Towards a European policy on radio spectrum

2006/2212(INI) - 06/09/2005 - Document attached to the procedure

PURPOSE: the Commission's second report on activities undertaken under the Radio Spectrum Decision.

BACKGROUND: radio spectrum acts as a key resource for many essential services including: mobile telephony; wireless and satellite communication; TV and radio broadcasting; transport; radio location (GPS/Galileo); alarms; remote controls; hearing aids; microphones; medical equipment etc. It also supports public service activities such as defence, security, meteorology and space research.

Given the far reaching applications of radio spectrum, its management has a strong cross-border dimension. Avoiding harmful interference between countries is of vital importance, hence the need to forge a co-ordinated spectrum policy in the EU which aims to enhance a genuine single market for radio services and equipment. The Commission's radio spectrum policy is centred on two main policy objectives. Firstly, to lower barriers and to improve efficiency. Secondly, to allow for convergence by removing artificial restriction most notably between broadcasting and mobile communications.

CONTENT: this report sets out the Commission's strategy for a coherent EU radio spectrum policy. It sets out the need for a gradual, but systematic, liberalisation of radio spectrum. It is the Commission's second report on activities undertaken under Decision 676/2002/EC *on a regulatory framework for radio spectrum policy in the European Community*, referred to as the Radio Spectrum Decision. (For a summary of the Decision refer to COD/2000/0187). The report presents a consolidated view of on-going actions and future challenges for an EU-based spectrum policy within a broader policy context.

The EU Member States have already acknowledged the importance of a common EU policy in this area. They are also agreed on the long-term need for a policy based approach. Indeed, high level discussions have already been taking place on the need to introduce spectrum markets and the need to transfer away from analogue television to digital applications.

How radio spectrum policies contribute towards achieving the Lisbon objectives:

The importance of a co-ordinated radio spectrum policy is best highlighted by the mobile communications sector. In the eighties, mobile communications was a small, fragmented market. The EU's timely provision of harmonised frequencies, however, triggered the development of a new pan-European digital cellular system (GSM). Competition was also introduced via new licences and the EU supported RT&D activities in the mobile communications sector. This coherent approach resulted in the emergence of an industry which generates a GDP contribution to the EU-15 of EUR 105.6 billion. The mobile services industry is estimated to have created 2.8 million jobs in the EU-15. According to current trends it will soon overtake that agricultural sector in terms of turnover. It will also have a higher turn over than the electricity, gas and water industries put together.

Towards a coherent EU spectrum policy:

The report notes that the Member States have the same overall aim for the management of radio spectrum – i.e. the optimised use of this natural assets for the greater good of society. Conflicting interests can, however, hamper this aim. The Commission is convinced that effective spectrum reform will lead to significant gains for Europe. It calls on those Member States currently enacting ambitious reforms in spectrum policies to consider the EU perspective and to thereby avoid the risk of undue fragmentation. The report notes that the "level-playing field" for widespread technology uptake exists in the USA, Japan and (in the future) China and India. This same level playing field is often missing in the EU and the

market risks becoming too fragmented. In other words, Europe needs to develop a genuine EU single market for radio-based equipment. Services must be underpinned by a common policy and a common regulatory approach.

The way forward:

The Commission intends to improve the effectiveness of radio spectrum by using a coherent toolbox of concrete actions that can be used together with the Member States. It will begin be establishing a set of common definitions backed up with clear and flexible rules. A common set of rules will provide predictability for investors and a borderless functionality of equipment for users.

In a further step the Commission proposes implementing a flexible use of spectrum. For example, it intends to introduce spectrum markets by 2010. It has also set out its vision on what to do with the expected spectrum dividend following the switch over to digital television (see also summary of COM /2005/0461).

For the next reporting period, the following initiatives are foreseen:

- Supporting the uptake of broad band through 3G mobile communication; the Broadband Wireless Access technologies; and hybrid satellite 3G/data-broadcasgin applications.

- Ultra-wideband-enable products: allowing for an EU-wide mass-market of low-cost radio equipment to develop.

- Technologies for independent living and health – e.g. alarms for the elderly and radio telemetry between patients and monitoring equipment.

- The intelligent car which can interact with its environment by radio means through inter-vehicle communications (IVC).