



VIASAT PIVOTS TO COVERAGE PLAY FOR CONNECTED AIRCRAFT REVOLUTION

News / Airlines



In the world of inflight entertainment and connectivity, the industry has seen what could be considered a serious content play (Global Eagle Entertainment's string of CSP-related acquisitions), a hardware/integration play (by LiveTV and later its acquirer Thales) and a capacity/service play courtesy of satellite operator ViaSat. The latter firm, whose regional Ka-band Exede service is powering true high-speed Internet on JetBlue, United's Boeing narrowbodies and now some Virgin America A320s admits as much, and is of course gearing up for a much-needed coverage play with the ultimate launch of a near global constellation. This will help ViaSat better address the needs of a connectivity market that is poised to catapult from hundreds of millions of dollars to billions within the next several years.

The ViaSat-1 satellite, gen 1 technology supporting the aforementioned US carriers today, "was a capacity play; nobody believed you could cram that much into a space platform. ViaSat-2 is a coverage play so you don't have to have that trade-off between the coverage and capacity, as it will have twice the capacity and seven times the coverage; and ViaSat-3 will be more towards visible earth type coverage," says ViaSat director Don Buchman. In contrast, the Ku inflight connectivity camp – Panasonic Avionics, Gogo and Global Eagle – first pursued a coverage play, opting for the near global availability of broadband Ku satellites. The launch of Ku High Throughput Satellites (HTS) – starting with Intelsat 29e in January – promise to offer a step change in bandwidth delivery.

But because it went big and bold on a US regional scale first, ViaSat is currently on fire from a

#PaxEx perspective. Exede can support on-demand streaming media service partnerships for airlines (Amazon Prime on JetBlue; Netflix on Virgin America), and is generating buzz in the press and talkability among tech-savvy travelers. Which, from an industry perspective, begs the question – where does this leave Thales, which is technically lead on both the United and JetBlue contracts? Some years ago, late-to-the-connectivity-party JetBlue had a choice of service, and chose ViaSat Exede. But the carrier brought in its seatback television subsidiary LiveTV to be the integrator on the project and contribute what ViaSat was clearly lacking at the time (and still lacks to a point, pending completion of certification work on various aircraft types). Industry observers have long wondered if JetBlue made the strategic decision to appoint LiveTV as firm lead on the contract pre-sale (and they've long suggested that Global Eagle made an 11th hour bid on LiveTV, driving the price up by \$100 million). Whatever the case, many stakeholders saw \$400 million as a stunning price for Thales to pay considering that connectivity on JetBlue and indeed United is supported by Exede and the fact that ViaSat had made known its desire to go direct as inflight ISP (as it is now doing for Virgin America).

Setting a clear industry standard by offering free streaming-class Internet on board, JetBlue doesn't generally mention either partner when boasting about its Fly-Fi-branded product in press releases. ViaSat and Thales toot their own horns in the press and on social media.

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