

Introduction

BT welcomes Ofcom's consultation¹ on its proposed approach to authorising the 2 GHz Mobile Satellite Services (MSS) band (1980-2010MHz and 2170-2200 MHz) in the UK beyond May 2027, when the current UK and European Union (EU) authorisations expire.

Our responses to the consultation questions are provided in section 2 below.

1 Response to consultation questions

Authorisation options beyond May 2027

Question 1: Do you have any views on the options for managing the 2 GHz MSS band after 13 May 2027? Are there any options that Ofcom has overlooked?

BT agrees that, at a high-level, Ofcom has identified the three main policy options that are available, namely:

- (i) to clear the band from May 2027 and begin to plan its award for long-term use;
- (ii) to clear the band from May 2027 and wait for the EU process to conclude before concluding on long-term use; or
- (iii) to extend the current authorised use (and possibly allow additional parties to use the spectrum) during a transition period before deciding on the long-term use.

The first option would be the best if some outcome other than MSS use is foreseen, such as use of the 2GHz MSS band for terrestrial use, or if the EU decisions on MSS authorisations did not have much relevance. Neither of these conditions seem likely and so this option is not suitable.

The second option has some merit given the practical consequences that EU decisions on the 2 GHz MSS could have on the available networks serving the UK and associated ecosystems.

The third option seems the best as, compared to the second option, it has the added advantage of enabling some value to be derived from the use of the spectrum while the EU process outcome remains unclear.

Question 2: Do you agree with our proposal for a short-term transition period, which authorises Viasat and EchoStar? Please set out your reasoning.

Yes, in the circumstances, authorising Viasat and EchoStar to continue using the 2GHz MSS band would be the most appropriate course of action to meet Ofcom's statutory duties in relation to the optimal and efficient use of radio spectrum.

We note that Ofcom's proposal to allow a transition period is similar to the EC's proposal to permit up to a two-year extension to the current authorisations. This would enable some value to be derived from the use of the spectrum during the transition period that will be necessary because of the time required to decide on, and complete, the process to get new long-term authorisations in place.

Ofcom's proposal to extend the existing authorisations should enable it to better account for the final EU decisions on future use of the 2 GHz MSS band, which is desirable and probably necessary to get the best solution for UK consumers.

Finally, the transition period would also allow Ofcom to take account of market developments that are currently quite fluid when finalising its authorisation plans.

¹ [Consultation - Future use of 2GHz MSS](#)

Short-term authorisation of 2 GHz MSS from 14 May 2027

Question 3: Do you agree with our preferred option for the duration of the proposed interim authorisation to be a three-year fixed period? Please set out your reasoning.

Ofcom's proposed period of 3 years from May 2027 for the interim authorisation can be compared to the similar proposed extension period of 2 years in the proposed new EU regulations for the 2GHz MSS band authorisation. We agree with Ofcom's proposal and agree that the alternative period of 5 years would be too long as it could prevent other credible competing systems that might deliver greater benefits from securing access to the band. We also note that Ofcom could anyway in future bring proposals to extend any interim authorisation if it considered this appropriate.

Question 4: Do you agree that our proposed approach to authorise continued use of the spectrum during the interim authorisation period through a CGC licence, licence exemption, and Aircraft Radio licence? If not, please set out your reasoning and alternative suggestions.

BT agrees that the regulatory instruments that Ofcom proposes to use to authorise continued use of the spectrum during the transition period could be suitable for the intended purpose. But the option to licence the satellite networks as discussed in Question 5 also has merits.

Question 5: Do you have any comments on the alternative approach we have considered, of licensing the satellite operators to use 2 GHz MSS during the interim authorisation period? If you have a preference for this approach, please set out your reasoning.

BT considers that licensing the satellite network rather than licence-exempting the satellite terminals would be a better approach depending on technical considerations (for example where the satellite network has sufficient control over transmissions from the terminals). This is because it could give Ofcom more control and ability to enforce adherence to technical and operational conditions compared to if only individual consumers are responsible for the operation of terminals in conformance to conditions specified in licence-exemption regulations. It would also allow Ofcom to charge a fee for the use of the spectrum, even if only to recover its costs.

Finally, licensing could give Ofcom more control of which satellite network uses the spectrum in the UK, rather than just licence-exempting terminals of any satellite network (unless Ofcom is proposing to specify the specific satellite network as well as the frequencies in licence-exemption regulations, which would be different to what it has done for the satellite D2D licence-exemption). This could be important in terms of promoting competition in satellite networks rather than just relying on other factors such as seniority of ITU filings. This could be particularly important where Ofcom may want to ensure that competition is promoted, including consideration of possible partnerships between satellite and terrestrial network operators.

Question 6: What are your views on the approach Ofcom should take to fees for the interim authorisation period? Please set out your reasoning and provide evidence where appropriate.

BT does not agree that fees for use of this spectrum should be waived in the interim period. There is an opportunity cost of the use of the spectrum. It could for example in theory be used for terrestrial mobile networks in the longer term if it were not reserved for satellite systems and could distort competition if spectrum fees were waived. We see no reason to change the current fees in the interim period. We do recognise that one system may not use CGCs, and therefore not pay any fees as the terminals are licence-exempt, but that could potentially be addressed by licensing the systems.

The issue of fees is certainly an important issue in the long-term authorisations for use of the band.

Question 7: Do you agree with our proposals to enable additional users to access the spectrum during the interim period? If yes, do you have a preference for how we should enable other users during the short-term extension period? Please set out your reasoning.

BT agrees that Ofcom should accommodate additional users in the 2 GHz MSS band in the interim period where this is technically viable. Allowing access for development and trials will help promote development of commercial propositions and reduces the risk that the transitional period simply delays the availability of new services. Any interim access for additional users should be non-exclusive, technically coordinated, and without creating expectations about future long-term rights.

Question 8: Do you have any other views on the details of our proposal to authorise Viasat and EchoStar during the interim period?

BT has no further comments.

Further considerations regarding longer term future allocations

Question 9: Do you have any comments on the technical and operational implications of the four approaches to long term authorisation we have set out?

Ofcom has outlined at a high level four possible approaches that can be summarised as:

Option A - minimal intervention (ITU filings-led approach): allow licence-exempt use of satellite terminals, likely resulting in the satellite network with highest priority in the ITU filings process delivering the service in UK.

Option B - retain status quo but introduce scope for trading: market mechanisms would determine the future licences and the bandwidths assigned if the two existing operators trade spectrum in future.

Option C - UK-led process: might involve a competitive award and could result in various numbers of operators and assigned bandwidths.

Option D - alignment with the EU: various scenarios ranging from full alignment of bandwidths and operators to only partial alignments.

BT considers that Ofcom has correctly captured the main implications of the four options and we have nothing to add to these.

Question 10: Which would you consider is the optimal approach to take for long-term authorisation? Are there any alternative approaches we have not considered? If so, please outline them.

It is difficult at this stage to definitively express a preference for one option or the other given that the outcome of the EU regulation proposals will not be known for some time, as well as the outcome of the licensing process that will follow.

BT's current view is that Option A is not the best approach as it does not enable Ofcom to intervene to promote competition if it considers this to be appropriate.

BT's current view is also that Option B is unlikely to be appropriate. On the one hand it could lead to windfall gains to the existing licensees following licence trades or on the other it could remain underutilised. Even if it is traded it is uncertain that it would be reassigned in a way that promotes competition.

BT currently considers that Option C or Option D could be the most appropriate way forward.

At this stage we suggest working on Option C given the unknown timing of the EU process, but to align with the EU process to the extent possible as it becomes confirmed. For example, consideration of the bandwidth packages that are available and offering tradable licences so that if the UK moves ahead of the EU it is still possible to trade the licences to achieve alignment where this is the most efficient solution.

Option C might also be the most compatible with Ofcom's objective to set fees that reflect opportunity costs if a competitive award is used.

Question 11: Do you have any further comments on factors we should consider when determining our approach to the longer-term UK authorisation of the 2 GHz MSS band?

BT considers that Ofcom needs to ensure that the assignment of 2 GHz MSS spectrum is done in a way that is in the best interests of UK consumers, including where appropriate promotion of competition. Ofcom should consider:

- promoting competition between D2D satellite network suppliers;
- ensuring fair competition between D2D satellite network operators and terrestrial mobile network operators; and
- enabling competition in terms of potential requirements of MNOs who may seek to establish commercial arrangements with SNOs to meet the needs of UK consumers.

We note that the EU proposals address wholesale access as part of the selection criteria and service requirements² and Ofcom should also give this matter due consideration.

There are other important aspects that Ofcom should consider when deciding on the optimal solution for long-term authorisation of the band. We recognise that some aspects may need input from Government, as well as potential operators and other interested stakeholders, to ensure that UK strategic interests are considered. These include the importance of national sovereignty, the desired degree of UK autonomy and national security requirements. These matters should be considered further and reflected in later more detailed consultation proposals for the long-term authorisation of use of the band.

Question 12: Do you have any comments on the impact assessments?

BT has no comments on the impact assessments.

² See Articles 12(f) and 15(g/h) of [EC 2GHz MSS proposal.html](#)