
PRESS RELEASE

SATELLITE REGULATORY REFORM REQUIRED FOR RUSSIA TO REGAIN COMPETITIVE MARKET FOR SATELLITE COMMUNICATION SERVICES & TO FACILITATE COMPETITIVE TELECOMS ACCESS

Private Sector Stages Pivotal Regulatory Summit to Promote Liberalization of Russian Satellite Services Sector

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MOSCOW – The Russian Federation will continue to pay a tremendous opportunity cost until competitive satellite broadband service provision is permitted throughout the country. This was the conclusion of a public- and private-sector summit held earlier this month in Moscow, where leading officials discussed the urgent need for implementation of regulatory and policy reforms that promote expanded access to cost-effective telecommunications throughout the Russian Federation.

The high-level meeting, which took Russia's public- and private-sector dialogue to a new level, occurred during a *Satellite Regulatory Summit* held here on 1 November by the international satellite industry for regulatory and ministry officials representing Russia, European institutions and ITU. The event was organized by the European Satellite Operators Association (ESOA) and the Global VSAT Forum (GVF) during the Broadband Russia & CIS Conference, with the much appreciated participation of the European Commission (EC) and the Conférence Européenne des Postes et Télécommunications (CEPT).

“Russia's administration increasingly recognises that satellite communications are ideally suited for a wide range of applications that provide essential connectivity to citizens and, as a result, accelerate the pace of economic development in Russia as in Europe,” said a joint statement presented by the two associations. “This Summit highlighted the need in Russia for regulatory and policy principles that could successfully facilitate access to mobile and fixed satellite communications.”

The Summit was held considering the most recent round of accession by ten countries of Central Europe to the European Union (EU), accompanied by implementation of appropriate EC Directives on E-communications in all 25 member states. Meanwhile, non-EU European administrations continue to participate in the development and

implementation of new satellite regulatory light approaches via the CEPT which includes 46 European administrations. Throughout this process, the importance of co-ordinating Russia's regulatory approaches is of vital importance, with both the EC and CEPT. Crucially, one major CEPT country not to ratify any CEPT deliverable is Russia.

This is having a severe impact on Russia. In the absence of open competition for satellite service provision, it is estimated that Russia has less than 7,000 interactive satellite terminals currently in operation – one of the lowest availability rates in the world¹. By contrast, regulatory reforms elsewhere in Europe have vaulted the region forward to become the second largest market in the world for satellite-based broadband services.

“Through liberalization of the satellite sector, most European nations have now begun to realize valuable gains in the form of cost-effective access to broadband communications,” said ESOA and GVF. “Competitively provided satellite communications are strengthening public health and educational standards, as well as boosting local economies through affordable access to more efficient corporate networks. Russia has an immediate opportunity to build upon Europe's successful approach.”

The latest satellite regulatory reform trends were discussed during the Summit, including the following:

I. Streamlined Licensing Regimes

Regulators have begun implementing streamlined approaches to licensing mobile and fixed satellite services and systems and, indeed, in many cases systems and services are now exempted altogether from licensing requirements, because they do not pose a significant risk of interference. These regulatory approaches would ideally be applied equally to Russian and non-Russian satellite operators and service providers, as highlighted by Russian officials from the Radio Research & Development Institute (NIIR) and National Assembly of Satellite Communications.

During the Summit, several delegates shared their experience with the new European approaches, which they all described as highly effective. An in-depth analysis of the practical application of both a liberalized regime on radio & telecoms terminal equipment and general authorisations – the “light-touch” alternative to traditional, individual licensing regimes - was provided by Christian Hoceped, Head of the Sector in the EU Commission's DG Competition Department. Similarly, John Larsen, Chairman of the Working Group on Regulatory Activities in the ECC, the decision making body of the CEPT, stressed the need to see Russia joining the club of countries implementing license exempt regimes for all sorts of end-users' terminal equipment, as it is the case of most EU member states.

II. Technology Neutrality

Another recurring theme in the Summit discussions was how successful the European regulators' experience has been – both in Central and Western Europe - with approaches that are deemed to be “technology neutral”. Regulators who had implemented such

¹ This figure was provided by COMSYS, an independent U.K.-based consultancy specialising on satellite communications. The figure includes all fixed bi-directional terminals currently deployed in Russia.

technology-neutral approaches noted that satellite communications are simply one of a number of important platforms that can and should be regulated without unnecessarily designing technology-specific rules. As the European Union has defined it: technology neutrality means that governments and regulators shall neither impose nor discriminate in favour of the use of a particular type of technology.

Editor's Note:

ESOA, the association of the European satellite operators, represents the interests of European satellite operators with key European organisations, including the European Commission, Parliament, Council and the European Space Agency as well as other relevant international organisations. ESOA's goals include ensuring that satellites benefit from the appropriate political, industrial and regulatory environment to fulfill their vital role in the delivery of communications. Contact: aholla@eso.net

GVF is a non-profit, independent organisation that serves as the unified voice of the international satellite communications industry worldwide. It consists of 180 member companies from more than 80 countries and from every sector of the industry, including satellite operators, manufacturers, value-added resellers, teleports, law firms, consultants and others. Contact: David.Hartshorn@gvf.org.