



Vodafone's response to the Radio Spectrum Policy Group's consultation on priorities and objectives for the Community in the World Radiocommunication Conference 2007

Brussels, 21 May 2004

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Introduction

Vodafone welcomes the RSPG's foresight in issuing an early consultation on EU priorities and objectives for the next WRC in 2007.

WRC '07 may be the last WRC before widespread spectrum reform in Europe. Spectrum trading promises to change the role of Governments and regulators in the allocation and assignment of spectrum, particularly where licensees have the option to change the use to which the spectrum is put. While it is understandable that attention is drawn in the consultation to the specific agenda items for WRC '07, Vodafone believes that the RSPG should consider – alongside the Radio Spectrum Committee – the appropriate role for future WRCs. Three issues should be considered:

- **Service Categories** – currently the Radio Regulations are based on a number of different Service Categories that have been defined for the technical purpose of delineating spectrum allocations and to aid international management of interference. The Service categories bear only passing resemblance to economic markets. This is an issue today and promises to remain one as the functionality of technologies have the effect of converging previously distinct service markets. As an example, mobile technologies are increasingly able to substitute for fixed, and now a number of “fixed” technologies also have mobile capabilities. Regulators must consider to what extent it is objectively justified and proportionate to allocate spectrum to one “service” if that service does not correspond to an economic market analysis. The risk is that in licensing the spectrum, regulators may discriminate against players in the same economic market;
- **Harmonisation** – a rationale for WRCs and for other regional spectrum organisations, such as CEPT, has been the desire to promote harmonisation of frequency use. The Radio Regulations allow for some flexibility, with countries able to opt-out of given positions by inclusion of their particular circumstances in footnotes. If the EU ultimately embraces secondary spectrum markets, the continued need for spectrum harmonisation decisions should be considered. If harmonisation is still warranted – and there are good reasons why this may be the case – then the EU, possibly within the RSPG, should define the appropriate mechanism for implementing it and the role, if any, for WRCs in this context;
- **Consequences for the EU** – spectrum reform in the EU may limit reliance on WRC to allocate spectrum. However, simply because the EU may – due to policy change – not rely so much on WRC does not mean that other countries will not do so. There is a role for the RSPG to understand the degree to which the EU will, in future, rely on WRC and what scenarios may follow from the continued participation of many other countries in the WRC process. While it may be appropriate to limit EU participation in the WRC process particularly as it pertains to commercial spectrum, there may be strategic considerations that mean the EU must remain present.

Specific Questions

1) What are the agenda items at WRC-07 (to be specified by the respondent) which potentially could have a significant positive or negative impact on common European policies and on important pan-European industrial sectors?

The two agenda items of particular importance to Vodafone are agenda item 1.4, the future development of IMT-2000 and systems beyond, and 1.9, sharing in the 2500-2690MHz band between terrestrial and satellite services.

Mobile telecommunications has proven to be a major success story for European industry, with leading manufacturers and operators resident here. It is quite possible that this success could be derailed by unnecessary divergences of views between regions on the future shape of mobile telecoms. The EU must be outward facing on the issues raised by 1.4 so that we do not see developments in silos, with Europe following one path, Asia another and North America yet another.

Agenda item 1.9 has potentially disrupting affects for the terrestrial mobile industry if satellite services are given undue access to spectrum (thereby reducing the overall supply of free spectrum for other services). The EU must be realistic about the demand for MSS; if the demand does increase significantly, then sharing of the 2.5Ghz band might be appropriate. However, PT1 is currently looking to make the entire band available to terrestrial mobile and we would expect this position to be defended at WRC '07. Similarly, care must be taken to ensure that the band is adequately protected from interference from any deployed satellite systems elsewhere in the world.

2) Which are the broad objectives which Europe could set itself for these agenda items, bearing in mind that many technical constraints are not yet clarified, and the fact that non-European interests might not support such objectives during the negotiations?

Agenda item 1.4: the EU should ensure that the demand characteristics of any future service are properly analysed so that an accurate appraisal of future spectrum requirements can be made. An overly optimistic service vision may only promote spectrum over-supply, whereas an overly pessimistic vision will create an under-supply. It is a difficult balance and one that will require much work before WRC '07, but it is crucial that the balance is found because everything else, in terms of spectrum allocations, flows from this analysis.

Agenda item 1.9: the objective might be to ensure that there is no undue interference to terrestrial mobile systems in the 2.5-2.69GHz band from satellite systems deployed elsewhere in the world.

3) Is it currently foreseeable that there could be contrasting requirements for different Community policies which would need to be interpreted preferably before the WRC-07 negotiations? If so, where?

There is potential that MSS operators will use agenda item 1.4 to make a case for more spectrum for the satellite component of IMT-2000. Should this occur, there will be a need to balance the political dividend from pursuing more spectrum against the possible deleterious effect it may have for the EU's positioning on the agenda item as a whole.

4) How to effectively promote at the conference and within ITU the Common Proposals on spectrum selected by Europe in other regions of the world, in order to enable European industry and consumers to benefit from lower barriers to trade and greater economies of scale?

Vodafone does not see any particular shortcomings in the effectiveness of the CEPT in promoting its positions during the Conference. It is expected that in their bilateral

and multilateral discussions with other non-EU governments, that the Commission and Member States will also promote European Common Proposals. Industry can be expected to do so, too, where its commercial interests are at stake. Vodafone, for example, coordinates its WRC focussed activities across all its operations, be they North American, Asian, Australasian, African or European.

5) How to ensure that generic regulatory principles enshrined in Community legislation for various spectrum-using sectors are supported in the WRC-07 process, and notably the principles of technology neutrality, fair competition, regulatory transparency, non-discrimination and proportionality, as well as the optimisation of spectrum use?

It is difficult to see how these regulatory principles can be imposed through a WRC. Clearly, at the CEPT level it is possible to ensure technology neutrality and non-discrimination – though recent Decisions have brought even this into question – but incidence of, say, technology neutrality are rare at WRCs and may be best dealt with on a case-by-case basis. More generally, one would expect that the Commission and European regulators would espouse the generic regulatory principles of Community legislation in their dealings with other non-EU governments and regulators.

6) What should be the strategy approaches before and during the conference for European delegations to optimise the possibility to reach the above-identified common European objectives? Should some European Common Proposals be mandatory for EU members?

The CEPT coordination process generally works well. The EU countries benefit from the wider support of non-EU countries for European Common Proposals. If the process is seen as too dominated by EU, then this support could diminish, which would be to the detriment of CEPT as a whole.

ECPs should not be mandatory for all EU countries. As long as spectrum use remains different in EU countries, there will exist the possibility that some EU countries will have difficulties with some proposals. The development of a European table of allocations will tend to reduce differences, but the introduction of spectrum trading could have the opposite effect. When CEPT countries have not signed ECPs, they have generally remained silent during the Conference. If it becomes mandatory for all EU countries to sign all ECPs, this could lead to a weakening of the positions themselves, in order to accommodate national difficulties.

In past Conferences, CEPT has not placed a high enough importance on agenda item 7.2 (agendas for future conferences).

7) Are the current procedural arrangements for the European WRC preparations, such as participation to and scheduling of meetings, drafting of European Common Positions and Briefs, availability of information, etc., appropriate? If not, please suggest ways to improve this process.

In general, Vodafone supports the CEPT process for European WRC preparations. However, we would make some specific points:

- The division of the work into separate project teams that meet separately from the other CEPT work, CPG, and each other, increases the bureaucracy and makes it more difficult to follow the progress of work;

- The CEPT coordinator plays a critical role in presenting CEPT's position during the Conference. This is not always given enough weight in the appointment of coordinators;
- CEPT could make more effective use of delegates from industry within the national delegations;
- If anything, the openness of the CEPT to other similar groups has gone too far. It is difficult for CEPT to hold internal discussions on tactics and priorities.

8) If applicable, please indicate your early views on issues Europe could propose to be included in the agenda for the next conference after WRC-07 (see the preliminary agenda proposed by WRC-03 in annex 3).

The agenda of future conferences should move away from focusing on specific issues towards facilitating flexible use of spectrum. For WRC-07, CEPT should consider proposing an agenda item for WRC-10 to carry forward the work in response to Resolution 951 (Options to improve the international spectrum regulatory framework).