

Coalition to Save Our GPS

Uniting to Protect GPS - A National Utility for More than 30 Years



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Study Shows Interference with GPS Poses Major Threat to U.S. Economy

3.3 Million U.S. Jobs and \$96 Billion in Annual Direct Economic Benefits Are at Risk

WASHINGTON, D.C., June 22, 2011 – More than 3.3 million U.S. jobs in agriculture and industries rely heavily on Global Positioning System (GPS) technology and the disruption of interference with GPS posed by LightSquared’s planned deployment of 40,000 ground stations threatens direct economic costs of up to \$96 billion to U.S. commercial GPS users and manufacturers, according to an economic study released today.

The study by Dr. Nam D. Pham of the Washington, D.C.-based NDP Consulting Group warns of “serious economic repercussions for the U.S. economy” if LightSquared’s plans proceed and points out that the \$96 billion economic figure represents the equivalent of 0.7 percent of the U.S. economy. The \$96 billion figure is the total of up to \$87.2 billion in costs to commercial GPS users and up to \$8.8 billion in costs to commercial GPS manufacturers. The commercial benefits of GPS are largely enabled by high precision GPS technologies.

The study states that the commercial adoption of GPS continues to grow at a high rate and is expected to annually create \$122.4 billion in benefits and grow to directly affect more than 5.8 million jobs in the downstream commercial GPS-intensive industries. The study makes clear that its analysis is confined to the economic benefits of GPS technology to commercial GPS users and GPS manufacturers, mainly high precision GPS users, and the economic costs of GPS signal degradation to only those sectors. The report therefore does not capture the considerable benefits and costs to consumer users of GPS, other non-commercial users and military users.

The analysis shows that GPS equipment revenues in North America in the 2005-2010 time period averaged \$33.5 billion per year and that commercial sales accounted for 25 percent of the total, while the consumer and military markets respectively made up 59 percent and 16 percent of the total. The report notes that the U.S. government has already invested \$35 billion in taxpayer money in the GPS satellite constellation and continues to invest in GPS at a rate of about \$1 billion a year.

Referring to LightSquared’s plans, the report states, “The commercial stakes are high. The downstream industries that rely on professional and high precision GPS technology for their own business operations

would face serious disruption to their operations should interference occur, and U.S. leadership and innovation would suffer.”

The analysis and views in the study, which was commissioned by the Coalition to Save Our GPS, are solely those of the author, Dr. Pham, a managing partner of NDP Consulting Group who was formerly a Scudder Kemper Investments vice president, chief economist of the Asia region for Standard & Poor’s DRI and World Bank economist.

Representatives of several Coalition member organizations had comments:

Ken Golden, director of global public relations at John Deere: “The use of GPS technology is vital to thousands of people who make their living with agricultural and construction equipment. It is simply not acceptable to allow this new network to interfere with these important industries when all indications are that there is no practical solution to mitigate this interference. In agriculture, the loss of a stable GPS system could have an impact of anywhere from \$14 to \$30 billion each year. That could significantly erode the strong competitive global position of U.S. farmers in the world agricultural economy. Serious impacts to the productivity of those in the construction business also will be apparent.”

Siamak Mirhakimi, general manager, Caterpillar Electronics & Systems Integration: “High precision GPS continues to be widely adopted technology in heavy construction and civil engineering due to the benefits of increased productivity, improved job site safety, faster completion times for projects and reduced fuel and rework costs. The test results clearly show substantial interference to high precision GPS which in turn will impact our products and customers. Allowing any company to cause interference to the GPS band would be a major step backward and significantly impact this domestic industry, which has invested billions of dollars in GPS enabled products and which employs over a million people in the U.S.”

Jim Kirkland, vice president and general counsel of Trimble: “This analysis highlights the massive economic benefits of GPS technology to the U.S. economy and adds a critical perspective to the current debate over LightSquared’s plans. This study also highlights how LightSquared’s recently announced ‘solution’ to the interference problem, which LightSquared admits will not reduce interference for high precision GPS uses, is no solution at all. High precision GPS uses represent nearly \$ 10 billion in historical investment by GPS users over the last five years and \$30 billion in annual economic benefits.”

The report, which traces the development of GPS from its U.S. military origins to today’s widespread commercial and consumer use of GPS, states that “the economic benefits of GPS to the U.S. economy are substantial. GPS manufacturers create employment, provide earnings, add value, and generate tax revenues for governments. Importantly, GPS technology improves productivity and produces cost-savings for end-users.”

The report details the labor, capital, materials and efficiency savings in three industries: precision agriculture; engineering construction, heavy and civil and surveying/mapping; and commercial surface transportation. The report notes as well that GPS technology “creates direct and indirect positive spillover effects, such as emission reductions from fuel savings, health and safety gains in the work place, time savings, job creation, high tax revenues, and improved public safety and national defense.”

The full report is available at <http://www.saveourgps.org/pdf/GPS-Report-June-22-2011.pdf>.

About the Coalition

The “Coalition to Save Our GPS” is working to resolve a serious threat to the Global Positioning System. The FCC granted a highly unusual conditional waiver for a proposal to build 40,000 ground stations that could cause widespread interference with GPS signals – endangering a national utility which millions of Americans rely on every day. The conditional waiver was granted to a company called LightSquared.

www.SaveOurGPS.org

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