

SATELLITE 2004 Conference Report

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Satellite-2004 Entrance

Annual SATELLITE 2004 Conference was held at the New Convention Center in Washington DC. from March 2 to 5, 2004. I had the opportunity to attend the Conference representing AIAA-JFSC.

Opening session was held on the first day morning with top management people from six leading satellite operators in the world. Compared to the last year Conference when the worst recession discouraged everybody, it was felt that the hall was full of expectation for the bright business topic from the audience.

The panel discussion started from the topic of consolidation which was obviously the biggest interest of the organizer. All CEOs in the panel were negative for consolidation saying that no improvement will be expected on the transponder oversupply problem through further consolidation inside the industry.

As the promising business area, HDTV transmission in U.S. was discussed in addition to the broadband services which was the keyword in four or five years ago. Interactive DBS service in Europe and mobile broadband service for cars and aircrafts were also addressed as the potential business opportunities.



New Washington Convention Center

These topics were interesting, but not so powerful enough to give the audience firm impression, responding to their expectation for recovery of business situation.

This “main attraction” session has been providing same panelists and similar topics for the last several years. I was wondering whether this “similarity” between the years should be considered as the symbol of good stability in this industry, or as the one cause of stagnation of the industry.

In the satellite communications industry which is very technology oriented, it is expected that clear insight for the demand for technology development in conjunction with the business overview should be more addressed by CEOs. Only Mr.Scwarz from Loral expressed the words that technology development should lead the evolution of new applications. However, it seemed that this opinion was not necessarily agreed by other panelists.

In the afternoon session of the first day, the possibility of HDTV transmission to become a profitable business was discussed. The opinion that the further technical breakthrough is essential in the area of compression, modulation and coding technology in order to achieve the much lower cost of HDTV transmission by satellite seemed quite persuasive.

It should be recalled that the shift from analog to digital transmission of video by satellite was highly supported by the progress in compression technology which made it possible to contain six digital channels in one transponder. Therefore, the easy expectation that HDTV

transmission will become good business since it uses three times transponder bandwidth, is not realistic without further technology development, according to one panelist.

Not only in this session, but at many places, the mobile broadcasting business by two U.S. operators was discussed as the successful bright topic. Much interest was expressed in the Japanese-Korean mobile broadcasting satellite business which will start soon with new application in addition to the conventional audio programs.

In the satellite manufacturers panel in the second day morning, moderator also stuck on the topic of consolidation. As for the consolidation of European firms which often becomes the source of rumor, Alcatel CEO suggested the action handled at the parent company level.

Other topics in this session were : number of satellites to be procured this year, number of satellites to be won by each company, the way to enhance satellite reliability, policy for small satellites, new application including HDTV or mobile audio. Alcatel addressed its policy to exert efforts in broadband solution not concentrating on satellite hardware only. This policy can be the priority that general electronics manufacturers like Alcatel or MELCO can pursue.

Japanese quasi-geostationary program which was initially planned by the industry and now in the definition study phase involving Government was not addressed by the panelist from Japan. This topic is the good example that satellite manufacturer can lead the government business by providing attractive solution, and should have been introduced to the panel.



Asia-Pacific operators session was more active than the past several years having the topics of service start of iPSTAR and MBSAT this year. Both programs should draw more attention from the world as the first full-scale satellite broadband or mobile broadcasting services in Asia. Furthermore, positive insight that satellite will play a key role in China

toward 2008 Beijing Olympic Game was provided. Other topic was that the commercial and military hybrid payloads like Optus-C1 and Koreasat-5 would be outstanding in Asia.

On the third day, the first session was the satellite broadband by terrestrial cable operators. In response to the question by the moderator asking the possible usage of satellite, mostly cool opinions were addressed. In the second session by satellite related firms, some optimistic opinion saying that broadband service will not become popular without the unique role of satellite communications was expressed. However, the distance between this optimism and the coolness of terrestrial people in the previous session was not successfully shortened.

It was felt that such approach was necessary as analyzing the equilibrium between the requirement for the ubiquitousness of service and the theory of “ People are willing to buy water at high price on the top of the mountain.”first, and then considering how to fill the cost gap by technology development.



Satellite-2004 Exhibition

Two primary impressions I felt as the representative of AIAA-JFSC during Satellite-2004 Conference are presented here :

- (1) It is inevitable that major interest of the world is not focused on Asia now, compared to the past time when Asia was the most attractive area for the U.S. and European satellite manufacturers business. In such circumstances, Japanese satellite operators and manufacturers should more try to transmit their policy or opinion in business with world satellite communications society, so long as they do not wish to limit their

business inside the country.

In Satellite- 2004, only two Japanese panelists appeared in the sessions, one from SCC and one from MELCO. It was curious that two Japanese operators that are listed in "World 10 Biggest Satellite Operators" are not invited in the Asia-Pacific satellite operators session. It should be miserable that Asian countries are only regarded as the market of major U.S. and European manufacturers and operators at this Conference.

- (2) The opinions saying that satellite business should be bright, since satellite has such and such advantage compared to terrestrial, were still alive in this Conference.

In my opinion, the satellite business enjoying now the good sales amount and profit should be limited to the application in which the technology development successfully enabled to obtain the merit in cost in addition to merit in performance. This tendency should become more remarkable as the technology in terrestrial network more evolves. In that sense, it was somewhat worried that how the organized intention for technology development is still alive in the major satellite operators leading the world.

In AIAA-ICSSC, for which we JFSC is expected to organize the conference every four years, I wish that JFSC could take a leading role in gathering and organizing the papers which are directly related to the technology development (not only limited to the wireless technology, but rather to the network and user hardware technology) essential for the survival and growth of satellite communications business.