

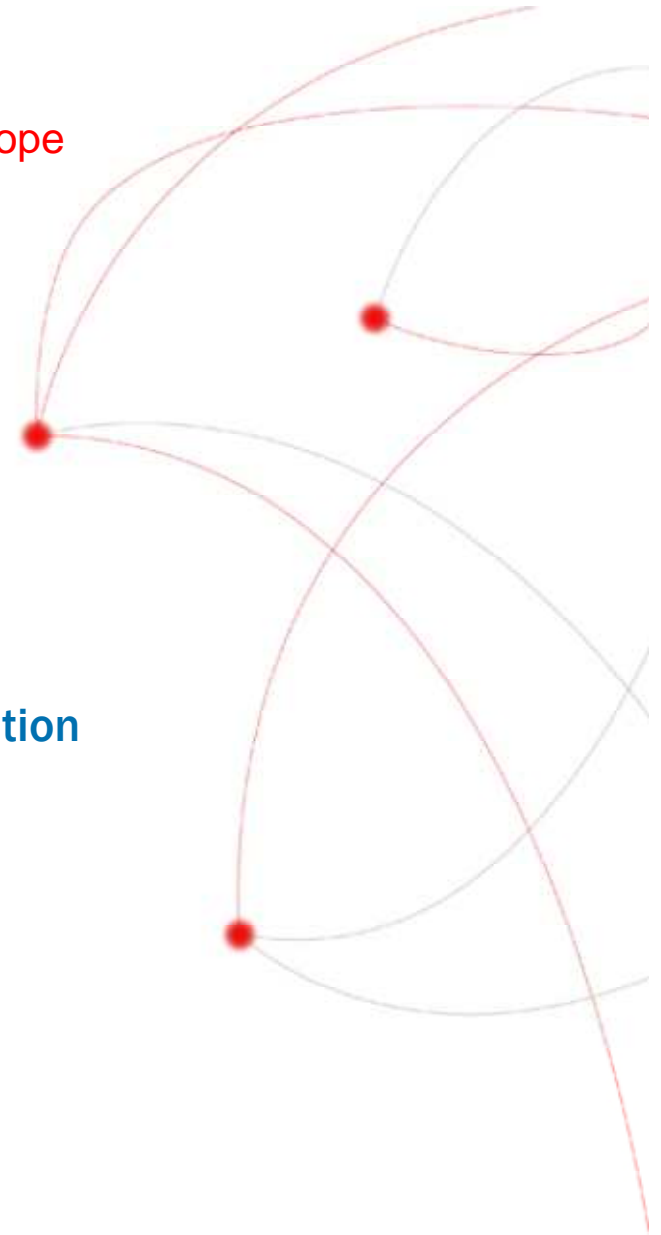
GRUPPO TELECOM ITALIA

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# Radio Spectrum Policy Programme

The need for a strong European coordination  
and harmonisation

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## The role of the Radio Spectrum Policy Programme

Currently, at national level, spectrum is managed in a rather differentiated manner.

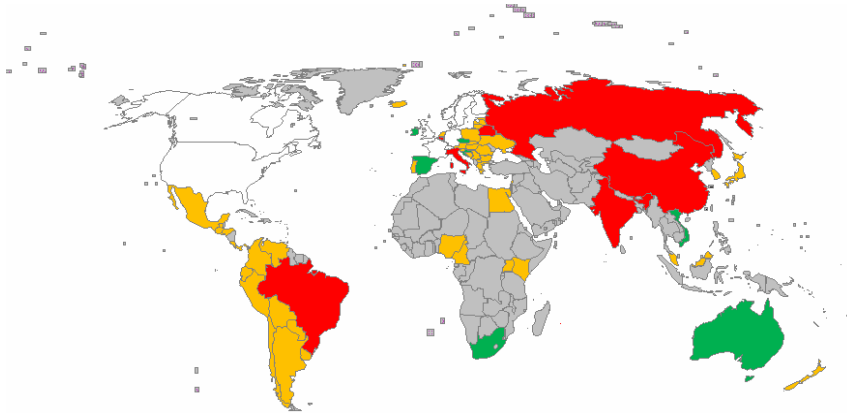
A very proactive role of the European Commission in this fundamental area is therefore essential.

Main policy goals:

- ▶ coordinating and harmonising the use of radio spectrum in Member States;
- ▶ ensuring an ever more efficient use of spectrum.

The Commission legislative proposals to the European Parliament and the Council, establishing the RSPP, are of the utmost importance in order to achieve an effective European internal market and to promote innovation and growth.

## Short-term approach towards spectrum management



Digital Dividend: the current frame is heavily fragmented into singular national approaches.

Germany - April 2010 - 800MHz license bidders are mobile operators: T-Mobile, Vodafone, E-Plus and O2.

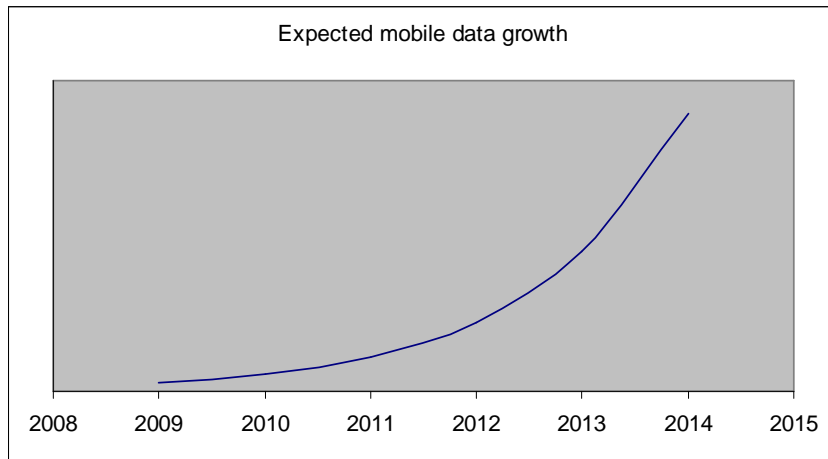
Italy - 2009 - consultation by the NRA (AGCOM): the expected auction for Digital Dividend should be reserved to broadcasters.

National patterns of spectrum regulation should not diverge since they can:

- hamper the European internal market;
- distort competition among European players providing the same services.

The RSPP has to include a reference deadline to release the Digital Dividend and to assign the 800MHz spectrum via auctions in compliance with the new European Framework.

## Long-term approach towards spectrum management



In March 2010 Ericsson reported that in December 2009 global mobile data traffic exceeded mobile voice for the first time.

Ericsson expects worldwide data traffic to double annually over the next five years.

The spectrum required for wireless use for the next 10 years is dramatically increasing:

- the USA Broad Band Plan provides for additional 500MHz;
- GSMA foresees the need for 1GHz in Europe.

The RSP is addressing a five-year timeframe (2011-15). However, it should also provide guidance up to 2020 by at least including:

- the tools to assess the need for spectrum resources in the long term;
- the “roadmap” to be followed for the allocation of spectrum in the EU beyond 2015.

## Efficiency in spectrum use

Comparison of economic benefits in the EU, in 2007: mobile versus broadcast TV<sup>4</sup>

	Mobile	Broadcast TV
The economic output per MHz of bandwidth	€168 million	€28 million
Direct economic effects in the EU (services, revenues, product sales etc)	€208 billion	€43 billion
Sales by suppliers	€87 billion	€30 billion
Indirect economic effects	€165 billion	€95 billion
Jobs generated by sector spending	2.3 million	1.8 million

Source: SCF Associates, 'The Mobile Provide', 2007

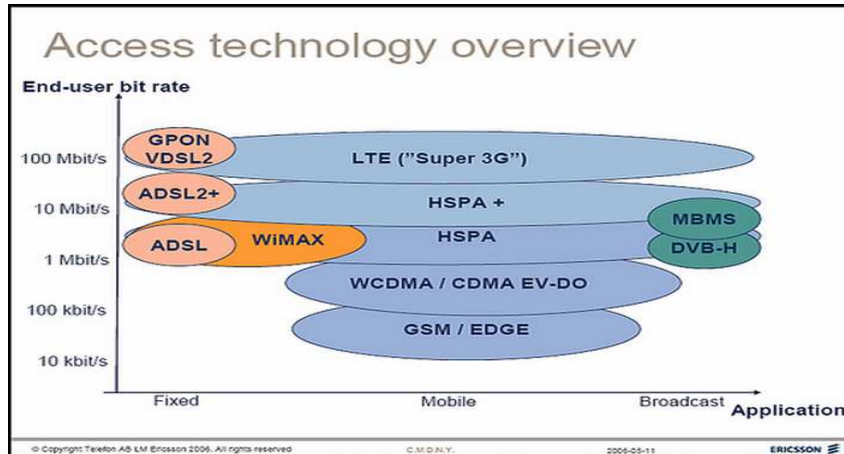
The allocation of at least part of the UHF spectrum to mobile operators would generate between €63 billion and €145 billion in NPV (source: Spectrum Value Partners study)

The economic output per MHz bandwidth is estimated at €168 million for mobile against €28 million for digital TV (source: SCF Associates study)

The spectrum should be allocated to the most efficient services, i.e. to the more supportive services in terms of economic growth.

The RSPB has to outline a clear, strong policy to exploit current and future technological developments to use the spectrum for the benefit of European citizens and business.

## Moving from strict regulation to market-based mechanisms



At the core of the European Regulatory Framework we find the pillars for the introduction of market-based mechanisms:

- technology neutrality;
- service neutrality;
- spectrum trading.

The ECS market should be allowed to move towards a more economically viable and commercially attractive spectrum use by means of the tools introduced by the new European Regulatory Framework, i.e. technology neutrality, service neutrality and spectrum trading.

## Conclusions: finding the right balance between regulation and market forces

The RSPP is an essential tool to address the spectrum allocation to emerging services, both in the short and in the long term (that is up to 2020).

However, the RSPP should also address the harmonisation of the transition towards market-based mechanisms at European level.

To this end it is essential that the legislative tools introduced by the RSPP also drive in Member States the harmonised implementation of the new regulatory approaches:

- ▶ technology neutrality;
- ▶ service neutrality;
- ▶ spectrum trading.

In addition, the RSPP has to outline a policy to gradually reduce the regulatory intervention to let the market find flexible solutions to emerging spectrum needs (while yet preventing hoarding and opportunistic behaviours).