



2011 Annual Report Satellite Broadcasting & Communications Association



The Satellite Broadcasting and Communications Association is the national trade organization representing all segments of the consumer satellite industry. It provides industry leadership in protecting the rights of consumers and technicians to access the best in satellite delivered services and assuring it's available at a fair price. SBCA is also committed to creating value added programs to improve the long term growth and sustainability of our member companies through member benefits, skills assessment and training.



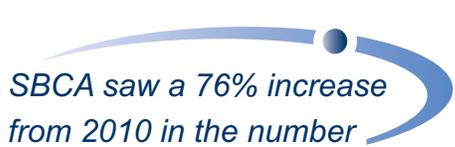
*SBCA Chairman,
Andrew Reinsdorf*

With my term as Chairman of the SBCA Board of Directors drawing to a close, I am pleased to report that we have made substantial progress in advancing our agenda and making the SBCA an effective advocate for the DBS industry.

Over the course of the last year, we have helped to improve competition in the video marketplace and stopped our rivals from manipulating public policy to stem our industry's growth.

For example, we successfully compelled compliance with the Federal Communications Commission's (FCC) Over-the-Air Reception Devices (OTARD) Rule.

The number of OTARD inquiries has increased significantly from 2010 to 2011, as a direct result of our education and outreach efforts. We have vigorously fought illegal restrictions proposed or enacted by towns and cities and have filed petitions with the FCC to declare invalid dish restriction ordinances in Philadelphia, Pennsylvania and Loveland, Ohio.



*SBCA saw a 76% increase
from 2010 in the number
of OTARD inquiries fielded by
the public policy department.*

On the discriminatory tax front, we beat back numerous proposals at the state level. Working with DIRECTV, DISH, retailers, customers and others, the industry defeated tax proposals in all 12 states in which such taxes were proposed. If enacted, these potential new discriminatory taxes on our customers would have cost the industry an additional \$1.5 billion annually. Beyond these significant achievements, SBCA continues to administer the industry's voluntary certification program that bolsters our efforts to limit or defeat oppressive regulations of the satellite installation process. In addition, SBCA continues to help video platform providers in developing test modules and skills assessments that improve the quality of the installation process.

Finally, I am pleased that SBCA has created a foundation to recognize the important work that the members of our industry do to improve the lives of the citizens in the many communities our industry serves. The SBCA Foundation's first awards will be granted in 2012.

It has been a privilege to serve the industry as Chairman of SBCA. Jeff Blum from DISH now takes over and is already bringing passion and energy to this critical role. Finally, I want to express my appreciation to the SBCA Board of Directors and to the SBCA management team and staff for their professionalism and dedication during my term of office.

2011 Board of Directors

*Andrew Reinsdorf, DIRECTV Chair, Jeffrey Blum, DISH Vice Chair
Lee Hess, Installs, Inc., Greg Frasca, Sky Web Digital Media, Dave Robison, DSI Systems
Vern Swedin, PACE International, Tom Haywood, Applied Instruments
C. Scott Hisey, UniTek USA, Michael Scherr, CASE-SRS Distribution*

Introduction

Once again, in 2011 SBCA completed a successful year with a budget surplus and a significant number of achievements across the board. SBCA continued to emphasize and expand advocacy efforts in OTARD, tax and regulatory matters. Dish restriction is an area of growing importance to our industry and SBCA will be focusing on it.

SBCA expanded the benefits offered to our members and created additional resources for our installation channel members in the areas of occupational safety and risk management. SBCA created additional educational materials in home theater and networking training.

SBCA's ability to reach our members and the industry as a whole with timely and valuable information has not only grown with an extensive series of webinars, online publications, including a new industry newsletter called SmartBrief, but also expanded with the launch of the SBCA Foundation.

Public Policy and Outreach

SBCA advocates on behalf of the industry to ensure its continued growth and well-being with three areas of focus: state licensing and regulation, consumer access to satellite services, and fair taxation. SBCA utilizes its Political Action Committee fund, SKYPAC, to make contributions to political candidates at the state level who support our industry.

State Licensing and Regulation

Many states have regulations and licensing requirements that apply to satellite installers and the satellite installation process. States often consider making changes or adding new regulations. SBCA monitors licensing changes and educates the appropriate state agencies regarding current practices and advocates positions on the necessity of proposed rules or changes to existing rules. In 2011, in addition to monitoring several licensing bills at the state level, SBCA testified in opposition to legislation in Massachusetts that would have established new requirements for licensing in the Commonwealth exclusive to satellite but not cable. This bill has not moved forward.

Consumer Rights

SBCA provides information and education to consumers and industry stakeholders regarding the [FCC's Over-the-Air Reception Devices \(OTARD\) Rule](#) which sets standards and a process for limiting certain restrictions on the placement of satellite dishes that could affect the ability of consumers to receive satellite service. In 2011, SBCA filed petitions for declaratory ruling with the FCC on behalf of consumers in Philadelphia, Pennsylvania and Loveland, Ohio, seeking relief from ordinances that violate the OTARD rule. Enforcement of these ordinances has been stayed while these petitions remain pending at the FCC.

State Taxation

SBCA works closely with DIRECTV, DISH, and a network of state lobbyists to fight [discriminatory tax](#) proposals being pushed by the cable industry across the country. Twelve state discriminatory tax proposals were defeated in 2011. The states where we were successful in defeating these unfair tax proposals were Alabama, Arizona, California, Connecticut, Georgia, Hawaii, Illinois, Indiana, Minnesota, Texas, Nevada and Vermont.

Membership

SBCA Membership ended the year with 443 company members and 165 individuals. As membership continues to grow among the retail and installation contractor sectors, SBCA strives to provide quality resources and information for these member types. In order to support these two key industry groups, SBCA launched a [Risk and Safety Resource Center](#) designed to assist member companies with information and programs focused on various areas of their business such as hiring, OSHA compliance and business management and training resources, with the majority of the information provided by a collaboration of SBCA member companies.



Membership increased in almost every category from a total of 383 paid members in 2009 to 585 in 2010 and now 608 in 2011.

Additionally, SBCA created new partnerships to [provide members discounts](#) on prescriptions and medical care, as well as a gift card program. The goal in creating partnerships like these is to assist members in everyday business and provide quality resources and experts in a variety of areas that affect their business. Look for SBCA to announce new partnerships in 2012 that will offer discounts on computers, as well as a rewards program and an industry buyer's guide.

Education and Certification

SBCA added two new online certification programs in 2011 which are designed to augment the course offerings of the platform providers. Both of these courses were developed with the understanding that those working in the industry must become “Home Technology Professionals” as components become more integrated.



Home Theater Fundamentals Course

The first of these courses focuses on [Home Theater Fundamentals](#), providing new technicians and sales personnel with fundamental knowledge necessary to understand home theater components and how they integrate with each other. In December, SBCA launched the [Home Networking Fundamentals](#) course designed to provide technicians with a further understanding of a consumer's home network and give them an increased comfort level when working with these systems. Even with the launch of the new

courses, SBCA administered 65,244 tests in 2011, which is a slight decrease from previous years.

At the end of 2011 SBCA developed a [Technician Resource Area](#) to provide end user technicians with current technical information and updates on products. In order to receive this information, technicians must be certified on the specific technology. Technicians who are currently MFH2/D2A certified were the first group to have access to this information.

In 2012, SBCA will be expanding to other products and technologies as the information becomes available.

SBCA SkyFORUM 2011

SBCA's SkyFORUM 2011 was held October 26th and 27th with 292 people attending two action packed days. Unfortunately attendance was down almost 50% from 2010. The line-up of informational presentations was the largest draw for the attendees. Every attendee who logged in during the two days attended at least one presentation, with the majority attending more than one. When polled, 62% of attendees said the presentations are the most important aspect of attending SkyFORUM. All who participated in our survey said they would recommend another industry professional attend a future SkyFORUM event.

The current plan for 2012 is to focus exclusively on informational presentations over a two day period.

Thank you to our sponsors and exhibitors!



Marketing and Communications

SBCA continues to send targeted newsletters based on member types but also has developed a mobile friendly version of the Tech Talk Newsletter and improved all the other SBCA Newsletters to render more efficiently on a mobile device. Overall, 35% of our readers open SBCA Newsletters on mobile devices, 24% of that 35% are certified technicians. Since converting to a mobile version newsletter, our Tech Talk Newsletter grew by 3.5% in opens or 1,435 technicians viewing who previously did not open our newsletter. SBCA also deployed a

Approximately 24% of the 22,000 technicians who receive SBCA communications exclusively open these messages on their mobile devices.

communications program to email and notify those whose certifications have expired and those newly added to the SBCA database as a member or certified technician.

This past April SBCA partnered with [SmartBrief](#), a newsletter that runs headlines relating to our industry and delivers a weekly brief to 4,260 subscribers. On average, SBCA SmartBrief gains one new subscriber every day and the open rate is around 30% or 1,260 people each week. The most popular feature has been the Consumer Technology section. This newsletter is free and open to the public.

SBCA added a second webinar every month to the [SBCA SkyFORUM Webinar Series](#) after survey results showed that a high number of members expressed interest in a webinar added later in the day to attend after work. With over 230 webinar attendees and close to 300 people listening to the replays, SBCA will continue to offer webinars twice a month in 2012 to members and certified techs.

SBCA Celebrates 25 years

SBCA celebrated 25 years as an Association in 2011 but the birth of satellite television began in 1976, when Taylor Howard of San Andreas, California, became the first individual to receive C-band (large dish technology) satellite television signals from a home-built antenna and receiving system that he constructed on his property. Howard, who would also serve as SBCA Chairman in years to come, as well as in other positions with SBCA, was often referred to as “The father” of satellite.



Jeff LeHew and Taylor Howard

The years 1976 to 1980 marked the beginning of the modern-day satellite television industry, with the first signals being broadcast from HBO (Home Box Office), TBS (Turner Broadcasting System) and CBN (Christian Broadcasting Network, later The Family Channel). SBCA was founded on December 2, 1986, in Anaheim, California, through the merger of the Society for Private and Commercial Earth Stations (SPACE) and the Direct Broadcast Satellite Association (DBSA). President Chuck Hewitt led the merger (and was the Association President until 2001). SBCA’s primary purpose was to ensure the continued legal viability of the industry by representing the industry on federal and state legislative and regulatory issues; including: fighting for access to network and super stations; stopping unfair zoning and covenants; advocating for fair program access price terms and conditions; preventing restrictions on installers by local/state governments through unfair regulations; advocating on state and local tax issues and other issues as they arose.



Chuck Hewitt

While there was a great deal of turmoil, the industry recovered and SBCA won several legislative and regulatory battles. One of the difficulties faced was transitioning the industry from selling and installing equipment to receive free programming to a system of program payment. According to Hewitt, “In 1989, SBCA was informed by representatives of the movie industry that if we didn’t take steps to stop the pirating of programming they were going to withhold copyrighted material from satellite consumers.” Obviously this would have ended the C-band industry and possibly made it impossible for the DBS industry to exist. SBCA was then required to invest substantial time and effort in the fight against piracy over the next five years.

DIRECTV launched DBS service in 1994 and was soon followed by EchoStar and its DISH Network system. From that point on, C-band declined and DBS started a dramatic growth. Again, SBCA changed with the industry which resulted in new players entering the association and some existing members’ roles changing dramatically, especially the program providers. At that time, with the primary focus being on federal legislation and regulation there was a new effort initiated in education, training, and creating standards for installations.

In 1996, the SBCA recognized those individuals who played a significant role in the creation of the OTARD Rule, including Congressman John Dingell (MI), Congressman Rick Boucher (VA), Congressman Ed Markey (MA) and Retired Congressman Billy Tauzin (LA), as well as Eloise Gore and Rosalee Chiara, both from the Federal Communications Commission (FCC), and Buddy Davis, owner of Davis Antenna and SBCA Member, who was an early advocate of satellite television. The FCC officially implemented the OTARD Rule on October 16, 1996 through authority it garnered via Section 207 of the Telecommunications Act of 1996 which was passed earlier that year.

SkyFORUM was created in the late 1990's to raise awareness of the satellite industry among the financial and investment communities and the media. The format of SkyFORUM was a series of keynotes, panel discussions, and one-on-one chats with top industry execs. Also, the media came out in droves to report on the goings-on. SkyTRENDS was SBCA's market research, data collection and reporting program for the satellite services industry and was a big part of SkyFORUM.

In 2001, SBCA created its National Standards and Testing Program (NSTP) and by 2004, over 25,000 satellite system installation technicians attained certification. Certification is based on a minimum of 85 percent being achieved on the Satellite Fundamentals (Residential) Certification standardized exam.

A few years later, SBCA changed focus from federal legislative and regulatory issues to state and local legislation and regulation. By focusing its efforts at the state and local level, SBCA and its members felt SBCA could make the most positive impact for the industry.

With the downturn in the economy and members having concerns regarding travel budgets, in 2009, SBCA developed its SkyFORUM online trade show. SkyFORUM has continued to be SBCA's annual meeting providing exhibitors the chance to interact with attendees and allowing attendees to get the latest on technology, information and products.

SBCA in 2011 is different from SBCA in 1986, but the motivation to provide members with quality services and to fight to improve the consumer satellite industry has not changed. Jeff LeHew, a member of SBCA since its inception sums up SBCA's efforts very well, "If you want to have a place to go to for any government issues, zoning issues, or dish placement issues SBCA has been and is the place to go. In 25 years I have been blessed with luck and hard work, but without SBCA I am not sure I would have been at the right place at the right time."



2002 and 2003 SkyFORUM

SBCA Foundation—Giving Back to the Community

SBCA, with the help of its founding donors, established the [SBCA Foundation](#) in January 2011. With companies and employees across the United States, our industry has a strong presence in many communities while companies and employees volunteer their time and effort to many causes and SBCA felt it was important to recognize and support these worthy efforts through a Foundation.

The SBCA Foundation will place emphasis on health, welfare and education projects that benefit specific communities and populations where the consumer-based satellite industry has a presence. The amount of money or goods allocated to grants will be based on need and will be implemented in areas where similar efforts are not already underway, so as to reflect the unique purpose and character our industry. Grants will be awarded on a schedule and according to a set of guidelines to be established by the Foundation Board of Directors and implemented by SBCA staff.

The SBCA Foundation will rely on feedback from a network of manufacturers, distributors, installation providers and retailers who all play a part in providing satellite services to the customer. They recognize that these businesses are important in their local communities and understand their needs best.

The SBCA Foundation Board of Directors includes Andrew Reinsdorf of DIRECTV, Jeffery Blum of DISH, Greg Frasca of Sky Web Digital Media, Michael Scherr of CASE-SRS Distribution, Dave Robison of DSI System, Lee Hess of INSTALLS Inc., and Joseph Widoff of SBCA.

SBCA Foundation Golf Fundraiser June 2011



Conclusion

With significant accomplishments made in every department as well as a projected surplus for 2011, SBCA ended 2011 and moves into 2012 in a strong position. Keep up to date on SBCA by visiting our website, www.sbca.org or subscribing to SBCA SmartBrief at www.smartbrief.com/sbca. Click to join our social media pages.

