

OneWeb, Intelsat merge to advance satellite internet

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Technicians work on a satellite in an Intelsat cleanroom in Toulouse in 2004

Satellite telecom firms OneWeb and Intelsat announced plans Tuesday to merge, and a fresh \$1.7 billion investment from Japan's SoftBank to advance an ambitious "internet in the sky" plan.

The deal aims "to create a financially stronger company with the flexibility to aggressively pursue new growth opportunities resulting

from the explosion in demand for broadband connectivity for people and devices everywhere," the firms said in a joint statement.

The deal could accelerate OneWeb's plans for a network of low-Earth orbit satellites to deliver high-speed internet to remote areas of the globe.

"At the center of both our companies is a shared mission to connect the globe," said Intelsat chief executive Stephen Spengler, slated to be CEO of the combined company.

Spengler said the combination "will create an industry leader unique in its ability to provide affordable broadband anywhere in the world."

The OneWeb network, which is slated to begin operating in 2022, would be combined with Intelsat's geostationary orbit satellites, aiming to support "an extensive set of mass-market applications, including for consumer broadband, connected cars," and other data services, according to the statement.

SoftBank, which in December announced it was investing \$1 billion in OneWeb, on Tuesday agreed to add \$1.7 billion to the combined company, giving it a 39.9 percent voting stake plus additional nonvoting shares.

The company will be domiciled in Luxembourg, and listed on the New York Stock Exchange, with manufacturing and other facilities in the United States.

"With SoftBank's support we will build the world's first truly global broadband company, accelerating our mission of bridging the digital divide by connecting the four billion people without access today," said OneWeb founder Greg Wyler, who will be executive chairman of the

new company.

SoftBank last year announced its first investment in OneWeb after its chief executive Masayoshi Son met President Donald Trump and pledged to invest \$50 billion in the US economy and create 50,000 jobs.

OneWeb intends to launch 684 low-orbit satellites, to cover the entire planet and deliver internet to areas where conventional land systems are not economical.

By using a network of satellites closer to earth than traditional telecom satellites, the service can deliver a faster response that is similar to what consumers get with high-speed wireless connections.

The idea dates back to the 1990s, when Teledesic, a project backed by Microsoft's Bill Gates and Saudi royal family investors, failed before it went into service. Another venture, called SkyBridge, also failed, and its assets were eventually acquired by OneWeb.

Backers of the idea and an equally ambitious plan being developed by Elon Musk's SpaceX argue that improved technology and lower production costs can make space-based systems more feasible than in the past.

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