



Via e-mail and fax:

November 17, 2010

RATEL
Republička agencija za elektronske komunikacije
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RE: Public consultation on the draft Regulations on forms required for the issuance of individual licenses for the use of radio frequencies, 18 November 2010 (*Javne konsultacije o nacrtu Pravilnika o obrascima zahteva za izdavanje pojedinačne dozvole za korišćenje radio-frekvencija*)

Dear Sir, Madam,

The Global VSAT Forum (“GVF”), the European Satellite Operators Association (“ESOA”) and the Satellite Action Plan Regulatory Group (“SAP REG”) would like to thank RATEL for the opportunity to submit comments regarding proposed regulation for the issuance of individual licenses for the use of radio frequencies (hereinafter referred to as the “Proposed Regulations”).

The GVF is representing the global satellite industry, with more than 200 companies from 100 countries in every region of the world. ESOA and SAP REG represent the European satellite industry.¹

Our three associations have considered very seriously the proposed changes of RATEL on the use of radio frequencies in Serbia, including for VSAT operations. Our general remarks regarding the Proposed Regulations do not provide specific responses to every item of the Proposed Regulations.

Attached to this letter you will also find a copy of the GVF International VSAT Policy Declaration. This document expands on the themes outlined below. The International VSAT

¹ For more information regarding the GVF, please visit the association’s web site (www.gvf.org). For more information regarding ESOA, please visit the association’s web site (www.esoa.net). The satellite industry formed the European Union Satellite Action Plan Regulatory Group (SAP REG) in 1997 under a mandate from the European Commission, to address from an industry perspective, regulatory provisions affecting satellite communications services in the community.

Policy Declaration is intended to provide regulators such as RATEL with recommendations related to regulation of VSAT services.

1. INTRODUCTION

In accordance with Articles 34, 35 and 36 of the Law on Electronic Communications (Official Gazette RS No. 44/20), the National Agency for Electronic Communications invited the professional and general public to comment on the Proposed Regulations and on forms required for the issuance of individual licenses for the use of radio frequencies in Serbia.

As part of the Proposed Regulations, we understand that RATEL proposes to modify fees applicable to individual VSAT licenses. Currently fees are 10,000 dinars for each VSAT Earth Station within a telecommunications network. RATEL is proposing to increase the cost to 15,000 Serbian Dinars for each VSAT earth station within a telecommunications network.

2. RADIO SPECTRUM USE & ITU

The GVF, ESOA and SAP REG wish to highlight that radio spectrum is first and foremost to be managed at the international level under the International Telecommunication Union (ITU) Radio Regulations. We support the spectrum management practices as implemented by the ITU Radio Regulations.

3. LICENSING PROCESS

The GVF, ESOA and SAP REG believe that it is important to simplify and expedite the licensing process. A simple, transparent and efficient licensing regime allows operators to quickly roll-out services so that consumers promptly receive important and even critical satellite services such as public safety/emergency services, private networks, government services, satellite news gathering, video distribution, data services, and more. Ultimately, all consumers – including government - reap the benefits of a straight forward and expeditious licensing process.

The GVF, ESOA and SAP REG strongly recommend that RATEL adopt a “blanket licensing” approach for the licensing of VSAT antennas in Serbia. Historically, most governments required each VSAT or mobile terminal to be licensed individually. But more than a decade ago, a new approach to regulating VSATs was successfully implemented. This approach is called “blanket licensing. Using blanket licensing, VSATs are configured based upon standard technical criteria - involving power level, frequency, etc. - that eliminate the risk of unreasonable interference. Thus, a single blanket license is issued covering a very large number of VSAT terminals (ranging from small numbers to millions of terminals.)

For satellite systems, international frequency coordination procedures as well as the use of harmonized standards eliminated the risk of harmful interference. As a result, a growing number of countries have exempted VSAT terminals from individual licensing requirements

and have instead opted for an administratively simpler and more cost-effective blanket licensing approach.

Implementation of streamlined licensing results in significantly easier and expedited availability of services. It also results in lower costs for consumers and operators. Importantly, blanket licensing also greatly eases the administrative burden placed on regulators because less administrative work is needed to process fewer applications.

Wherever it has been implemented, blanket licensing has worked extremely well for regulators, industry and for consumers. More specifically, blanket licensing has been successfully implemented in North and South America, Asia, Africa and Europe.

4. *SITUATION IN EUROPE*

Many European nations have now adopted a set of policy principles that eliminates the need for individual licensing of receive-only and various categories of two-way VSAT terminals, as well as a wide range of mobile terminals. The policy principles were adopted through the regional Conférence Européenne des Postes et Télécommunications (“CEPT”) – of which Serbia is a member - and implemented by individual national administrations.

Decisions adopted by the CEPT exempt VSATs or mobile handhelds from individual terminal licensing requirements provided that they meet specific technical criteria – such as the frequencies that are used, the maximum radio power, *etc.* - that assure adherence to recognised safety standards.² Stations that meet these requirements can quickly and easily be put under a general “blanket” type of license. In this case, no or minimal administration is necessary and there is no need to require a license prior to operating the terminal. There are key advantages in having such generic decisions, both for regulators, for satellite operators and for consumers, since a single license can cover multiple technically-comparable antenna and terminal types increasing speed of service roll-out, reducing administrative processing time and reducing costs.

Since Serbia is a member of CEPT, we understand that these VSAT Decisions should be implemented. The CEPT/ERO database indicates that Serbia has indeed implemented some of the older ERC Decisions (*e.g.*, concerning the use of Ku Band 10.7-12.5 GHz of the use of Ka Band 17.7-19.7 GHz)³ but it does not indicate that the CEPT blanket licensing decision has been implemented. Due to the importance of these CEPT Decisions regarding VSATs licensing, if it has not already done so, we urge RATEL to quickly implement the CEPT Decisions. To the extent that RATEL does not plan to implement the CEPT Decisions in the near future, we would appreciate it if RATEL would explain why the most recent CEPT Decisions have not been or will not be implemented.

² Notably HEST and LEST Decisions ECC/DEC/(06)02 & 03 from March 2006, ECC/DEC/(03)04 from October 2003 and many others - all Decisions are available from: www.erodocdb.dk/doks/doccategoryECC.aspx?doccatid=1

³ See on ERC/DEC/(00)07: www.erodocdb.dk/doks/implement_doc_adm.aspx?docid=1457 & on ERC/DEC/(00)08: www.erodocdb.dk/doks/implement_doc_adm.aspx?docid=1458

The trend toward streamlined and simpler satellite licensing approaches has continued. For example, under the terms of the new European Union (“EU”) Authorization Directive,⁴ the 27 EU countries are required to implement a “general authorization” system. As opposed to blanket licences - which are still administrative acts or explicit decisions - general authorizations no longer require license applications to be made prior to providing satellite service or network (including transmit and receive.) Administrations might require a notification, including basic information on the satellite operator, the network location, the type of service provided, etc. However, the service can be offered by means of a simple registration/notification rather than a license and cannot be put on hold awaiting a reply or consent of a national administration. Moreover, fees for such procedures are limited to the administrative costs of the national regulator.

This process also recognises fully the international nature of satellite services, whereby there is no need to have a service provider located in each country. It overcomes, therefore, the difficulty of obtaining licenses in countries where a small number of terminals belong to one or several service providers or where foreign ownership restrictions require the establishment of a national presence.

Given the close relationship of Serbia with the EU, we would strongly encourage Serbia to follow the same regulatory approach.

5. *LICENSE FEES*

The fundamental rationale for licensing and regulatory fees is to cover regulatory administrative costs associated with processing license and permit applications and other activities associated with regulating licensees. License fees should not be used as a source of profit for the government.

Specifically, licensing and regulatory fees should not exceed the average resource hours required to process an application. When excessive fees are sought from service providers, these fees are passed-on to customers and, ultimately, to consumers. Such an approach raises costs of services, impedes competition and may limit service offerings. In addition, use of licensing and regulatory fees to cover administrative costs helps to promote the independence of the regulator by freeing the agency from dependence on the government’s general budgetary process.

6. *CONCLUSION*

The GVF, ESOA and SAP REG are grateful for the opportunity to share these observations with RATEL, and looks forward to continuing a dialogue with RATEL. We would very much appreciate some comfort on the issues which we have raised above regarding VSAT licenses.

⁴ Directive 2002/20/EC of the European Parliament and of the Council of 7 March 2002 on the authorisation of electronic communications networks and services (Authorisation Directive), as amended by the Directive 2009/140/EC of 25 November 1999 called “Better Regulation” Directive.

We would in particular appreciate clarification regarding the status of implementation by RATEL of the most recent ECC decisions and whether and when these important decisions will be implemented.

The GVF, ESOA and SAP REG would again invite RATEL to take note of the annexed GVF International VSAT Policy Declaration which has been carefully prepared based upon long-time, broad-based industry experience and practices in many countries.

We support the efforts to bring greater communications services to the people of Serbia. The GVF, ESOA and SAP REG would be pleased to assist these efforts in any way in which we can.

Sincerely yours,



David Hartshorn
Secretary General
Global VSAT Forum



Aarti Holla-Maini
Secretary General
European Satellite Operators Association



Kumar Singarajah
Chairman
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Encl. GVF VSAT International VSAT Policy Declaration