

WORKSHOP ON MARKET MECHANISM FOR SPECTRUM MANAGEMENT

INTUG

Session 6: Panel Discussion

Bandwidth sharing and new auction procedures

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International Telecommunications Users
Group

INTUG What is INTUG?

- a group representing user views to:
 - European Commission
 - OECD, ICC/UNICE, CTO
 - ITU, WTO, APEC TEL, CITEL
- an association of associations:
 - national user groups
 - multi-national corporations
 - individuals, eg academics
- formed 1974 (Swift, SITA, Reuters)

A catalyst for change

INTUG Links in all Continents

ITU - Market Mechanism for Spectrum Management
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INTUG Our aims

- effective global reach via competition
- seamless service interoperability
- better value/quality - fit for purpose
- investment and innovation in services
- constructive industry co-operation with:
 - governments and regulators
 - operators and service providers
 - equipment manufacturers

Global economic and social growth via telecoms

INTUG Our activities

- lobbying at global and regional levels
- affecting national policy processes
- speeches and presentations
- a source of information
- early awareness of issues
- networking amongst users
- formal and informal channels to governments

INTUG The Operator Identifier

- In UMTS, packets have a specific field for storing an additional information: the Operator Code
- Therefore, each frequency can be used for transmitting packets originated by customers of different Operators
- On traditional wirelines it is been happening since several years

Same logic for all infrastructures

INTUG Consequences

- Several Operators can use the same frequencies
- ... maximising the bandwidth usage
- The market determines the level of success of each Operator

More competition

INTUG Consequences - 2

- Lower number of Base Stations
 - Fewer antennas
 - Fewer administrative authorisations
 - Lower environmental impact

**Competition on services
not on infrastructures**

INTUG Consequences - 3

- Situation similar to unlicensed bands, but:
 - Predefined number of Operators
 - Bandwidth sharing
 - Lower risk of saturation
 - Higher QoS

Functional separation required

INTUG Consequences - 4

- Auction mechanism similar to UMTS
NO LONGER appropriate
- Beauty contest could be the right solution for preselection
- Then, auctions for final assignments

Key factor: innovation

INTUG Auction criteria

- Best offer for:
- Bandwidth usage (pay and then use)
- Revenue sharing (use and immediately pay)
- Profit sharing (use and then pay)

**Financial resource availability:
a problem for new entries**

INTUG Conclusions

- The offering of bands with shared usage can optimise the bandwidth utilisation
- Several other savings can be achieved (fewer Base Stations, antennas, administrative duties)
- QoS can be assured limiting the number of simultaneous Operators
- New auction mechanism can allow innovative offerings from new entries

INTUG Thank You

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