

PAGEONE COMMUNICATIONS

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26^h November 1999

Brian Last
Radio Communications Agency
1st Floor, IIR/3A
Wyndham House
189 Marsh Wall
London
E14 9SX

Our Ref. CJ(99)033

Dear Mr Last,

Re: RA Consultative Document (October 1999) on Two-Way Paging

Please see enclosed the PageOne Communications Ltd considered response to the RA consultative document for Public Two-Way Paging.

The PageOne response is provided without any confidentiality restrictions and would welcome the publication of our views and considering on the opportunities for Public Two Way Paging in the UK.

PageOne also looks forward to the RAIDTI conclusions of this Industry consultation, and very much hope that an early decision can be reached regarding the licensing for return path spectrum, and the neutrality for the 169Mhz band.

PageOne have enclosed five copies of our response as requested. Five more copies are being sent to your colleague Mr Williams at the DTI. PageOne will also email our response directly to our contact Mr Jones at the RA.

Please do not hesitate to contact us if you require any further information regarding these matters.

Yours sincerely

Chris Jones
Technical and IT Director
PageOne communications Ltd

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Consultation Reply on
Spectrum for Public Two Way Paging

(November 1999)

November 1999

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Introduction

A consultative document was issued by the Radio Agency on Licensing and Spectrum for Two Way Public Paging (TWP) in the 867.6-868.0 MHz Band and the use of the 169 MHz Band. It called for comments and views on the various issues the document raised.

This document is the PageOne Communications Ltd (PageOne) considered response to the RA consultation.

PageOne is the second largest Wide Area Paging Operator by the number of units in service. PageOne offers a wide range of products to both the business and consumer communication markets and is considered the market leader for innovation. PageOne was the first operator to use satellite communications in 1992 to improve message delivery to pagers, and in 1994 introduced the first Calling Party Pays Numeric Pager called 'MiniCall'. PageOne was also the first operator to introduce the new high speed 'Flex' paging technology after the Government issued new frequencies in early 1998, and was the first to offer email and internet access to pagers this year, 1999.

PageOne believes that there is a 'window of opportunity' for further innovation in the industry with the introduction of two-way paging features opening up new markets for two way communication which have so far have been untapped by existing alternatives.

PageOne also believes the allocation of two-way spectrum in the 867.6-868.0 MHz band, and the adoption of a 'technology neutral' position on the use of the 169.0 MHz band, will be a significant catalyst to the development of the UK and European markets for Wide Area Paging.

Please find below PageOne's considered answers to the consultative document.

2.4 "How effective has the provision of new channels been at addressing 2.4 the capacity shortage"?

PageOne believes that the allocation of new frequencies in early 1998 alleviated the capacity problems in the industry. PageOne stated during the last consultation in 1997 that the 169 MHz band should be 'technology neutral' and used for other technologies, and that the band should have been made available immediately. PageOne feels that if the industry was able then to use the 169 MHz band rather than other individual channels in early 1998, the industry would now be in a much stronger position in terms of European harmonisation and the adoption of TWP.

*Committee D-Wire
Reference*

2.5 *"Views are sought on how the recent upturn in popularity in pre-paid mobile phones and SMS will have on the future market penetration projections of paging services in the UK."*

PageOne believes there to be a tremendous opportunity for two-way messaging in the marketplace. It also believes that time is of the essence if it is to capitalise on this opportunity, and delays in the allocation of frequencies will mean the industry being denied access to this market. The UKPIA presented the report on Spectrum Demand and the need for two-way paging in June 1998. The RA's response has unfortunately been slower than expected, with this consultation issued in October 1999. PageOne believes that, if the appropriate spectrum allocation can be made quickly, the 'window of opportunity' still exists for access to the market. However, it is clear any delays in spectrum allocations will have a knock on effect on the size and potential of the market and the ability of the industry to access the appropriate applications in this market over the coming years. The two-way messaging market is very dynamic; unless the opportunity can be addressed quickly, access to this market may be too late for commercial success.

Reference

2.6 *"Views are sought on the Government's proposals to make existing and new paging licences technology neutral."*

PageOne is very much in favour of technology neutral licensing, allowing the operator to select the best technology to suit the market conditions. This can already been seen through its adoption of the Flex technology on the 153Mhz band, with new pager innovations and the introduction of new services such as 500 character email notifications at costs not possible with ERMES technology.

Reference

2.7 *"Views are invited on the opinion that the ability to introduce innovative new paging technologies in the 169 MHz band is essential to the development of TWP services where the use of a harmonised forward transmission path will provide confidence for manufacturers to produce equipment for a larger European Market"*

PageOne fully supports the principle of European harmonisation to enlarge market opportunities for operators and to provide better economies of scale for the manufacturers. The better the harmonisation the larger the potential market opportunities will be, leading to industry development and innovation in the products produced. The 169 MHz band channels are required as the outbound leg of the two-way paging network using the return leg on 867.6-868.0 MHz. Without the available spectrum, manufacturers will not develop products, and the market opportunity will not be served.

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2.8 *"Views are sought on whether equipment manufacturers would develop new TWP equipment for a UK market if the Government licences TWP."*

PageOne believes it to be important to allocate spectrum as a catalyst for market development. Once spectrum becomes available, it would then be possible to generate a business case for investment, and draw manufactures into developing products for this market. Without a clear spectrum allocation, investment becomes difficult to realise.

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4.2 *"The Government invites views on how the licences should be licensed, either through competition or auction"?*

TWP is seen as a natural progression from one way services and, as the Government wishes to see innovation in the paging industry, PageOne firmly believes that two way paging licences should be awarded through competition at agreed pricing tariffs and not by auction.

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5. 1.a *"That the Government should support the development of TWP by licensing systems for the bands 86 7.6-868. 0 MHz (return path) with the existing 169 MHz paging band 169.4-169.8 MHz "*

PageOne firmly believes that there is a market for TWP, which is being currently denied without access to suitable radio spectrum in the UK. It is also PageOne's belief that a TW market is clearly sustainable, provided it is not denied access to the market for two way massaging, data, and telemetry applications. In addition, two-way functionality offers further scope to enable innovation in the paging markets, as well as the opportunity to look at other vertical markets that also have massive potential. It is worth noting that the number of SMS messages in the UK topped one hundred million last month (October 1999), with expectations of an exponential growth rate. Similar growth patterns are being reported across Europe. This indicates firstly, the huge demand and market for two-way massaging in the UK and Europe, and secondly, how the voice technology of GSM has very little competition in this market.

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5. 1.b *"That manufacturers would be able to develop and make available TWP equipment for the UK market in the absence of a harmonised approach to spectrum in Europe."*

PageOne were extremely disappointed over the CEPT decision not to harmonise return path spectrum for two-way paging at present. Manufacturers and operators must pursue spectrum harmonisation in order to leverage economies of scale for the industry. PageOne does, however,

believe that manufacturers will be encouraged to provide product to the UK market based on potential volumes. It urges the RA to continue lobbying CEPT, colleagues for return path harmonisation in the best interests of the industry.

5.1.c *"That the assumptions on which access to the CT2 band are based are reasonable."*

PageOne agrees that the access to the proposed spectrum can satisfactorily co-exist with CT2 provided the CT2 population is in decline. PageOne would however welcome a clear statement from the RA on the future of CT2 licensing and the expected time frame for continued interference protection. PageOne would also welcome RA comments on the future use of TV channel 69, as it has been shown high power use of this channel may well harm TWP coverage areas.

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5.1.d *"That the government cease mandating ERMES technology in the 169 1 MHz band and make this band a technology neutral.band."*

PageOne agrees that the Government should cease to mandate ERMES technology on the 169Mhz band, and make this band a technology neutral band to allow better long term spectral efficiency. This was PageOne's position two years ago in response to the RA's then consultative document.

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Reference

5.1.e *"That the existing paging licenses be amended to a technology neutral paging licence which incorporates TWP services."*

PageOne agrees that the existing paging licences be amended to a technology neutral paging licence which incorporates TWP services. This will enhance the opportunity to deliver a greater variety of products and services for the consumer.

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5.1.f *That the remaining ERMES channels be made available to existing incumbents or new entrants that meet the relevant criteria (to be defined in the stage 2 process).*

PageOne agrees that the remaining channels be made available to existing incumbents or new entrants that meet the relevant criteria, provided sufficient capacity is available to incumbent operators and that contiguous allocations are considered.

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5. 1.g *"That the new licences be awarded either through competition or auction (to be defined in the stage 2 process)"*

TWP is seen as a natural progression from one way services and, as the Government wishes to see innovation in the paging industry, PageOne firmly believes that two way paging licences should be awarded through competition at agreed pricing tariffs and not by auction.

End.