Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of	)	
	)	
Fourteenth Annual Report and Analysis of Competitive Market Conditions with Respect to Commercial Mobile Services	)	WT Docket No. 09-66

COMMENTS OF THE SATELLITE INDUSTRY ASSOCIATION

The Satellite Industry Association ("SIA") submits the following comments in the above-captioned proceeding regarding the state of competition among Commercial Mobile Radio Services ("CMRS") providers, including information on the extent to which CMRS provided by mobile satellite services functions as a substitute for terrestrial CMRS.[1] As discussed below, satellites play an increasingly important role in meeting the communications needs of public safety entities and consumers alike. However, because of certain inherent differences between mobile satellite and terrestrial wireless platforms, mobile satellite service providers offering CMRS today focus on a different segment of the market than terrestrial CMRS providers.[2]

SIA is a U.S.-based trade association providing worldwide representation of the leading satellite operators, service providers, manufacturers, launch services providers, remote sensing

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1 *See "Wireless Telecommunications Bureau Seeks Comment on Commercial Mobile Radio Services Market Competition*," Public Notice, DA 09-1070, WT Docket No. 09-66, at pp. 5-6 (May 14, 2009) ("*Public Notice"*). Consistent with the *Public Notice*, the provision of mobile satellite services that are not a part of the CMRS marketplace will be addressed by SIA in the Commission's Third Satellite Competition Report proceeding. *See "IB Invites Comment for Third Annual Report to Congress on Status of Competition in the Satellite Services Market,"* Public Notice, DA 09-1045, IB Docket No. 09-16 (May 14, 2009).

2 These comments are limited to current mobile satellite service offerings. SIA takes no position concerning mobile satellite systems that in the future will offer services that include an ancillary terrestrial component.

operators, and ground equipment suppliers. SIA is the unified voice of the U.S. satellite industry on policy, regulatory, and legislative issues affecting the satellite business.[3]

Discussion

Satellites play an increasingly important role in meeting the communications needs of public safety entities and consumers alike. Satellites are located thousands of miles above the earth, rendering satellite networks substantially less susceptible to ground-based disasters than terrestrial networks, thus providing a source of instant infrastructure when terrestrial wireless, wireline, and other forms of communication fail. Given their extensive coverage areas, satellites are also particularly effective in providing mobile wideband and narrowband communications to the most rural and remote areas of the nation's land mass. Such broad coverage also enables satellites to interconnect widely distributed networks and to provide broadcasting services over very wide areas. In addition, satellites provide connectivity for the "last mile" in cases where fiber networks are simply not available for interactive services.

The Commission has repeatedly recognized that satellites are uniquely suited to serving rural portions of the United States.[4] In large areas of the United States land mass, satellites are

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[3] SIA Executive Members include: Arrowhead Global Solutions Inc.; Artel Inc.; The Boeing Company; DataPath, Inc.; The DIRECTV Group; Hughes Network Systems, LLC; DBSD North America, Inc.; Integral Systems, Inc.; Intelsat, Ltd.; Iridium Satellite, LLC; Lockheed Martin Corp.; Loral Space & Communications Inc.; Northrop Grumman Corporation; SES Americom, Inc.; SkyTerra Communications Inc.; and TerreStar Networks, Inc. Associate Members include: ATK Inc.; Comtech EF Data Corp.; DRS Technologies, Inc.; EchoStar Satellite, LLC; EMC, Inc.; Eutelsat Inc.; iDirect Government Technologies; Inmarsat Inc.; Marshall Communications Corp.; Panasonic Avionics Corporation; Spacecom Ltd.; Stratos Global Corp; SWE-DISH Space Corp; Telesat; ViaSat Inc.; and WildBlue Communications, Inc. Additional information can be found at www.sia.org.

[4] *See, e.g.*, *Establishment of Policies and Service Rules for the Mobile Satellite Service in the 2 GHz Band*, *Report and Order*, 15 FCC Rcd 16127, ¶ 35 (2000) ("[W]e believe satellites are an excellent technology for delivering basic and advanced telecommunication services to unserved, rural, insular or economically isolated areas[.]"); *Extending Wireless Telecommunications Services To Tribal Lands*, *Report and Order and Further Notice of Proposed Rulemaking*, 15 FCC Rcd 11794, ¶ 13 (2000) (noting that satellites "provide communications opportunities for communities in geographically isolated areas, such as mountainous regions and deep valleys, where rugged and impassable terrain may make service via terrestrial wireless or wireline telephony economically impractical").

the only source of broadband service.[5] In some rural and remote areas, mobile satellite service providers offer what often is the only means by which customers can obtain voice, data, broadband, and other wireless services. Indeed, because of simple economic forces, terrestrial CMRS providers to date often have failed to serve such areas, and so without mobile satellite services, vast areas of the nation would remain unserved or underserved. Today, customers in rural and remote areas are able to directly access satellites with their terminals from any point with a clear line-of-sight to a satellite, without the need for costly terrestrial infrastructure.

Satellites also play an essential role in disaster recovery and remote connectivity for first responders and other emergency service providers. This fact was made evident in the aftermath of the 2004 and 2005 hurricanes, as well as more recently with Hurricane Gustav, when mobile satellite systems remained intact and served as the primary, if not the only, communications link for many federal and state agencies operating in the affected regions. The growing recognition of the value of satellite systems is due to the fact that such systems are unaffected by disasters that disrupt terrestrial communications because they rely on satellites that are positioned hundreds of miles above the earth's surface. This makes satellite systems an excellent means of ensuring redundant, reliable, ubiquitous communications capability during times when terrestrial wireless and wireline networks fail. In addition, mobile satellite systems offer ubiquitous coverage using satellite capacity that can be dynamically reassigned to facilitate communications in geographic areas impacted by a disaster. Mobile satellite services thus have been embraced by first responders, emergency service providers, the military, and many other federal, state, and local agencies as a necessary component of their communications systems on a day-to-day basis and during times of emergency.

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[5] *See In the Matter of Implementation of Section 6002(b) of the Omnibus Budget Reconciliation Act of 1993; Annual Report and Analysis of Competitive Market Conditions with Respect to Commercial Mobile Services,* WT Docket No. 07-71, FCC 08-28, at Appendix B Map B-43 to 44 (2008).

However, because of certain inherent differences between mobile satellite and terrestrial wireless platforms, mobile satellite service providers offering CMRS today have been unable to develop the critical mass of customers necessary to reduce per-customer rates, equipment costs, and handset sizes to levels that are fully competitive with terrestrial CMRS providers. For example, satellite systems cannot provide the same coverage as terrestrial providers in urban and other areas in which satellite signals may be blocked by buildings and other man-made structures, such that satellite services are unavailable much of the time. Indeed, as the Committee on Homeland Security and Government Affairs has recognized, one of the primary impediments to the full utilization of satellite phones by first responders on the scene of natural disasters and other emergencies in urban areas has been the fact that buildings and other structures can block the satellite signal.[6] Also, despite satellite providers' continued efforts to adopt innovative technologies to make their equipment more user friendly and cost effective, the current mobile satellite services and products are, nevertheless, harder to use and more expensive than those offered by terrestrial CMRS providers. For these reasons, the current CMRS offerings of mobile satellite service providers typically focus on different market segments than terrestrial CMRS providers.

Conclusion

Satellites play an increasingly important role in meeting the communications needs of public safety entities and consumers alike. However, because of certain inherent differences

[6] *See* "Hurricane Katrina: A Nation Still Unprepared," Report of the Committee on Homeland Security and Governmental Affairs, United States Senate, Washington, DC, at 329 (2006) *available at* http://hsgac.senate.gov/_files/Katrina/FullReport.pdf. ("The problems with satellite phones [used in the aftermath of the storm] do not appear to have been caused by the phones themselves or the satellite networks; rather, a combination of user error *and buildings or other objects obstructing satellite signals are the more likely culprits.*") (emphasis added).

between mobile satellite and terrestrial wireless platforms, mobile satellite service providers offering CMRS today focus on different market segments than terrestrial CMRS providers.

Respectfully submitted,

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