

Brussels, 14 May 2009

## Mobile Satellite Services in Europe: Frequently Asked Questions

*On 13 May 2009 the European Commission selected two operators, Inmarsat Ventures Limited and Solaris Mobile Limited, to provide mobile satellite services across Europe. The services, such as high-speed internet access, mobile television and radio or emergency communications are expected to reach millions of EU consumers and businesses all over Europe, in particular in rural and less populated regions. The selection concludes the first pan-European selection procedure organised by the Commission. Commercial service must start within 24 months from this selection decision at the latest.*

### What is a mobile satellite service?

A mobile satellite service (MSS) is a service provided by a satellite system which communicates with portable terminals on the ground, which can be carried by a person or mounted on a ship or car. Such systems allow high-speed communication throughout Europe between satellites and, for instance, handheld mobile terminals comparable to smart mobile phones or portable computers.

Mobile satellite services themselves can range from high-speed internet access to mobile television or radio, and public protection and disaster relief. Another well-known example is portable satellite telephones that allow phone calls to be made and received anywhere in the world.

### What are mobile satellite service systems?

Systems providing mobile satellite services use radio spectrum to provide services between a mobile earth station and one or more stations either in space or on the ground at fixed locations. The new technological developments allowing MSS systems to be complemented by ground components are likely to increase their importance as compared to previous mobile satellite systems.

The radio spectrum is divided into "bands", i.e. ranges of frequencies. Systems providing mobile satellite services have been allocated the 2 GHz frequency band throughout the European Union, comprising radio spectrum from 1980 to 2010 MHz for Earth to space communications, and from 2170 to 2200 MHz for space to Earth communications. This allocation has been done by means of a Commission Decision adopted on 14 February 2007:

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2007:043:0032:0034:EN:PDF>.

## **Why is the European Commission involved?**

Satellite communications, by their very nature, cross national borders and are thus susceptible to international or regional regulation. An efficient way of ensuring the coordinated introduction of mobile satellite systems in the EU is to organise a single selection and authorisation process of operators for all Member States. This includes assigning the same spectrum to operators in each Member State, so that they can provide their satellite services at a pan-European level.

At present, existing regulations of the International Telecommunications Union (ITU) have only procedures for radio frequency coordination to avoid unacceptable interference between satellite systems. They do not extend to the licensing of those systems.

The European Commission therefore intervened to create a "one stop shop" to facilitate the emergence of a single market for mobile satellite services and maximise its potential, to the benefit of consumers and businesses.

## **How are the market opportunities for mobile satellite services? How does Europe compare to other parts of the world?**

Generally speaking, European companies represent an important force on the satellite markets: the European space industry holds about 40% of world markets for manufacturing, launching, and operating satellites.

In the field of mobile satellite services, Europe has room for improvements when compared to other parts of the world: while Japanese and Korean consumers already enjoy many radio or TV programmes on their mobile phones, in Europe mobile radio or television services are not yet provided over satellite systems. This is expected to change with the deployment of MSS by the two selected operators.

## **What has the Commission done so far?**

Previously the European Commission adopted in February 2007 a [Decision](#) reserving the 2 GHz radio frequency bands for use by systems providing mobile satellite services.

On 22 August 2007, the Commission proposed to create a single EU-wide selection and authorisation procedure for operators that want to offer EU-wide mobile satellite services. The [Decision](#) on this procedure was adopted by the European Parliament and Council on 30 June 2008 and entered into force on 5 July 2008.

On 7 August 2008, the Commission published [a call for applications](#) for pan-European systems providing mobile satellite services (MSS).

Four companies – ICO Satellite Limited, Inmarsat Ventures Limited, Solaris Mobile Limited and TerreStar Europe Limited – had submitted an application by 7 October 2008. All four applications were declared admissible in December 2008.

On 13 May 2009, the Commission selected two operators, Inmarsat Ventures Limited and Solaris Mobile Limited, to provide mobile satellite services across Europe. The Commission Decision also identifies the specific radio frequencies to be used by each selected operator across Europe.

### **How were the two operators selected?**

The Commission, with the assistance of independent external experts, evaluated whether the applicants demonstrated the required level of technical and commercial development of their satellite systems. Such assessment relied on the satisfactory completion of five milestones regarding for instance the construction of the satellites or their launch. The credibility of applicants and the viability of the proposed mobile satellite systems were also taken into account.

Two companies, Inmarsat Ventures Limited and Solaris Mobile Limited, demonstrated the required level of technical and commercial development of their satellite systems. No further selection was required as the two candidates could be accommodated in the available spectrum. The selected applicants will be bound by the commitments that they have undertaken, including commitments made concerning consumer and competitive benefits and geographic coverage.

### **What are the next steps?**

Within 30 working days of the publication of the list of selected applicants they shall inform the Commission in case they do not intend to use the radio frequencies.

The authorisation of the selected applicants at national level should be ensured as soon as possible and in accordance with the EC authorisation rules. The two operators have to be authorised to use their satellite systems all over Europe for 18 years from the selection decision.

While first services are expected in 2009-2010, the development and commercial deployment of mobile satellite systems must be completed by the selected operators by May 2011 at the latest.

### **Why do satellite operators need legal certainty from the EU to launch mobile satellite services?**

The costs of producing and launching a satellite can run to hundreds of millions of euro, and satellite operators have to pay them before any revenue can be generated from the use of the satellite in question. Investment on such a large scale can only be undertaken by relying on a stable legal environment making sure that satellite operators will be able to offer mobile satellite services across Europe throughout the life-time of the satellite.

### **Where will the services be deployed?**

Services have to cover at least 60% of the EU's territory as of the date the services commence. Coverage of all Member States is required at the latest seven years after the selection decision. It is obviously in the operator's interest to reach as many potential customers as possible by serving an area as wide as possible. Moreover, the selected applicants will be bound by the commitments that they have undertaken in this respect.

**Will the selected candidates receive a "European licence" and pay a "European licence fee"?**

No. Only the selection of the operators of systems of mobile satellite services was made at European level. Operators will be "licensed" or "authorised" by each Member State in accordance with national law, subject to a number of harmonised authorisation conditions. In other words: there is now a "European template" for decisions that continue to require implementation at national level.

If there are fees, these will be determined nationally. Any fee must be justified, transparent, non-discriminatory and proportionate to the intended purpose.

**Who will benefit?**

Operators will benefit directly from economies of scale which will result from consistent national authorisations across the EU. This will encourage investment in the sector thanks to the transparency and legal certainty offered by this consistent EU approach.

Citizens and businesses will also benefit from the high-speed services that will be offered by operators such as: high-speed internet access, mobile TV services, emergency services, etc.

Mobile satellite systems also open up new geographical areas to services that were once considered too expensive to reach. This in turn, should energise local economies and help close the digital divide.