

Response to the RA's Discussion Document Proposing Changes to Future and Existing 28 GHz Licences.

The four points raised in the RA's discussion paper are as follows:

1. Do you agree that the 'Purpose of use' clause should be removed from existing and future 28 GHz Licences?
2. Do you agree that the 'Use it or lose it' clause should be removed from existing and future 28 GHz Licences?
3. Do you agree that the minimum path length policy should apply where a licensee provides point – point links to other operators?
4. Should the government consider making any other changes to the licences and, if so, for what reasons?

Response:

1. The present 'purpose of use' clause should be removed. However, some form of control should still apply, or we are likely to see cellular operators buy up the spectrum and use it purely for backhaul purposes. This would not represent the most efficient use of the spectrum, nor would it stimulate broadband connections to SMEs, as was the original plan for the 28 GHz spectrum. If a PTO were to purchase a 28 GHz license and be allowed to use it to provide circuits to the cellular operators, then base stations could be set up with an almost guaranteed minimum number of customers i.e. cellular base stations. The same 28 GHz base stations could then also be used to provide connection to businesses. This would get around one of the existing problems which arises when deciding where to locate a new BFWA base station – At present potential customers are asked if they would be interested in taking service. Many will respond positively but based on the assumption that the service is available there and then. Six months down the line, the customer may not be so interested in taking service because by then, other operators may be offering equivalent and / or cheaper services. It is difficult to build a business case based on such an uncertain demand. With the certainty of a minimum number of cellular backhaul circuits the BWA operator is more comfortable that his site will eventually pay for

itself. In addition, any increase in quantities of BWA equipment deployed should gradually drive down the price of the terminal equipment.

2. The 'use it or lose it' clause, in its present form, should be removed. It would be important to retain some form of check that the spectrum is being utilised to avoid any organisation purchasing a license for purely 'strategic' reasons. The specifics of this arrangement would be the subject of further discussion and might be done on a case by case basis.
3. There should not be a requirement for a minimum path length if the 28 GHz band is utilised to provide point – point links. A restriction, which required any 28 GHz point – point links to employ Automatic Transmit Power Control (now available on much point – point equipment) could be put in place. This would ensure that an operator would not be sterilising the band with unnecessarily, large, fixed, fade margins. This would add value to the frequencies under discussion by allowing them to be used for point – point links in areas removed from large urban centres (where most FBWA would be deployed). Without the option to use point-point links, the licences have little use in most of the large, rural areas that they cover. The system which the RA has proposed to solve any cross (license) region interference issues with FBWA could equally apply to point to point links when necessary.
4. It would be of benefit to reduce the reserve price of the remaining licences. It is difficult, particularly in the current economic climate, for small, innovative companies to raise the kind of sums that are required if a license is to be purchased. The amount of money which the RA would lose by reducing prices would hopefully be insignificant when compared with the benefits (to the economy & society) which might arise as a result of the stimulation which cheaper licences could bring.

Julian Stafford.

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