

Question	Your response
<p>Question 1: Do you agree we have identified the most relevant cost drivers to take account of in our charging approach?</p>	<p>Confidential? – NO</p> <p>The relevant cost drivers have been identified at a high level. However, Ofcom could provide additional detail each year on the cost elements that make up the cost basis associated with satellite filings. For example, Ofcom could: (1) indicate the number of FTEs attributable to the satellite sector (without disclosing salary information); (2) explaining the “relevant proportion” of international and overhead costs attributable to the satellite sector; and (3) clarify that the spectrum project and programme costs attributed to the satellite sector are limited to those that benefit the satellite sector, i.e. they do not include spectrum proceedings that would re-allocate satellite spectrum for mobile. In SES’s view, disclosing such additional details would increase public and stakeholder confidence in the reasonableness of Ofcom’s charges.</p>
<p>Question 2: Are there any other factors you consider we should take account of in our charging approach? Please explain why in your response.</p>	<p>Confidential? – NO</p> <p>In order to reduce the variability of charges from year-to-year, Ofcom may want to consider averaging out the volume of filings and costs over the last 3 to 5 years (as was done for this Consultation) when setting charges for the upcoming year. This will ensure that unusual/sudden dips and rises in the number of filings (for example) do not have an outsized impact on the predictability of Ofcom’s fees.</p>
<p>Question 3: What comments, if any, do you have on our charging options 1-4?</p>	<p>Confidential? – NO</p> <p>SES would observe that the satellite filing cost recovery fees must balance precision, fairness, predictability, and simplicity of administration. In general, Ofcom’s preferred charging option 3 would seem to strike a reasonable balance (see below).</p>
<p>Question 4: What other charging options, if any, do you believe we should consider?</p>	<p>Confidential? – NO</p>

Question 5: Do you agree that our preferred charging option, option 3, is the best way to meet our objectives? If no, please state your preferred charging option and explain why.

Confidential? – NO

Subject to the specific comments herein, SES is generally supportive of Ofcom’s preferred charging option 3. The proposed charges are modest by international standards; appear reasonable as a proportion of Ofcom’s total operating costs; and are finite, since no further fees would normally be chargeable after notification. This last feature of Ofcom’s preferred charging approach also accounts for shorter duration missions and creates an incentive for early deployment, since no fees are incurred after notification of the ITU filing

Question 6: Do you have any comments on our proposed charging approach (as set out above)?

Confidential? – NO

SES would seek clarifications with respect to the following two matters:

- Pre-existing ITU filings. At the Satellite Filings Cost Recovery Workshop, Ofcom indicated that it could not (under its legislation) impose cost recovery fees on ITU filings submitted before the new fees are notified – not even for modifications and notifications made in relation to these previous filings that are made after the new fees come into force. SES would recommend that Ofcom state this clearly in writing so that the scope of such “grandfathering” is understood by all stakeholders.
- “Exceptional cases”. Ofcom may want to consider clarifying: (i) when it would impose additional cost recovery fees in “exceptional cases”; and (ii) the amount or method of calculation for such additional fees (see para 5.25 of the Consultation). Would challenging another satellite filing attract additional fees? What about requests to preserve or defend a UK filing from challenge? What if the activity is requested in order to rectify an error or oversight on the part of Ofcom? Also, will there be an opportunity for the organisation to decide not to proceed with a requested activity based on an understanding of the additional fees that it will attract?

	<ul style="list-style-type: none">• <u>Non-commercial ventures</u>. SES would not support reduced fees for non-commercial ventures. The proposed charges are already modest by international standards and can be built into funding and grant requests by non-commercial ventures. Equal charges are particularly appropriate in cases where non-commercial ventures seek to operate in spectrum also used by commercial operators to ensure a level playing field. It should also be noted that in some cases the line between non-commercial and commercial ventures is not always clear, and that some ventures that start as noncommercial can later become commercial.
Question 7: Do you have any comments on our proposals for implementing our charging approach?	Confidential? – NO As indicated in the response to Question 2, above, SES would suggest averaging the volume of filings and/or costs over the previous 3-5 years when setting the fees for upcoming years. This should help “smooth out” the yearly fluctuations in Ofcom fees and improve predictability. This should not affect the reconciliation and adjustments that will be necessary each year to account for under- or over-recoveries in the previous year.

Question 8: Do you have any other comments on matters arising from this consultation?

Confidential? – NO

SES is concerned that Ofcom is not properly taking into account the regulatory functions performed by at least some British Overseas Territories (BOTs), the Channel Islands and/or the Isle of Man in the ITU satellite filing process. For example, pursuant to the responsibilities entrusted to the Government of Gibraltar by the UK Parliament, the Gibraltar Regulatory Authority (GRA) has over 20 years of experience and demonstrated competence in reviewing ITU satellite filings requested by SES Satellites (Gibraltar) Ltd and submitting them to the ITU via Ofcom. The functions performed by the GRA (for which it already charges fees) could relieve Ofcom of some of its burdens, and thus result in cost savings. In turn, such cost savings should be reflected in reduced fees to the GRA to avoid duplicative fees for duplicative work. This same logic could apply to other BOTs and Crown possessions that have similar experience and competence in managing ITU satellite network filings.