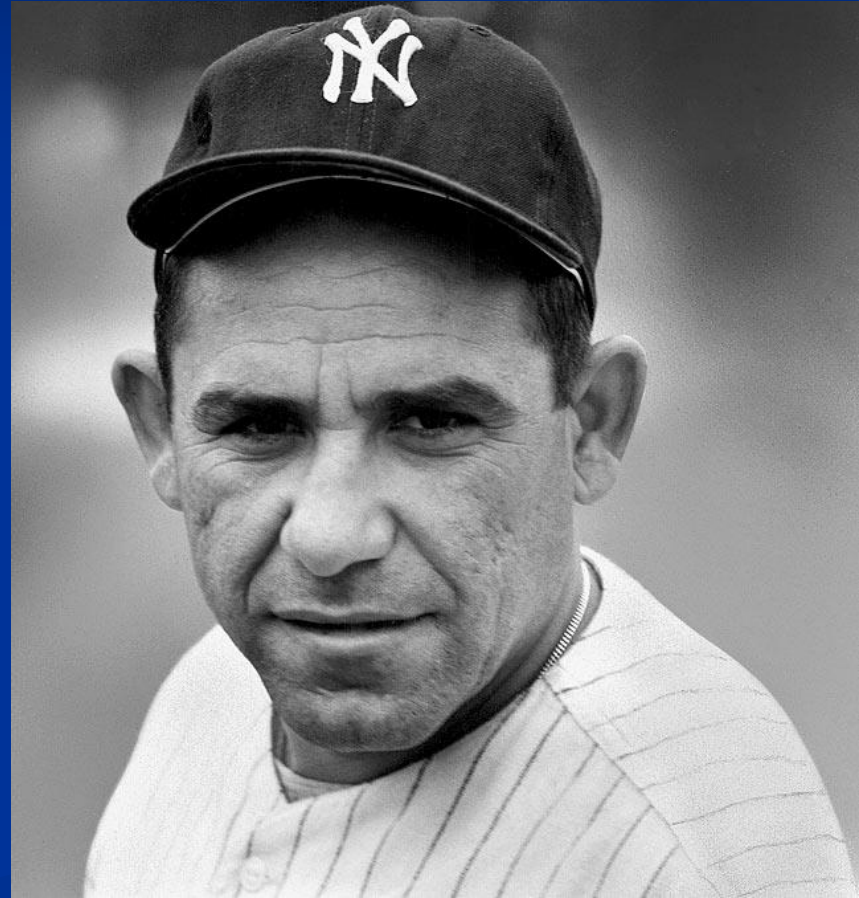
But then a glimmer of hope came from a most unexpected source:

The FCC's Notice of Inquiry Concerning Improving Communications Services for Native Nations, CG Docket No. 11-41 (March 4, 2011)

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“This is Like Déjà Vu All
Over Again.”

Yogi Berra



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Intercarrier Compensation and Universal Service Fund Reform Now Under Consideration

- America's Broadband Connectivity (ABC) Plan, put forward by the major telephone companies, relegates government support for satellite services to a separate, much smaller fund, to be known as the Advanced Mobility/Satellite Fund (AMF), rather than the Connect America Fund (CAF), which would replace the current Universal Service Funding mechanism
- Satellite services would be ineligible for any CAF funding, but instead limited to support provided under a separately-established AMF, solely for the provision of mobile broadband service in those high-cost areas that will not receive service as a result of planned commercial mobile broadband deployments.
- AMF funding to be limited to \$300M/year, whereas CAF funding targeted at \$2.2B/year
- FCC action on these matters to be taken up at next FCC Open Meeting (Oct. 27, 2011)