

Motorola Response to the BWA Consultation

This is our response as per the guidance in the consultation document regarding the regulatory framework for Broadband Wireless Access;

1	Do you agree to the award of a nationwide license?	Agree <input checked="" type="checkbox"/>	Disagree <input type="checkbox"/>
2	Do you agree to the award of three licenses?	Agree <input checked="" type="checkbox"/>	Disagree <input type="checkbox"/>
3	Do you agree that existing licensed telecommunication service providers should not be excluded from applying for the licenses?	Agree <input checked="" type="checkbox"/>	Disagree <input type="checkbox"/>
4	Do you agree to the license award process specified?	Agree <input checked="" type="checkbox"/>	Disagree <input type="checkbox"/>
5	Are the decided annual fees suitable?	Agree <input type="checkbox"/>	Disagree <input checked="" type="checkbox"/>
6	Are the facilitations proposed by the regulatory authority for the license award expected to help in providing the services rapidly at suitable prices?	Agree <input checked="" type="checkbox"/>	Disagree <input type="checkbox"/>
7	Does the license period allow for suitable financial returns?	Agree <input checked="" type="checkbox"/>	Disagree <input type="checkbox"/>
8	Is the allocated frequency spectrum suitable for the provision of services nationwide?	Agree <input type="checkbox"/>	Disagree <input checked="" type="checkbox"/>
9	Does the variety in permitted services allow for achieving financial returns?	Agree <input checked="" type="checkbox"/>	Disagree <input type="checkbox"/>

Table 5 – 1

Motorola strongly agrees with the suggested framework for BWA as it is described in the consultation paper. The objectives laid out for this framework are very relevant and take into consideration all the various forces demographic and economic that govern the Egyptian telecommunications market at large and BWA specifically.

The effect of BWA on the thriving mobile sector is significant and hence the limitation laid out in the framework goes a long way to ensure that these effects are contained. We strongly agree with the design and philosophy of the entire approach.

Our main input in this consultation document is the amount of spectrum allocated. Looking at the successful examples around the world, the allocations have been 2x21 Mhz. This is the practical bandwidth that allows the operators to scale seamlessly without having to make major changes or affect the performance of the network. The approach of limiting the bandwidth at the start may be beneficial to allow for additional licenses but this will be at the expense of limiting the growth of the existing licensees.

Motorola strongly recommends that the allocations be adjusted to 2x21 Mhz as per the international norms to ensure successful role out of nation wide networks with

homogeneous quality of service. Otherwise the future operators will have to either limit their roll out and coverage, or their quality of service.

This increase in spectrum, allocation can be achieved while still keeping some spectrum for future expansion. Motorola is ready to present to the regulator a complete spectrum plan for the band.

Our second input is regarding the license fee payment. We suggest that there will be no initial payment and that the operator is given 6 months to roll out and one year grace period after which the operator starts paying the license fee over 6 equal installments covering the lifetime of the license. This allows the operator to offer the service at competitive prices thus fueling fast market growth as opposed to loading the business case with the upfront fee payment before generating any revenues, and 2 heavy installments to follow. Also we suggest a revenue sharing scheme that ensures that the license fees are relevant to the revenue generated by the service which guarantees that the regulator doesn't set up a process that ends up in overpricing the license, which will result in turn in an expensive service, nor under price the license either and forfeit revenues that could have been generated by the regulator.

In summary, a revenue sharing scheme can be devised instead of the upfront payment. The percentage of revenue sharing can increase over time as the customer base grows.

In closing we would like to thank the NTRA for giving us the chance to participate in this consultation process, and looking forward to continue this dialogue and to also participate in future consultations as well

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