

Consultation on assessment of future mobile competition and proposals for the award of 800 MHz and 2.6 GHz spectrum and related issues

Response from Ericsson Limited

Ericsson welcomes this opportunity to comment on aspects of the proposals for the 800 and 2600 MHz combined auction. We have chosen to limit our response such that we only cover a subset of the questions in the consultation document

Responses:

Question 4.1: What use, if any, would you make of the top 2x10 MHz of the 800 MHz band in the second half of 2012 if it were available for use? What would be the benefits for citizen and consumers of such availability?

Ericsson as a supplier is not in a position to answer the first part of this question. However as regards the benefits of early availability of spectrum not dependent on the 800MHz clearance programme we see the learning value as significant. The speed of main rollout can be increased by having early practical experience of using LTE at 800MHz with real consumer equipment in sufficient volumes to train field engineers.

Question 4.2: If we were to offer shared access low-power licences in some way, do you have any comments on the appropriate technical licence conditions which would apply for the different options?

Not at this time.

Question 5.1: Do you agree that national wholesalers need a reasonable overall portfolio of spectrum to be credible providers of higher quality data services? In particular, do you agree that national wholesalers need some sub-1 GHz in order credibly to be able to offer higher quality data services? Please state the reasons for your views.

Future high quality data services are likely to be judged by availability of data speeds rather than lower speed connectivity. The supremacy in value terms of sub 1GHz spectrum is based on rural range and urban building penetration.

For mobile broadband we agree that there is a need for all operators to have access to sub-1Ghz spectrum. If using the system for fixed broadband substitution higher data rates are needed and 800MHz capacity may be overloaded.

Question 5.2: Do you agree there is a material risk of a significant reduction in the competitive pressures, at least to provide higher quality data services, in retail and wholesale markets without measures in the auction to promote competition? Please state the reasons for your views.

Yes, it seems probable that unless some 2.6GHz spectrum is reserved for sub-national data users then it is possible that none will get spectrum. However given future spectrum releases it is not certain that this represents an important barrier for data services.

Question 5.3: Do you agree there is a risk of potentially beneficial sub-national RAN uses not developing without measures to promote competition? Please state the reasons for your views.

No comment.

Question 5.4: Do you agree with the analysis that at least four competitors are necessary to promote competition?

No comment.

Question 5.5: Do you agree that the specific measures we propose to take to ensure there are at least four holders of such spectrum portfolios are appropriate and proportionate?

No comment.

Question 5.6: Given the measures we propose to take to ensure four holders of spectrum portfolios sufficient credibly to provide higher speed data services, do you agree that it would not be appropriate or proportionate to introduce a regulated access condition into the mobile spectrum licences to be awarded in the combined award?

No comment.

Question 5.7: Do you consider that we should take measures to design the auction to assist low-power shared use of 2.6 GHz? If so, what specific measures do you consider we should take?

No.

Question 6.1: Do you have any comments on the proposal to include in one of the 800 MHz licences an obligation to serve by the end of 2017 an area in which 95% of the UK population lives, while providing a sustained downlink speed of 2Mbps with a 90% probability of indoor reception? Do you think there is another way of specifying a coverage obligation that would be preferable?

There is evidence from community blogs and so on that local groups fear that they will lose out on fixed broadband and see 800 MHz rollout requirements as an alternative means to secure broadband. It seems that they may be looking for a fixed broadband substitute rather than mobile broadband and there is a real possibility of a mis-match between capacity and expectation..

A problem that such groups face is that they do not understand the cell limits at the mandated 5MHz bandwidth which are implied by the proposed obligation. Neither do they understand which areas will get service because the choice of areas to make up the 95% is left to the licensee. Were the BDUK final third exercise not be happening at the

same time these things would not be material. However the two exercises are at the same time and there is interaction as well as the scope for public dissatisfaction.

We suggest that it would be better to state up front which areas will be excluded and why. There will be disagreements but the campaigners will be able to refocus their energies leaving clarity and certainty for licensees. It is possible that earlier clarity on rollout locations would firm up the value of licences because of increased investment certainty for licensees.

Question 6.2: We would welcome views and evidence on the costs and benefits of imposing an additional coverage obligation focussed on particular geographical areas, and if such an obligation were to be imposed what might be the appropriate specification of geographic areas?

We do not suggest an additional geographical requirement preferring instead that clarity is given by requiring service in all but a list of excepted areas as described in the response to the previous question.

Question 6.3: Do you have any comments or evidence on whether an additional obligation should be imposed to require coverage on specific roads?

No comment.

Question 6.4: Do you have any comments on our proposal not to use the combined award to address existing not-spots?

No comment.

Question 6.5: Do you have any comments on our proposal not to impose 'use it or sell it' obligations but to consider including an additional power to revoke during the initial term of the licences?

No comment.

Question 7.1: Do you have any comments on the proposals relating to the duration of the initial licence period, our rights to revoke the licence during this period, the charging of licence fees after the end of the initial period and our additional revocation powers following the initial period?

No comment.

Question 7.2: Do you have any comments on the proposal to amend the spectrum Trading Regulations to apply to the auctioned licences in the 800 MHz and 2.6 GHz bands, to include a competition check before we consent to a spectrum trade of mobile spectrum and not to allow transfers that would increase the number of 2.6 GHz low-power licensees?

No comment.

Question 7.3: We welcome views on the merits of the proposed approach to information provision; in particular concerning the type of information that may be helpful and any impacts that publication of information might have both on licence holders and the wider spectrum market.

No comment.