

4.3.4 – CASE STUDIES: FEES FOR VSAT NETWORKS

This case involves fees paid by operators providing public VSAT²² network services. VSAT refers to earth stations of a diameter less than about 3.8 meters - used mainly for data communications between fixed locations.

Two particular examples of VSAT network connected to the Public Switched Telephone Network (PSTN) have been considered, and are described below as case 1 and case 2. Figures concerning fees are based on data provided by the Satellite Action Plan Regulatory Working Group.

Case 1

Example 1 considers a VSAT network with the following characteristics:

- bi-directional transmission
- transmission capacity equal to 64 Kbit/s
- bandwidth between 20 kHz and 1 MHz
- 10 transmitting earth stations, including the Hub station located in the country in question
- 1 satellite
- with connection to the PSTN
- no co-ordination is needed.

Case 2

All characteristics are the same as in case 1, except that the number of transmitting earth stations is 100, rather than 10.

Types and Structure of the fees

Fees considered in this case study refer both to the use of frequencies and, where relevant, to the network licence. For example, Belgium, Denmark, Finland and Sweden appear only to require fees in relation to the use of spectrum. On the other hand, Germany, Italy, Luxembourg, The Netherlands, Portugal and the UK require additional fees for the licensing/registration of the network.

Fees for the provision of the service are not considered in this analysis.

The fees structure (i.e. one-off or annual fees, per station/hub/bandwidth or fixed fees) for VSAT networks varies significantly among Member States:

- In Belgium, France and Germany, the fees include a one-off fee and an annual fee per station for the use of frequencies. France applies an additional annual fee for network management. Germany also applies a one-off fee for the network licence;
- Denmark, Finland, Sweden charge only an annual fee per station for the use of frequencies;
- In Greece both one-off and annual fees are charged per station for the use of frequencies. Additionally, Hub and peripheral stations are distinguished;

²² Very Small Aperture Terminal (VSAT).

- Italy applies a one-off fixed fee for the network licence. As regards the use of frequencies, it charges a one-off fee per number of stations, combined with annual fees per station and per bandwidth;
- The Netherlands applies one-off and annual fees for the registration of the network. It also charges one-off and annual fees for the use of frequencies;
- Portugal applies one-off registration and licensing fees, as well as annual fees, for the network licence. It also charges an annual fee per station for the use of frequencies;
- The UK charges initial and annual renewal fees for the network. It also applies annual fees per station and an additional fee per Hub for the use frequencies;
- Austria, Luxembourg and Spain adopt parameters which are described in Table 8. These countries are not included in the charts for cases 1 and 2 because calculation parameters diverge exceedingly from those adopted in other Member States, and could not be easily modelled;
- Relevant legislation for Ireland is in the process of being defined. For the moment, temporary permits are issued for which no fee is charged.

Note that in the following charts the difference between fees for the first year and subsequent years highlights the relative impact of one-off (as opposed to annual) fees. Furthermore, from the comparison of case 1 and case 2 it is possible to infer the relative impact of per station fees as opposed to fixed annual fees.

See section 4.8 for details on exchange rates to euro used in this analysis.

Table 8. Fees for VSAT networks in Spain, Luxembourg and Austria

	E	L	A
One-off fees	for the individual licence: EUR 60	<ul style="list-style-type: none"> • for the network licence: EUR 6,197 • for spectrum use: EUR 6,448 	per dossier: EUR 98
Annual fees	<ul style="list-style-type: none"> • per station : 0.15% of turnover • per bandwidth (per station): EUR 1.07 per KHz (minimum EUR 60) 	<ul style="list-style-type: none"> • for the network licence: EUR 12,394 + 0.10% - 0.25% of turnover²³ • for spectrum use: EUR 2,977 	per station: from EUR 174 to EUR 7,849 according to power ²⁴

²³ The minimum percentage of 0.10% is applied for turnovers of up to 12,394,000 EUR; the highest percentage of 0.25% is applied to turnovers of greater than 123,940,000 EUR.

²⁴ Monthly fees per station vary as follows:

EUR 14 if < 1 Watt

EUR 35 if 1-6 Watt

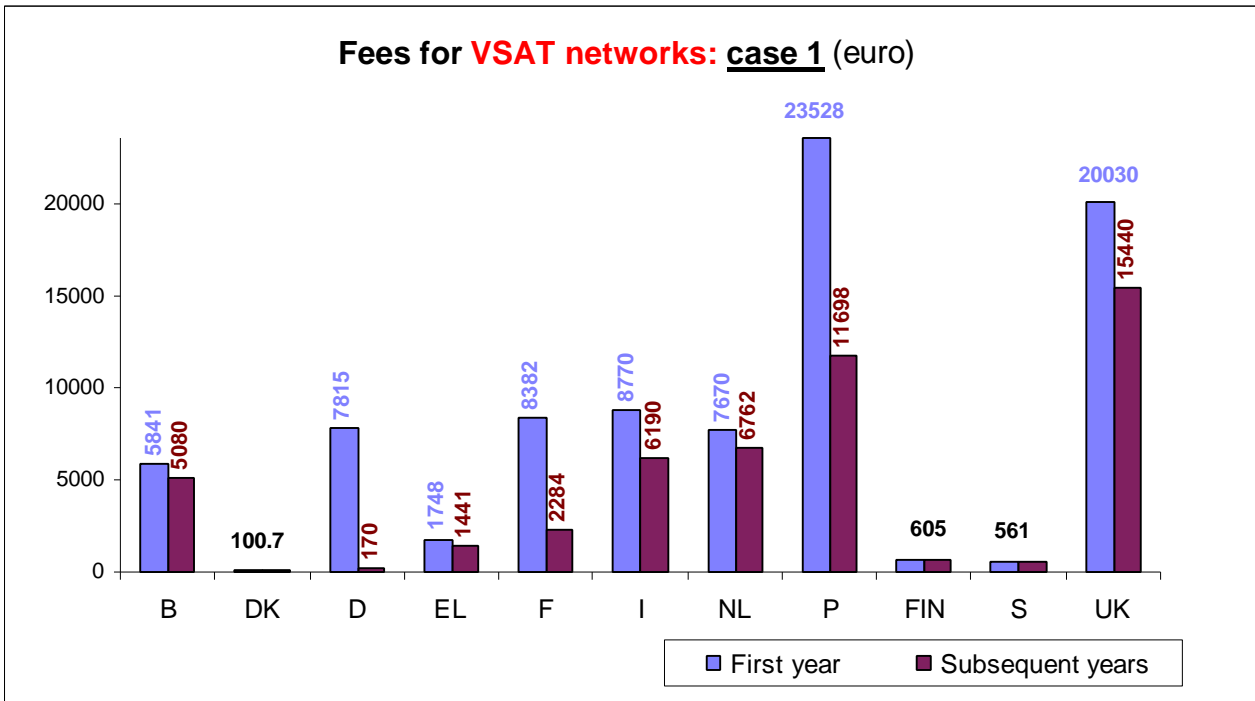
EUR 50 if 6-30 Watt

EUR 109 if 30-150 Watt

EUR 327 if 150-1000 Watt

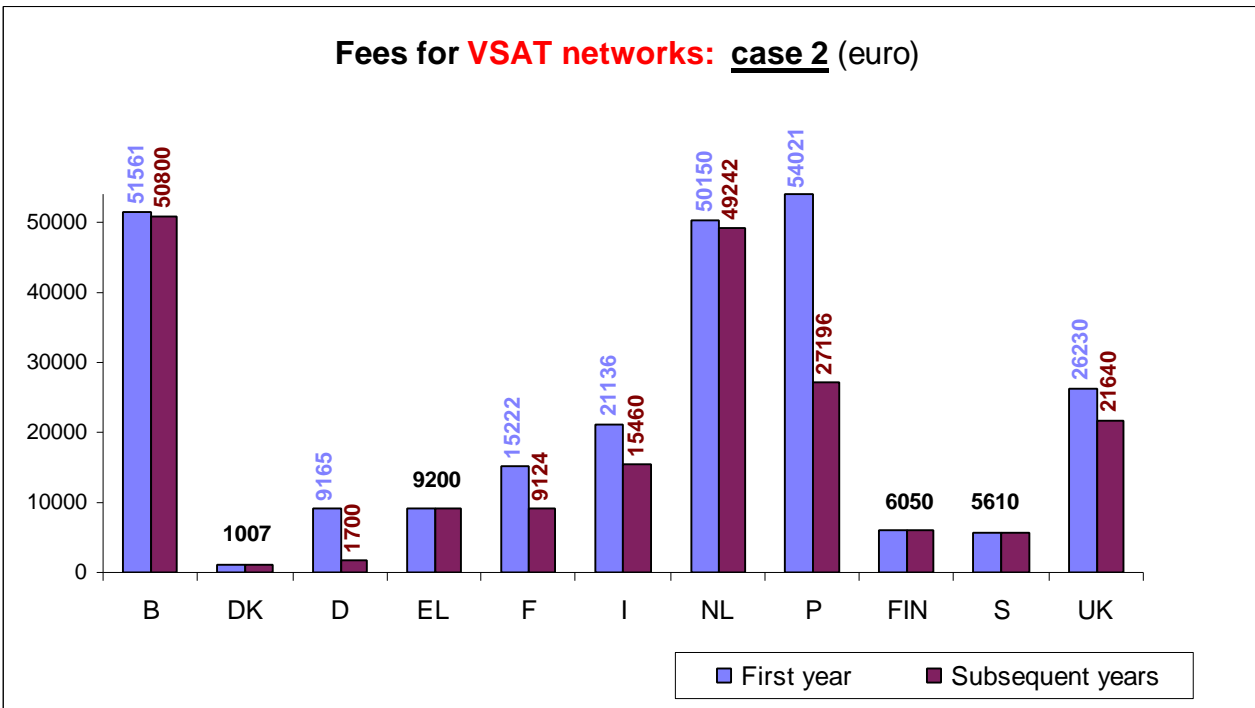
EUR 654 if > 1000 Watt.

Chart 50



Source: based on data from the Satellite Action Plan Regulatory Working Group and Commission services.

Chart 51



Source: based on data from the Satellite Action Plan Regulatory Working Group and Commission services.