

EICTA Response to the
RADIO SPECTRUM POLICY GROUP
Public consultation on
Wireless Access Platforms for Electronic Communications Services
(WAPECS)

1. Background

EICTA representing the European digital technology industry, which includes large and small companies in the Information and Communications Technology and Consumer Electronics Industry sectors, welcomes the opportunity to provide comments to the RSPG's public consultation on Wireless Access Platforms for Electronic Communications Services (WAPECS). It is of course unfortunate that the document represents a "work in progress" and does not necessarily represent the views of Member States. Nevertheless it is encouraging that views from all stakeholders are sought at this early stage of the RSPG's opinion forming process. EICTA looks forward to the opportunity to comment on the consolidated view of the RSPG and Member States before it is codified into a new EU spectrum policy.

2. Detailed response to each of the Questions

Q.1 Do you agree with this operating definition of WAPECS? Do you consider that the WAPECS concept should include spectrum intended for private, as well as public, applications?

The WAPECS operating definition is not helpful since it does not clarify which systems, spectrum bands or services are included in the concept and how the concept as defined will assist in meeting the overall policy goal of developing the EU internal market and European competitiveness. What are the criteria for including a spectrum band or service in the concept? In what way does the definition delineate WAPECS from non-WAPECS?

Among the expectations of European citizens are those for widely available interoperable mobile telecommunication services. The WAPECS concept and particularly its definition need to be improved to meet these expectations.

The manufacturers represented in EICTA believe that there is room for some revision of current spectrum management policies in the EU. Restrictions that unnecessarily hinder the evolution of services and technologies in spectrum bands to which they once were licensed clearly does not support the overall policy goals. Such restrictions should be removed when possible without seriously disrupting competition. Industry would however rather see a smooth development of current rules than a radical change of the regulatory concept.

Predictability and stability in the regulatory principles are important for the development of radio access systems that provide wide-scale interoperability and the investments needed to deploy such systems and the services they support.

The concept of “private applications” is understood as applications owned and used by one (or several) user(s). There is no commercial operator – subscriber relationship as in public networks. PAMR is thus not a private application. Two major segments of “private applications” (or private networks) are PMR and fixed links.

The main characteristic of private networks is that the users/owners have total control of the network costs, coverage, features, QoS, availability, etc. Consequently, users with a strong concern with security are major owners of private networks. Additionally, the economical logic of private and public networks is completely different: private network users decide to pay mainly CAPEX while public network users prefer OPEX.

Thus the spectrum markets of public and private networks are quite different and it would be counterproductive to include licensed spectrum for private applications in the definition of WAPECS.

License exempt spectrum, which can be used for both public and private applications should however not be excluded from WAPECS as such spectrum is fundamental to the WAPECS concept.

Q2 Do you consider that the term “platform” should be more closely defined? If so, what definition do you propose?

The definition uses the term “platforms” which in EICTA’s view is not suitable and could be replaced by “systems”. Furthermore the definition of WAPECS platforms “regardless of ... the technology they use” is not an acceptable starting point for a harmonized internal market.

EICTA sees little benefit in adopting “platform” as a term with regulatory significance. The prospect of achieving a substantive definition that would be useful over the next few years is small.

In international fora industry is already providing a clear technical vision on how content required by the market and corresponding services can be distributed by already available and planned telecommunication systems.

Converging services increase the need for coordination of spectrum allocation in order to achieve roaming and consumer convenience.

With respect to public mobile communications the identification of IMT-2000 bands by WRC-2000 provides a clear regulatory evolution path from GSM via UMTS to 3G+ and beyond. Industry will provide the corresponding technical evolution to follow this path.

Q3 What, if any, constraints should there be on the provision of services using spectrum primarily in the broadcast domain?

If a substantial amount of spectrum in the broadcast domain can be made available at one time it should be considered for bi-directional services. The amount necessary should be big enough to allow efficient use of the service within the assignment and provide adequate guard bands to other services.

Q4 What specific rules should be introduced or maintained to safeguard the delivery of Services of General Economic Interest in the future? Is it most appropriate to deal with these issues through the regulation of spectrum, or through other instruments such as competition law or state aid policy?

Before defining the regulatory measures applied to safeguard the delivery of SGEI, it is important to identify what these are. The Consultation seems to identify safety-of-life / emergency services as SGEI. While these services are certainly SGI they are not normally provided as part of economic transactions.

Some spectrum-based communications services may be SGEI. Spectrum regulation designed to support such services, e.g. in geographical areas where they cannot be provided on commercial grounds, should not distort the operation of the market in other areas but should be selectively applied.

The economical impact on competition needs to be studied before any spectrum regulation in support of SGEI is introduced.

The quality and availability of the delivery of Services of General Economic Interest must be as good as possible to encourage uptake and use of services. This is critical for the success of i2010. While these factors may be addressed through regulation other than spectrum regulation, the spectrum arrangements and quality have major impact on what can be achieved. The spectrum used to deploy SGEI should be as free from interference as possible and have the best propagation characteristics into the desired terrain to maximize the probability of successful data reception with an economically sustainable network.

Thus spectrum regulation must be towards large allocations of licensed spectrum with well-defined interference characteristics and with sound compatibility controls. Considering the importance of SGEI to the Community licence-exempt or unlicensed spectrum should be used for these with extreme caution.

The transition period during which spectrum arrangements are changed will need careful handling and may even be on a case-by-case basis. This appears to be a very significant body of work for regulators going forward.

Q5 How do you think changes in spectrum policy will impact on the requirement for standardisation? What policy will best ensure the timely availability of standards?

A spectrum policy that promotes harmonization in spectrum allocation and use will ensure the development of standards in recognized standards organizations and the deployment of equipment and services conforming to these.

A policy that demotes the importance of spectrum harmonization will in general lead to more proprietary non-standardized solutions being introduced.

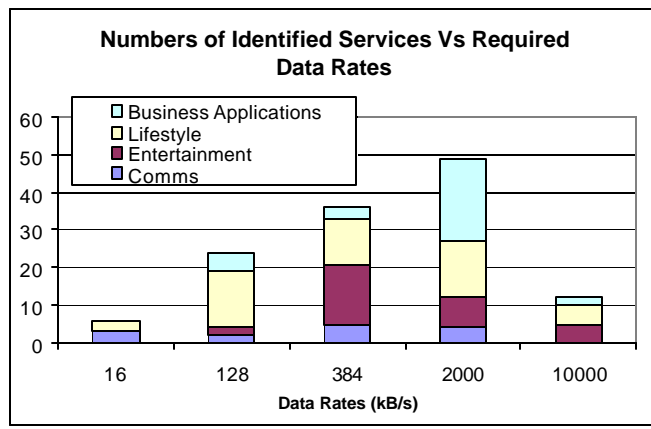
EICTA believes that Standards Bodies as a response to a new regime such as WAPECS may need to increase their focus on creating mechanisms and procedures whereby technical compatibility of new technologies can be more efficiently undertaken. This would avoid the current position in which despite technical analyses being undertaken (sometimes at great cost), a final resolution is often difficult to achieve due to different criteria and methods being used.

Q.6 Are there any other challenges that the RSPG should consider?

A further challenge is to create a fair and effective mechanism to recall spectrum licences when the licensee does not fulfil their obligations and the spectrum lies fallow.

Another challenge is to create a comprehensive spectrum information system. The solution may be to enhance the EFIS data base with information about operator and country specific licensing conditions like validity period and area, power limits, interference conditions, etc.

The EU Commission recently published research¹ into future bandwidth needs for various future services. The data rates needed to support the services, the sheer number of different services and also the amount of use of services will be extremely high according to this report. The graph shows a simple analysis of the results for the services that will be demanded going forward. The bands identified as suitable for WAPECS are nowhere near adequate to support this level of demand and so, if WAPECS is required for their successful deployment and unless further bands are identified, spectrum will be a limitation for the success of the i2010 initiative.



Q.7 What is your view on the long term policy goals mentioned above and more specifically on how to achieve the right balance between “minimising and harmonising constraints” presented under point 9?

EICTA agrees that the long-term policy goal should be towards converged and coherent spectrum regulation, but questions the conclusion that this would in every case require full technological neutrality and service neutrality.

Harmonization is beneficial not only for interoperability and roaming but also as a main driver for economies of scale necessary to provide radio-based communications services to a wider mass market. Harmonization facilitates the development of industry standards for technical interoperability and spectrum use that drive competition through the creation of large competitive markets. The market certainty provided by spectrum harmonization and associated technical standardization is beneficial for technologies with long development cycles and long-term investment needs. This being said, good spectrum policy should provide spectrum access also to other applications with different characteristics. One solution is not suitable for all spectrum bands.

¹ reference

While allowing technology choice can often enhance competition, too much emphasis on technology neutrality could harm competition in both services and radio terminals. The reason for this is that competition is stimulated by consumers being able to change hardware (TV, mobile phone etc) or service provider independently. Proliferation of incompatible technologies will frustrate this, as services become linked to specific standards. In theory this can be solved by multi-mode terminals, but in practice it is not in the interests of service providers to supply these if it increases 'churn' (people leaving their service) so it would have to be mandatory.

The spectrum compatibility between different technologies should be ascertained through relevant studies in international organizations open to industry recognizing that the introduction of new technologies into a spectrum band may change the conditions for already existing users.

EICTA does not support the view that the current regulatory approach lacks flexibility and discourages innovation. New services and applications are treated favourably already in the current regulatory regime. In the past services such as DSRR, ERMES, TETS were provided with spectrum access. With respect to innovations, EICTA believes that the degree of innovations made in the development of mobile communications – GSM, EDGE, GPRS, UMTS/IMT-2000 – has been and is an enormous achievement by European industry. It has been facilitated by the clarity, timeliness and stability of European regulations. Lately, the innovations have been focused on IMT-2000 and its evolution. This has also sparked the innovative power among smaller European companies in the component, services and applications industries.

Q.8 Are there any other long term policy goals that the RSPG should consider?

EICTA takes this opportunity to again stress the importance of the provision of adequate spectrum for the achievement of i2010.

In consideration of this it may be necessary to examine bands in other regions of the spectrum than those considered in the consultation questionnaire. Perhaps in some cases an examination of the spectrum currently allocated to government/military users may be beneficial, including opportunities for sharing of spectrum between civilian and military uses.

EICTA especially supports the statement in the consultation in relation to single market cohesion. In markets where the prime goal relates to the widest possible uptake of services and facilities, this is very important.

Q.9 Do you think that these steps form an adequate basis for achievement of the European objectives in this area? Are there any other steps that are required?

The "implementation packages" referred to in point 10 of the consultation are undefined. Once defined they should be available for public comments.

The European objectives in the spectrum regulatory area must be better defined before the effectiveness of the proposed actions can be evaluated against them.

The actions should not only serve to facilitate a refinement of the European spectrum regulatory regime, possibly in the form of WAPECS, but should also protect the further development and evolution of existing radio communications services and systems that today contribute to European cohesion and the internal market.

For spectrum management reform EICTA supports evolutionary improvements of the existing regulatory framework and but not revolutionary changes.

On the possible areas of action at the EU level the process must not charge ahead in the wrong direction. The “European objectives” are not sufficiently well defined so the risk of inappropriate legislation is too great.

EICTA supports the actions proposed in section 4.11 of the consultation document as being relevant. However we do not agree that they are adequate. The actions appear to be limited entirely to the spectrum bands mentioned in the questionnaire responses. As noted above EICTA believe these to be insufficient to support i2010 objectives and identified market needs.

Therefore, EICTA propose that the greatest emphasis be placed on actions leading to the identification of spectrum sufficient to support the delivery of the services and facilities that will lead to the benefits for the Community foreseen by i2010.

EICTA MEMBERSHIP

EICTA, founded in 1999 is the voice of the European digital technology industry, which includes large and small companies in the Information and Communications Technology and Consumer Electronics Industry sectors. It is composed of 55 major multinational companies and 34 national associations from 25 European countries. In all, EICTA represents more than 10,000 companies all over Europe with more than 2 million employees and over EUR 1,000 billion in revenues.

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