

Satellite operators offer new Commissioner help to enable 100% coverage to EU citizens

Over a million business and households in rural areas could be connected to broadband Internet via satellite by the end of 2010

Brussels, 9 February 2010 – The European Satellite Operators Association (ESOA) welcomed the European Parliament’s approval of Neelie Kroes as the new Commissioner for the Digital Agenda portfolio. During her confirmation hearings, Ms Kroes identified the provision of safe and secure broadband access to 100 percent of Europeans as one of the key building blocks for her next five-year term. ESOA has offered to support the new Commissioner in coming a few steps closer to achieving this objective.

“Satellite technology is unique in that it can provide *immediate* connectivity to the Internet backbone, especially to those areas in Europe lacking commercial interest for terrestrial operators.” said Aarti Holla, Secretary General of ESOA. “Satellite infrastructure is already in place and more capacity will be launched this year but we still need public support, both at EU and Member State level, to overcome the obstacles preventing isolated citizens from becoming part of the 21st century information society.”

The latest [figures](#) published by the European Commission on broadband coverage show that the EU is still far from reaching the 100 percent connection goal. Although progress has been made, DSL for example - the dominant means of enabling high-speed connectivity in Europe - has yet to close a pronounced gap between urban and rural areas. Close to 10 million households in Europe are not covered by any kind of terrestrial broadband solutions.

As Aarti Holla explained, “today, the political focus is on high-speed Internet, which suggests that most networks need upgrading to provide speeds that are today not generally available. This technocratic approach inevitably pushes one technology that is identified as the only one capable of doing the job: fibre. This means that those who still have no connectivity at all risk remaining without it for even longer as rolling-out fibre to *everyone* is likely to take 20-30 years and require over €100 billion of public funding. Only a mixture of technologies will achieve 100% coverage in any acceptable timeframe and at a reasonable cost.”

According to ESOA’s estimates, satellites are in a position to connect over a million extra business and households in rural areas by the end of this year making a significant contribution to bridging the existing digital divide. “We look forward to making the case for the satellite solution to Commissioner Kroes in the coming weeks,” said ESOA’s Secretary General.

Spanish Presidency

Spain, which has taken over the EU presidency for the first half of the year, has set a Telecommunications [work-programme](#) which can contribute greatly to accomplish the goal set by Ms Kroes. Its intention is to extend the provision of universal service requirements to broadband Internet. If the plan is approved, it will make compulsory for member states to guarantee that this type of service is available all across their territory.

“Spain can set an excellent example of how a collaboration between space and earth based technologies can be instrumental in enabling communication services to evolve to their fullest potential”, Aarti Holla said. “Thanks to the Broadband Extension Programme (PEBA in Spanish), which paid special attention to the use of satellite technology to serve the most remote and isolated areas in the country, satellite access has recently increased in Spain delivering broadband to 8.4 percent of the population in rural areas according to the most recent [OECD](#) data.”

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About ESOA

ESOA is a Brussels-based trade association whose membership brings together all European satellite operators and supporting members including service providers, manufacturers and launch service providers. Set up in 2002, the association goals include raising awareness of commercial satellite technologies and ensuring that satellites benefit from the appropriate political, industrial and regulatory environment to fulfil their vital role in the delivery of global communications.

ESOA Members



ESOA supporting members



BACKGROUND

The most recent attempt by the EU to close the digital gap was in 2009 when more than 1€ billion was made available to Member States to extend broadband connectivity to business and households in rural areas through the EU Economic Recovery Package (EERP). Public funding was aimed at areas that suffer from ‘market failure’. However, some national governments appear to be injecting the funds into their long-term national broadband programmes rather than pushing real recovery projects for the unserved or underserved, for whom the broadband envelope of the EERP was in fact designed.

The ability to commercially roll out satellite broadband does not depend on population density because satellite coverage exists irrespective of the number of users. Even a sole isolated user can be served at the same cost as a user in a densely populated area. All that is required is an initial investment in a satellite dish and terminal costing from 300 to 500 euros for purchase and installation and a monthly subscription, which competes on a par with other technologies. Download speeds of 10 to 20 Mbps are expected to become available in 2010 thanks to the launch of second generation dedicated broadband satellites that use a higher frequency band (Ka band).

“Ms. Kroes, who previously served as the Commissioner for Competition completely understands the value for consumers of competition between different technologies,” said Aarti Holla who was also keen to point out that satellite operators “consider themselves as a complimentary rather than a competing technology”. Public support for satellite equipment has been proven to be very cost-effective because it serves ‘real’ users as opposed to rolling-out terrestrial infrastructures and then being faced with the problem of insufficient take-up from ‘potential’ users. Governments could easily end up spending millions to finance the construction of new wired networks in areas where residents may very well not be interested in the service at all.