



GSM Europe

The European interest group of the GSM Association

<http://gsmeurope.gsmworld.com>

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Re: GSM Europe's comments to the proposal for a Decision of the European Parliament and the Council on a regulatory framework for radio spectrum policy in the European Community

Introduction

GSM Europe welcomes the proposal of the European Commission for a Decision on a regulatory framework for radio spectrum policy in the European Community. Harmonisation of the availability and use of radio spectrum is essential for the implementation of Community policies not just in the communications sector but also in all other relevant areas that need frequencies allocations such as transport, broadcasting, and Research and Development.

GSM Europe is the European interest group of the GSM Association, the premier global body behind the world's leading wireless communications standard. GSM Europe represents around 123 operators in 50 regions in Europe and counts around 275 million subscribers.

The mobile industry in particular is by far the most important user of radio spectrum. In comparison to other industries exploiting frequencies. When considering investments made and planned (70 billion euro already invested for GSM, 170 and 132 billion euro planned respectively for UMTS licences and network infrastructures), employment created (direct employment: from 25,000 in 1996 to 470,000 today) and innovation achieved it is the sector that probably makes the best and most efficient use of spectrum. In less than two decades, the mobile industry, that bases its operations on the availability of spectrum, has grown almost from nothing to a sector that accounts to more than 425 million subscribers worldwide.

In addition the mobile industry has significantly contributed to the success of the European economy. It is the one of the only technology sectors where Europe has leadership over the USA and Japan, both in terms of manufacturing activities (the leading mobile manufacturer is European) and service offering (the leading mobile service companies are

European). GSM is an excellent example of Technology / Services that are helping to create a Single market and support greater Mobility skills and services.

It is hoped that this leadership will be extended to other sectors, such as Internet, following the introduction of GPRS services on existing GSM networks. The development of UMTS networks enable fast data services and multimedia applications to be made available on mobile terminals.

However, extending and maintaining the European leadership will require the assignment of sufficient spectrum bands to mobile operators both in a timely manner and at a cost, which in terms of financial resources and/ or other obligations, will not discourage network investments and innovation.

Frequency availability (or unavailability) has a great impact on all the key variables of the mobile industry:

- **Network costs:** more spectrum means more capacity (the amount of traffic that can be handled at a specific time of day) for any network operator. This in turn, reduces the need to develop the radio access network infrastructure in congested areas, which leads to reduced network costs for the operator and consequently lower prices for the customer;
- **Quality of service:** the level of quality of service strongly depends on the available network capacity at the busiest time of the day. The more spectrum an operator has the higher the network capacity and, therefore, the higher level of quality of service;
- **Environmental impact:** the number of antennas that an operator has to install depends on the level of network capacity that an operator needs in order to handle traffic generated by its customers. Again, more spectrum means more network traffic capacity thus less antennas and reduced environmental impact;
- **Innovation:** High speed data transmission and internet services “consume” a great level of network capacity. Existing GSM operators and future UMTS operators will not be able to offer high speed data transmission and internet access services on mobile phones unless sufficient spectrum bands are allocated.
- **Capability:** Compatible spectrum is also required to ensure minimum interference, and maximum economies of scale. The compatibility thus allows for Roaming Services, shared R and D and overall cost reduction.

Ironically, the mobile industry has been assigned less spectrum bands than other sectors using frequencies (i.e. military and broadcasting). This paradox is even more striking if we take into account the enormous benefit that mobile services are providing in terms of economic development.

GSM Europe comments

GSM Europe supports the Commission's proposal to facilitate harmonisation at the Community level and to reduce the time for the actual assignment of frequencies to users, once the spectrum policy has been defined. The new framework will guarantee that the implementation of EU spectrum policy will be able to cope with the fast changing requirements of the (mobile) communications industry (???)

However, there are a few statements and provisions of the Decision that might require further analysis and possible modifications.

Balancing spectrum requirements of various sectors

The Decision will allow the Commission to define spectrum policy not only for the communications sector, but also for other commercial and non-commercial sectors that require frequency spectrum. Taking into account the scarcity of spectrum resources, there may be conflicting requirements between the different sectors. Therefore, the Commission will have to balance requirements of the different sectors. It is important that in achieving this goal, all the potential benefits and disadvantages of a specific frequency allocation are investigated thoroughly, not only from the user view but also from a quantitative point of view. For example, before determining if a specific frequency band should be allocated to a transport service for internal security communications, the following question should be asked: is a specific allocation to a proprietary system really necessary or could the service be provided by existing standard communications services and, therefore, retain scarce frequencies for other more efficient uses?

This kind of transparent cost/ benefit analysis should be specifically provided by the Decision

Non discrimination in the assignment process

The Decision will allow harmonisation also in the actual assignment methods of specific spectrum bands. It is essential that not only assignment methods are harmonised across different Member States, but also across different sectors (at least across sectors that use frequencies for commercial purposes). This is to avoid different sectors obtaining frequencies under different conditions (and prices) leading to the potential for unfair discrimination. This is increasingly important in view of the convergence of the broadcasting and mobile communications industries which are both users of spectrum.

Protection of human health

In various Recitals of the Decision, there are references to the necessity of protecting human health (or similar phrases) in relation to the allocation of spectrum. GSM Europe does not agree that the protection of human health would be relevant in the context mentioned. All mobile telephony technologies must meet the emission guidelines of national/international agencies, such as ICNIRP, which establish very conservative exposure limits to ensure that the health of all citizens is protected. The guidelines are designed with a substantial margin of safety. It is internationally accepted that based on present knowledge, exposure at or below the levels recommended in these guidelines is not known to be a risk to human health. Stating a link between allocation of frequencies and a possible threat to human health would create alarm and would not be in line with accepted scientific knowledge and underlining international safety guidelines.

Consultation mechanisms

GSM Europe considers that the most efficient way for the Senior Official Radio Spectrum Policy Group to take into account views of the industry and of all users involved and to evaluate market needs in a competent way would be to include some representatives of industry and users in the Group. It is not satisfactory for the group only to listen to representatives of the spectrum users communities at group meetings where necessary to

illustrate the situation in a particular sector, in particular as it is stated in article 3 of the Decision, that users may only provide input if requested by the Senior Official Radio Spectrum Policy Group.

In addition, there is no formal obligation for the Commission to consult users or industries that could be affected by a specific spectrum provision, before taking any harmonisation measure in relation to spectrum. Therefore, GSM Europe is of the view that a formal consultation mechanism should be included in the Decision.

Transparency mechanisms

GSM Europe considers that the annual reporting by the Commission to the European Parliament and the Council on the work of the Senior Official Radio Spectrum Policy Group is not sufficient to guarantee the necessary transparency of the work of the Group and the Radio Spectrum Committee. It is therefore necessary that all minutes of both the Group and the Committee are published together with any document officially endorsed by the Group or the Committee. These transparency obligations are required to guarantee that users and industry representatives have the possibility to provide contributions on any specific spectrum issue.

It is also essential that the EU works together with ERC /CEPT to assure greater open publication of current assignments and planned releases of spectrum.

Relationship with other bodies

GSM Europe also recognises the role of national administrations and the CEPT in spectrum issues. In this respect the role of the Commission should complement these existing activities to provide an overall stronger European position when dealing with bodies such as the ITU.

The instrument of mandates as specified in *Article 6* seems to be a good way to combine the strengths of the CEPT (pan-European) and the EC (mandatory). Such mandates may encourage the CEPT and standardisation organisations to make decisions on a pan-European scale, which become mandatory for countries in the European Union.