

Inmarsat C Network Access Fee (Point of Service Activation Only) FAQ

Overview

Inmarsat will introduce a new 'Network Access Fee' for all Inmarsat C terminals. This is a monthly fee applicable to all new and existing Inmarsat C terminals registered in Inmarsat's Electronic Service Activation System, ESAS, regardless of the terminal's network activity. Inmarsat will require all Inmarsat C terminal owners to select a Preferred Land Earth Station Operator (LESO). The Preferred LESO will be responsible for invoicing the monthly Network Access Fee.

1. When will this charge come into effect?

This fee is effective from 6th July 2020.

2. What will change for the PSA?

On 4th May, ESAS was updated to include Preferred LESO and new Service Activation Request Forms, SARF, which include a new Preferred LESO section, were updated. The new SARFs are available on the Inmarsat website: <u>https://www.inmarsat.com/support/commercial-forms/</u>

The PSA will continue to accept and process SARFs for Inmarsat C services and ensure the Inmarsat C details are verified to be correct before submitting the application in ESAS.

3. How much is the Network Access Fee?

The PSA will not be charged the Network Access Fee. The LESO will charge the AA this fee based on the selection of Preferred LESO made by the Inmarsat C owner.

4. When will the first monthly Network Access fee be invoiced?

The status of the Inmarsat C terminals on 6th July 2020 will be recognised against the Preferred LESO. Inmarsat will invoice the LESO. This fee is charged in arrears, which means the July Network Access Fees will appear on their August invoice.

5. What happens if the Inmarsat C terminal changes Preferred LESO after 6 July 2020?

If the Preferred LESO is changed during any month, the full monthly Network Access Fee will be charged by the originally chosen LESO, irrespective of the day in the month on which the Inmarsat C terminal owner changed their LESO. The Network Access Fee will be charged by the new Preferred LESO from the following month. Please note that Inmarsat C terminal owners will receive no more than one invoice per terminal for the Network Access fee per month.

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6. Why has Inmarsat introduced this fee?

Inmarsat has made this decision based primarily based on the following:

- Maintenance costs are increasing due to the end of life of B, M, Mini-M and Fleet 77.
- Despite the reduction of messaging across the platform, Inmarsat and its LESOs still need to invest in the continuation of Inmarsat C services including adding additional satellite capacity.
- Without a monthly fee, there is no incentive for Inmarsat C owners to decommission, even when the terminal is no longer operational. This makes it difficult for Inmarsat to ascertain the 'true' user base and gather information to maintain a reliable safety service for RCCs.
- We have seen a number of LESOs stop and close their service in recent years, making the operation of the network more dependent upon Inmarsat.
- We have seen a large number of reactivations with vessels changing flag, name and owner per month. This has led to detentions and fines for ship operators as they can't provision the vessel in time, so we need to improve the service for our customers as we see that this change of flag will continue.
- Since the introduction of Inmarsat C, subscription fees that cover basic access costs have become an industry standard. By introducing a monthly access fee, we are bringing Inmarsat C in line with our other airtime products such as FleetBroadband and Fleet Xpress.
- Inmarsat C is essential in the safety of seafarers and on average Inmarsat, through its free GMDSS services, processes and tracks six distress calls a day which are instrumental in the safety of the 1.6M seafarers worldwide.
- The Network Access fee will support the investment in the Inmarsat C network and Inmarsat's satellite assets in the future. Inmarsat is continuing to invest significantly in safety services and has an ongoing investment in the manufacture and launch of the new Inmarsat 6 satellites and the associated ground network infrastructure to ensure the continuation of the Inmarsat C network in to the future.

7. Will all Inmarsat C terminals receive this fee?

Yes. This fee is applicable to all Inmarsat C terminals.

8. What if the Inmarsat C terminal is no longer operational?

This is an important function of the PSA and your attention to this is essential. The decommission of terminals is the role of the PSA and is as important as the activation process. If an Inmarsat C is not decommissioned on or before 5 July 2020, the monthly fee will be sent by the LESO to the AA for onward billing.