

Next generation LTE mobile frequencies in Italy

by Fabrizio Cugia di Sant'Orsola e Silvia Giampaolo

On 24 March 2011, the Italian Communications Regulatory Authority ('Agcom') launched a public consultation on the allocation and use of available frequencies at 800, 1800, 2000 and 2600 MHz for radio electronic communications systems, in order to update regulation related to mobile frequencies already allocated to operators (i.e., 900, 1800 and 2100 MHz) in view of a possible and partial refarming of such resources. Operators may file their suggestions within the deadline of 30 days from the date of publication of the consultation in the Official Gazette of the Italian Republic.

This public consultation stems from the need to comply general resource allocation with the principles set forth by Law no. 220/2010 (Financial Law for 2011), imposing to Agcom the adoption of a clear-cut, rational and competitive tender procedure in view of rationalising the mobile communications frequency resourcing, also in accordance with the Italian Electronic Communication Code ('Code').

Liberation and refarming of current and new frequencies (the refarming or rationalisation exercise appears to be limited to the 1800 MHz band), also from the Defence Ministry, will be made within a date to be specified by the Ministry of Economic Development, in line with EU legislation, and in any case not later than 31 December 2012. The Authority has formally started these activities with the adoption of Resolution No. 3/11/CONS.

Agcom intends to acquire within a short timeframe a general feedback and background information on the type of services which operators may intend to provide on the new bandwidths. This relates to the proposal for deciding on the allocation and use of available frequencies at 800, 1800, 2000 and 2600 MHz for the development of radio electronic communication systems, including third generation mobile systems (IMT2000/UMTS) and next generation new technologies (LTE, WiMAX, IMT). The proposed rules also cover the necessary adjustment of the measures for the frequencies already allocated for mobile communication systems on 900, 1800 and 2100 MHz, in order to ensure the appropriate technological developments and the conditions of effective competition. Mobile broadband, particularly in the data transmission segments, appears to be a crucial resource for economic and technological development.

The scope of the public consultation is thus to assess the need to access the new bands mentioned and gather the information to determine the regulatory framework, pursuant to art. 29 of the Code.

The envisaged tender procedure should foster the entry of new operators in the new mobile markets. In addition, the measures and procedures, now subject to public consultation, will boil down and clarify the set of rules imposed to operators, particularly on coverage obligations and territorial presence (site sharing, rights, frequency sharing, etc.).

Apparently, obligations towards the coverage of the digital divide should be imposed on operators detaining rights on the finest bands (800 MHz) rather than obligations to the successful city-oriented coverage of other bands, in order to balance the charges laid with the characteristics of the bands, and to achieve objectives in accordance with the European Digital Agenda.

The 800 MHz band appears to be considered in this respect a non-replicable strategic resource, of fundamental importance for the realisation and development of broadband and an ultra mobile network. The availability of the 800 MHz band for new electronic communications services may have the effect of introducing next-generation technologies on a very wide geographical territory. In addition to this, the other bands, which have already been harmonised at European Community level and internationally for use by mobile electronic communications, should be used to provide the same services complementarily

with the 800 MHz band, in order to adequately support the increasing demands of users and download of content.

According to Agcom, estimates of growth of mobile services provides for a strong acceleration in terms of increased transmission speed and demand for network capacity are comparable to that demanded by the fixed network. The market is moving in this direction and networks are evolving in terms of traffic and speed, also in relation to the most widespread type of mobile offers, which appear on the whole to profoundly change the nature of consumer behaviour. An increase in mobile broadband access is estimated to have a positive impact on the economy, stimulating growth, contributing directly and indirectly to the creation of new jobs and increasing the industrial level in terms of planning, competitiveness and productivity, leaving aside the content industry and the industrial production of digital content delivered through mobile networks to broadband.

It may be interesting to note that the consultation appears to hint to the possibility of introducing measures incentivising operators ensuring the use of 'green' and environmental technologies, with low environmental impact networks. Needless to say, net neutrality (still to be clearly defined, if only related to networks, or also access or over the top services) appears in any case to be a necessity.

Fabrizio Cugia di Sant'Orsola is senior partner and Silvia Giampaolo is senior associate at Cugia Cuomo & Associati. Mr Sant'Orsola can be contacted on +39 06 960 38100 or by email: f.cugia@cugiacuomo.it. Ms Giampaolo can be contacted on +39 06 960 38100 or by email: s.giampaolo@cugiacuomo.it.