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National Telecommunications and
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10th SIA LEADERSHIP DINNER ADDRESS

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By

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For Communications and Information

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“EXPANDING OUR HORIZONS, EXPANDING OUR NETWORKS”

The United States is committed to encouraging and facilitating a growing and entrepreneurial U.S. commercial space sector. Toward that end, the United States Government will use U.S. commercial space capabilities to the maximum practical extent, consistent with national security.

-U.S. National Space Policy, August 2006

I. Introduction

Congratulations to SIA on your 10th year hosting the Leadership Dinner. Congratulations as well to General Armor and to Representative Tauscher.

We have witnessed many changes since the last SIA dinner: a new space policy, a new Congress, and a new NTIA Administrator! PanAmSat merged with Intelsat, SES Global acquired New Skies, and Boeing announced its return to commercial satellite manufacturing. (*WSJ*, 2/16/07, B6) You are migrating towards hybrid and end-to-end solutions, rolling out broadband, and pulling in worldwide revenues of \$88.8 billion. (*Futron*, 6/06)

As the new Administrator of the NTIA, I want to discuss the interactions between the U.S. Government and the commercial satellite industry. We recognize satellite's unique role for our economic, homeland, and national security. The new National Space Policy recognizes our

reliance on commercial capabilities and our commitment to spur entrepreneurship. I want to recognize Phil Richardson and Gil Klinger for their hard work to make the policy a reality.

Tonight I recommend a closer partnership to implement the National Space Plan, and to provide the benefits of satellite technology to first responders, businesses, and consumers.

II. The USG as Consumer: The Demand Driver

Uncle Sam is a voracious consumer, driving demand for satellite technology for many “killer apps.” In 2005, the Defense Department spent approximately \$300 million on commercial Fixed Satellite Services capacity. (*DISA*, 12/06) Last year, 17 of 28 satellites launched were commercial satellites, the balance military or research. (*Futron*, in *WSJ* 2/17/07). Government demand for commercial capacity may rise as high as \$4.8 billion by 2012. (*Northern Sky Research*, 5/06)

The National Space Policy instructs the U.S. government to:

- *Use U.S. commercial space capabilities and services to the maximum practical extent; purchase commercial capabilities and services when they are available in the commercial marketplace and meet United States Government requirements; and modify commercially available capabilities and services to meet those United States Government requirements when the modification is cost effective;*
- *Develop systems when it is in the national interest and there is no suitable, cost effective U.S. commercial or, as appropriate, foreign commercial service or system that is or will be available when required.*

The Naval Research Lab used GPS measurement instruments when it flew into the eye of Hurricane Katrina. (*GPS World*, 10/1/05) The Coast Guard has long used satellite technology for public safety, including GMDSS, and soon, long-range tracking of vessels. NOAA operates

earth observation satellites for global weather monitoring and search and rescue, saving more than 20,000 lives. (www.noaa.gov)

While the U.S. Government drives demand for satellites, our stewardship of spectrum and rights of way means we sometimes take unpopular decisions. Our challenge is to balance acquisition with stewardship and commercial innovation.

III. USG as Driver for Commercial Innovation: Spurring Innovation and Entrepreneurial Approaches

The new Space Policy promotes:

- *Continue to include and increase U.S. private sector participation in the design and development of United States Government space systems and infrastructures;*
- *Ensure that United States Government space activities, technology, and infrastructure are made available for private use on a reimbursable, non-interference basis to the maximum practical extent, consistent with national security; and*
- *Maintain a timely and responsive regulatory environment for licensing commercial space activities and pursue commercial space objectives without the use of direct Federal subsidies, consistent with the regulatory and other authorities of the Secretaries of Commerce.*

NTIA tries to create a regulatory environment to foster private sector innovation. We partner with several agencies to pursue the President's initiative on Spectrum Policy for the 21st Century. Goals include fostering economic growth and maintaining U.S. global leadership in communications technology. We also continue interagency work, led by USTR, to resolve market access complaints.

NTIA helps stimulates broadband satellite deployment to fulfill the President's universal broadband mandate. WildBlue now reaches more than 100,000 customers nationwide,

(*WildBlue*, 12/06), Inmarsat has 5,547 BGAN subscribers, (*Inmarsat*, 11/06), while HughesNet boasts 325,000 small business and residential subscribers. (*HughesNet*, 1/8/07)

One of our biggest challenges involves implementing the Public Safety Fund, funded by auctioning spectrum recovered from discontinued analog television signals. NTIA will disburse \$1 billion under the Public Safety Infrastructure grant program by September 30, 2007. While NTIA will not promote one technology over another, we recognize that your industry has a vested interest in public safety. We encourage you to work with state and municipal authorities to explore your options under the grant program.

IV. Private Satellite-Related Industries as Partner with the USG for Critical Infrastructure Supply to All Customers

We at NTIA know of the industry's valiant efforts during the 2005 hurricane season to provide early warning and relief efforts. Perhaps more important, we recognize your role in maintaining U.S. economic security. We believe you need to focus more on continuity of business concepts to increase revenues.

In September 2006, NTIA, the U.S. Chamber of Commerce, and SIA held a joint summit on satellites and continuity of business concepts. As satellite is only one technology platform among many, you need constantly to rethink your selling points in a competitive market. We suggest that you promote diverse communications as part of continuity of business planning. This complements greatly U.S. government efforts to oversee protection of critical infrastructures.

Using a continuity of business approach addresses not only *preparedness* that might prevent loss totally or in part, and mitigates consequences, but also *recovery* from a disaster. A focus on continuity of business, rather than disaster recovery, turns acquisition into an investment for year-round usage, not an occasional use expense. Year-round usage means employees are better trained on equipment and software. Companies can function longer before a disaster hits,

function in part during a disaster, and recover more rapidly afterwards, keeping their workforce employed and customers served. This contributes significantly to the nation's economic security.

V. Conclusion

2007 will be a busy year for the satellite industry. We hope you will:

- explore options under the public safety grants program;
- refocus on continuity of operations for the U.S. commercial sector, and
- supply the government with innovative technology.

Throughout my tenure at NTIA, I hope the satellite industry will become a true partner in ensuring our national, homeland, and economic security. Thank you.