

From: Association for Competitive Technology  
One Pager On: Broadband: Supply, Demand and the Role of Regulatory Policy  
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## **Satellite Broadband Deployment Will Spur Growth In Rural Areas**

There is little doubt that the demand for broadband exists in rural areas. This demand is not limited to end user customers. Thousands of IT companies stand ready to help rural businesses benefit from broadband Internet access, both as buyers and sellers of products and services enabled by broadband access. These companies have developed telemedicine solutions, streaming media products, and distance learning programs. All that's lacking is an affordable, high-speed, two-way connection to the Internet.

ACT believes that the only way to serve this market is through quality two-way satellite broadband.

### **Rural areas lack broadband in the face of increasing demand**

- America's rural areas are underinvested and underserved by cable and DSL providers of broadband Internet access. Less than 5% of towns with populations of 10,000 or less have cable modem service; the same is true for DSL.
- Existing rural businesses could greatly expand their market reach with internet-enabled e-commerce, and emerging technology businesses have incredible potential to create jobs and new business opportunities in rural areas. Web-based services such as application service providers and personal information management could be operated from rural areas, whose quality-of-life and low facilities costs are already attractive to new business development

### **Current satellite technology is lacking for quality broadband deployment**

- At present, the bandwidth from the satellite to the home receiver is reasonably wide, but the path back to the satellite is both narrow (56 kilobits per second or less) and costly.
- The current generation of satellites was designed for broadcast television—not for internet access. Even the leading satellite internet service, StarBand, warns its customers *not* to use satellite service for internet hosting, for sharing large files, or for Macintosh or Linux computers

### **The solution lies in new satellite technology**

- In order to provide affordable, quality two-way broadband service to rural areas, new satellites are essential. Currently, the cost of launching a new satellite designed for two-way broadband is about two billion dollars. It is simply not cost-effective for separate satellite broadcast companies to make duplicate investments to serve a limited customer base.

The only way to advance broadband in rural areas is through satellite service. The only way to deploy quality two-way broadband is by launching new satellites with advanced technology. ACT believes that there cannot be quality broadband in the absence of new satellites. ***The deployment of new satellite technology is not likely to happen in the absence of a merger between Echostar and DirecTV.***