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Ref: Hughes Networks Systems contribution to consultation on Review of Annual Spectrum Fees in ECTEL Member States

Sir/Madam,

Hughes Network Systems, is a global satellite operator specializing in providing ubiquitous connectivity with innovative networking technologies.

Since its founding in 1971, Hughes has become a global leader in providing satellite-based communication services and systems for both consumer and enterprise markets. Hughes delivers satellite Internet access across the Americas, especially in rural or remote areas where traditional cable or fibreoptic connectivity is limited. Beyond consumer service, Hughes is also a major supplier of broadband systems and terminals, holding a strong market share in the global Very Small Aperture Terminal (VSAT) market.

For its enterprise, government, and service provider clients worldwide, Hughes offers a comprehensive portfolio of managed network services, including cellular backhaul, in-flight connectivity for airlines, and government services.

As part of our offering, we provide in-flight connectivity to deliver first-class Wi-Fi experience to passengers and crew on board. Our proprietary solution employs geostationary (GSO) and low Earth orbit (LEO) satellite networks to provide a seamless experience using Earth Stations in Motion (ESIMs).

Hughes Networks Systems is pleased to submit the present contribution to the Review of Annual Spectrum Fees in ECTEL Member States. We commend ECTEL's efforts to modernize the spectrum fees regime in line with international best practices and to invite stakeholders to participate in the process to ensure a fit-for-purpose framework that promotes the development of the telecommunications sector in the country. Below you could find responses to questions 11, 12 and 14 that impact directly to Hughes market.

- **Question 11:** With regards to ECTEL's proposal to assess fees on a per-station basis rather than on a per-frequency basis, we respectfully recommend that the proposed fees of XCD 20,000 per gateway and XCD 6,000 per VSAT earth station be reviewed. The proposed VSAT fee is high when compared to other geographies and might create a disincentive for the deployment of large-scale satellite broadband networks. Because VSAT systems often rely on hundreds or thousands of terminals to extend connectivity to rural, remote, maritime, and underserved areas, high per-terminal fees can significantly increase deployment costs and ultimately slow investment in network expansion and digital inclusion initiatives throughout the region.

  We note that ECTEL's benchmarking analysis indicates a median VSAT fee of XCD 1,770 (≈USD 656) yet proposes a fee of XCD 6,000 per VSAT Earth station, more than three times the median

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value. While the proposed fee is below the benchmark mean of XCD 6,351, the reliance on the arithmetic mean may overstate typical international practice because the sample includes a limited number of jurisdictions with unusually high fees. In fact, the analysis acknowledges that one of the highest-fee jurisdictions, Trinidad and Tobago, is operating under fee regulations that have not been updated since 2006 and may not reflect current regulatory best practices. In these circumstances, the median fee may provide a more representative benchmark of prevailing international approaches.

Our preferred approach would be the adoption of flat annual fees, rather than fees assessed per station. A flat-fee model would provide greater cost certainty and predictability for operators, facilitate long-term investment planning, and reduce administrative complexity for both licensees and the regulator. Most importantly, it would encourage the expansion of satellite broadband services by removing financial disincentives associated with scaling networks to serve additional users and communities. In general, this is consistent with international best practices, which focus spectrum fees on cost recovery required for the functioning of the authorities, rather than a tool for increasing fiscal revenue.

International experience demonstrates that alternative approaches are feasible. For example, in Mexico[1], authorizations are generally subject to cost-recovery fees associated with the review and issuance of the authorization, typically amounting to approximately USD 300 per application or modification. A single modification may include the addition of multiple VSAT terminals, regardless of the number or type of earth stations involved. Similarly, in the United States[2], the annual regulatory fee applies at the authorization or registration level, with a 2026 annual fee of approximately USD 2,970 for earth station authorizations, irrespective of the number of earth stations covered under a particular authorization.

If ECTEL determines that a per-station framework should be retained, we encourage consideration of lower VSAT fees or tiered pricing for high-volume deployments. Such an approach would maintain regulatory simplicity while supporting investment, innovation, and the broader objective of expanding access to affordable communications services throughout ECTEL Member State.

The experience of other jurisdictions also illustrates that lower per-terminal fees are viable. For example, in The Bahamas[3], VSAT terminals are subject to fees of approximately USD 500 per Earth station, with a diameter below three meters. This demonstrates that a substantially lower fee level can still support effective regulatory oversight while promoting the deployment of broadband connectivity.

- **Question 12:** We support ECTEL's objective of establishing a simple and transparent spectrum fee framework for NTN services. We also agree that no additional spectrum fee should apply where the service uses IMT spectrum that has already been licensed to a mobile network operator, as this avoids double charging for the same spectrum resource.

[1] Article 174-F, Federal Rights Law
[2] Appendix B, FY 2026 Schedule of Regulatory Fees, FCC-26-59A1.pdf
[3] Table 2, ECS-072026-SoR-and-Final-Decisions-Regulatory-Framework-for-Satellite-Based-ECS.pdf

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Consistent with our responses to previous questions, our preference would be for a flat annual fee rather than a fee assessed per MHz and per Member State. A flat-fee approach provides greater cost certainty, simplifies administration, and better supports long-term investment planning.

While we appreciate ECTEL's benchmarking analysis, the jurisdictions referenced employ a variety of approaches that are not directly comparable to the proposed framework. For example, India primarily relies on revenue-based fees, the United States applies fees at the space-station or constellation level, and Australia may provide a particularly useful reference point, as it combines a modest, fixed license fee of approximately XCD 568 per spectrum access authorization with spectrum taxes that vary by frequency band and can be as low as XCD 0.0057 per kHz (approximately XCD 5.70 per MHz) in certain bands.

We also note that the proposed fee is applied separately in each ECTEL Member State. Although XCD 25 per MHz may appear modest on a standalone basis, the cumulative impact across multiple Member States and across wide bandwidths commonly used by satellite systems can become significant, particularly given the relatively small size of ECTEL markets. In contrast, satellite operators typically deploy regional networks serving multiple countries through the same space infrastructure and do not receive exclusive national spectrum rights comparable to those granted under terrestrial mobile licenses.

We therefore encourage ECTEL to consider whether a flat annual authorization fee, or alternatively a modest administrative fee combined with lower spectrum usage charges similar to the Australian approach, would better reflect the shared and non-exclusive nature of satellite spectrum use while promoting investment, innovation, and the expansion of connectivity throughout the region.

- **Question 14:** We appreciate ECTEL's efforts to establish a clear and harmonized framework for satellite and NTN services across the Member States. We also respectfully recommend that ECTEL reconsider the proposed annual fee of 3% of gross revenue. While we agree that regulatory fees should remain predictable and minimal to promote both investment and innovation, a fee at this level could significantly discourage satellite operators from expanding and improving services across the Caribbean. Given the substantial capital investments required to deploy and operate satellite networks, we believe a nominal revenue-based fee below 0.5%, or preferably a fixed annual fee, would be more proportionate and better aligned with the objective of encouraging connectivity, competition, and digital inclusion throughout the region.

We are keen to participate in the upcoming comments on comments period and remain at your disposal for any clarification you may require.

Sincerely,

Assinado por:
SERGIO MAIA
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Sergio Maia
Director of Regulatory affairs
HUGHES an Echostar Company