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(Announcements)

ADMINISTRATIVE PROCEDURES

COMMISSION

Call for applications for pan-European systems providing mobile satellite services (MSS)

(2008/C 201/03)

1. Background

Commission Decision 2007/98/EC of 14 February 2007 on the harmonised use of radio spectrum in the 2 GHz frequency bands for the implementation of systems providing mobile satellite services ⁽¹⁾ stipulates that Member States shall make these frequency bands available to systems providing mobile satellite services in the Community.

Decision No 626/2008/EC of the European Parliament and of the Council on the selection and authorisation of systems providing mobile satellite services (MSS) was adopted on 30 June 2008 ⁽²⁾ (hereinafter referred to as 'the Decision').

This Decision creates a Community procedure for the common selection of operators of mobile satellite systems that use the 2 GHz frequency band in accordance with Decision 2007/98/EC, comprising radio spectrum from 1980 to 2100 MHz for Earth to space communications, and from 2170 to 2200 MHz for space to Earth communications. It also lays down provisions for the coordinated authorisation by Member States of the selected operators to use the assigned radio spectrum within this band for the operation of mobile satellite systems. The duration of any necessary rights of use and authorisations shall be eighteen years from the date of the selection decision.

2. Definitions

For the purposes of this call for applications the following definitions, as provided by the Decision, shall be used:

- (a) 'mobile satellite systems' shall mean electronic communications networks and associated facilities capable of providing radio-communications services between a mobile earth station and one or more space stations, or between mobile earth stations by means of one or more space stations, or between a mobile earth station and one or more complementary ground components used at fixed locations. Such a system shall include at least one space station;
- (b) 'complementary ground components' of mobile satellite systems shall mean ground-based stations used at fixed locations, in order to improve the availability of MSS in geographical areas within the footprint of the system's satellite(s), where communications with one or more space stations cannot be ensured with the required quality.

⁽¹⁾ OJL 43, 15.2.2007, p. 32.

⁽²⁾ OJL 172, 2.7.2008, p. 15.

3. Invitation to submit applications

In accordance with the Decision, **the Commission is hereby inviting applications for the selection of operators of pan-European mobile satellite systems.**

The submission of an application implies the acceptance of the terms and conditions set out in this call for applications.

Pursuant to the Decision, the following admissibility requirements shall apply:

- (a) applicants shall be established in the Community;
- (b) applications shall identify the amount of radio spectrum requested, which shall be no more than 15 MHz for Earth to space and 15 MHz for space to Earth in relation to any single applicant and shall include statements and evidence concerning the radio spectrum requested, the required milestones and the selection criteria;
- (c) applications shall include a commitment on the part of the applicant that:
 - the mobile satellite system proposed shall cover a service area of at least 60 % of the aggregate land area of the Member States, from the time the provision of MSS commences,
 - MSS shall be available in all Member States and to at least 50 % of the population and over at least 60 % of the aggregate land area of each Member State by the time stipulated by the applicant but in any event no later than seven years from the date of publication of the Commission's decision adopted pursuant to Articles 5(2) or 6(3).

Applications shall contain the following information and documents:

No	Information to be provided	Reference to detailed requirements in the Annexes
1.	General information on the applicant	Annex 1
2.	Applicants shall provide evidence that they are established in the Community	
3.	The amount of radio spectrum requested together with the statements and evidence underlying the request. Applicants can specify, on an indicative basis only, the preferred frequency sub-bands, the reasons for the preferences and any necessary guard bands in order to ensure compatibility with other MSS systems and systems operating in adjacent frequency bands	
4.	Statements and evidence concerning fulfilment of the milestones	Annex 2
5.	Statements and evidence concerning fulfilment of the selection criteria	Annex 3
6.	Commitment to cover a service area of at least 60 % of the aggregate land area of the Member States, from the time the provision of MSS commences	
7.	Commitment to make MSS available in all Member States and to at least 50 % of the population and over at least 60 % of the aggregate land area of each Member State by the time stipulated by the applicant but in any event no later than seven years from the date of publication of the Commission's selection decision	
8.	Business plan	Annex 4

The Commission shall decide on the admissibility of applications. The Commission shall forthwith inform the applicants whether their applications have been considered as admissible and publish the list of admissible applicants.

3.1. *Submission of applications*

Only one application shall be accepted from an applicant, acting individually or in a consortium.

Applications must be submitted in English in four paper copies (three copies bound, one unbound) and one electronic copy on a DVD or a USB mass storage device. The four copies must be signed (with the name printed alongside the signature) and dated by an authorised representative of the applicant, certifying that all the information provided in the application is true and accurate to the best of his/her knowledge. Any material misstatement or misrepresentation may result in rejection of the application or cancellation of any decisions based on such an application. Any documents linked to the application through hypertext links will not be read.

Applications must be placed inside two sealed envelopes (signed across the seal). The outer envelope must bear the address mentioned below, the inner envelope must bear the address mentioned below and be marked '**Application for the selection of operators of mobile satellite systems in the 2 GHz band, submitted by (name of the applicant) — not to be opened by the internal mail department**'.

The deadline for the submission of applications is 7 October 2008. The address to which applications must be submitted is:

European Commission
Information Society and Media Directorate-General
Unit B3 'Implementation of Regulatory Framework II'
BU 33 04/08
B-1049 Brussels

Applications must be submitted by registered mail posted not later than 7 October 2008 (date of postmark) or by delivery (by an authorised representative or a private courier service) no later than 7 October 2008, 17.00 hours. In case of delivery, a receipt shall be immediately issued as proof of submission, signed and dated by an official in the department mentioned above. In case of submission by registered mail, the receipt shall be sent out to the applicant within three working days of receiving the application. **Late applications and requests for an extension of the deadline will not be considered.**

It is the responsibility of the applicants to ensure that applications are addressed to the address given above and are despatched in time to arrive by the deadline. The Commission cannot be held responsible for packages wrongly addressed nor for applications that are split between packages with no adequate identification to allow the different parts to be reassembled.

3.2. *Further information and contacts*

The information concerning this call and any further background information can be found at the following Commission website:

http://ec.europa.eu/information_society/policy/ecommm/current/pan_european/index_en.htm

Any questions or requests for clarification should be addressed to the following officials of the Commission, Information Society and Media Directorate-General:

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Before the deadline for the submission of applications the Commission may provide additional information solely for the purpose of clarification. Requests for additional information received less than ten working days before the deadline for the submission of applications will not be processed. The Commission shall bring the content of its response to a particular interested party to the attention of all interested parties by making it publicly available at the Commission website specified above. The Commission may on its own initiative inform interested parties of any error, inaccuracy or omission in the text of the call for applications.

After the deadline for the submission of applications the Commission may only provide information concerning the procedural aspects of the selection process. The Commission may request applicants to supply additional information regarding the fulfilment of admissibility requirements within a specific time frame of between five and twenty working days. The application shall be deemed inadmissible if such information is not supplied within the specified time frame.

3.3. Modification, substitution, withdrawal

Before the deadline for the submission of applications applicants may modify, substitute or withdraw their applications by giving notice in writing to the Commission. Any such notice must be signed (with the name printed alongside the signature) and dated by an authorised representative of the applicant and must be placed inside two sealed envelopes (signed across the seal) in the same way as the application. The notice shall be sent by registered mail or delivered by an authorised representative of the applicant to the address specified in Section 3.1 above. It is the responsibility of the applicants to ensure that any modification or substitution notice arrives by the deadline for the submission of applications. Any modifications or new versions of applications accompanying the notice must be clearly marked as such. The latest new version received shall be considered in the selection process.

After the deadline for the submission of applications applicants will still be allowed to withdraw an application, but will not be entitled to make modifications, additions or substitutions to the technical or operational content of the application. Nevertheless, applicants must immediately report to the Commission any material changes to the legal or financial status of the applicant, confirmed by documentary evidence.

Withdrawals shall be unconditional and shall end all participation in the selection process. The Commission shall be entitled, but not obliged, to contact an applicant in order to confirm the withdrawal.

3.4. Confidentiality

Applicants shall clearly mark which parts of their application they wish to be treated as confidential. The Commission shall treat such applications in accordance with Article 287 of the EC Treaty. Complete applications shall in all cases be accessible to any external experts engaged by the Commission for the analysis and/or evaluation of applications. Such external experts shall be bound by the confidentiality rules equivalent to those binding Commission officials. Authorised representatives of Member States will be granted access to any information included in applications which is necessary in connection with the adoption of the selection decision and the subsequent authorisation of the selected applicants. Member States are required to respect the confidentiality of such information on the basis of Article 10 of the EC Treaty.

3.5. Assistance

The Commission will seek advice and assistance from external experts for the analysis and/or evaluation of applications. Such external experts shall be selected on the basis of their expertise and high level of independence and impartiality.

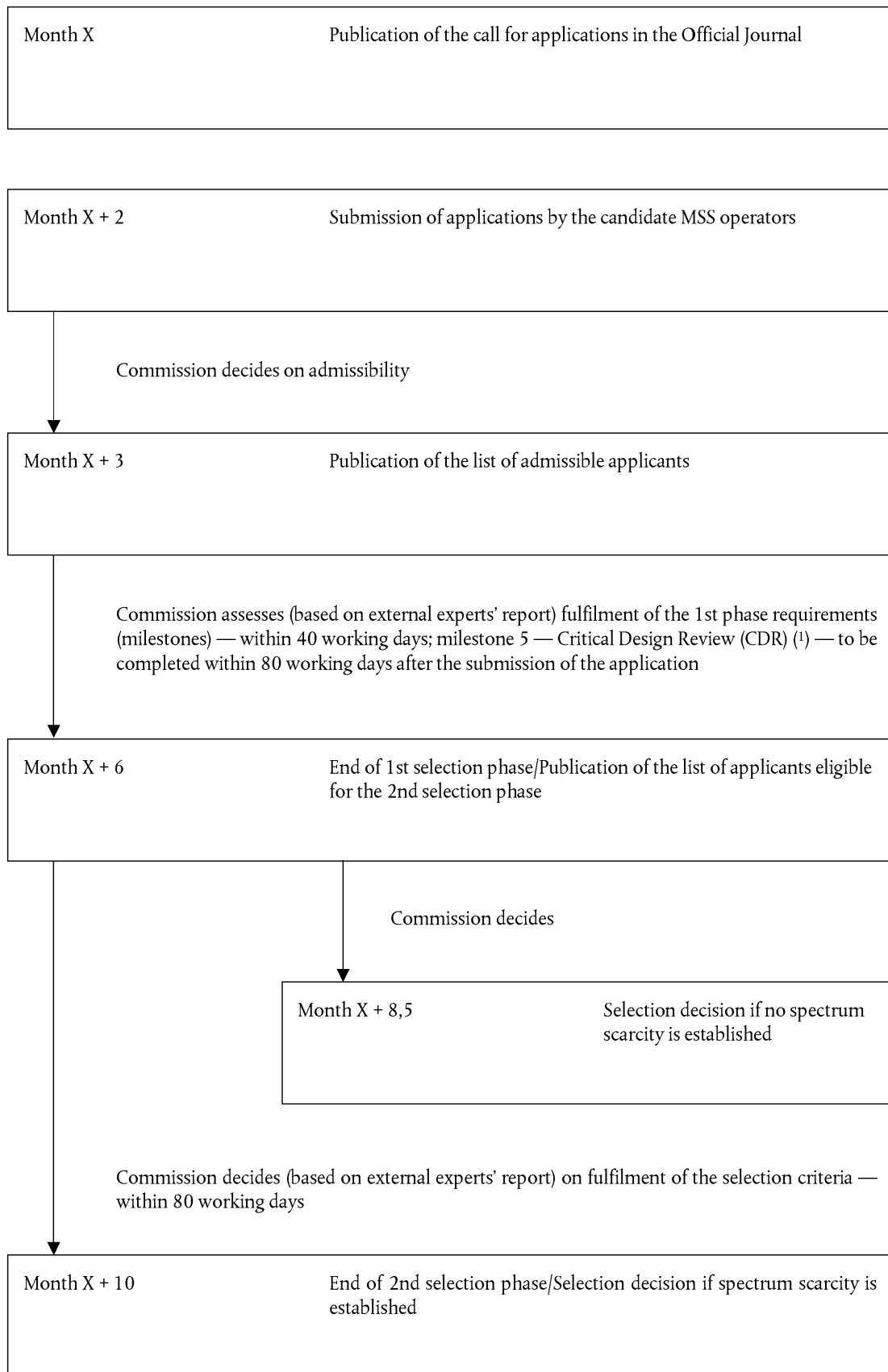
4. Selection procedure

The admissible applications shall be assessed, and operators of mobile satellite systems shall be selected in accordance with the procedure described below.

Applicants shall be informed by the Commission about the results of each phase of the selection procedure.

4.1. Indicative scheme and timetable of the selection procedure

This scheme and timetable is provided for information purposes only and cannot be considered as binding on the Commission.



(1) See Annex 2 to this call.

4.2. *The 1st selection phase*

In this selection phase the Commission shall assess whether applicants have demonstrated the required level of technical and commercial development of their respective mobile satellite systems. Such assessment shall rely on the satisfactory completion of milestones one to five as set out in Annex 2 to this call.

The following table is the indicative timescale concerning this selection phase. It is provided for information purposes only and cannot be considered as binding on the Commission.

Time line	Stage of the Selection Procedure	Action by applicants as regards Milestones
October 2008	Submission of applications by the candidate MSS operators	Evidence for passing milestones 1-4
February 2009 (80 working days after the submission of the application)	1st phase assessment of applications	Evidence for passing milestone 5 (CDR)

The credibility of applicants and the viability of the proposed mobile satellite systems shall be taken into account throughout this selection phase. In particular, the general information on the applicant (see Annex 1) and the business plan (see Annex 4) shall be used for this purpose.

The Commission may ask external experts to produce a 1st phase assessment report. The Commission shall complete the assessment within 40 working days.

The applicants meeting milestones one to five shall be eligible for the 2nd selection phase unless no spectrum scarcity is established. 'Spectrum scarcity' is defined as a situation where the combined demand for radio spectrum requested by eligible applicants retained after the 1st selection phase exceeds the amount of radio spectrum available, i.e. two times 30 MHz.

The Commission shall forthwith inform the applicants whether their applications have been considered as eligible for the 2nd selection phase. The Commission shall publish the list of eligible applicants.

In the absence of spectrum scarcity the Commission shall, by means of a reasoned decision, determine, in accordance with the regulatory procedure referred to in Article 10(3) of the Decision, that all eligible applicants shall be selected. The Commission shall publish the list of selected applicants.

Within 30 working days of the publication eligible applicants that intend to proceed no further in the selection procedure, and selected applicants that intend not to use the radio frequencies, shall inform the Commission thereof in writing. If this withdrawal from the selection procedure leads to a situation of absence of spectrum scarcity, the Commission shall, by means of a reasoned decision, determine, in accordance with the regulatory procedure referred to in Article 10(3) of the Decision, that all remaining eligible applicants shall be selected.

4.3. *The 2nd selection phase*

In this selection phase the Commission shall assess to what extent the proposed mobile satellite systems of the eligible applicants fulfil the weighted selection criteria as set out in Annex 3 to this call.

The credibility of applicants and the viability of the proposed mobile satellite systems shall be taken into account throughout this selection phase. In particular, general information on the applicant (see Annex 1) and the business plan (see Annex 4) shall be used for this purpose.

The Commission may ask external experts to produce a 2nd phase assessment report. The Commission shall complete the assessment and adopt the selection decision within 80 working days.

Applicants shall be ranked on the basis of the extent to which they meet the selection criteria (the total of scores obtained) with the highest ranked applicant accorded the first place. Any tie (equal number of scores obtained by two or more applicants) shall be resolved by drawing lots. The applicants shall be selected by a Commission decision in the decreasing rank order, starting from the first applicant and continuing down the rank, until all the available radio spectrum (two times 30 MHz) is exhausted or no further applicant can be selected on the basis of the amount of radio spectrum requested in its application.

The Commission shall publish the list of selected applicants.

4.4. *The selection decision*

The selection decision shall identify the selected applicants, the reasons on which the decision is based, as well as the frequencies which each selected applicant is to be authorised to use, in each Member State.

When identifying the specific frequency sub-bands to individual selected applicants, the Commission shall take into account, but shall not be bound by, any indications of preferences provided by them in the applications. The specific frequency sub-bands shall be identified in pairs of equal bandwidth and with a fixed transmit/receive separation of 190 MHz as well as any necessary guard bands in order to ensure compatibility with other MSS systems and systems operating in adjacent frequency bands. The Commission may ask external experts to give advice on these matters.

The selection decision, adopted in the spectrum scarcity situation, shall in addition identify the ranking order of the selected applicants on the basis of the extent to which they meet the selection criteria.

The selection decision shall be published in the Official Journal within one month of its adoption.

4.5. *Authorisation conditions, complementary ground components*

Pursuant to the Decision, the right to use the specific radio frequency and the right to operate a mobile satellite system shall be subject to the following common conditions:

- (a) selected applicants shall use the assigned radio spectrum for the provision of MSS;
- (b) selected applicants shall meet milestones six to nine within 24 months of the selection decision;
- (c) selected applicants shall honour any commitments they give in their applications or during the comparative selection procedure, irrespective of whether the combined demand for radio spectrum exceeds the amount available;
- (d) selected applicants shall provide to the competent authorities of all Member States an annual report detailing the status of development of their proposed mobile satellite system;
- (e) any necessary rights of use and authorisations shall be granted for a duration of eighteen years from the date of the selection decision.

Pursuant to Article 8 of the Decision, the authorisations necessary for the provision of complementary ground components of mobile satellite systems shall be granted in accordance with national and Community law.

Selected operators shall be responsible for compliance with any conditions attached to their authorisations and for payment of any applicable authorisation and/or usage fees and charges as required by laws of Member States.

ANNEX 1

GENERAL INFORMATION ON THE APPLICANT**1. Satellite telecommunications sector experience and expertise**

Applicants shall demonstrate their experience and expertise in the satellite telecommunications sector, particularly in relation to establishing and operating satellite mobile networks and providing satellite mobile communications services in competitive markets. Specific details of the applicant's experience in terms of geographic markets served, services provided, subscriber numbers and financial history shall be provided.

Where an applicant has no previous experience in this sector, the experience of its senior management shall be assessed and therefore CVs of all senior management shall be provided indicating their current role and their specific experience for this post.

2. Financial strength and stability

Applicants shall show that they have the necessary financial resources to cover the capital and operating costs that will necessarily be involved. Applicants shall document their financial strength/capability through existing equity, borrowed capital, or other means. Where applicants are consortia, the strength of the relationship between the parties shall be assessed.

When assessing whether the financing requirement is met, emphasis shall be put on elements of uncertainty in the financing arrangements, including any exceptions and limitations made by the applicant or conditions to which funding may be subject to.

Applicants shall evidence commitments to the financial funding required to support the financial plan, particularly in terms of irrevocable support by shareholders and that organizations undertaking to finance the applicant have the necessary resources.

The following information shall be required:

- (a) equity funding: initial sources of equity capital, timing and sources of future equity capital including any proposals for public flotation, plus any independent supporting documentation that is available to provide evidence that equity funding sources can be relied on;
- (b) debt funding and lines of credit, including interest rate arrangements, security provided, the term of the credit facility and the sources of finance for all borrowing for the first three years; indications of longer term borrowing requirements, proposed sources of finance and security offered; any independent supporting documentation that is available to provide evidence that debt funding sources can be relied on;
- (c) guarantees and undertakings in terms of the nature, details and amount of any guarantee given by the applicant and the purpose of such guarantees; nature, details and amount of any guarantees or undertakings given in favour of applicants by third parties.

Applicants shall provide details of all relevant investments or business activities that could have an impact on their available financial resources. The applicant shall provide evidence that it is able to withstand a consortium partner retiring or not being able to meet its obligations as a result of other activities or adverse trading.

3. Legal structure

In undertaking the evaluation it is necessary to understand the applicant in terms of its legal, financial and ownership composition. The following information in relation to the applicant shall be contained in the Application (if applicable):

- (a) name, date and place of incorporation, and current excerpt from the companies register;
- (b) the complete location (address, telephone, fax, website(s) and e-mail address) of the registered office, central administration and principal place of business; addresses and contact details of all other business locations;
- (c) the name of a nominated contact person involved in the Application including postal address, telephone, fax and e-mail address;
- (d) classes and number of authorised shares, par value of the shares and the voting and dividend rights attached to each class;
- (e) the issued share capital of each class of share plus details of shareholders as at the date of lodging the Application, along with any proposals in this area;
- (f) the number, value and rights (including conversion rights) pertaining to any options, warrants, preferences or loan capital or other security issued by the applicant;
- (g) full names and addresses of all directors identifying executive and non-executive positions;

- (h) details of the company secretary, senior management who are not directors and any shadow directors;
- (i) disclosure of any criminal record or personal bankruptcy of any person listed in (g) and (h) above;
- (j) a copy of current memorandum, articles of association, statute or equivalent documents;
- (k) details of bankers, consultants, lawyers, auditors and other professional advisors appointed or proposed by the applicant;
- (l) description of principal business activity;
- (m) a copy of the last three years annual audited accounts;
- (n) summaries of financial results for the last five years;
- (o) brief details of principal creditors and amounts which they are owed;
- (p) any other matter the disclosure or non-disclosure of which might materially affect the Commission's selection decisions.

Applicants shall provide information concerning their identity and make-up. For each shareholder, holder of options, warrants, preference or loan capital or other security issued by the applicant whose rights represent at least five per cent of the issued share capital the following information is sought (if applicable):

- (a) name, registered office, date and place of incorporation;
- (b) principal place of business and description of principal business activity;
- (c) nature of relationship with applicant (e.g. number and class of shares or securities held);
- (d) ultimate holding company;
- (e) copies of last three years annual audited accounts;
- (f) summaries of financial results for the last five years;
- (g) brief details of principal creditors and amounts that they are owed.

Where any party holds shares or other securities in the applicant as a trustee or nominee this shall be declared and the details requested above shall be provided for the beneficial owner.

Where the shareholder is a part of a group, consolidated group financial information shall also be required. Where the applicant is a consortium or joint venture the following additional information shall be required:

- (a) complete contact details of each consortium member;
 - (b) the role and contribution of each consortium member in terms of resources, experience or expertise;
 - (c) the nature of the relationship between members including a copy and details of any joint venture agreement, memorandum of understanding or shareholder agreement;
 - (d) the applicant's details for the proposed management structure and corporate governance in the event it is selected and authorised.
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ANNEX 2

MILESTONES (EXCERPT FROM THE ANNEX TO THE DECISION)**1. Submission of International Telecommunications Union (ITU) request for coordination**

The applicant shall provide clear evidence that the administration responsible for the ITU filing of a mobile satellite system to be used for the provision of commercial MSS within the territories of the Member States has submitted the relevant ITU Radio Regulations Appendix 4 information.

2. Satellite manufacturing

The applicant shall provide clear evidence of a binding agreement for the manufacture of the satellites required for the provision of commercial MSS within the territories of the Member States. The document shall identify the construction milestones leading to the completion of manufacture of satellites required for the provision of commercial MSS. The document shall be signed by the applicant and the satellite manufacturing company.

3. Satellite launch agreement

The applicant shall provide clear evidence of a binding agreement to launch the minimum number of satellites required for the continuous provision of commercial MSS within the territories of the Member States. The document shall identify the launch dates and launch services and the contractual terms and conditions concerning indemnity. The document shall be signed by the mobile satellite system operator and the satellite launching company.

4. Gateway Earth Stations

The applicant shall provide clear evidence of a binding agreement for the construction and installation of Gateway Earth Stations that would be used for the provision of commercial MSS within the territories of the Member States.

5. Completion of the Critical Design Review

The Critical Design Review is the stage in the spacecraft implementation process at which the design and development phase ends and the manufacturing phase starts.

The applicant shall provide clear evidence of the completion, no later than 80 working days after the submission of the application, of the Critical Design Review in accordance with the construction milestones indicated in the satellite manufacturing agreement. The relevant document shall be signed by the satellite manufacturing company and shall indicate the date of the completion of the Critical Design Review.

6. Satellite mating

The mating is the stage in the spacecraft implementation process at which the Communication Module (CM) is integrated with the Service Module (SM).

The applicant shall provide clear evidence that the Test Readiness Review for SM/CM mating has taken place in accordance with the construction milestones indicated in the satellite manufacturing agreement. The relevant document shall be signed by the satellite manufacturing company and shall indicate the date of the completion of the satellite mating.

7. Launch of satellites

The applicant shall provide clear evidence of the successful launch and in-orbit deployment of the number of satellites required for the continuous provision of commercial MSS within the territories of the Member States.

8. Frequency coordination

The applicant shall provide clear evidence of the successful frequency coordination of the system in accordance with the relevant provisions of the ITU Radio Regulations. However, a system which demonstrates compliance with milestones one to seven inclusive is not obliged to demonstrate at this stage completion of successful frequency coordination with those mobile satellite systems which fail to comply adequately and reasonably with milestones one to seven inclusive.

9. Provision of MSS within the territories of Member States

The applicant shall provide clear evidence that it is effectively providing the continuous commercial MSS within the territories of the Member States using the number of satellites it has previously identified under milestone three to cover the geographical area the applicant has committed to in its application by the date of the commencement of the provision of MSS.

ANNEX 3

SELECTION CRITERIA

According to the Decision, if the combined demand for radio spectrum requested by eligible applicants identified in the first selection phase exceeds the amount of radio spectrum available, the Commission shall select eligible applicants by assessing to what extent the proposed mobile satellite systems of the eligible applicants fulfil the following weighted selection criteria:

- (a) consumer and competitive benefits provided (20 % weighting) comprising the following two sub-criteria:
 - (i) the number of end-users and the range of MSS to be provided by the date of commencement of the continuous provision of commercial MSS;
 - (ii) the date of commencement of the continuous provision of commercial MSS;
- (b) spectrum efficiency (20 % weighting) comprising the following two sub-criteria:
 - (i) the total amount of spectrum required;
 - (ii) the aggregated data stream capacity;
- (c) pan-EU geographic coverage (40 % weighting) comprising the following three sub-criteria:
 - (i) the number of Member States in which at least 50 % of the population is within the service area by the date of commencement of the continuous provision of commercial MSS;
 - (ii) the degree of geographical coverage, based on the service area of the aggregate land area of the Member States by the date of commencement of the continuous provision of commercial MSS;
 - (iii) the time stipulated by the applicant when MSS will be available in all Member States and to at least 50 % of the population and in at least 60 % of the aggregate land area of each Member State;
- (d) the extent to which public policy objectives, not dealt with by the criteria referred to in points (a), (b) and (c), are achieved (20 % weighting) in accordance with the following three equally weighted sub-criteria:
 - (i) the provision of public interest services contributing to the protection of health or safety and security of citizens in general or specific groups of citizens;
 - (ii) the integrity and security of services;
 - (iii) the range of services provided to consumers in rural or remote areas.

In accordance with Article 6(2) of the Decision, the following sections set out the rules implementing the selection criteria, including the respective scores to be attributed to applicants on the basis of their commitments regarding the selection criteria.

Introductory Notes

Selection criteria and sub-criteria shall be measured by reference to the point in time at which milestone 9 (Provision of MSS within the territories of Member States) must be met. Since according to the Decision applicants will have to meet milestones six to nine within 24 months of the selection decision, the date of which is not known at this stage, the indicative date of 1 September 2011 shall be used.

The criteria/sub-criteria shall be measured on the basis of the mobile satellite system excluding any complementary ground components (CGCs).

Where a mobile satellite system contains more than one satellite, the criteria/sub-criteria shall be measured on the total constellation basis necessary to provide MSS within the territories of Member States.

1. Consumer and competitive benefits provided (20 % weighting) comprising the following two sub-criteria:

Sub-criterion	1.1. The number of end-users and the range of MSS to be provided by the date of commencement of the continuous provision of commercial MSS		
Description	To assess the range of MSS the characteristics of the service will be considered, in particular whether service types provided are: — one-way multimedia and data services, — basic voice and low speed interactive data services, — interactive i.e. two way high speed data and multimedia services		
Measurement	For each type of service provided a score is given in the table below based on the number of end users. These scores are then added together to give a total for this sub-criterion. The indication of the planned number of simultaneous end users will be in each case supported by references to the system design and forecasts of sales of terminals		
Scoring method	Types of service	Planned simultaneous end users in the EU: millions	
		≤ 10 (but > 1)	10-50
	A. One-way multimedia and data services	2	4
	B. Two-way voice, multimedia and/or data services	Planned simultaneous end users in the EU: thousands	
		≤ 10 (but > 1)	> 50
	1. Basic voice and low speed (< 64 kbit/s) interactive data services	1	2
	2. Interactive high speed data and multimedia services (speeds of ≥ 64 kbit/s in each direction)	1	2
		3	3
Max. score	12		
Sub-criterion	1.2. The date of commencement of the continuous provision of commercial MSS		
Description	The date of commencement of the continuous provision of commercial MSS is defined as the date at which satellite services (as referenced in the sub-criterion 1.1) are provided within the territories of Member States (as referenced in milestone 9) on a continuous commercial basis including the availability on the market of the relevant user equipment necessary to receive any such services		
Measurement	Date of MSS commencement to end users in advance of the indicative date at which milestone 9 should be met (1 September 2011). Numbers of end users will not be taken into account for the purposes of this sub-criterion		
Scoring method	≥ 6 months, but < 12 months	3	
	≥ 12 months, but < 18 months	6	
	≥ 18 months	8	
Max. score	8		

2. Spectrum efficiency (20 % weighting) comprising the following two sub-criteria:

Sub-criterion	2.1. The total amount of spectrum required	
Description	Applicants shall indicate the spectrum quantity required in the 2 GHz band. Spectrum quantity required should be symmetric in uplink (Earth-to-space) and downlink (space-to-Earth)	
Measurement	Total amount of spectrum required in the 2 GHz band, including both uplink and downlink. The amount of spectrum used in the scoring shall be two times required amount of downlink frequencies	
Scoring method	Total amount of spectrum required (TAS)	Points
	$TAS \leq 2 \times 10 \text{ MHz}$	6
	$2 \times 10 \text{ MHz} < TAS \leq 2 \times 12,5 \text{ MHz}$	3
Max. score	6	

Sub-criterion	2.2. The aggregated data stream capacity			
Description	The aggregated data stream capacity is defined as the data stream capacity per MHz that can be supported by the satellite taking into consideration spectrum re-use where appropriate. Ensuring high data stream capacities both in the downlink and the uplink is a pre-condition for the efficient use of the spectrum			
Measurement	The aggregated data stream capacity is measured as throughput per MHz. The measurement is carried out separately for the downlink and the uplink			
Scoring method	Downlink		Uplink	
	Throughput/MHz	Score	Throughput/MHz	Score
	$\geq 2 \text{ Mbit/s but } < 3 \text{ Mbit/s}$	1	$\geq 2 \text{ Mbit/s but } < 3 \text{ Mbit/s}$	1
	$\geq 3 \text{ Mbit/s but } < 4 \text{ Mbit/s}$	2	$\geq 3 \text{ Mbit/s but } < 4 \text{ Mbit/s}$	2
	$\geq 4 \text{ Mbit/s but } < 5 \text{ Mbit/s}$	3	$\geq 4 \text{ Mbit/s but } < 5 \text{ Mbit/s}$	3
	$\geq 5 \text{ Mbit/s but } < 6 \text{ Mbit/s}$	4	$\geq 5 \text{ Mbit/s but } < 6 \text{ Mbit/s}$	4
	$\geq 6 \text{ Mbit/s but } < 7 \text{ Mbit/s}$	5	$\geq 6 \text{ Mbit/s but } < 7 \text{ Mbit/s}$	5
	$\geq 7 \text{ Mbit/s but } < 8 \text{ Mbit/s}$	6	$\geq 7 \text{ Mbit/s but } < 8 \text{ Mbit/s}$	6
	$\geq 8 \text{ Mbit/s}$	7	$\geq 8 \text{ Mbit/s}$	7
Max. score	14 points			

3. Pan-EU geographic coverage (40 % weighting) comprising the following three sub-criteria:

Sub-criterion	3.1. The number of Member States in which at least 50 % of the population is within the service area by the date of commencement of the continuous provision of commercial MSS			
Description	Applicants shall declare the service area of the mobile satellite system. The service area is defined as the area wherein, for the services referenced in the sub-criterion 1.1, the field strength is sufficient for electronic communications with adequate permanent availability and quality of service using vehicular, handheld or other mobile user terminals depending on the principal means of reception of the services concerned ⁽¹⁾			
Measurement	The number of Member States, in which at least 50 % of the population is within the service area of the mobile satellite system by the date of commencement of the continuous provision of commercial MSS. As regards the Member States which are only partially within the service area, Eurostat population statistics for NUTS 2nd level regions shall be used			
Scoring method	Scoring starts with 0,4 points for the 11th country and continues with 0,6 points per country from 12th to 27th			
	No of MS within the service area	Points		No of MS within the service area
	11	0,4		19
	12	1,0		20
	13	1,6		21
	14	2,2		22
	15	2,8		23
	16	3,4		24
	17	4,0		25
	18	4,6		26
				27
Max. score	10			

⁽¹⁾ Coordination for the service area with terrestrial services in bordering non EU countries, satisfying the ITU-R regulatory requirements (e.g. Resolution 716 (Rev. WRC-2000)), should be applied according to the Radio Regulation.

Sub-criterion	3.2. The degree of geographical coverage, based on the service area of the aggregate land area of the Member States by the date of commencement of the continuous provision of commercial MSS
Description	The degree of geographical coverage of the aggregate land area of the Member States by the date of commencement of the continuous provision of commercial MSS is calculated on the basis of the service area as defined in Section 3.1
Measurement	The percentage of covered aggregate land area of the Member States by the date of commencement of the continuous provision of commercial MSS. The aggregate land area of the Member States is the addition of the land areas of all Member States including their internal waters. It will be measured according to the data provided by Eurostat

Scoring method	Scoring starts at 60 % Degree of Geographical Coverage (DGC) using a scale, which gives 0,2 points for each percent between 60 %-70 %, 0,4 points for each percent between 70 %-80 %, 0,6 points for each percent between 80 %-90 % and 0,8 points between 90 %-100 %			
	Degree of Geographical Coverage (DGC)	Points	Degree of Geographical Coverage (DGC)	Points
			80 % < DGC ≤ 81 %	6,6
	60 % < DGC ≤ 61 %	0,2	81 % < DGC ≤ 82 %	7,2
	61 % < DGC ≤ 62 %	0,4	82 % < DGC ≤ 83 %	7,8
	62 % < DGC ≤ 63 %	0,6	83 % < DGC ≤ 84 %	8,4
	63 % < DGC ≤ 64 %	0,8	84 % < DGC < 85 %	9,0
	64 % < DGC ≤ 65 %	1,0	85 % < DGC < 86 %	9,6
	65 % < DGC ≤ 66 %	1,2	86 % < DGC ≤ 87 %	10,2
	66 % < DGC ≤ 67 %	1,4	87 % < DGC ≤ 88 %	10,8
	67 % < DGC ≤ 68 %	1,6	88 % < DGC < 89 %	11,4
	68 % < DGC ≤ 69 %	1,8	89 % < DGC ≤ 90 %	12,0
	69 % < DGC ≤ 70 %	2,0	90 % < DGC ≤ 91 %	12,8
	70 % < DGC ≤ 71 %	2,4	91 % < DGC < 92 %	13,6
	71 % < DGC ≤ 72 %	2,8	92 % < DGC ≤ 93 %	14,4
	72 % < DGC ≤ 73 %	3,2	93 % < DGC ≤ 94 %	15,2
	73 % < DGC ≤ 74 %	3,6	94 % < DGC ≤ 95 %	16,0
	74 % < DGC ≤ 75 %	4,0	95 % < DGC ≤ 96 %	16,8
	75 % < DGC ≤ 76 %	4,4	96 % < DGC ≤ 97 %	17,6
	76 % < DGC ≤ 77 %	4,8	97 % < DGC ≤ 98 %	18,4
77 % < DGC ≤ 78 %	5,2	98 % < DGC ≤ 99 %	19,2	
78 % < DGC ≤ 79 %	5,6	99 % < DGC ≤ 100 %	20,0	
79 % < DGC ≤ 80 %	6,0			
Max. score	20			

Sub-criterion	3.3. The time stipulated by the applicant when MSS will be available in all Member States and to at least 50 % of the population and in at least 60 % of the aggregate land area of each Member State	
Description	Applicants shall declare the date as of which MSS will become available in all Member States and to at least 50 % of the population and in at least 60 % of the aggregate land area of each Member State. The availability of MSS is defined as the availability of one or more satellite services (as referenced in the sub-criterion 1.1) on a continuous commercial basis (as referenced in milestone 9) including the availability on the market of the relevant user equipment	
Measurement	The period of time separating the indicative date by which milestone 9 should be met (1 September 2011) and the date as of which MSS will become available in all Member States and to at least 50 % of the population and in at least 60 % of the aggregate land area of each Member State. The number of end users will not be taken into account for the purposes of this sub-criterion. The commencement of the continuous provision of commercial MSS in advance of the indicative date by which milestone 9 should be met is evaluated separately under sub-criterion 1.2	
Scoring method	≤ 1 year	10
	> 1 year, but ≤ 2 years	8
	> 2 years, but ≤ 3 years	6
Max. score	10	

4. *The extent to which public policy objectives, not dealt with by the three preceding criteria, are achieved (20 % weighting) in accordance with the following three equally weighted sub-criteria:*

Sub-criterion	4.1. The provision of public interest services contributing to the protection of health or safety and security of citizens in general or specific groups of citizens	
Description	Applicants shall indicate whether their mobile satellite systems shall be used for the provision of public interest services in the EU. Public interest services are services which contribute to the protection of health or safety and security of citizens in general or specific groups of citizens. Applicants shall in particular indicate whether their mobile satellite systems will be used to provide one or more public interest services contributing to the protection of health or safety and security of citizens in general or specific groups of citizens and/or will be equipped with technical features facilitating the provision of public interest services in case of need	
Measurement	The provision of one or more public interest services contributing to the protection of health or safety and security of citizens in general or specific groups of citizens and/or equipping mobile satellite systems with technical features facilitating the provision of public interest services in the EU	
Scoring method	The provision of one or more public interest services contributing to the protection of health or safety and security of citizens in general or specific groups of citizens	3 1/3
	The implementation into the mobile satellite system of technical features enabling pre-emption of routine services or priority access in favour of public interest services in case of need	3 1/3
Max. score	6 2/3	

Sub-criterion	4.2. The integrity and security of services	
Description	Applicants shall indicate what means are at their disposal in order to restore a fully functional mobile satellite system in case of system failure	
Measurement	Availability of an in-orbit spare satellite or a fully redundant satellite, availability of an on-the-ground spare or a fully redundant satellite, other technical means	
Scoring method	In-orbit spare or fully redundant satellite with the same EU coverage, same capacity and same users	6 2/3
	On-the-ground spare or fully redundant satellite with the same EU coverage, same capacity and same users	4 2/3
	Alternative technical means to restore a fully functional mobile satellite system in case of system failure	2 2/3
Max. score	6 2/3	

Sub-criterion	4.3. The range of services provided to consumers in rural or remote areas							
Description	Applicants shall specify the extent to which satellite service (as referenced in the sub-criterion 1.1) will be available to consumers in rural or remote areas							
Measurement	Availability of each of the satellite services provided (as referenced in the sub-criterion 1.1) to consumers in a defined percentage (x) of the EU rural or remote areas. Rural or remote areas are defined as the geographical areas with a population density inferior to 100 inhabitants per km ² . These areas are identified according to the data provided by Eurostat							
Scoring method	x for one-way multimedia and data services	x ≤ 15	15 < x ≤ 30	30 < x ≤ 45	45 < x ≤ 60	60 < x ≤ 75	75 < x ≤ 90	x > 90
	Score	1/3	2/3	1	1 1/3	1 2/3	2	2 2/9
	x for basic voice and low speed (< 64 kbit/s) interactive data services	x ≤ 15	15 < x ≤ 30	30 < x ≤ 45	45 < x ≤ 60	60 < x ≤ 75	75 < x ≤ 90	x > 90
	Score	1/3	2/3	1	1 1/3	1 2/3	2	2 2/9
	x for interactive high speed data and multimedia services (speeds of ≥ 64 kbit/s in each direction)	x ≤ 15	15 < x ≤ 30	30 < x ≤ 45	45 < x ≤ 60	60 < x ≤ 75	75 < x ≤ 90	x > 90
	Score	1/3	2/3	1	1 1/3	1 2/3	2	2 2/9
Max. score	6 2/3							

ANNEX 4

BUSINESS PLAN**1. Introduction**

The business plan format has been designed to facilitate the assessment of the viability of applicants' business plans, in so far as they relate to the Selection Criteria and the Milestones. Applicants are encouraged to provide as detailed a business plan as its current situation allows. In particular, where an applicant indicates that it meets certain selection criteria detailed information which relates to such a claim shall be provided. Data on complementary ground components (CGCs) is requested for information purposes and will not be part of the selection exercise.

An applicant shall provide verifiable evidence to support any material claims within its business plan, supported by physical evidence where possible, e.g. contracts and/or MoUs, which shall be included as Annexes to the business plan.

The business plan shall comprise at least the following sections:

- **Satellite System and** (if applicable) **CGC Description,**
- **Service Descriptions,**
- **Market Assessment,**
- **Distribution Strategy,**
- **Full Financial Forecast,**
- **Risk Factors and Mitigation.**

The following sections describe in further detail the information contained under each of these headings. In these descriptions it should be noted that:

- where services meeting the 'Public Policy Objectives' are referred to, these services shall be clearly defined as well as the public policy objective which they meet,
- an MSS system will typically be providing service to a Member State when, for that specific country:
 - distribution channels exist and the service can be purchased by customers,
 - terminals supporting that specific service are available for purchase in that country, and
 - the required customer service infrastructure is in place.

2. Satellite and CGC System

Description of the satellite system and any CGC to be used to complement the satellite system including:

- the number, type and orbital slot(s) of satellites within the system, including the cost of the construction and launch of the satellite system; advancement of ITU frequency coordination.

A technical description of the satellite system, including:

- a broad technical description of the operation of the satellite and CGC system (where applicable),
- a technical description of the management and control of the frequencies used by any CGC component,
- specific details of the satellite service area,
- specific technical details on the delivery of any service the applicant believes supports the 'Public Policy Objectives',
- a discussion of the degree of flexibility of the satellite system in terms of satellite service area, range of services etc., once satellite(s) is (are) in orbit,
- a technical description of the spectrum efficiency of the system.

Specific evidence of the applicant's intention to implement CGCs, where appropriate, including the anticipated costs involved.

A country-by-country Roll-out plan for each of the satellite and CGC (where appropriate) service areas.

CGC roll-out plans including, where possible, the extent of CGC coverage within each country.

3. Gateway Earth stations

Applicants shall provide details of the planned Gateway Earth stations to be installed. In particular, details shall be provided of the planned:

- number and location of Gateway Earth stations,
- cost of each Gateway.

4. Service descriptions

The range of services, which the applicant intends to provide, shall be described. An applicant shall state whether these services are planned to be retail or wholesale.

The description of services shall include:

- a technical description of the service delivery, including references to the satellite technical description in the satellite system section. This shall include a clear description of the role of any CGCs in the service delivery,
- a technical description of anticipated terminal types, including the satellite and CGC capabilities of each type of terminal. Any additional communications mode planned for the terminal shall also be indicated, e.g. 3G mode,
- a detailed roll-out plan of the availability and quality of the service(s) which shall be provided on a country by country basis. This shall be supported by clear references to the specific financing and resourcing requirements contained within the overall financial forecasts of the business plan.

5. Market assessment

This shall demonstrate that the applicant understands the nature of demand in the Member States of the European Union and factors concerning its development. Evidence shall be provided of primary and secondary market research supporting the applicant's forecasts and financial plans shall be provided.

Any descriptions of the market studies performed shall be included specifying in particular:

- (i) the data and research utilised;
- (ii) the analysis of the evolution of market and traffic demand;
- (iii) demand segmentation with reference to demand/price elasticity.

An applicant shall provide an analysis of each of the markets it intends to address. In particular, an applicant shall provide its:

- assessment of the size of the market for each service type it plans to offer,
- competitor analysis, which as a minimum shall provide the number of competitors in each of the markets assessed,
- forecast of the applicant's market share in each of the markets.

In addition, an applicant shall assess the extent to which its system will provide consumer benefits in the form of infra-structural competition and/or choice of services to end-users. Wherever possible, such an assessment shall be provided on a country-by-country basis.

An applicant shall provide clear references from this analysis to the detailed profit and loss account.

6. Distribution strategy

An applicant shall provide details of its planned distribution strategies.

Where services are to be provided on a wholesale basis, an applicant shall provide detailed distribution strategies on a country-by-country basis. Where an applicant has existing relationships with partners it intends to offer service through, it shall provide documented evidence of such in the form of contracts, MoUs, etc.

Where services are intended to be provided on a retail basis, an applicant shall provide details of its current and planned presence on a country-by-country basis, as well as other distribution strategies on a country-by-country basis.

7. Full financial forecast

Applicant shall develop a comprehensive financing plan for the development of the mobile network and the company's operations, including the market introduction of MSS.

Such a plan shall cover documentation of the access to equity and borrowed capital. The documentation shall include all aspects relating to the financing of development and operation (the amount of existing equity, owners' guarantees for additional injection of equity, credit lines/commitments from creditors, etc.).

Financial projections shall be required for 10 calendar years from 2009. The financial projections shall be in constant prices and denominated in euro.

Various constraints relating to equity and borrowed capital shall be properly accounted for, i.e. the need to maintain certain financial key ratios, restrictions on dividend payments etc.

The credibility of the detailed financial projections shall be supported by any evidence for the commercial viability of its business plan and the adequacy of its funding arrangements.

Financial projections shall conform to standard accounting principles.

The financial projection shall include:

- (a) annual profit and loss accounts;
- (b) annual balance sheet;
- (c) annual statement of cash flow.

Appendix 1 sets out the format for the financial projections. Applicants should follow these formats as far as possible. Additional information could be supplied, for example underlying assumptions and drivers, but should be clearly separated and identified differently from the required format.

8. Risk factors and mitigation

An applicant shall identify the key areas of Risk for each element of its business plan. This shall specifically address Risk on a country-by-country basis, wherever sufficient information is available. Where such a country-by-country analysis is not available, this will be taken to imply that the risk of service delivery on a pan-EU basis is higher than where such a risk assessment is provided.

For each Risk identified, an applicant shall provide details of the:

- nature of event,
- probability of event,
- assessment of the impact of event, quantified where possible,
- mitigation steps which would/could be taken.

Risk factors shall be identified for the total system and separately for the specific service and service coverage areas directly related to the Selection Criteria.

Where an applicant has provided details of Risk Factors to other Regulatory Bodies, e.g. FCC, all of these Risk factors and their associated details shall be reflected in the Application.

Appendix 1

FORMAT FOR FINANCIAL PROJECTIONS**Balance Sheet**

(EUR 1 000)

Opening Balance	y/e 2009	y/e 2010	y/e 2011	y/e 2012	y/e 2013	y/e 2014	y/e 2015	y/e 2016	y/e 2017	y/e 2018	y/e 2019
--------------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------

ASSETS**A. Fixed Assets**

- A.1 Satellite infrastructure (cost)
- A.2 CGC network infrastructure (cost)
- A.3 Less accumulated depreciation
- A.4 Other fixed assets (cost)
- A.5 Less accumulated depreciation
- A.6 **Total net fixed assets (book value)**

B. Current assets

- B.1 Cash at bank and in hand
- B.2 Trade debtors
- B.3 Prepayments and accrued income
- B.4 Other debtors
- B.5 Stock & work in progress
- B.6 **Total current assets**

C. Current liabilities

- C.1 Trade creditors
- C.2 Accruals and deferred income
- C.3 Other creditors
- C.4 Dividends payable
- C.5 Taxation payable
- C.6 **Total current liabilities**

A + B – C Total assets**LIABILITIES AND SHAREHOLDER'S FUNDS****E. Shareholder's Funds**

- E.1 Share capital
- E.2 Reserves
- E.3 Retained earnings/net loss
- E.4 **Total Shareholder's Funds**

F. Long term liabilities

- F.1 Long term debt
- F.2 Other non-current debt
- F.3 **Total long term liabilities**

G. Long term provision

- G.1 Severance payment provisions
- G.2 Pension provisions
- G.3 Other
- G.4 **Total long term provisions**

(E + F + G) Total liabilities and shareholder's Funds

Statement of cash flow

(EUR 1 000)

Opening Balance	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
--------------------	------	------	------	------	------	------	------	------	------	------	------

1. **Cash flow from operating activities**
 2. **Cash flow from investment activities**
 3. **Cash flow from financing activities**
- = Increase/decrease In cash at bank and In hand**

Statement of funds

Cash at bank and in hand at end of period

less

Cash at bank and in hand at beginning of period

= Increase/decrease In cash at bank and In hand

1. **Cash flow from operating activities**
 - 1.1 +/- Profit after tax/loss for the year (m + n from P&L)
 - 1.2 + Network depreciation
 - 1.3 + Depreciation of non-network fixed assets
 - 1.4 **= Cash flow on earnings**
 - 1.5 – Increase (+ decrease) in non-cash net working capital 1)
 - 1.6 **= Cash flow from operation activities**
 2. **Cash flow from investment activities**
 - 2.1 – Capital network acquired
 - 2.2 – Capital other fixed assets acquired
 - 2.3 **= Cash flow on investment activities**
 3. **Cash flow from financing activities**
 - 3.1 + Equity capital raised
 - 3.2 + Other payments from shareholders
 - 3.3 – Dividends, equity repaid
 - 3.4 +/- Shareholder's loans paid/repaid
 - 3.5 **Cash flow on equity (subtotal)**
 - 3.6 + Long term debt raised
 - 3.7 + Other non-current debt raised
 - 3.8 – Long term debt repaid
 - 3.9 – Other non-current debt repaid
 - 3.10 **= Cash flows from financing activities total**
-