



GOVERNMENT OF MALTA

Government response to the consultation on the establishment of a licensing framework for the Complementary Ground Component (CGC) of the 2 GHz Mobile Satellite Service (MSS)

*21 August 2017*

*Insert the Ministry's title* Hon. Mr Silvio Schembri  
Parliamentary Secretary for Financial Services, Digital  
Economy and Innovation  
*Insert Address* Auberge de Castille, Valletta VLT 1061

This publication (excluding Logos) may be re-used free of charge in any format or medium provided that is re-used accurately and not used in a misleading context. This material must be acknowledged as Government of Malta and the title of the publication specified.

Any enquiries regarding this publication should be sent at [onlineconsultations@gov.mt](mailto:onlineconsultations@gov.mt).

Published by the Office of the Prime Minister.

# Contents

Contents.....	4
Executive Summary.....	5
Introduction and overview .....	5
Responses to the consultation and process used to seek stakeholder views .....	5
Summary of responses and decisions.....	5
Implementation .....	5
Contact Details.....	5
Annex A: List of respondents and feedback .....	6

# Executive Summary

## Introduction and overview

On the 8<sup>th</sup> August 2016, the Malta Communications Authority (MCA) published a consultation document<sup>1</sup> to establish a licensing framework for the Complementary Ground Component (CGC) of the 2 GHz Mobile Satellite Service (MSS). The Consultation proposed a number of changes to be effected to the Authorisation of Frequency Use (Provision of 2 GHz Mobile Satellite Services) Regulations [S.L.399.44 of the Laws of Malta]<sup>2</sup>, which were based on the following principles:

- The impact on competition that any new services would generate and the need to ensure a level playing field with already licensed operators;
- The range of services that can be provided over the 2GHz MSS frequency band; and
- The need to encourage services of an innovative nature.

## Responses to the consultation and process used to seek stakeholder views

The consultation closed on 12:00hrs CET. on the 23<sup>rd</sup> September 2016. Responses were accepted electronically and on paper.

A total of three (3) responses were received by this deadline. The MCA would like to thank these stakeholders who have contributed to the establishment of the CGC licensing framework.

## Summary of responses and decisions

A summary of the responses received and MCA's position on the issues raised is being provided at Annex A.

## Implementation

The Legal Notice has been published in the Government Gazette on the 10<sup>th</sup> May 2017.

## Contact Details

If you have any questions regarding this response, please contact:  
[onlineconsultations@msdc.gov.mt](mailto:onlineconsultations@msdc.gov.mt)

---

<sup>1</sup> [http://mca.org.mt/sites/default/files/consultations/Consultation%20paper%20CGCs\\_0.pdf](http://mca.org.mt/sites/default/files/consultations/Consultation%20paper%20CGCs_0.pdf)

<sup>2</sup> [S.L.399.44](#)

# Annex A: List of respondents and feedback

## A.1 List of respondents:

- EchoStar Mobile Limited
- Inmarsat Ventures Limited
- Vodafone Malta Limited

## A.2 Feedback received:

### 1.1 Amending the Authorisation of Frequency Use Regulations

The consultation proposed to modify the Authorisation of Frequency Use Regulations to include specific CGC licence conditions.

All respondents agreed with MCA's proposal.

MCA comments: The CGC licensing framework will be integrated to the Authorisation of Frequency Use (Provision of 2 GHz Mobile Satellite Services) Regulations.

### 1.2 Licensing Regimes

The consultation paper proposed two licensing regimes:

- a regime limited for the use of CGCs to provide hybrid satellite-terrestrial aeronautical services; and
- a regime for the use of CGCs on a service neutral basis to provide hybrid satellite-terrestrial mobile services.

One respondent supported the proposed regime whilst the other two respondents showed preference to a single licensing regime for the CGC component. In addition, a respondent raised concerns that two licensing regimes may give rise to market distortion.

MCA comments: The MCA considers that the MSS operators will provide two distinct types of electronic communication services thus the need to establish two types of licensing regimes for CGCs.

Whilst the aeronautical services to be provided by Inmarsat will not be competing with the services provided by local operators, the services that are envisaged to be provided by EchoStar will be competing directly at a consumer level, with existing mobile operators. Hence, in proposing a service neutral licence, the MCA has taken into consideration the need to ensure a level and proportionate playing field for competition purposes. In addition the MCA considers that the market will not be distorted since the MSS services to be offered by the MSS operators are totally diverse and MSS operators can decide directly on the appropriate licensing regime they deem fit.

### 1.3 Interference mitigation measures

In the consultation document it was proposed that operators of CGC systems will be required to ensure that no harmful interference is caused to networks or services operating in the same and in adjacent frequency bands and to implement the mitigation measures identified in ECC Report 233.

The respondents expressed a general agreement to MCA's proposed approach. However, one of the respondents remarked that the mitigation measures identified in ECC Report 233 only apply to aeronautical systems.

MCA comments: The MCA considers that comments received in this respect are valid and has revised the draft regulatory text accordingly.

### 1.4 Spectrum Licence Fees

The consultation paper proposed two spectrum licensing fees:

- Annual licence fee for the provision of hybrid aeronautical services:
  - €13,000 independent on the number of deployed CGC
- An annual licence for the provision of hybrid services on a service neutral basis:
  - Year 1 to Year 5 of licence term: €33,000 per 5 MHz paired channel;
  - Year 6 till licence expiry date (May 2027): €98,000 per 5 MHz paired channel.

Two respondents agreed to the proposed licence fee regime. The other respondent did not support these fees and encouraged to adopt fees based on the principle of administrative pricing.

MCA comments: The MCA considers that the proposed fees for aeronautical CGCs are aimed to encourage the deployment of innovative wireless networks, taking into account that there are no competition issues.

The proposed fees for CGCs used on a service neutral basis are benchmarked on the spectrum licence fees paid by local operators for the rights of use of spectrum in frequency bands adjacent to the 2 GHz MSS band. Such an approach is considered proportionate in view of maintaining a level playing field, and to ensure that the CGC fees are not discriminatory when compared to those paid by other undertakings.

### 1.5 Draft Legal Instrument

The consultation proposed the establishment of the licensing framework for CGCs through amendments to the Authorisation of Frequency Use (Provision of 2GHz Mobile Satellite Services) Regulations [S.L.399.44 of the Laws of Malta]. The legal instrument amending these Regulations constituted an integral part of the consultation document.

Two of the respondents expressed support to the proposed legal instrument. One of these respondents remarked on the importance to revise as necessary the technical and operational mitigating interference measures to reflect the realities of the market. The other respondent reiterated its views in having a single CGC licensing regime based on administrative pricing.

MCA comments: The comment concerning revisions to the technical and operational mitigating interference measures was considered to be valid and has revised the draft regulatory text accordingly.