

**OFCOM CONSULTATION:
PROCEDURES FOR THE MANAGEMENT OF SATELLITE FILINGS
CLOSING DATE FOR RESPONSES: 20 DECEMBER 2007**

QUESTION 1: Are there any other options for cost recovery we should consider? If so, what are they?

None have been considered by Inmarsat. However, whatever option is finally selected should be relatively simple to administer, provide operators with some certainty over future costs for budget planning purposes, and also be deemed to share the costs proportionately and fairly between all filings handled by Ofcom.

Bearing in mind that the budget process for 2008 has already been completed for Inmarsat and the same may be true for other UK operators, it is also considered that Ofcom should not implement cost-recovery fees before 2009.

QUESTION 2: Do you agree with Ofcom's choice of preferred option for the basis of setting cost-recovery fees for satellite filings and co-ordination? If not, what alternative would you propose and why?

Inmarsat agrees that Ofcom's preferred choice of "scaled fee" seems to offer the best balance between fairly attributing costs on one hand, and simplicity on the other hand. However, there are several points of detail which are important to the acceptability of this approach, and these points are not fully addressed in the consultation document.

This option appears to be the most equitable of all options considered as it takes into account the varying workload associated with a filing at the different stages of the filing process. Inmarsat is supportive of this approach even though it is not necessarily the most cost favourable for operators like Inmarsat with a large number of operational satellites. The cost for maintaining a filing throughout the operational lifetime of a satellite would be approximately double that of a filing which reaches the end of its regulatory lifetime without being brought into use.

We have assumed from Ofcom's proposal that "initial application" refers to API, and that the "Co-ordination Phase" charges would only commence after the associated Request for Coordination notice has been submitted to the ITU. Similarly, we have assumed that "filing" refers to a network and not to each ADD or MOD filing that is made with respect to a specific network.

The fees charged for initial applications should take into account that it is often necessary to submit more than one API for a given planned satellite. Some administrations are submitting numerous APIs to cover almost every orbital location. In order to protect UK interests, there may be occasions where it would be appropriate for an operator, in consultation with Ofcom, to adopt a similar approach in a given arc in order not to jeopardise its chances in being successful at the coordination stage. Therefore we propose that the fees levied at API stage be levied against a particular satellite project rather than the number of APIs submitted. The ITU cost recovery fees have already provided a very effective incentive for operators to minimise the number of filings at Request for Coordination stage.

Similarly, we expect that the costs incurred by Ofcom are not fully proportional to the number of networks filed. For example, costs for an operator which submits ten network filings in a year are not ten times the costs for an operator which submits only one filing. In most cases where coordination requests are made for multiple orbital locations, the same information is copied in each filing. Also, the work involved for Ofcom in organising and attending coordination meetings is largely independent of the number of satellite filings involved. This should be taken into account in setting the fees, for example by charging for each set of identical networks (where only the orbital location differs between the networks) or by calculating the fee based on a sliding scale where the fee is reduced for each additional network.

Given that operators will be effectively paying for Ofcom's work in relation to satellite filings, it is important that there is transparency and a degree of scrutiny on how the overall costs are determined and how they are apportioned to the different stages. For example, more information is required on how the overall figure of £400,000 was derived, how the "initial application" fee was derived, and the justification for the 2:1 ratio between the coordination phase and the post-notification phase. Inmarsat recommends that Ofcom establish an appropriate forum where these issues can be discussed with the operators to ensure that the initial fees are set fairly. Subsequent regular (e.g. annual) meetings and presentations of relevant information will be required to ensure that fees remain appropriate for future years.

Furthermore, with the introduction of fees, operators should be entitled to a greater say in the service provided by Ofcom for treatment of satellite filings. While Inmarsat is generally content with the service provided by Ofcom, there may be occasions when Inmarsat would wish to suggest efficiency improvements. It may therefore be of mutual benefit for Ofcom to have a more open dialogue with operators, to allow operators greater input into how their filings are managed and Ofcom's role during the coordination process.

QUESTION 3: Do you agree with the proposal that the Procedures should be amended so that, before submitting a request for co-ordination to the ITU, Ofcom should accept evidence of the existence of construction and launch contracts, or a firm date on which they are expected to be signed as a sufficient basis for submission of a request for co-ordination to the ITU?

Yes.

This amendment to the Procedures will be beneficial to all operators since it is only in a relatively small number of cases, such as when an operator moves a satellite to a new orbital position, that both construction and launch contracts would be available at the time of submission of a Request for Coordination.

QUESTION 4: Do you agree that Ofcom should suppress filings at the ITU if operators request it do so without inviting expressions of interest from other UK operators?

Yes.

This would be a welcome improvement to the procedures as it would not only give protection to existing filings but may also encourage operators to relinquish filings no longer required. The provisions of Section 11 of the Procedures adequately cover those exceptional cases where it may be commercially viable to relinquish a filing to another UK operator.