



By Gerry Oberst

Space-Based Services in Europe

The European Space Policy Institute (ESPI) has been especially active recently, and in early April released its latest report, "Space-based services in Europe." The report's goal is to investigate challenges to the development of such services and to suggest actions that European decision-makers can take to "exploit the potential of the well-developed European space-based infrastructure."

The report focuses almost uniquely on European initiatives by the European Commission and European Space Agency, rather than by private commercial operations. The perspective of the report is that these initiatives have fostered development of space-based services, but with "limited results" that lack a proper transition from development to operation. It argues that operational services have been successful only in a few fields, notably telecommunications and meteorology.

The report also argues that with the exception of telecommunications satellites, the market for space-based services is too small, with too long a payback for private companies to take the risks and make the investments for developing their own infrastructure. It says the space industry has developed satellites mainly for the scientific community, with the "major exception" of the telecoms sector.

This exception is sometimes overlooked in the report. For instance, the report states that the public sector plays a central role in shaping space-based services, including a role as the "main customer" of services and funding most of their development. That may be true for investments outside the telecommunications field, but it is not correct for the main users of space-based services in Europe today.

The telecommunications field is a mighty exception that drives most of the demand chain for space-based development, manufacturing and services. The European Satellite Operators Association (ESOA) pointed out in 2008 that this sector represents 90 percent of the value-added contributions in the space sector. Of 21 satellite launches performed by Ariane 5 and Soyuz launchers in 2008, 20 were telecommunications satellites. It might be useful to study why this field in particular has achieved a successful transition to global excellence and numerous consumer applications, rather than sliding it aside as the exception.

The report notes that the space-based telecommunications market is sufficiently mature and large to

sustain private investment. An analysis of how that sector got to such a stage could be a useful lesson for other space-based applications.

This analysis could possibly be supplied by a project the European Commission has initiated. The Commission set out for bid a study on "the economic situation of the European space industry and framework conditions affecting the sector." We hear that a questionnaire on the study went out to satellite operators in late spring.

In any event, some issues raised in the ESPI report are common to the entire satellite field. For instance, it notes the fragmentation of demand in Europe as well as benefits of using regional funds and "federating demand" to foster space-based services. For some time now, the telecommunications satellite operators have been urging an approach of aggregating demand across communities and regions for broadband infrastructure requirements that could be met by satellites. That industry also is arguing for the inclusion of satellite solutions in the "broadband for all" initiatives coming from European Union policymakers.

One issue that could bear further attention is the impact of European regulatory structures on space-based applications. On that topic, the report says only that regulation can drive demand through technical standards, procurement policies and regional funds.

A perspective that needs mentioning is not fostering regulation as a spur to demand but eliminating regulation that is a barrier to supply. European satellite operators must devote a substantial amount of attention to regulatory hurdles, both within Europe but also more significantly on the global level. For instance, the radio spectrum debates take immense energy and lobbying by satellite operators. Efforts by decisionmakers to eliminate these barriers also could be a significant help to the major space sector in Europe, that is the telecommunications' satellite sector, and presumably other sectors as well.

The ESPI report provides a good catalog of policies that space-based services can support in Europe, ranging from agriculture and border surveillance to maritime policy and transport. It sets out a thorough analysis of challenges to public programs and how to make a better transition between demonstration projects and operations that serve European citizens. ▣

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