



Mobile Spectrum Licensing and Auction best Practices

Eur Ing Laurent Bodusseau BEng (Hons), CEng, MIET
Senior Director – Spectrum , GSMA

Mobile Spectrum Licensing Best practices 1/4

- **Predictable and timely spectrum licensing encourages long-term network investment**

- National broadband plans
- Spectrum roadmap



Publish long-term spectrum award plans that prioritise welfare benefits over state revenues.



License spectrum as soon as it is needed, and avoid artificial spectrum scarcity

- **Licences should be technology and service neutral**

- Efficient use of spectrum rather than tied to declining technologies
- High charges for change of use risk delaying the benefits of new technologies.



Mobile Spectrum Licensing Best practices 2/4

- **Licence conditions should be used with caution**
 - Focus on T&C to avoid interference
 - How to address coverage , speed ... ?
- **Licence duration**
 - At least 20 years to incentivise network investment
- **Competition can be supported by licensing as much spectrum as possible and limiting barriers**
 - Spectrum caps & set aside vs Benefits and cost of alternative options



Mobile Spectrum Licensing Best practices 3/4

- **High spectrum prices jeopardise the effective delivery of wireless services**
 - Maximise state revenues - negative socioeconomic costs
 - Allow the market to determine a fair price and to reduce the risk of leaving spectrum unassigned

- **Exclusive licensing has been central to the success of mobile services and must continue, however mobile operators should not be prohibited from :**
 - Voluntarily sharing their spectrum
 - Voluntary spectrum trading should be encouraged to promote efficient spectrum use



Mobile Spectrum Licensing Best practices 4/4

- **A presumption of licence renewal encourages long-term network investment**
- Voluntary spectrum trading should be encouraged to promote efficient spectrum use
- **Auctions can deliver strong social benefits as long as they are properly designed**



Awards - no one-size fits all

- **Auctions can deliver strong social benefits , award to operators who will use it most as long as they are properly designed**

BUT

- **Poor auction design can lead to spectrum being assigned inefficiently or undermines competition**
- Administrative assignment can offer advantages over auctions in some circumstances



Auctions Best Practices

- Auctions are not always suitable and can fail when poorly designed
- **Auctions designed to maximise state revenues risk serious harm to consumers**
- Assign a sufficiently large amount of spectrum
- **Poorly chosen lot sizes or inflexible packages of spectrum lots risk inefficient outcomes**
- Spectrum caps and set-asides distort the level playing field



Auctions Best Practices

- **Licence obligations and conditions should be designed to minimise the cost of covering non-profitable areas, and avoid distorting the award of spectrum**
- The chosen auction design should not create additional risk and uncertainty for bidders
- **Policymakers should work in partnership with stakeholders to enable timely, fair and effective awards**
- Policymakers should also publish roadmaps to support high quality mobile services

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