Ofcom Spectrum Plans 2005 – observations from Bytel Ltd

General Notes and Comments

Bytel Ltd (www.bytel.net.uk) is the leading Internet and Networked Services Provider in Northern Ireland. We operate the only data centre in Northern Ireland directly connected to the Internet at Tier1.

Our customers are mainly in business and public sectors. Current projects include a €13m pan-Ireland carrier neutral network in conjunction with Inter-Reg III to provide low-cost IP backbone connectivity for new business services. The business is privately owned and is positioned to play a significant role in the growth of the economy across the whole of the Island of Ireland.

Bytel’s view is based on our understanding of market needs and informed by the frustration of our investment and business plans over the past two years because of continuing uncertainty regarding spectrum availability.

The consultation document seems to be an attempt to make up for the lack of regulatory energy in respect of spectrum. It also, however, reveals a poor attitude to business development in Northern Ireland – in contrast to your local office which apparently has a good grasp on the needs of the local economy. This central disconnection from market realities is endangering economic growth and investment.

The general thrust of the plan to release more spectrum as soon as possible is welcome. The plan is late arriving. It does not go far enough. It does not go fast enough. It needs to address the over-riding needs of SME’s who make up 85% of the economy of the Island of Ireland.

Bytel proposes that Northern Ireland should be viewed by Ofcom as an incubator for spectrum innovation licences to enable the commercial realities to be tested. Furthermore It would be unfortunate if diverse policies were pursued within Ireland as the geography dictates a common approach.

Specific Comments

Para 3.8 European Harmonisation.
Harmonisation issues are keenly felt in Ireland where there are significant service issues in the border area. We note that there is only one mention of the possibility of an All-Ireland approach to licensing – and that is in the context of a small band whose release is already long overdue. We are concerned that protracted debate about a common approach might simply add yet further delay – and consequent further losses of business opportunities.

Meanwhile we would urge Ofcom to work much very more closely with its European counterparts to ensure that the UK does not adopt policies that would mitigate against pan-European services. Enterprises at the edge of Europe place a higher value on business travel and communications outside of their local markets – the geography forces us to be more, not less, outward looking. Bytel’s own growth reflects this with the infrastructure project
that links Dublin and Belfast and, in doing business elsewhere, our customers increasingly need service continuity – and not just across Europe. They will not be interested in services that are unique or peculiar to the UK.

Harmonisation is extremely valuable and one of the reasons why its worthwhile having a well-resourced regulator. It should not be categorised as a burden of former Command and Control approaches to regulation. If anything, harmonisation represents collective collaboration. The problem lies not in the concept but in excessive application – and we would urge Ofcom to take a balanced view with its European counterparts.

Para 3.38 Regulatory Impact Assessments (RIA’s)
Bytel was astonished to find that the consultation document did not include an assessment of the 1790-1798 MHz band.

Para 4.19
Bytel welcomes the assurance that ‘the timings are indicative only’. None of the constraints on timing would not appear to apply to the 1790-1798 MHz band in Northern Ireland.

Para 5.96 and 5.100
Bytel has a strong interest in the exploitation of this band. Over the past 2 years we have researched the available technology in detail – including a visit to research labs in California and provision of backhaul and Internet Gateway facilities for trial in Belfast of the iBurst technology – albeit at a different frequency. We understand that equipment engineered and market proven is available for this band.

Our exposure to the system – and continuing involvement in potential extensions to the test network – has provided us with an excellent opportunity to assess its market potential and service benefits. Bytel’s view is that there is scope for wide-area IP connectivity at speeds significantly better than 3G – particularly amongst public and business sector customers with high numbers of field workers. We have long expected that this band would, by now, have been available for commercial use. We were encouraged in that view by Ofcom visitors to the trial site. We can find no reason in the consultation document for any delay.

Para 5.107
Bytel would take issue with the observation that the band might be suitable for WiMAX. There are no plans to manufacture WiMax equipment at this frequency and, as far as we know, WiMax technology would require a much larger frequency band but not deliver the sort of service performance that can be demonstrated today.

Para 5.112
The idea of all-Ireland licences is a big step forward but is also a potentially large issue that might delay rapid progress towards commercial services.

Question 5.9
Do you believe the release of this band is a priority?
A: Yes. In Northern Ireland there can be no doubt that its release should be prioritised. See also earlier comments regarding harmonisation. Bytel will support the earliest possible release of the spectrum in the Republic of Ireland. Bytel does not feel it appropriate to question why the difficulties exist in England Scotland and Wales but would observe that this seems to be out of line with all other European countries.