

الجهاز القومي لتنظيم الاتصالات  
NATIONAL TELECOM REGULATORY AUTHORITY

**SIEMENS**

**Siemens Response for the Broad Band Wireless Access consultancy Paper**

Dear Sir,

With reference to the above mentioned subject, Siemens is pleased to provide you with the response of the Broad Band consultancy Paper.

In line with Siemens global strategy to introduce the state-of-the-art technologies to our key markets, we are glad to offer you all our support during the upcoming important phase of finalizing the above mentioned License.

Sincerely Yours,

Ayman Saad

Vice President, COM



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1	Do you agree on awarding a nationwide license?	<input checked="" type="checkbox"/> Agree	<input type="checkbox"/> Not agree
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If there is sufficient market demand, we see no harm in awarding licenses on a nationwide basis. On the other hand, there may be benefits by defining a reasonable number of geographic regions to be licensed independently. This will still provide the opportunity for interested operators, to acquire licenses in all regions and combine their service offering nationwide. For wireless DSL-like access service at 3.5GHz we see no real urgency for a nationwide footprint. But there may be regional differences in service rollout and availability if there are no differentiated coverage requirements.

2	Do you agree on giving the license to three operators?	<input checked="" type="checkbox"/> Agree	<input type="checkbox"/> Not agree
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In principle, the number of three operators should be sufficient to provide competitive offerings. However, there is a strong dependency on the amount of available spectrum and the corresponding packaging. It needs to be ensured that each operator is provided with sufficient spectrum to support a large enough customer base with high enough data rates / throughput (see also question 8).

3	Do you agree on allowing the already existing telecommunication service providers to apply for this license?	<input checked="" type="checkbox"/> Agree	<input type="checkbox"/> Not agree
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Clearly, we see no reason to exclude potential operators from applying for WiMAX spectrum. Examples from around the world indicate that the selection should be left to the licensing award procedure itself as long as it can be safeguarded that the awarded spectrum is put to proper use.

4	Do you agree on the mentioned license way of awarding?	<input type="checkbox"/> Agree	<input checked="" type="checkbox"/> Not agree
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In general we discourage the use of auctions in the licensing process wherever possible, because typically it takes money out of the industry which should better be used for rolling out the technology and improving the service offering.



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5	Do you think the decided annual fees are reasonable?	<input type="checkbox"/> Agree	<input type="checkbox"/> Not agree
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No comment

6	Are the suggested conditions by NTRA allowing for fast services with reasonable prices?	<input type="checkbox"/> Agree	<input type="checkbox"/> Not agree
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See Nr.5 above – 3% of revenue seems rather high

7	Does the license period of validity allow for reasonable financial return?	<input type="checkbox"/> Agree	<input checked="" type="checkbox"/> Not agree
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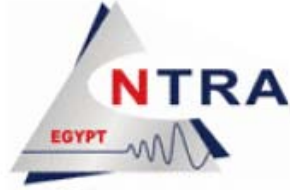
We do not believe that 7 years provide sufficient incentives for investment, because this will be too short to ensure an appropriate return on investment. The extension option is too vague to offset the time limit.

8	Is the given frequency assignation suitable to provide nationwide service?	<input type="checkbox"/> Agree	<input checked="" type="checkbox"/> Not agree
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We feel that 2\*14MHz does limit the opportunities for the operator to provide sufficient capacity in an economic manner, i.e. in case the operator is deploying his network with a frequency reuse of three, he will be restricted to a carrier bandwidth of 3.5MHz, which in turn limits the maximum data rate per subscriber (and the sector capacity for simultaneous users) which will make it challenging to compete with other (fixed) DSL offerings.

9	Does the variation of services allow positive financial return?	<input type="checkbox"/> Agree	<input checked="" type="checkbox"/> Not agree
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We believe that the combination of the access services together with the backhauling services will enable the awarded companies to breakeven, eliminating the possibility to provide backhauling service will represent a possible revenue loss for this companies.



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The concerned companies should answer this consultancy paper with economical detailed study (based on the in the regulating frame and the appendix mentioned data)

We do NOT have any detailed economical study data to support our statements above. They are based on examples from the licensing process in other regions / counties in the world and on our own market and business analysis.

Should you have any other question, please contact us [BWA@tra.gov.eg](mailto:BWA@tra.gov.eg)