

Deal trifecta fuels growth at reseller Satcom Direct

By Stephen Pope

April 1, 2009

Avionics

Satcom Direct, a leading retailer of satellite communications services for aviation, continues to line up deals that should ensure the Melbourne, Fla.-based company suffers few, if any, negative effects from the ailing economy.

Last month Satcom Direct announced the details of its deal with Carlsbad, Calif.-based ViaSat to serve as a "value-added reseller" of the new Yonder Ku-band satellite broadband service for business jets. Satcom Direct also said it has been named a distribution partner for Inmarsat services, and noted it has successfully migrated hundreds of business jet tail numbers to its service as part of a deal struck last fall with Honeywell. The trifecta of deals couldn't have come at a better time.

"We're continuing to grow because of agreements like these," Satcom Direct founder and president Jim Jensen told **AIN** at a customer conference the company hosted last month in Cocoa Beach, Fla. While Jensen acknowledged that business jet flight activity is down across the board, and that some customers who are still flying are using their satellite phones less, he said the impact of such slowdowns has been offset by growth in other areas. "We're still making money," he said.

Satcom Direct's self-described strategy for success has centered on providing a high level of support to customers who embark on the often frustrating task of adding satellite voice and data connectivity equipment to their airplanes. The approach has worked exceedingly well in the 12 years since the company was formed, cementing Satcom Direct's reputation among customers, satcom-equipment makers and satellite operators. It was at least partially responsible for Satcom Direct's potentially lucrative reseller agreement with ViaSat.

"I first met with Satcom Direct at the NBAA Convention last October," recalled Bill Sullivan, director of strategy for Ku-band satellite operator ViaSat. "Afterward, I went around the show floor and started asking people about the company. I couldn't find a single person who had anything negative to say." The experience convinced Sullivan that Satcom Direct was the right partner for the launch of its Yonder satellite broadband service.

ViaSat and KVH Industries reached a 10-year agreement last summer to establish the global Ku-band, mobile-broadband network for aircraft and ships using ViaSat's ArcLight high-efficiency technology. Under the agreement, KVH sells into the maritime market and ViaSat sells into the aviation market. The firms are establishing ArcLight spread-spectrum, mobile-broadband networks incrementally in a series of new regions with a goal of near-global coverage eventually.

Using a lightweight, 12-inch antenna, Yonder is capable of providing download speeds in flight of up to 10 megabits per second. The service currently is available over North America, the Caribbean, the North Atlantic, Europe, the North Pacific and the Arabian Gulf. It will be expanded to much of the rest of the world by early next year, Sullivan said.

ViaSat's reseller agreement will also allow Satcom Direct, a provider of Inmarsat and Iridium, satellite-communications services, to offer satellite-data service to Gulfstream operators flying with Broad Band Multi Link (BBML) equipment. The ViaSat BBML gear is currently flying in about 80 Gulfstreams. Previously the Gulfstream Ku service, which provides download speeds of up to 3.5 megabits per second, was available only through Arinc Direct.

ViaSat also provides the satellite link for Rockwell Collins's eXchange air-to-ground broadband service and was the company behind the failed Connexion by Boeing venture. That service provided high-speed data in flight and was well received by airline passengers who briefly got the chance to use it, but the high costs associated with leasing Ku-band satellite spectrum doomed the venture to failure after around \$1.5 billion was spent to try to make it economically viable. ViaSat has high hopes that partner agreements like those struck with KVH and Satcom Direct will make Yonder a success.

Inmarsat Completes I-4 Network

The introduction of the Yonder service comes just as Inmarsat is ready to offer business jet customers full access to the global SwiftBroadband data service. The third and final Inmarsat I-4 communications satellite has been slotted into position nearly 24,000 miles above the Pacific Ocean, completing the constellation that supports the 432-kilobit-per-second SwiftBroadband satellite data services for business jets, airliners and

military aircraft. That's quite a bit slower than the Yonder satellite service's advertised maximum speed, but Inmarsat is confident its services' additional benefits will continue to attract customers.

Behind the scenes, Inmarsat engineers have spent the last several months shuffling the orbits of five satellites in all, including a pair of previous-generation I-3 satellites, in preparation for the commercial start of worldwide SwiftBroadband services. "It's a bit like valet parking at any kind of hotel; it's just the vehicles are a lot more expensive," said Lars Ringertz, head of aeronautical marketing for Inmarsat, at the Satcom Direct conference.

Commercial SwiftBroadband service has been available since October 2007, but it was only last month that the third I-4 satellite completed to global constellation, filling in a large coverage gap over the Pacific Ocean. Gaps still exist at the North and South Poles, including over a portion of the North Atlantic Ocean between Greenland and Iceland, but most major flight routes have coverage. The SwiftBroadband coverage areas have now been renamed I-4 Americas, I-4 EMEA and I-4 Asia Pacific. Ringertz said the adoption of SwiftBroadband services by customers has been the fastest of any in the history of Inmarsat, with more than 100 channels flying so far.

Although SwiftBroadband is a higher performance service than the previous Swift64 service (which sends data a maximum rate of 64 kilobits per second per channel), it actually costs less to use while providing higher speeds per channel—claimed to be as high as 1.7 megabits per second when using Satcom Direct's AeroX data compression technology, which employs the CNX router from EMS Satcom.

SwiftBroadband is an "always-on" service that charges users for the data they transmit rather than the time they spend online. Testing performed by Satcom Direct has shown it will cost about \$8 to send a one-megabit, Microsoft Word file using SwiftBroadband versus nearly \$16 for two minutes of connection time using Swift64 to send the same file.

To avoid data congestion on popular flight routes—a common problem for users of Swift64—Inmarsat currently limits SwiftBroadband use to two channels per aircraft. After 2012, customers will be allowed to install four SwiftBroadband channels, two for the cabin and two for the cockpit, Ringertz said.

Despite the slower data rate and higher cost of the Swift64 service, customers' appetite for the lower-bandwidth data continues to grow. At last count there were more than 3,500 channels flying, many of them as part of bonded multiple-channel installations aboard high-end business jets and military VIP aircraft.

Ringertz said that although peak-time demand spikes continue to be a concern for Swift64 network designers, congestion-management techniques have reduced slowdowns along the U.S. East Coast—a persistent trouble area—with a marked improvement achieved in the last six months. In fact, Ringertz said, no congestion problems were reported in the Atlantic Ocean Region West between October and January.

Next up for Inmarsat are programs to bring "classic" aero-data services to the I-4 network, as well as additional streaming classes for users requiring lower bandwidth, multicast services allowing delivery of messages to multiple users and, eventually, safety services over SwiftBroadband. By the middle of the year, Inmarsat plans to provide Aero H, H+, I and L data over the I-4 satellites and then tackle the task of adding safety services.

"We have a program in place to achieve safety services over SwiftBroadband," Ringertz said. "It's obviously going to be a very long slog doing that, trying to get ICAO and all the parties involved to agree on certain things." Concurrent with the initiative, Inmarsat also plans to spend nearly \$300 million to launch an additional I-4-class satellite in early 2013 to supplement the existing I-4 satellites by providing additional coverage over the Middle East and Africa, Ringertz said.

Service Enhancements

Satcom Direct announced a number of service improvements and value-added initiatives at its conference, which drew around 150 customers and satcom industry representatives. The satcom-services retailer announced that its Global One Number—which provides a 10-digit phone number that allows callers to contact the airplane no matter where in the world it is flying—now offers European phone numbers for international operators, using the dialing code for the Netherlands.

Satcom Direct also discussed an agreement with emergency-medical-care specialist MedAire whereby passengers and crew dealing with an in-flight medical emergency can call the Medlink service by dialing the airplane's own Global One Number rather than MedAire's phone number. "Pilots know the airplane's Global

One Number, so we decided to let them call the Medlink service by dialing their Global One Number during the flight and then pressing zero at the initial greeting to have it automatically link them to MedAire," said Satcom Direct vice president of sales and marketing Howard Lewis. It's a value-added service from Satcom Direct and MedAire offers it at no extra charge, Lewis said.

Another value-added service is the ability by pilots to use Inmarsat or Iridium to make verbal position reports to eight ATC facilities around the world in the event of an HF communications problem. To access the service, the pilots dial the airplane's Global One Number, press pound and select the appropriate ATC facility from a menu, Lewis said.

Satcom Direct also provided details of its new SwiftBerry service that allows BlackBerry users to access e-mail in-flight using SwiftBroadband. The company also said the PlaneSimple customer Web site now has a Swift64 congestion monitor to let users know of any problems during a particular flight. The site also has links to support and technical documents and will let customers to upload their router and AeroX configurations for later download to a new router in case the old one fails. Lewis said Satcom Direct is giving the site a fresh look in the coming months that will incorporate a number of customer suggestions.

Lewis also noted that Satcom Direct's FlightDeck Freedom datalink service will now be able to link to the Honeywell Primus Epic cockpit, thanks to the partnership it struck with Honeywell for cabin services. Pilots flying Gulfstreams with the PlaneView cockpit or Falcons with the EASy flight deck will have access to all FlightDeck Freedom features, including flight plan uploads to the flight management computer; automated delivery of position reports by e-mail or text message; digital ATIS; pre-departure clearances; and text weather including metars, TAFs, notams, pireps, sigmets and winds aloft. Flight plan upload agreements are in place with Honeywell's Global Data Center, Jeppesen and FltPlan.com.