

Widening ways to stay in touch

With an ever-increasing range of broadband and satellite services to shipowners, it's the crews that should win out

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JUST as our home broadband connections have changed the way we live, the same is happening with shipboard communications.

Modern lifestyles have been revolutionised as our digital connections have become faster and computers more powerful, allowing movies, data and programmes to be downloaded. These internet-based digital data networks now also carry voice traffic, competing with ordinary telephone networks, and have allowed a whole host of online applications to emerge.

The same is happening with satellite broadband, and how ships, now increasingly seen as floating offices, connect with the already-connected world. Given the ability of Nasa to remotely influence a space rocket, it should be no surprise that the same global connectivity is now available on a ship. The key question is: at what cost?

With an ever-increasing array of service providers offering faster broadband services, shipowners are clearly facing the prospect of cheaper satellite services in the future, as the providers eye the financial potential of the global fleet. However, in the same way consumer mobile phone operators offer additional bundles of services and data that see our monthly phone bills creep ever higher, the same is likely to happen with ship-to-shore traffic.

With service providers offering ever-faster access, including smarter access for crew calling and emails, office interaction and other business applications, there is a growing demand for satellite services.

Broadband connections are faster than traditional services and appear to be cheaper. However, as Inmarsat chief executive Andrew Sukawaty said in the company's latest preliminary results announcement, it expects shipowners to switch to its newer fleet broadband service and initially retain a similar level of usage until they begin to see the potential applications that can be used. Then usage will climb, he said, and revenues for Inmarsat will increase.

This can be read as meaning the phone bill for the shipowner will go ever higher. What was once a nice-to-have accessory soon becomes a must-have feature. To speed up the migration to its fleet broadband, Inmarsat has put up prices on its earlier systems.

However, faster broadband is like using a third-generation mobile phone. With all the applications available at one's finger tips, it is easier to forget the connection costs until the end of the month.

But service providers say the additional costs can be outweighed by the saving. Increased access to the internet and the phone raises morale onboard vessels and is obliquely written into the Maritime Labour Convention, which states that there should be "reasonable access to ship-to-shore telephone communications, and email and internet facilities, where available, with any charges for the use of these services being reasonable in amount."

The latter part of the text may be cause for some



Phone home: a raft of new services are aimed at crew who are forced to pay to keep in touch with their families.

concern to some owners already sweating over crew costs, while companies such as Inmarsat distributor Vizada push crew-calling scratch cards and other services aimed at meeting the needs of homesick crews forced to pay to stay in touch with loved ones.

Inmarsat still holds the throne when it comes to satellite services, mostly as it has behind it the historical reputation associated with its emergency services systems. Yet the newer companies are making definite inroads into its markets.

Iridium has ambitious expansion plans, relying on external loan agreements to help it secure its next generation of satellites. Iridium's plans are costly and, according to industry experts, risky, especially as it looks to use a relatively new private company, SpaceX, to help it get its new satellites into space on an extremely tight deadline. It sees itself as offering services to a different market from Inmarsat, with its main selling point being global coverage — Inmarsat's fleet broadband satellites, being geostationary, do not cover the poles.

Inmarsat's response has always been to point to the low number of polar vessels and the fact that the poles are covered in ice or rock, and there is simply no need of such a service to the shipping community.

Inmarsat also has growing competition from Thuraya, a Middle East satellite owner that operates in the same L-band frequency.

Thuraya was originally launched to offer mobile phone access to the Middle East and Asia, where normal telephony could not reach. It is looking at

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expanding its global coverage with new satellite launches, but has struggled with one fundamental area — the shift to becoming a data carrier.

To overcome that it has teamed up with Comtech Telecommunications, a large, mostly military service provider. Comtech market manager Patrick Grillo says the US-listed company is looking to make the most of the under-used L-band spectrum.

The company hopes to offer hardware that will compete against Inmarsat's high-end Fleet Broadband 500. Mr Grillo said it is working with Thuraya to bring out a number of different airtime options that are not available from Inmarsat.

"We believe there is a gap, which we want to fill, with a better capex proposition with fixed monthly airtime package for shipowners," he said.

However, Comtech and Thuraya will still have to compete against Iridium's next generation of low earth-orbit satellites and the forthcoming K-band service which Inmarsat has promised.

The arguments over vsat and L-band are often a case of six of one and half a dozen of the other, depending on the shipowner's needs and pocket.

When comparing hardware costs, the advantage of L-band is a lower capex; but the more you use the service, the more it costs. This has been a natural brake on usage and, as Mr Sukawaty said last month, it has made Inmarsat a victim of its own success. Frequently, shipowners will install both systems, using Inmarsat as the back-up to the cheaper air time but low-quality signals of a vsat provider.

Inmarsat intends to overcome this with a vsat-style service to be operational in 2014. It has said it will launch three new satellites to provide 50 megabits per second in the K-band spectrum, offering customers the ability to switch between frequencies with one service provider.

With Comtech and Thuraya now looking to offer vsat-style pricing structures in the L-band spectrum, the winners of all this activity could well be the shipowners, regardless of whether there is a pricing war in the future. But the true winners will, hopefully, be the crews. ■