

**Remarks of  
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It is great to be here with you today. I want to thank Hannover Fairs and Jones Day for putting on such a dynamic conference. I also want to recognize the Satellite Industry Association for their continued work to promote satellite interests in Washington, DC, and around the country. They have certainly been a valuable resource on satellite issues to my staff and me.

It is always important to put a spotlight on the satellite industry, so I am glad to join you today. It is great to have the financial community represented as well – the community plays such an important role in the development of satellite services.

And as the sole Washington policy maker speaking here today at this conference, I will take full advantage by offering my thoughts on the state of the industry and the FCC's role in promoting its continued growth and innovation.

One of the things I have truly enjoyed about my job as a Commissioner is our work with the satellite industry. I have had a front row seat viewing the many key ways our country is served by satellite technology.

And through my travels, I have had the opportunity to see first hand how satellites improve our lives and productivity – whether it is visiting the cradle of satellite technology in El Segundo, home of industry leaders like Boeing, Northrop Grumman, and DirecTV; or touring the state-of-the-art studios at XM and Sirius; or taking a boat ride to view up-close the two unique ships that form the marine infrastructure of the Sea Launch system in their home port of Long Beach.

Or, just as importantly – visiting the Upper Midwest Aerospace Consortium Satellite Demonstration in my home town of Rapid City, South Dakota. The Consortium uses several types of satellite technology to gather and analyze data that they then provide to farmers, ranchers, foresters, educators and classrooms in the state at no cost. One of my favorite examples of data collected is regional snow cover and vegetation green up, which is used to track the movement of elk and bison herds.

The FCC's Public Interest Standard

In talking with investor groups over the past year, I have tried to better explain my goals and obligations as an FCC Commissioner. While the job of investors likely is to maximize your bottom line, ours at the FCC is to promote the “public interest.”

Growing up in a rural area like South Dakota, to me the public interest means securing access to communications for everyone, including those the market may leave behind.

As technology become increasingly complex, the public and private sectors must work together like never before to solve intricate problems. I believe that if we do it right, private industry will profit, and consumers will receive better services and products at competitive prices.

This collaboration works particularly well with the satellite industry. In promoting my objective of access to communications, I have developed a particular interest in satellite, because of their amazing ability to deliver service to anywhere in country and even the world.

Satellites bring multi-channel video to previously un-served communities in rural America; they deliver broadband opportunities to all corners of the country; and they provide for mobile satellite solutions in the most remote areas.

And of course, there's a critical role for satellites in ensuring our troops have the best access to communications possible whether in training or actual deployment.

The issue of broadband, whether for civilian, commercial, or military purposes, is particularly noteworthy. What better way to promote access than to have broadband delivered to all corners of the country by satellite? By allowing telecommuting, distance learning, video conferencing and telemedicine, broadband can overcome distance and transform communities.

For many communities, satellite broadband can be the difference between simply surviving and flourishing.

The power of satellite broadband was no more obvious than in a visit I took to Alaska. I had the opportunity to travel above the Arctic Circle and visit with Alaskan Natives who are using satellite networks to diagnose and treat patients in remote villages – patients that might not otherwise be able to travel because of distance, weather, or cost. It is amazing to see how satellite technology can help people in these remote communities.

I know that a number of companies represented here are working hard to turn the vision of ubiquitous broadband into a reality. I am committed to making sure the FCC does not leave anyone behind, and I welcome the support of your industry in getting us there.

### An Industry Transforming

In thinking about my work with the satellite industry, I am particularly struck by the transformation across all segments of the industry during the past year and a half. This truly has been a significant time for satellite services, whether you are involved in the several mergers and acquisitions in the FSS sector; tracking the continued growth and challenges facing DBS and satellite radio providers; or considering whether to invest in current or next generation mobile satellite system providers and their future ancillary terrestrial networks.

The trade press is abuzz with news about the resurgence in satellite construction contracts and launch services as providers gear up to meet demand for more content and more capacity.

And the buzz spreads to devices as well. At last year's Consumer Electronics Show, there was a lot of excitement about the new portable devices being developed for satellite services.

Service providers also are starting to turn financial corners – I understand that both Globalstar and Orbcomm held successful IPOs in the last few months.

And of course, the satellite radio industry has topped 12 million subscribers and both XM and Sirius have a goal of becoming cash flow positive by 4<sup>th</sup> quarter – I am sure many of you in the room will be watching that closely.

### The Impact of Hurricane Katrina

An event that changed the America consciousness about satellites was with the devastation caused by Hurricane Katrina just 15 months ago.

Shortly after the storm, I went down and witnessed first hand some of the widespread destruction and personal loss in the Gulf Coast, which was far worse than I could have ever imagined. In visiting some of the more affected sites, I was struck by the role of satellite in the disaster recovery process. Satellites were involved whether it was FSS links providing important backhaul for disrupted terrestrial fixed and mobile networks; the influx of satellite phones into the area by all of the MSS providers; or round-the-clock-coverage provided over dedicated channels by the satellite radio providers.

The FCC recently convened its own panel that issued a report confirming our nation's communications systems were put to the test by Hurricane Katrina, with unfortunately mixed results. The Report highlighted the importance of advanced planning. It provides important recommendations on how we can ready ourselves before disaster strikes. I know that many in this room, including the folks at SIA, continue to educate first responders and lawmakers about the benefits of using satellite services in their disaster recovery efforts, and I want to support you in those efforts.

### Recent FCC Actions

While at the FCC, I am trying to do what I can to promote access to even more advanced communications. I know that capacity is such an important issue for all segments of the satellite industry to develop these advanced services.

In talking about capacity, I am thinking of more capacity for next generation DBS offerings; for Mobile Satellite Systems providing real mass market solutions; for higher speed broadband at lower prices; and for sufficient backhaul capacity for HDTV signals.

On the MSS side, we have put in place procedures to enable licensees to implement an ancillary terrestrial component (ATC) – that should make for a stronger business case for a robust MSS service.

And on the broadband side, we have got new satellite processing rules that have cut down on licensing times. We hope that will facilitate service in the Ka and Ku-bands. And we have put

in place procedures for broadband earth stations aboard vessels, which I know are used by both commercial as well as military users.

We are also promoting more flexibility for smaller dish sizes to bring down costs. And our International Bureau has held forums to promote broadband deployment, particularly in rural areas.

When it comes to DBS capacity, the FCC has had a particularly busy few months looking at ways to improve spectrum availability for DBS and other broadcast satellite systems.

In June this year, we launched a key proceeding that will ultimately open up the 17/24 GHz band for broadcast satellite services – the so-called “reverse band.”

We expect this spectrum will allow operators to introduce a new generation of innovative satellite services to American consumers – providing a mix of video, audio, data and multimedia services to residential and business subscribers.

We have asked interested parties to file on important issues like how to make the spectrum available and what the orbital spacing should be for the new service. This proceeding is on a quick schedule, and we have already heard from leading FSS and DBS providers on a number of the technical and licensing questions.

While there has been a little disagreement on some of these questions – for example whether to space satellites four, or four and half degrees apart – it is clear that all parties agree the new spectrum should be made available as quickly as possible. I wholeheartedly support that position and will do what I can to keep this proceeding on the fast track. The availability of this additional capacity is too important to industry and the country as a whole to let things lag.

On another DBS front, some of you may recall that last year, the DC Circuit court struck down the FCC’s auction for unassigned spectrum in the traditional 12/17 GHz DBS bands. So this past summer, we launched a proceeding on how to license the unassigned spectrum and how to deal with a number of proposals that were filed over the past several years for so-called “tweener” satellites, which would operate in the DBS band in the orbital spaces between existing DBS satellites.

In considering the unassigned spectrum, we are looking at different procedures for licensing. We are considering approaches like “first-come, first-served”; or whether we should license spectrum outside the scope of traditional application procedures such as through a processing round; or perhaps if there is a way to restructure an auction.

The tweener question is a complex one, and I was glad the Commission agreed to consider it through a comprehensive rulemaking process rather than simply rule on the applications. The views of satellite operators about the technical feasibility of tweeners are currently in a state of flux. Indeed, though they initially disagreed about the advisability of permitting tweeners, I think it is safe to say that both DirecTV and Echostar now believe that the approach raises significant interference concerns.

While I supported the rulemaking, I did have a concern with a portion of the item that stated the Commission “may” grant pending twener applications before completing this rulemaking. That strikes me and my colleague Commissioner Copps as putting the proverbial cart in front of the horse.

We believe the better course would be to refrain from approving any applications until the Commission can develop a comprehensive framework for these matters. Such an approach would ensure that the millions of current DBS subscribers are not subject to any potential for interruptions to their service.

So I encourage you to keep an eye on these two important proceedings to make sure your voices are heard as we continue to explore new opportunities for capacity.

### Conclusion

To coin a Wall Street phrase, I am bullish on satellite. The technology is so critical to our nation’s economy – whether it is delivering advanced digital services to Americans around the country; or carrying millions of financial transactions over national VSAT networks; or providing instant infrastructure in a war zone or disaster recovery site; or providing much needed competition to terrestrial providers.

As I have said before, this is a transformational time for the satellite sector. I will leave it to the industry and financial experts on the other panels to tell you what exactly the future will bring for the satellite industry. But from an FCC perspective, I will continue to do what I can to maximize the role that satellite services can play in ensuring that all Americans have access to the most advanced communications possible.

Thank you for inviting me to speak today and I look forward to your questions.