

From: **Digit Wireless** – Advisory Committee to Congressional Internet Caucus

## TOPIC

### Sell it, Lease it, or Give It Away -- How Can Spectrum Reform Best Promote Wireless Internet Deployment?

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### Recommendations for Action on Spectrum Deployment In the US

**Digit Wireless** believes that the **use and distribution** of available spectrum can have a **dramatic impact** on the **growth** of the wireless market in the US.

**Assigning and reassigning** spectrum is a method to **drive competition, benefit consumer choice** and to ensure that the market is **constantly challenged** to be best for the user.

However, the market impact of **pricing spectrum licenses** has already been seen to have a **potentially negative impact** on **wireless carriers worldwide**, leaving them **saddled with debt** at a time when we need to boost the economy. To that end **Digit Wireless** believes that an effective means to **redeploy** spectrum is to **lease based on discounted milestones** – such that wireless carriers pay based on their **ability to rapidly get services to market**. This must be balanced by **regional discounts** to avoid disadvantaging smaller players, but in general a **higher-grade network sooner is better for all**.

Using the **massive enterprise and consumer power** of the **US economy** is key to the **evolution** from a **fragmented wireless network** to a **coordinated one**. It is predicted that in **2003** approximately **430-440m** mobile phones will be sold worldwide (source Motorola and Nokia), taking the wireless subscribers well over current levels of **1.3bn**, of which the **US** currently **represents** over **144m** (source CTIA) subscribers **second only to China** as the single largest market yet with 22% of the population (281m vs 1.26bn – source US Census and BBC). Other Stats [http://www.cellular.co.za/news\\_2003/011003-china\\_now\\_has\\_more\\_than\\_200\\_mill.htm](http://www.cellular.co.za/news_2003/011003-china_now_has_more_than_200_mill.htm)

**Spectrum deployment affordably** to spur **competition, cooperation, interoperability and useful services** is key to maintaining this global position.

In order to meet these goals, **Digit Wireless** recommends:

#### Regulatory Reform

- ⊙ *Regulators* at all levels of government should **review current regulations** and work to **assess** current **network effectiveness, geographic reach, population reach and technical excellence**.
- ⊙ *Government, industry associations and the industry* should work together to **promote best in class examples of spectrum adoption and use**. Additionally **promoting device makers and technologies** that make **best use** of these **advanced networks**.
- ⊙ *Congress* should adopt **incentives** to **increase investment in the terminals and infrastructure** at all levels to support the **rapid rollout of services**.

#### Industry Action

- ⊙ *The industry* should continue to commit to **advanced networks and services** that are consumer and business focused. We must **avoid** generating **services, applications and devices** that are **not easy to use**, and therefore will **not reach mass adoption and widespread use**.

