Chapter Two

Inmarsat: In the Forefront of Mobile Satellite Communications

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1. Introduction

The International Maritime Satellite Organisation (later renamed the International Mobile Satellite Organisation) (INMARSAT) was established in the late 1970s on the initiative of the International Maritime Organisation (IMO) (formerly the Intergovernmental Maritime Consultative Committee (IMCO)), a United Nations specialized Agency, which had sought to utilize space technology to enhance worldwide maritime communications and safety of life at sea.¹ Utilization of space at that time was considered to be primarily a governmental, rather than a private sector responsibility, and thus INMARSAT was formed as an intergovernmental organisation, albeit one with commercial aims, financed and managed by national telecommunications authorities. Once established in 1979, the organisation proved an immense boon to the maritime community, and throughout the 1980s its services and its revenues grew substantially, and its mandate was extended to provide both aeronautical and land mobile satellite communications.

In 1989, INMARSAT held a tenth anniversary international conference and space technology exhibition in London at which its achievements were celebrated, but the encroaching decade was to usher in change. During the 1990s, the private sector involvement in space exploitation, growth of competition, and the need for a more dynamic commercial

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¹ Please note that henceforth in this document, INMARSAT shall refer to the satellite organisation prior to privatisation and Inmarsat will refer to the private operator and its subsidiaries after its privatisation. See also Section 9.6. infra.
approach led to INMARSAT’s transformation into a private national corporate entity as provider of its services, with an intergovernmental organisation acting as a regulator of certain services deemed vital to the international public interest.

The process took some nine years, and it was quite unlike the familiar privatisation of national telecommunications entities. As a global intergovernmental organisation (IGO) serving public interests, the transformation of INMARSAT into a private sector corporation, with an international regulator, was fairly unique in international corporate life. It reflected the dismantling of telecommunications monopolies generally, and similar changes were undertaken by INTELSAT and EUTELSAT.

For three decades, INMARSAT and its successor organisation has served the mariner, the aviator and the land based user with high quality communications, using modern mobile satellite telecommunications technology. It has contributed to safety of life, media communications, peacekeeping and disaster relief worldwide. In the 21st century, the Inmarsat enterprise has proven successful in harnessing the constantly expanding satellite telecommunications technology for many kinds of mobile users, for commercial, social and humanitarian purposes. This chapter outlines the background and special features of the INMARSAT organisation, the particular forces which led inexorably to its transformation, the key elements of the new structure, the differing interests of the membership and the main political, commercial and legal issues encountered.

2. Establishment and Purposes of Inmarsat

An International Conference was convened by IMO in London in 1975–76 to determine how maritime satellite services could be organised on a global basis. It adopted INMARSAT’s constituent instruments, namely, a Convention\(^2\) and Operating Agreement\(^3\) for the establishment of the International Maritime Satellite Organisation (INMARSAT) as an international, intergovernmental organisation. Both instruments entered into
