

Regulators roundtable introduction

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1. Dutch Spectrum policy
2. Economic theory and reality
3. Government failure
4. Role of flexibility and dynamic spectrum management

Dutch Spectrum policy

Central objective:

Spectrum serves societal welfare by enabling digital connectivity

Scarce resource:

dealing with multiple and (shifting) public and private interests

Recent dynamics:

Public safety, national security, digital sovereignty

Economic theory	reality
Market failure	Government intervention
Competition	Lobbying, collusion, entry deterrence
Static efficiency and investment certainty (short run optimisation)	focusing on preserving and predictable value (low-risk execution)
Dynamic efficiency and innovation (long run optimisation)	New products and services (high risk execution)
Free trade	Geopolitics harming WTO and UN; armed conflicts

Government failure

when a regulators intervention to fix a market failure leads to a net loss in social welfare or a more inefficient allocation of resources than if the government had not intervened at all

Caused by a.o.
information gaps,
unintended consequences,
excessive administrative costs,
political self-interest,
regulatory capture,
moral hazard,
buying fairy tales

Role of flexibility in spectrum policy

Flexibility in setting- and carrying out your spectrum policy

prevents lock-in situations

stimulates competition

could reward dynamic efficiency

can handle the shifting in public and private interests

can fix earlier government failure

and

gives more opportunity to take developments and advantages of
dynamic spectrum management itself into account

Role of dynamic spectrum management

- Most efficient use of spectrum
- By means of automatic on the spot spectrum coordination and authorisation
- Preferably by AI systems?...
- ...using all possible sources such as historic data, sensing, predictions (such as propagation depending on atmospheric/weather conditions, events, dynamic database entries, etc.), ...
- Convince policy makers and regulators to overcome information gaps and conservatism ...
- ...by setting up private public partnerships for pilot projects to prove that it can work.
- Lessons learned in Dutch DSMS project:
incumbent resistance, trade off for multiple users, telecomequipment hardware must be able to cope with dynamic aspects, intended policy choice based on maximum societal welfare.