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RADIO SPECTRUM POLICY GROUP

Subject: Chairman's Report of RSPG#6, 23 February 2005

RSPG #6
Brussels, 23 February 2005

Summary

1. Introduction to RSPG#6

Mr. Michael Goddard, Chairman of the Radio Spectrum Policy Group (RSPG) and Director for Spectrum Policy at Ofcom (UK), opened this sixth plenary meeting of the RSPG by welcoming Mr. Mathias Kurth, President of the German telecommunications regulatory authority (RegTP), who participated for the first time in his new capacity of Vice Chairman of RSPG, following his election at RSPG#5.

The meeting agenda¹ was adopted without modification.

2. Progress of the RSPG Opinion on a co-ordinated EU spectrum policy approach regarding spectrum for Wireless Access Platforms for Electronic Communications Services (WAPECS)

Status of the work in progress

The "rapporteur" for this activity, Ms. Isolde Goggin, Chair of the Irish Commission for Communications Regulation, gave an **overview of progress achieved since RSPG#5** and solicited guidance on two issues.

- **Working definition of WAPECS:** Following a discussion in the drafting group prior to RSGP#6, RSPG members were requested to give guidance on the scope of WAPECS, notably whether both public and private access would be included in the scope of WAPECS. Following a constructive discussion within the Group, **it was finally decided to use the broadest possible definition for WAPECS as an initial working assumption²** in order not to pre-empt any future solutions. In particular Administrations have been invited not to exclude any services/applications when responding to the survey³ for the purpose of building the most comprehensive picture of the existing landscape. If necessary, the definition can be reviewed once the Group will be in a position to develop the recommended overall regulatory approach.

¹ Document RSPG04-63 available at http://rspg.groups.eu.int/documents/meeting_documents/index_en.htm

² One delegation stressed that, whatever the final definition of WAPECS will be, frequency allocations will have to remain compatible with the ITU Radio Regulations (ITU-RR) as per treaty obligations. This view was shared by the Group but it was also reminded that ITU-RR definitions are evolving and are currently subject to discussions in view of WRC-07. The RSPG Opinion on spectrum for WAPECS can fruitfully contribute to this international debate.

³ It was also further clarified that Administrations should mention any legal or operational limitations they would face that would prevent to respond to the survey on specific frequency bands (e.g. military restrictions).

- **Questionnaire** to be used in the survey aimed at collecting information from National Regulatory Administrations (NRAs): The questionnaire including the latest modifications was presented. The requested information will include data on current allocations and existing licenses related to “WAPECS frequencies” in all Member States. It will also allow collecting national views and individual suggestions regarding possible regulatory improvements and more generally the future regulatory framework for WAPECS spectrum. **The Questionnaire was approved by the Group** and the **survey should be completed by mid April** (information collection on-line via a dedicated website, in order to facilitate the processing of the large amount of data anticipated).

Discussion on core issues

Ms. Goggin also sought guidance from the RSPG on a number of “core” issues to be addressed by the future Opinion, namely: the political balance between the main objectives (e.g. the need for harmonisation versus the need for flexibility, the level of technology and service neutrality), the nature of the transition period (“big bang” versus “natural attrition” versus “phased approach”), the reconciliation of requirements between industrial policy and consumer policy, and the specificities of services of general interest such as public broadcasting. **The Group agreed that the identification of core issues was appropriate and comprehensive.**

Next action

A preliminary document outlining the future Opinion will be prepared in March and submitted immediately to the Group for initial comments.

The Commission mentioned the increasing interest from market players and constituencies in WAPECS, but reported that there is an apparent lack of understanding of the actual scope and objective of this initiative. The Chairman therefore suggested producing an explanatory note aimed at the external constituencies interested in the matter. He also recalled that a wider public consultation will take place at a point in time once a stable version of the Opinion will have been agreed by the RSPG.

Some concern was expressed about the overall timescale for the WAPECS work, considering it to be too ambitious. It was agreed to keep it as agreed at RSPG#5 and review the position at RSPG#7 if necessary.

It is expected that the results of the survey and a draft Opinion will be available for RSPG#7 on 16 June.

3. **Request by France and The Netherlands to the Radio Spectrum Policy Group for an Opinion on “a coordinated EU spectrum approach for scientific use of radio spectrum”**

Rationale for the initiative

Mr. François Rancy, Director General of the French National Frequencies Agency (ANFR), speaking on behalf of both the French and the Dutch delegations, **presented**

the rationale for an RSPG initiative on scientific use of spectrum⁴. He referred to the increasing difficulty of the scientific and meteorological communities to conduct their spectrum-dependent activities and to the significant economic value and level of public investments involved in the domain. Mr. Rancy evoked the high level of attention which is usually paid to this matter in ITU (International Telecommunication Union) negotiations and stressed the importance of applying a similar care on EU level. He further stressed the European dimension of the issue by mentioning the various interdependence effects between measures performed in various countries to obtain reliable scientific conclusions.

Conclusion of the discussion within the Group

RSPG members generally welcomed the initiative. At the same time, some delegations expressed concerns about the concrete value that can be added by an RSPG Opinion. In particular, delegations requested that the scope of the work be clearly defined and that a proper balance of interests be taken into account (e.g. scientific, social, economic).

Next step

The Group agreed on the proposal from the French and Dutch delegations to develop the request further and **to prepare an outline of a possible Opinion to be submitted to the next RSPG meeting in June (RSPG#7).** On this basis, the RSPG will then decide on whether or not to proceed with a formal RSPG Opinion.

4. Economic impact assessment – Presentation on the “Future Mobile Communications Market and Services” study

Presentation by the Consultants

In June 2004, the Commission contracted a study on "Future Mobile Communications Markets and Services"⁵ to the Commission's Joint Research Center (JRC). The actual work was conducted by specialised Consultants under the coordination of a department of the JRC, the Institute for Prospective Technological Studies (IPTS) in Seville. The methodology followed in the study relied extensively on **analysing macro-economic and societal developments to determine the demand side.** The

⁴ Document RSPG04-67 available at http://rspg.groups.eu.int/documents/meeting_documents/index_en.htm

⁵ Description of study tasks at the following web address:
http://europa.eu.int/information_society/policy/radio_spectrum/docs/ref_info/study_description.pdf

The two primary objectives of the study were:

1. To carry out a foresight exercise addressing future wireless electronic communication services that will be used in the European Union, highlighting potential usage patterns, service characteristics, supporting technologies and traffic volume.
2. To prepare a document that could support a consolidated European input into the ITU (International Telecommunications Union) process of determining spectrum requirements for systems beyond IMT-2000 (International Mobile Telecommunication), relevant for the preparatory work of WRC-07 (World Radio Conference).

Consultants in charge of the study presented to the RSPG the approaches and scenarios developed for the purpose of this study⁶, as a reference example.

Debate on strategic elements

The RSPG discussed the relevance and the merit of the approach in evaluating future spectrum demand. It was first recognised that, in some circumstances, the approach may offer an alternative to the supply-side based approach predominantly used in the past. It was also felt to be useful in the context of the WRC preparations to find a consensus regarding future mobile requirements. An objection expressed in the discussion related to the omission of spectrum costs “per se” in the methodology despite the fact that the Consultants took into account other financial aspects such as the impact of a financial crisis or a natural disaster. It was therefore argued that it is difficult to predict the actual market demand in absence of such important parameter as spectrum pricing. Other RSPG Members were of the opinion that spectrum trading and market mechanisms in general will deliver superior results than any prediction method. Finally, there were a few participants who underlined that there are so many parameters and tacit assumptions that it is doubtful that results can provide sufficient reliability. It was finally agreed that such a socio-economic method should remain a possible tool for the RSPG, but it could not be used on an exclusive basis.

5. RSPG Work Programme 2005

Presentation of the Chairman’s proposal

As an introduction to the debate, **the Chairman gave a short overview of his proposal**⁷. This proposal was prepared on the basis of the previous revolving work programme (document RSPG03-20), of input received from delegations in response to the call for contributions issued at RSPG#5, and of the latest developments relevant for the work of the RSPG, including EU policy initiatives. The Chairman’s paper was meant to offer a basis for a debate among RSPG members.

Debate and adoption

The RSPG took note of the proposal by the Chairman and **agreed with the principle of maintaining two documents:**

1. **The general work programme**, which is a revolving “reservoir” of relevant issues. It will be prepared on the basis of an updated version of document RSPG03-20, taking into account the discussions at RSPG#6;
2. **The work programme 2005**: which will be the specific work programme for 2005 mentioning priorities to be addressed during the current year (including also a provisional list of priorities for 2006) and indicating the policy context in which the choice of priority topics has been made by the RSPG. It was

⁶ Document RSPG04-68 available at http://rspg.groups.eu.int/documents/meeting_documents/index_en.htm

⁷ Document RSPG04-66 available at http://rspg.groups.eu.int/documents/meeting_documents/index_en.htm

stressed that the work programme 2005 should focus on issues on which the RSPG can have a concrete impact.

Regarding the work programme 2005, the following issues were retained⁸:

- Finalisation of the **Opinion on a consistent regulatory approach for WAPECS**;
- Additional contribution on **spectrum implications of the switchover to digital broadcasting**, accompanied by a specific activity to provide political framing to the CEPT preparation for the **ITU Regional Radiocommunication Conference 2006 (RRC-06)**;
- Finalisation of the **Opinion on priorities for WRC-07**;
- A review of progress regarding the introduction of **spectrum trading** in Europe and possible advice on the EU dimension;
- An Opinion on the **scientific use of spectrum** (to be confirmed at RSPG#7).

In addition to the above, a delegation suggested that the RSPG should look into the policy aspects of the convergence between fixed and wireless access (complementarities / substitutability). This was deemed relevant by the Group and it was recommended to first address this issue via the activity regarding spectrum for WAPECS.

The Chairman also encouraged the Group to start thinking about the general topic of regulatory principles / best management practises in spectrum policy (timing to be discussed: 2005 or 2006). This topic could cover issues such as the relevance of common models at EU level (e.g. on technology neutrality, on incentive pricing, on the “Commons” paradigm, on modalities for spectrum re-farming).

The Commission indicated that the Group might also be seized soon with a request to look into strategic aspects of spectrum management in relation to the delivery of emergency services (i.e. Public Protection Disaster Recovery, Early Warning Systems,...) as this topic is currently subject to high political scrutiny due to the Asian tsunami crisis. The Commission also noted the request to provide reports from inter-service coordination on policy issues with spectrum implications.

RSPG Opinion on WRC-07 preparation: progress of work

EU policies affected by WRC-07

In its introduction to the subject matter, the Chairman reminded the RSPG of the **need to ensure that the CEPT process was in line with EU level policy requirements for the preparation of the ITU World radio Conference 2007 (WRC-07)**. The Commission gave a short summary of a paper entitled “Information note from the RSPG Secretariat on WRC-07”⁹. The objective of the paper is to help making the link

⁸ This list is indicative (i.e. not exhaustive).

⁹ Document RSPG04-71 available at http://rspg.groups.eu.int/documents/meeting_documents/index_en.htm

between relevant EU policies and priorities for WRC-07, and is an updated version of the background document on EU policies and WRC-07 agenda items prepared by the secretariat in view of last year's public consultation on WRC-07.

Main conclusions of the discussion among RSPG Members

There were no adverse comments to the proposal included in document RSPG05-71. As a consequence, the Chairman proposed to **proceed** without delay **with the drafting of the final Opinion** on the basis of the document in reference. He offered to lead the activity personally with the assistance of the RSPG Secretariat. The Opinion should address three categories of considerations, namely the general principles, the list of key topics and the policy aspects for each of those topics. The Chairman committed to make a first draft version available for comments to the RSPG members well in advance of the June meeting.

The Chairman took the opportunity to remind the RSPG of the upcoming **workshop on WRC-07 organised jointly with the CEPT which will take place in Brussels on 11 March 2005**. The Secretariat would produce a report of the results of this workshop which would feed into the preparation of the Opinion.

The Commission reminded the Group that the input from the RSPG is of critical importance to prepare a Communication to Council and Parliament on WRC-07 objectives (planned for early 2006), in order to “frame” politically the CEPT preparation process and the future WRC negotiations.

6. Report on Commission activities in radio spectrum policy

Prior to the meeting, the Group was provided with a document highlighting the main Commission activities in radio spectrum policy since RSPG#5 on 23 November 2004¹⁰. This agenda item was informative only. It was complemented by a **short verbal report from the Commission to put some of the issues into EU policy perspective, and to inform the Group about additional developments which occurred since the publication of the document in reference**. The Chairman expressed his appreciation for the extensive reporting.

The Commission also informed the Group that it is pleased that the second Commission Communication on “Accelerating the transition to digital broadcasting” which is due for adoption by the College of Commissioners in early April **includes several important elements taken up from the RSPG Opinion on spectrum implication of the switchover to digital broadcasting**¹¹.

Finally, **the Commission shared with the Group its current reflections regarding the planned Communication on Spectrum Markets** (tentatively scheduled for June 2005). The Communication is likely to favour a gradual process for the introduction of spectrum trading, based on accumulation of experience in Member States, as suggested by the RSPG in its formal Opinion on the subject¹². The Communication

¹⁰ Document RSPG04-74 available at http://rspg.groups.eu.int/documents/meeting_documents/index_en.htm

¹¹ Document RSPG04-55 available at http://rspg.groups.eu.int/documents/meeting_documents/index_en.htm

¹² Document RSPG04-54 available at http://rspg.groups.eu.int/documents/meeting_documents/index_en.htm

should revolve around several clusters of issues: the definition of spectrum rights, appropriate trading regimes, how to handle information on spectrum usage in the context of trading and the identification of bands most suitable for trading. The Commission stressed the importance of a constant link with the discussion on flexibility in the context of the Opinion on spectrum for WAPECS if Europe wants to get the full potential out of spectrum markets in the long term.

7. Next meetings

The Chairman concluded the meeting by confirming the main agenda items of substance for the next meeting, namely the progress on the WAPECS spectrum, including the result of the survey, the adoption of an Opinion on priorities for WRC-07, the follow-up on the Opinion regarding spectrum implication of the switchover to digital broadcasting and the associated update on the preparation of RRC-06, the review of a draft Communication on spectrum trading, the consideration for an RSPG Opinion on the scientific use of spectrum and possibly a first Commission report on inter-service coordination regarding policy-specific applications.

The next RSPG meeting (RSPG#7) is scheduled to take place on **16 June 2005** in Brussels.

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