



**BT response to the Ofcom Consultation on:
Release of 2010 – 2025 MHz**

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1. Introduction

BT welcomes this opportunity to contribute to Ofcom's deliberations on the future use of the 2010 – 2025 MHz band. We support Ofcom's intention to bring this unused spectrum into use and to now decide how best it should be utilised, in the short and longer term, and what licensing or award arrangements are most appropriate. As a result of considering the status of this band in an international context, we have identified and have highlighted some significant evidence of mobile deployments in the Asian market that it appears Ofcom may not have considered.

We have addressed the various questions that Ofcom has posed, but have also provided a short summary of our position on this spectrum band that we hope may be helpful to Ofcom when deciding how best to move forward.

2. Summary of BT views

Whilst BT agrees that this unused spectrum could be used to good effect for Wireless Cameras to help deliver the Olympic Games, we are concerned that potential other uses of the spectrum in the longer term have not been fully considered by Ofcom. We are unclear as to why the spectrum is not to be awarded using a market based mechanism as Ofcom had previously proposed, noting that such an approach could still potentially result in the spectrum being available for Wireless Cameras, either via the winner of the award or via Ofcom if the spectrum were not sold. Our preference would be to award this spectrum band via a market mechanism, on a technology and service neutral basis, so that all potential uses and users could have an opportunity to be considered.

3. Answers to the questions in the consultation document

Demand

Question 1. Is there demand to use the band for wireless cameras?

BT has no comments on this matter.

Question 2. Is there demand for other uses of the band?

BT has noted Ofcom's discussion in Section 4 of the consultation paper on potential use of the band for Wireless Broadband and Mobile Multimedia and international allocations and uses. The analysis provided appears to overlook some relevant evidence that may support a view that the potential for other uses of the band beyond wireless cameras may have been underestimated by Ofcom.

In particular the discussion of international allocations and uses overlooks what is possibly the most significant factor, namely the use of the 2010-2025 MHz band in China for IMT (3G). We understand that the band is used by China Mobile for TD-SCDMA mobile technology. According to the TD-CDMA Forum the number of 3G TD-SCDMA subscribers of China Mobile is rapidly growing and 200,000 TD-SCDMA base stations will be deployed by the end of 2010¹

Given the size and rate of growth of the Chinese mobile market this could be significant as it would mean that mobile technology for the band is readily available and may be increasingly available in the future. We also note that the 2010-2025 MHz is one of the bands for TDD LTE technology being standardised by 3GPP.

Whilst we agree that the band appears to be of limited interest in Europe at present (a notable exception is perhaps the fact that a mobile operator purchased the spectrum in the recent German auction), this does not mean that demand would not exist in the future to deploy IMT technology in the band.

For example, the band might conceivably be of potential interest for wireless delivery of broadband USC where wide availability of mobile devices may not be so important if a quasi fixed or “lap-top dongle” type customer connection would be adequate.

In summary we believe that Ofcom’s assessment of potential demand for the band has not taken into account the most significant market evidence in relation to mobile technology availability and trends for this spectrum band, which could be relevant to any potential niche, but possibly significant, potential wireless transmission applications within the UK.

Question 3. How might demand for the band change in the foreseeable future?

As noted above, it seems plausible that the possibility to use the band for additional uses other than wireless cameras will increase in the future, the significance of this will depend on global developments.

Question 4. Should any wireless-camera use of the band be licence-exempt?

If the band is awarded in a technology/service neutral manner then such use would probably not be compatible, and certainly should only be considered when the licensed use is known. In the event that the band were dedicated to wireless cameras, licence-exempt use for wireless cameras should perhaps only be considered, possibly as a later step, if it is proven that such licence-exempt use has an acceptably low risk of unacceptable interference occurring.

Question 5. Should any other use of the band be licence-exempt?

BT has no comment on this question.

Demand only for PMSE

Question 6a. If we allocate the band to PMSE, is there good reason not to set TLCs to allow all of 2010-2110 MHz to be treated as a single band?

BT has no comment on this question.

¹ See <http://www.tdscdma-forum.org/en/news/see.asp?id=9786>

Question 6b. If so, what TLCs should we set?

(Not applicable).

Question 7a. If we allocate the band to PMSE, is there good reason not to provide the same security of tenure as for other PMSE-allocated bands?

BT has no comment on this question.

Question 7b. If so, what security of tenure should we provide?

(Not applicable).

Question 8a. If we allocate the band to PMSE, is there good reason not to set fees for access on the same basis as most of the spectrum at 2-3 GHz used for wireless cameras?

This matter will depend on the opportunity cost of denying any other potential use.

Also, if PMSE use is decided for the band one other option could be to auction the spectrum to a band manager who could set the fees on a commercial basis.

Question 8b. If so, how should we set fees for access?

If administrative cost based fees are not appropriate then we assume Ofcom would establish administrative fees in line with its spectrum pricing framework proposals that are currently under consultation.

Other demand

Question 9a. If we do not immediately decide to allocate the band to PMSE, is there good reason not to allow temporary use for wireless cameras in line with our approach to the 2290 MHz band?

It would make sense to allow temporary use of the spectrum for this purpose if there is clear demand for PMSE in the short-term and no significant demand in the short-term for other uses.

Question 9b. If so, what should we do until we make and implement our decision on the best way to release it?

A short-term licence regime for PMSE could be introduced for the period up to when an auction is conducted to determine the use and ownership of the spectrum via a market mechanism. The approximate date of the award should be known at the outset and the award should be organised as soon as possible.

Olympics

Question 10. Do you agree we should make the 2010 MHz band available for the Olympics?

Given the likely timeframe in which any alternative uses of the spectrum might be feasible, and assuming that the proposal for the duration of the Games and relates to specific geographic locations, we agree that the proposal seems reasonable.