

PR/12/04

**SATELLITES JOIN BROADBAND DEBATE BY EUROPEAN  
TELECOMMUNICATIONS MINISTERS AND INDUSTRY CEOs  
Eutelsat CEO, Giuliano Berretta, contributes to discussions  
on broadband at European Union conference**

Paris, 21 April 2004

Giuliano Berretta, CEO of Eutelsat, Europe's largest satellite operator, is one of 10 chief executives from the TMT sector to contribute to a roundtable debate with telecommunications ministers from throughout the EU and the accession States at an Informal Ministerial Conference organised by the Irish Presidency of the European Union on 22 April.

The CEO Roundtable summit takes place during an all-day EU Broadband Conference in Dundalk Institute of Technology, which is being hosted by Dermot Ahern TD, Minister for Communications, Marine and Natural Resources. The CEO Summit is the first of its kind in Europe and will allow Ministers and their policy-making teams and the private sector to map out the future for broadband and converging technologies.

It is widely accepted that by creating new opportunities for enterprise, creativity and innovation, broadband is of significant importance for the overall economic and social development of the European economy. However, combined DSL and cable roll-out plans across Europe, which will typically bring broadband to urban areas with relatively high population densities, will still leave more than 20 million households without access to terrestrial broadband in 2006.

Communications satellites are the ideal and arguably the only technology that can offer cost-effective, ubiquitous broadband services throughout Europe, including in areas of low population density. "As such", comments Giuliano Berretta, "they are the best alternative for ensuring that broadband services are available in areas that DSL and broadband cable networks cannot viably serve. In addition to rural areas, this includes areas just outside cities, including some of the largest cities in Europe. We welcome the initiatives undertaken by the EU to build awareness and uptake of broadband across

Europe so that the expanded EU can compete with economies in South East Asia and the United States. To achieve these objectives it will be essential to match the most efficient broadband solution with different environments and users. We look to the EU for their continued support so that satellites can make a truly efficient and useful contribution to a development which should benefit all citizens”.

Many telecommunications operators have begun to indicate that they will use satellites as the preferred alternative when serving isolated areas. Governments have also acknowledged the essential role of satellite-based services for serving rural communities. In its White Paper on Space Policy, published in November 2003, the European Commission highlighted the important role that satellite services can play in delivering broadband technologies to areas where “conventional” solutions are not possible. As the White Paper states, “satellite telecommunications are part of a technology portfolio that may deliver broadband access to the 20% of the EU’s population where it cannot be made available in the medium term”.

The level of demand from SMEs, local authorities and more recently the general public has seen manufacturers and satellite operators develop solutions tailored to each individual user type. For the general public, the principal type of solution involves the user sending requests through traditional telephone line and receiving content via satellite. All that is needed is a PC card or a small modem (€150) to connect a computer and a subscription, which typically costs €30 - €50 a month. Two-way solutions developed for businesses and local authorities are based on a terminal costing €2000 including installation, and a subscription from €150 per month. The price depends on the number of PCs requiring access, as this is the factor that determines connection speeds. Although two-way installations are still relatively expensive, prices are expected to fall over the next 24 months.

“The development of Internet via satellite has to go hand in hand with driving down costs of two-way terminals”, added Giuliano Berretta. “Current prices are dictated by a limited and, above all fragmented demand. If the level of production in Europe were to rise to 100,000 two-way terminals a year, it would be possible to bring down the selling price to below €500.”

Another valuable feature of a satellite-based solution is to combine it with collective access solutions, such as Wi-Fi or Internet powerline communications, which have the benefit of sharing the cost of satellite bandwidth and equipment amongst multiple users. Local authorities in small communities are clearly moving in this direction in order to provide access for homes, business parks, public buildings, schools, medical establishments, museums etc. The installation cost of a Wi-Fi or powerline modem for home or business use is in the range of €50 - €70, while monthly subscription costs are €40 - €80 depending on the connection speed (128/512 or 512/2Mbps).

Within the framework of its commitment to enlarge use of satellites for universal broadband coverage Eutelsat's has also launched e-BIRD™, the first satellite in the world configured for efficient and cost-effective broadband services for Europe.

**About Eutelsat :**

With capacity commercialised on satellites that provide coverage from the Americas to Far East Asia, Eutelsat is one of the world's leading satellite operators. This satellite infrastructure gives the company the flexibility to offer direct-to-home broadcasting, video distribution and contribution services, corporate network solutions, positioning and communications services for mobile users and a portfolio of IP applications which include broadband Internet access and Internet backbone connections. Eutelsat has developed a range of turnkey broadband products (D-STAR, D-SAT, OPENSKY™) for local communities, SMEs, SoHos and consumers beyond ADSL access. It has also set up a subsidiary called Skylogic Italia to market and operate broadband services through its multimedia platform in Turin (Italy). Eutelsat's satellites broadcast more than 1,400 television and 700 radio stations to an audience of 110 million cable and satellite homes.

[www.eutelsat.com](http://www.eutelsat.com)

Press contacts :

**Eutelsat**

Vanessa O'Connor

[voconnor@eutelsat.fr](mailto:voconnor@eutelsat.fr)

+33 1 53 98 38 88

Frédérique Gautier

[fgautier@eutelsat.fr](mailto:fgautier@eutelsat.fr)