

Laurence Green
Radiocommunications Agency
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Our Ref: RU 5055

7 October 2002

Dear Laurence

INTRODUCING RECOGNISED SPECTRUM ACCESS

I enclose the response from the Spectrum Management Advisory Group ("SMAG") to the Radiocommunications Agency's consultation document on Recognised Spectrum Access ("RSA").

SMAG supports the introduction strongly. We think it is an important step forward in the effective management of Spectrum and an important component of effective Spectrum Pricing.

SMAG feels it important that RSA be introduced at a European (and potentially an international) level. We recommend that the RA should introduce this in the UK whilst at the same time lobbying for its introduction through the EC and ITU.

SMAG also recommends that taxation aspects are more fully assessed as part of RA's "next steps" consultation on RSA.

Yours sincerely

Dr John Forrest, CBE
Chairman, Spectrum Management Advisory Group

Spectrum Management Advisory Group

**Response to the Radiocommunications Agency's consultation
on Recognised Spectrum Access**

7 October 2002

INTRODUCTION

1. In July 2002 the Radiocommunications Agency issued a consultation document on Recognised Spectrum Access (“RSA”). This document sets out the response of the Spectrum Management Advisory Group (“SMAG”) to that document. The document sets out SMAG’s response to each of the eight questions raised in the consultation paper.

QUESTION 1: DO YOU AGREE IN PRINCIPLE THAT RSA (“RSA”) SHOULD BE INTRODUCED FOR SATELLITE SERVICES?

2. SMAG strongly support the introduction of RSA. We agree with the RA that RSA – introduced in parallel with spectrum pricing - would provide a mechanism for providing incentives for the efficient use of the satellite services within the United Kingdom. RSA will help give formal assurance to satellite operators that their use is recognised in spectrum planning and should help promote the better use of this spectrum. Spectrum Trading cannot be effectively introduced without introducing RSA as without RSA there would be an imbalance in competition between terrestrial spectrum and satellite spectrum users.
3. However, we think it is important that the Radiocommunications Agency have a clear mandate to lobby extensively at a European and international level for the introduction of RSA in all countries. Unless this done there is a risk that the UK will suffer from an added tier of control which will damage UK’s competitiveness. Furthermore, the RA will only be able to recognize spectrum access and not be in a position to guarantee of spectrum access for certain satellite services unless this is done (usually) at a European level. SMAG question the effective value of recognition unless this is guaranteed.

QUESTION 2: FOR WHICH SATELLITE SERVICES AND IN WHICH BANDS SHOULD RSA BE INTRODUCED?

4. SMAG can see no reason why RSA should not be introduced – as a principle - for all satellite services and for all bands. Indeed, if one of the objectives is to enable spectrum pricing for satellite services then we believe this is essential.
5. SMAG recommends the phased introduction of spectrum access. In our view priority should be given to:
 - The delivery of broadcasting and other services using spectrum provided for broadcasting satellite services
 - Professional satellite receive-only Earth stations
 - Very small aperture terminals network operators

QUESTION 3: HOW SHOULD THE RECOGNITION GRANTED BY RSA BE DEFINED AND WHAT TECHNICAL AND OTHER FACTORS SHOULD BE INCLUDED?

6. SMAG endorse the general approach proposed in the document and as set out in Annexes C-E. We are pleased to see that further consultation will be performed on the precise details, including scope and formulation, before RSA was introduced for specific bands or services.
7. As part of this consultation, it should be communicated quite clearly that spectrum pricing is being applied across all radio-based industries, to encourage better spectrum management and efficiency. Indicative prices for RSA should also be suggested at this point, which are not positive (so as not to create unnecessary offshore investment). All spectrum pricing should be subject to international benchmarking at least every 3 years to ensure that the UK is not "out of step" with other major nations.

QUESTION 4: WOULD TRADABILITY OF RSA AND INTERCHANGABILITY WITH LICENCES BE ADVANTAGEIOUS AND HOW USEFUL WOULD IT BE IN PRACTICE?

8. SMAG support the principle of trading RSA. But we feel that it is unlikely to be a traded commodity unless the RA can fully guarantee the access rights and identify the trading "partner". This is unlikely to be the case, in many instances, unless this is introduced at a European and, potentially, international level.

QUESTION 5: SHOULD RSA BE PERPETUAL OR FIXED TERM AND WHAT FACTORS SHOULD BE TAKEN INTO ACCOUNT IN DECIDING SECURITY OF TENURE?

9. SMAG recommend that licences should normally be for a fixed term only and that perpetual licences would only be given in exceptional circumstances. We would recommend a minimum term of at least seven years. The factors which should be taken account when determining the level of security of tenure will depend on the nature of the spectrum use and application. We suggest this is considered as part of the consultation process for individual spectrum applications referred to earlier.

QUESTION 6: HOW SHOULD SPECTRUM PRICING PRINCIPLES BE APPLIED TO RSA?

10. SMAG believe that spectrum pricing principles should apply equally to the satellite spectrum as they do to the terrestrial spectrum. This cannot effectively be done without full international cooperation. RSA should be

introduced as an immediate measure to prepare the market for satellite spectrum pricing.

QUESTION 7: HOW SHOULD ADMINISTRATIVE INCENTIVE PRICING FEES BE CALCULATED IN PRACTICE?

11. SMAG recommend that the RA adopt the policy that the fee charged is that which would have been paid by the displaced terrestrial service (fixed link or mobile). We think this provides the best competition and comparability between terrestrial and satellite and is therefore most likely to encourage efficient spectrum use.

QUESTION 8: ARE THERE SERVICES OTHER THAN SATELLITE FOR WHICH APPLICATION OF RSA COULD BE ADVANTAGEOUS?

12. SMAG would recommend the consistent application of RSA for all areas where the spectrum cannot be licensed. We recommend that the RA should seek to convert all these areas, over time and wherever possible, to full licences.

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