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**Public consultation on secondary trading of rights to use radio spectrum**

**Detailed issues submitted to consultation**

**Your details**

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**General questions**

**1) Do you consider secondary trading of rights to use radio spectrum to be beneficial to consumers, businesses and radio users? why/why not?**

Eutelsat understands that the increasing disjunction between new spectrum needs (notably for the fixed and mobile terrestrial services) and traditional methods of allocation and assignment of spectrum have created the necessity for NRAs to respond by making proposals and bringing forward legislation to this scope. We consider that spectrum trading can therefore certainly bring benefits to terrestrial services by allowing a more flexible and efficient way of allocating resources to those who make the most use of it especially on a local basis. In this case, spectrum trading and spectrum liberalization can bring optimization of spectrum use at local level without impacting on other geographies where the service is provided.

In the case of satellite, any uncertainty regarding the possibility to use spectrum in one local area has immediate consequences at wide-national level, if not on the whole region. Satellite operators, by nature, must use the same spectrum over the entire footprint of the satellite. This is the very basis of the spectrum allocation process led by the ITU. Efforts have been made over the last decades to harmonize legislation concerning satellite spectrum access in various parts of the world. Therefore Eutelsat considers that the implementation of spectrum trading to satellite services links that have been coordinated at international level inappropriate and harmful for the industry and the consumers.

**2) What types of transfer of rights to use radio spectrum (full, leasing, partial etc.) do you consider can be beneficial to consumers, businesses and radio users? why/why not?**

The existing commercial agreements between satellite operators to lease transponder capacity from one another are already equivalent to a form of spectrum trading, since using a specific transponder from a specific satellite also entails a form of right to use the specific frequency band attached to it in line with mechanisms defined by the ITU rules. This has worked so far very well for all involved parties therefore we do not see the need to formalize this business relationship into a transfer of rights to use spectrum at national level.

**4) Would you want to see secondary trading of rights to use radio spectrum introduced in your country or in the countries of interest to you?**

a) If yes – why, to what extent? when? frequency bands/services?

b) If no – why not, are there other tools that better suit your needs?

Satellite services inherent international dimension ought to be discerned by RSPG; satellite services and innovative applications rely on the access to spectrum resources across national borders in alignment with international spectrum Decisions and Recommendations.

Spectrum allocation arrangements agreed at ITU and CEPT level and subsequently endorsed at Community level should prevail over any assignment of spectrum introduced at national level by spectrum trading mechanisms.

Moreover, satellites have already made sure that spectrum allocated to its services is used in the most efficient manner. ITU coordination mechanisms ensure that the same frequency bands can be reused from each agreed orbital position, without interference from one satellite to the other.

### **Scope of trading – change of use, reconfiguration**

**7) Is the possibility to use the spectrum in a flexible way important? If yes, what kinds of flexibility do you consider would benefit consumers, business and users of spectrum (service, technical constraints, other)**

As explained above (4b), a given frequency band can be re-used in the same geographical area many times over by different satellites located at different orbital positions. In no case the introduction of spectrum trading should lead to the possibility of changing use, application or radio service.

**8) To what extent is the tenure an important issue in assessing secondary trading? (indefinite, rolling, fixed, annual, other)**

Operating a satellite begins up to seven years prior to the launch with a filing to the ITU, requesting rights to use a frequency band and an orbital slot, and that the satellite is then designed for a typical lifetime of 15 years, without possibility to reconfigure its frequency plan, once the satellite is in orbit. An average satellite is an upfront investment of at least 250 millions €, without possibility of progressive ramp-ups. RSPG will certainly appreciate that it significantly differs from the economics of any terrestrial network, which allow for more flexibility, both in terms of roll-out pace and local adaptation to spectrum availability.

## **Community aspects**

**15) Do you consider that adoption of individual regimes by EU member states will cause problems for consumers, businesses and radio users? If yes, in what ways and to what extent?**

As already pointed out, the investment horizon for satellite operators is long term and this would not be anymore possible if the regulatory environment of each country under a satellite footprint would be changing over the life cycle of the satellite.

Hence, such a possibility would allow for negative effects of commercial opportunism or of individual state arrangements that may lead to a distortion of pan-European, trans-national market for satellite services.

The implications of all such effects would only be detrimental for instance to the media industry, upstream, which would lose one of the very efficient ways to broadcast contents to millions of viewers, and to the viewers themselves, downstream, which would see their ability to access hundreds of channels from all over the world potentially impaired. We are strongly adverse therefore, to the idea of introducing any trading mechanism that would trigger uncertainty as to spectrum rights.

**16) Do you consider that the EU should take measures to facilitate the implementation of secondary trading of rights to use radio spectrum? If so, in what areas and to what extent?**

The EU should be vigilant to the modalities in which Member countries that are “front runners” in Europe will implement spectrum trading. The approaches and the options chosen with respect to allowing trading and/or liberalization and in which frequency bands and for which services need to be evaluated also on a pan-European basis and this can only be done at EU level. EU would have a better consideration of potential harm and fragmentation of the internal market for satellite television and broadband services via satellite.

**17) To what extent is European harmonization of frequencies an important issue in regards to secondary trading of rights to use radio spectrum?**

Harmonization of frequency bands is very important for services such as satellite services, which rely on the availability of harmonized spectrum at wide European level if not global. In this respect the development and cross-border deployment of new services and applications is dependent from the availability of harmonized spectrum and consequent implementation of a general authorization regime for licensing in the EU countries.

Any uncertainty with respect to the availability of harmonized spectrum or the eventuality of a fragmentation of it at national level would be discouraging investments from the operators and lead in the long term to loose customers confidence.