

First Input to Green Paper Process (Working document)

May 2003

The purpose of ESOA's first input to the Green Paper is to contribute the shared view point of the European satellite operators' industry by highlighting today's role of SATCOMS networks in the Space arena and by presenting how space-based applications can be further leveraged to serve the European Union's objectives, most importantly enlargement and development of the Information Society.

This first input document is intended to be complemented and ESOA is committed to continue its active contribution at the stage of the implementation of the Green Paper.

KEY MESSAGES

The European Satellite Operators Association (ESOA) recommends reflecting in the White Paper the following key conclusions:

- **Satellite Communications (SATCOMS) are of key strategic and economical importance for Europe.** SATCOMS networks are
 - (i) an instrument for growth,
 - (ii) *the* key driver for the European space hardware industry (contributing 50% revenue),
 - (iii) the most economic technology enabling access to information and eliminating social discourse within all parts of Europe (and beyond) especially at the eve of enlargement, and
 - (iv) a means for non-discriminatory access to information to help close the "digital divide."

- **Due to their inherent large geographic service area, natural ubiquity, extreme reliability, and technical flexibility, SATCOMS networks possess all the fundamental characteristics that enable them to play an invaluable role in the rapid implementation of European policy goals,** in particular the Lisbon Strategy (enlargement of the Union) and the e-Europe objectives.

- **SATCOMS networks are still encountering regulatory and trade barriers** within Europe and for European operators linking Europe abroad that needlessly slow progress on the objectives quoted above and an approach to ensure an appropriate, harmonized regulatory regime for SATCOMS as well as unhindered circulation of terminals in and outside of Europe is required.
- **European Space Policy should contribute to the promotion of the use of the expression “technology neutrality”** in the sense of “using the most economically viable and cost-effective means” to achieve the e-Europe objectives. In that sense, it is crucial to ensure that the role of satellite communications is taken into account as an integral part of a range of complementary technologies.
- **European Space Policy should reflect the strategic importance of Satellite Communications and the key role of the European satellite operators therein by adopting and investing in a bold, new strategic Third Pillar to complement the important navigation and earth observation and security projects already underway (respectively GALILEO and GMES). Implementation of the Third Pillar should be in steps, providing a means of seeding the European industry to develop advanced applications coupled with affordable access technologies (e.g., low cost terminals, integration of space based technology into the global communications infrastructure, development of applications for particular needs in remote and rural areas). We note that the suggestion has already been made for an initial bulk order of first generation terminals which ESOA supports as a necessary initial step.**
- **Europe is and should continue to be the world leader in satellite applications, networks, standards, and ground infrastructure.** The European Satellite operators have demonstrated that they are capable of developing sustainable business models which today drive the motor of the space industry even in these times where the general electronic communications market globally faces a slowdown in growth. Taking example also from the European leadership in the development of the now ubiquitous Global System for Mobile (GSM) mobile telephony standard, the European satellite operators are prepared to participate, along with other key public institutions and private partners, in elaborating this Third Pillar of space policy – a comprehensive and coherent SATCOMS initiative – that will drive the further development of technology in order to achieve more mass market/low cost services for the benefit of Europe and its citizens at large, establish Europe as the world leader in technical innovation, and ensure a sufficient skills base to maintain this leadership for a generation or more..

Further detail on these recommendations can be found in the attached Annex .

ANNEX

Detailed approach to the Objectives set by ESOA

SATCOMS and the Space Policy

Answers to Green Paper questions 7, 9, 12.

Although Space is widely recognized in Europe as a strategic sector for the industrial capabilities it generates and for its defence and security applications, it is far from being obvious that present European Space policy recognizes Satellite Communications (SATCOMS) in general, and the satellite operators in particular. A key part of the “Space” or “Satellite industry” in Europe are the satellite operators who develop networks and applications that provide the demand for space-based hardware and launch vehicles.

ESOA members are *de facto* the most important customers of the space industry in general and the satellite manufacturers in particular – orders from satellite operators provide 50 percent of the revenues of the European space industry. Accordingly, operators have a strategic interest in contributing constructively to the debate concerning the identification of the future requirements and technologies to be provided by the space industry.

As a consequence, ESOA recommends that the White Paper recognize that the Satellite Operators’ industry forms a key part of the Space file and is strategic for :

- Its value for money contribution to the European and global knowledge-based economy and the furthering of European policy goals.
- Its capacity to help implement policy and deliver cost effective services that are key for the success of public policies such as e-Europe, e-health and ubiquitous access to the information society to all citizens.
- Its capacity to immediately serve all the EU countries, including the future 10 countries of the enlargement, and to reinforce connection to countries outside Europe.
- Its capacity to generate a large economic multiplication factor both in the upstream and downstream sectors.
- Its capability to position Europe as a hub for content – Europe as Digital Mainport .

ESOA recommends the following issues be included in the White Paper:

- Statements of the importance of telecommunications applications in the whole space sector and hence the need to concentrate high attention and resources in satellite communications. By way of communications, studies and conferences, leverage on existing successes and raise the profile of the benefits of satellite services within European institutions and across European governments, to the enterprises and the general public;
- An agreement that there is a need for a “**third pillar**” next to Galileo and GMES in Europe to support the further development of the satellite telecommunications industry (including launchers, satellite manufacturers –ground and space segment operators, service providers). This industry faces important challenges in terms of addressing

more than niche markets for one-way and two-way broadband services and mobile UMTS services such as seamless integration of space based platforms into the global communication infrastructure;

- The need for a harmonized and appropriate and equal “level-playing field” regulatory regime with respect to: I) market access; II) spectrum availability, operational coordination, access and conditions of use; III) circulation of terminals and exemption from individual licensing for terminals

- A commitment to support education and training of skilled staff (via universities and research institutes, in cooperation with industry) to develop a new generation of “specialists in telecom and satellite networks” with more emphasis on practical applications and the ground segment (network and terminals) in addition to the existing space scientists within Europe. Support and fund national and international internships to ensure that a skills base with relevant industrial participation is created and maintained.