

## **Satellite operators gain valuable amendments to EU Telecoms package**

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Progress has been made towards strengthening the satellite industry's position in the new European Telecommunications package that was passed by the European Parliament plenary last month. The package, which aims to establish new unified legislation for all telecommunications related sectors across the EU, will now go to the member states for their consideration.

Two of the major changes the European Satellite Operators' Association (ESOA) and the industry at large has achieved are to ensure that the package makes reference to the International Telecoms Union (ITU) and that the drive for all existing spectrum rights to be reviewed every five years will be reconsidered. However, the matter of technology neutrality and recognition of the interference new equipment such as WiMax can cause when it intrudes upon spectrum used by satellites remains unresolved.

The spectrum review issue was arguably the most pressing concern for satellite operators, as a review every five years is incompatible with the basic business plan that is the foundation of the satellite industry.

Inmarsat Chief operating Officer Michael Butler told SatelliteFinance: "The Inmarsat-4 satellites were signed off by our board in 1999, the order was placed in 2000 and the satellites will go through to the mid 2020s. We don't want to go through five reviews over the course of a twenty-five year capex investment program. I think they understand the contribution we make to the European space industry, so it was a positive sign that they've had that flex on this issue."

The lack of any reference to the ITU in the original package was a serious issue that has now been remedied. Aarti Holla-Maini, Secretary-General of ESOA, said: "There are numerous references to ITU and its radio regulations. The open question now is how strong those references will be. We know from our discussions directly with the Commission that they really don't want to see that EU policy has to be in accordance with or consistent with ITU rules and regulations so they're fighting hard against that kind of wording."

"We know that member states are largely in favour but there are a few – notably the UK, Sweden, Denmark, who would prefer a softer reference."

"There are however concerns as to what extent this would have international law implications or put Europe in a difficult position so member states have requested the legal service of the counsel to take a view on it. We are waiting to see what happens there."

This kind of outlook on the satellite sector seems odd considering the great amount of investment the EU member states have poured into European space programs such as Galileo, Egnos and Ecorce.

Butler said: “We think it’s more of a control thing, it’s not about a licence fee. All we’re saying is that given that all three of our Inmarsat F-4 satellites cover the whole earth it needs to be coordinated with the ITU.”

“It may be that the EU thinks the ITU regulations are a little bit moribund, a little bit slow. That’s fine but don’t get in the way of a vibrant industry that is making long-term investment decisions, providing essential services across the world. What we are saying is to avoid the unintended consequences of making these changes.”

The manner in which the ITU is referenced in the final package will ultimately define the extent to which the EU will be interjected into the current regulatory framework of the satellite industry.

“The problem would be the duplication of process and uncertainty,” said Butler. “The ITU is what brings order to the allocation of frequency around the world, but once it allocates a band of frequency it takes no active role. When it comes to L-band we sit down with other operators and say: “if you use it you get to keep it.” It’s kind of self-policing.”

“Because spectrum is a relatively scarce resource we are all doing things like investing in new satellite technology, new air interfaces so that we have much more efficient services, to ensure that we can get good spectrum re-use. A lot of the incentives we have to do that would go away if another body was to take an active role in the process instead of maintaining the hands-off approach of the ITU.”

“Even if it goes the way we don’t want it to go, nothing’s going to change in the short or medium term. It just introduces uncertainty in the future. What we don’t need is a process that works very well being called into question over who has responsibility.”

The technology neutrality problem is one that is still to be considered by the member states. This pertains to the package acting as if all forms of communications technology use spectrum in the same way, when the fact is that satellite frequencies can be more susceptible to interference by other technologies, particularly WiMax, due to the amount of time it takes their signals to reach earth from space.

WiMax operators have been buying up C-band spectrum and under the legislation of the new package will be able to deploy without taking existing satellite frequencies in the same band into account.

Holla-Maini said: “The C-band decision is being reviewed in March. I don’t know why that is but hopefully it’s due to the noise the satellite community has made.”

Butler stressed that satellite operators had no inherent opposition to the concept of

WiMax.He said: “We think WiMax is a good thing, but it should not be deployed in such a way that it destroys critical infrastructure.”

“The EU is progressive. What they’ve done with the S-band shows that they’re progressive and we think that this is not a progressive piece of legislation and creates doubt where none needs to be.”