

# The New Zealand Experience

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Radio Spectrum Policy & Planning

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# Outline

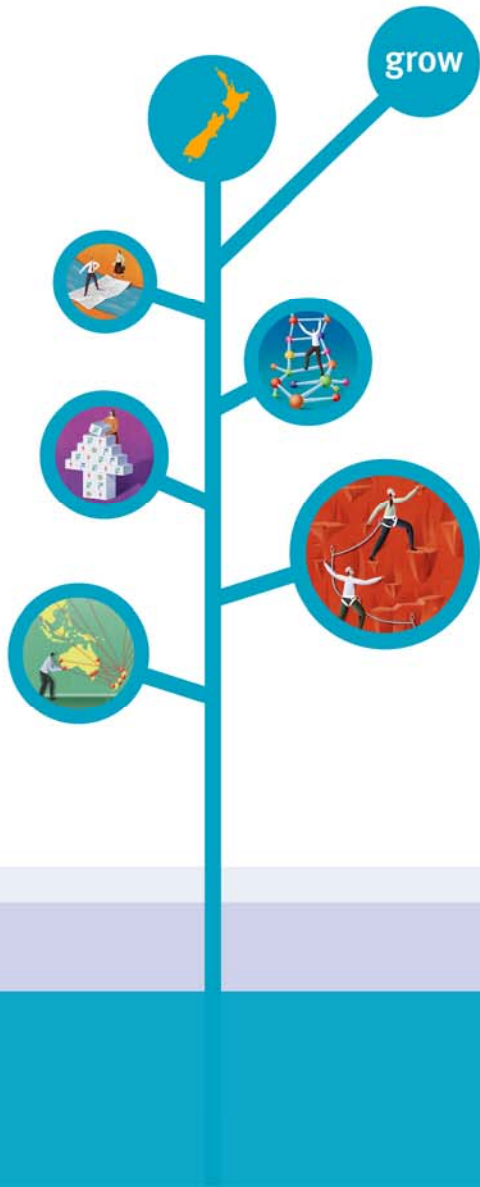
- Renewal of Rights
- 2.3 GHz & 2.5 GHz Auction
- MSP



# Our Story

1903	First Radiocommunications Legislation
1903-1989	“Command and Control”
1989	Radiocommunications Act
1990	First spectrum tender
Mid 1990s	“Public park” licences
1998	First on-line spectrum auction
2002	On-line licence register
2005	On-line processing of licensing services
2006	Combinatorial Tender
2008	Managed Spectrum Parks





# Renewal of Rights

# Why Renew?

## Policy objectives:

- **Continuing** highest value use
- **Certainty** for investment
- Encourage technical neutrality **Choice**
- Ahead of time - **seamless**



# Policy Decisions

Limited **lifetime** < 20 yrs

**Case by Case** assessment

- renew or re-plan?

Offer :

- price **market value** – formula
- **5 yrs prior** to expiry
- First Right of Refusal
- Offer Acceptance? No - then auction!



# Example 1 - UHF TV renewal

## Nationwide & Individual

- Spectrum licences
- 10 yrs ( A 2 D conversion coming)
- Sites in Use (usage conditions)
- Price setting formula adjusted for growth and scale
  - » National = \$950k
  - » Individual = formula adjusted by population weighting
- Settlement @ 12 September 2009



# Ex 2 – 800/900 MHz Cellular renewal

- Management Rights
- 20 yrs
- Conditional renewal of 7.5 MHz on
  - Secondary market trade of 5 MHz
  - Promote New Entrants
- Incremental optimised deprivation value (ODV)
- Usage conditions



# Ex 3 – AM/FM Radio renewal

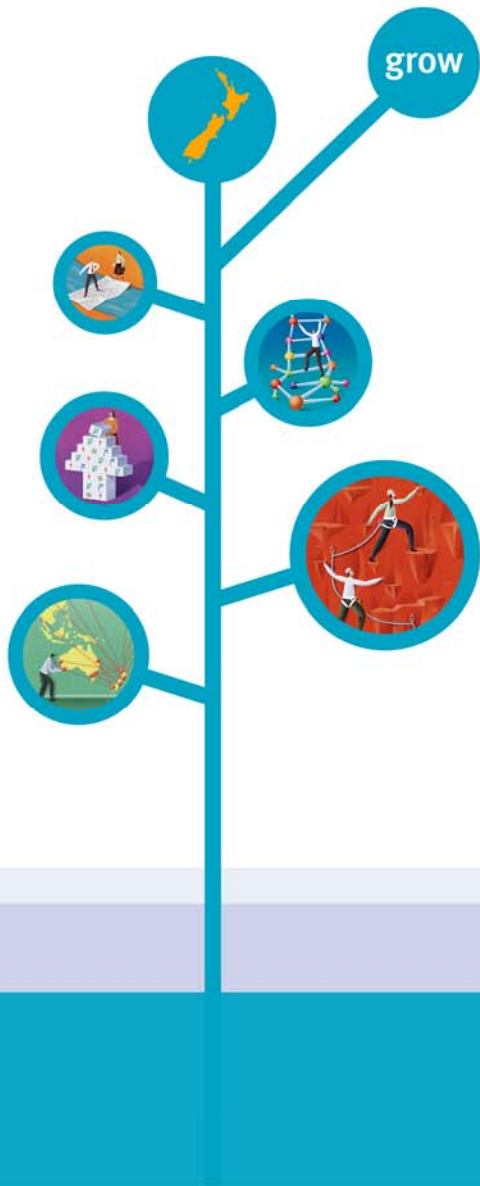
- 600 Spectrum licences
- 20 yrs
- Re-engineered for spectrum efficiency
- Sites in Use (usage conditions)
- ~NZ\$96M divided amongst licences
- Offers to be made soon



# Ex 4 – 2.3 GHz (MDS) Re-planned

- Management Rights
- Limited investment
- Re-planned for BWA
- Consultation
- Checked against WRC-07 decisions
- Auctioned – December 2007





## 2.3 GHz & 2.5 GHz Auction

# Process

- Cabinet decision – combined auction
- Discussion paper
- Summary of Submissions
- Recommendations
- Auction

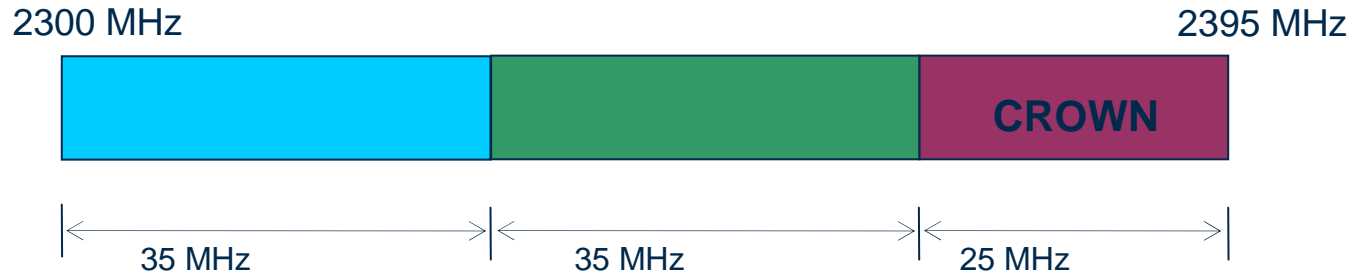


# Key Issues

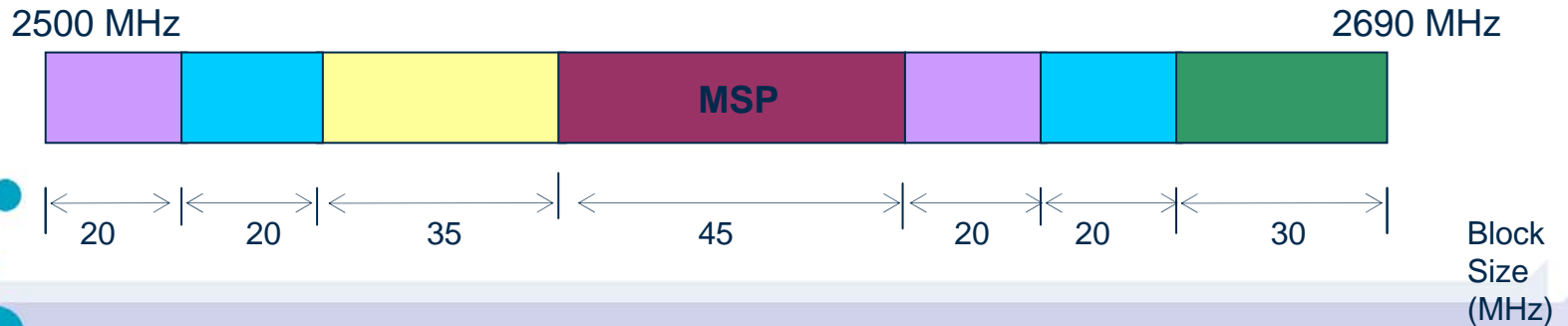
- Lot sizes of MRs
- Acquisition limit of 40 MHz
- 'Use or Lose' provisions
- Transition 2.5 GHz incumbents to 2.7 GHz
- Managed Spectrum Park



# 2.3 GHz Band



# 2.5 GHz Band



# Implementation requirements

- continuous and ongoing telecommunications service
- with spectrum acquired



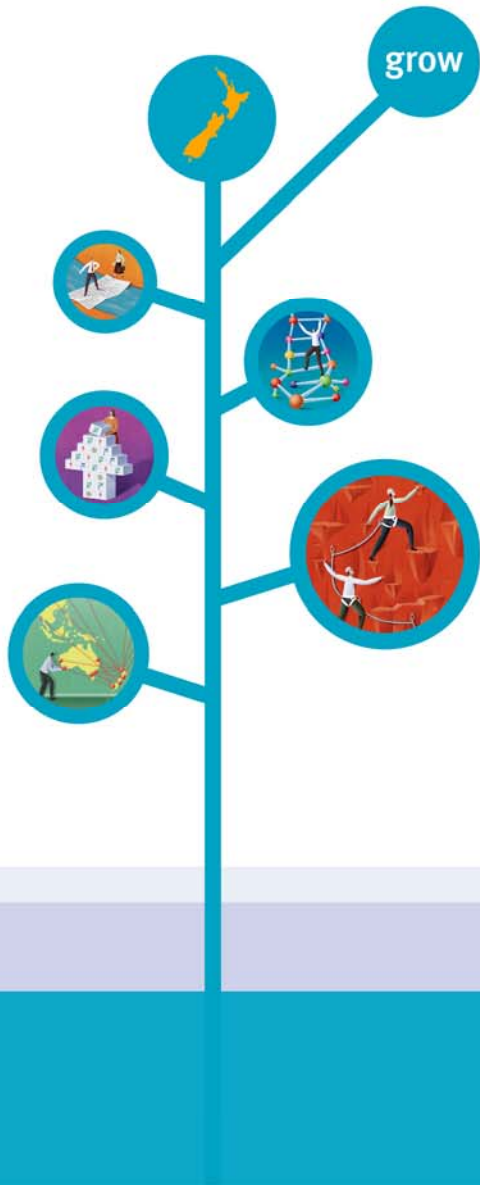
	Commencement Date	Expiry Date
Early MR	1 Jan 2009 (1 Jan 2010)	31 Dec 2014
Buy-out MR	1 Jan 2015	31 Dec 2016
Conditional MR	1 Jan 2017	31 Dec 2028
Acquisition Limit expires		31 Dec 2012



## 2.5 GHz Band Transition plan

- A period to allow for equipment to be purchased in new frequency bands
- An opportunity for existing equipment to be used for up to five years from initial purchase





# Managed Spectrum Parks

# Managed Spectrum Parks

- Objectives
  - » Provision of local and regional services including Maori service providers
  - » Efficiency, flexibility & innovation
- Eligibility criteria
- Implementation options



# Process

Discussion paper August 2007

## 3 Options

- Option 1: open access under General User licensing;
- Option 2: application & selection process  
Ministry-specified user numbers & engineering
- Option 3: expressions of interest  
user-defined engineering & licence specifications



# Key Features of Option 3

- Local & regional services
- Max 10 contiguous Territorial Local Authority (TLA) areas
- User defined specifications
- If demand > Supply
  - » applicants to coordinate and agree
  - » No agreement - Ministry draws lots
- 6 yr licences with a right of renewal
- Use-or-lose provisions
- Resource rental



# Thank You

For more information:  
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Ministry of Economic  
Development



Manatū Ōhanga