

Authorisation of terrestrial mobile networks complementary to 2 GHz mobile satellite systems

T-Mobile welcomes the opportunity to respond to Ofcom's consultation "Authorisation of terrestrial mobile networks complementary to 2 GHz mobile satellite systems".

The spectrum being addressed by this consultation is adjacent to the 2 GHz spectrum that is allocated to the 3G mobile operators. As such this is prime mobile spectrum which ideally should have been auctioned. However we recognise that this is harmonised Mobile Satellite spectrum and as such it has been decided to award the spectrum via a European process.

We have limited our response to Question 1 and 2 to the consultation.

Question 1: Do you agree with our proposals for the detailed terms and conditions of the CGC Licence set out in this document or have any other comments on the issues raised in this document?

Question 2: Do you agree with our proposed approach for including the conditions imposed by Decision No 626/2008/EC in the CGC Licence?

The CGC licensing process must be transparent, fair and non-discriminatory. It should also be designed to be what is described in the EU Decision, complementary to the satellite segment. Ofcom should set licence fees that are consistent with the fees paid for Mobile Services spectrum and licence conditions should avoid discrimination against "conventional" terrestrial mobile operators. T-Mobile would be concerned given the breadth of the services available to CGC licensees if a CGC licence was charged at a lower value than the associated opportunity cost.

We would also be concerned if this process resulted in operators being able to obtain quality mobile spectrum cheaply and thereby compete unfairly with mobile operators who have bought spectrum via market mechanisms. This would risk distorting the competitive market for mobile services.

T-Mobile agrees with the definition of the complementary ground component of MSS which is included in Decision No 626/2008/EC, namely:

"complementary ground components" of mobile satellite systems shall mean ground based stations used at fixed locations, in order to improve the availability of the mobile satellite service in geographical areas within the footprint of the system's satellite(s), where communications with one or more space stations cannot be ensured with the required quality";

Decision No 626/2008/EC also states

“operators shall use the assigned radio spectrum for the provision of complementary ground components of mobile satellite systems”

“[the CGC] should therefore be selected and authorised at national level, subject to conditions established by Community law. This should be without prejudice to specific requests made by competent national authorities to the selected applicants to provide technical information indicating how particular complementary ground components would improve the availability of the proposed MSS in geographical areas where communications with one or more space stations cannot be ensured with the required quality, provided that such technical information has not already been provided in accordance with Title II”

“[the CGC] shall not increase the spectrum requirements of its associated mobile satellite system.”

However Ofcom's consultation includes the following statements:

“CGC base stations are not limited to repeating the MSS satellite signals.”

“we do not consider that there is a requirement for the CGC component to provide the same service or application as the satellite component”

These statements appear to be contrary to the EC Decision. Our interpretation of the Decision is that the CGC should be limited to providing the same service or application as the satellite component. The definition clearly states that the CGC is used 'in order to improve the availability of the mobile satellite service'. To provide otherwise is to allow benefits to the holder of the relevant licence which were clearly not contemplated and which are inconsistent with the intention of this European licence award. The licences need to ensure that these principles, as set out in the EC Decision, are retained in the event of any future transfer of the licences.

Furthermore in accordance with the EC Decision, Ofcom needs to request technical information indicating “how particular complementary ground components would improve the availability of the proposed MSS in geographical areas where communications with one or more space stations cannot be ensured with the required quality”. This should be clearly part of the application process which is intended to ensure that the CGC is used to improve the availability of the mobile satellite service within the footprint of the system's satellite(s). Ofcom appears to be seeking to sweeten the award process: Given the value of this spectrum, that is not appropriate.