



Independent Review of Radio Spectrum Management- June 2001
Policy Statement of the Association of Communication Services Providers
December 2001

1. Introduction

The Association of Communication Services Providers, ACSP represents the interests of communication services and content providers delivering fixed and mobile telephony and Internet services. Members have a common aim to secure a fair, open and competitive environment for the delivery of services in the UK communications market supported by an effective regulatory regime.

Whilst ACSP members may not generally be licensed to use radio spectrum in the UK they have a vested interest in radio systems operated by others as a means to convey services to their customers. ACSP members therefore have an indirect interest in the availability, terms and management of the radio spectrum, in particular spectrum used for telephony, PMR, mobile data, LAN and broadband access. ACSP policy is confined to spectrum used for services in which its members have an interest.

2. Exclusive rights

ACSP believes organisations that have exclusive rights to use radio spectrum to provide services, where the spectrum or similar spectrum is not available to others, should be the subject of economic regulation. Amongst other things regulation should provide for access to those services by others wishing to provide competing services on reasonable and non-discriminatory terms.

3. Charging for the use of radio spectrum

ACSP supports the principle of charging for the use of radio spectrum where a reasonable charge per unit of bandwidth per area¹ for geographic coverage services is set and an equivalent charge is set for point to point services. Such charges to be determined after having taken account of:

- a. the commercial value of the use of the spectrum by service providers leading to an increase in business efficiency for end users;

¹ Area means the geographical area in which the frequency cannot reasonably be reused by other services because of interference.

- b. social needs from time to time;
- c. measures to avoid the hoarding of spectrum;
- d. the efficient use of the spectrum and to fostering inventiveness in modulation and coding techniques, and innovation in equipment design;
- e. physical, technical and propagation considerations;
- f. management of the spectrum, the requirements to investigate interference complaints and the maintenance of service quality.

4. Spectrum trading

ACSP supports the principle of spectrum trading as a means to increase the usage of spectrum that would otherwise be under-utilised but has serious doubts as to the actual benefits to be gained given that in areas where usage is high spectrum is in short supply and visa versa. Furthermore spectrum cannot be freely traded in a territory as small as the UK without proper policing measures in place to ensure that legitimate licensed services are not subjected to unreasonable levels of interference.

Measures should be taken to ensure that:

- spectrum is not hoarded for the purpose of speculative trading
- spectrum ownership does not lead to monopolies nor to abuses of dominance.

5. Spectrum auctions

Whether there will be any long-term benefit to the UK economy from the spectrum auctions held thus far is questionable in ACSP's view. There is no consistency in the auctions. The £22.5 billion paid at auction by the five 3G licensees in the UK has removed monies that would otherwise have been invested in innovation and network infrastructure by the licensees. The effect will be to reduce the quality and the richness of 3G services that will be provided and to delay the time scale in which such services will be rolled out.

Consequently ACSP does not support the general use of auctions as a means of allocating radio spectrum.