



BY EMAIL: spectrumresource.ptd@gmail.com

To

Director General
Post and Telecommunications Department
Ministry of Transport and Communications
Nay Pyi Taw
The Republic Union of Myanmar

Our date

August 14, 2020

Your date

Our reference

TML/CA/REG/283

Your reference

Our contact

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Cc

Deputy Director General
Post and Telecommunications Department

Subject: Comments regarding microwave spectrum allocation plan on link by link basis

Reference: PTD ref. 700 – SaNya/Kwe(7)Resource/5752 dated July 30, 2020

Dear Sir,

Telenor Myanmar Limited (TML) appreciates the opportunity to provide feedback to the Post and Telecommunications Department (PTD) on the potential change of microwave spectrum licensing to a per link regime.

TML relies highly on microwave spectrum to provide quality of mobile service in Myanmar. A sound and facilitative licensing regime for microwave spectrum is therefore vital in enabling world class mobile coverage and service in Myanmar. We note in this regard that the current per spectrum block licensing regime will better enable TML to manage and extend its network. We respectfully highlight key factors in this regard for PTD's kind consideration.

Importance of microwave spectrum for delivery of mobile services

At present, there are no feasible alternatives to using microwave spectrum for mobile backhaul due to significant Right of Way issues associated with using fiber links. For instance, it still takes 1 or 3 months long to get Right of Way approved by Regional Governments, State Government and local authorities. In addition, there are difficulties in getting access and approvals from individual Community and House Owners to lay fiber through these properties even though designated locations are Government-owned Poles and/or land spaces. Moreover, due to expansion of transport infrastructures, fiber cuts are becoming more common. Overall, fiber is not a practical alternative to microwave spectrum at present.

Clear rationale for proposed change to microwave spectrum licensing regime needed

TML acquired a 15-year operating licence upon market entry in 2014 based on specific investment expectations, including certainty around utilization of microwave spectrum (and terms thereof) for a period 15 years. It is important for the Myanmar Government to uphold investment expectations and to promote investment certainty in Myanmar. It would also be in line with international agreements and laws to uphold principles of transparent and non-arbitrary treatment of investors and their investments. Therefore, there should be a clear and sound rationale for the proposed changes in microwave spectrum licensing framework including that such a change is beneficial to the industry and Myanmar in general.

We note from a technical standpoint that the current per spectrum block regime offers mobile operators greater flexibility and efficiency in managing its microwave network. Further, a per link regime will see the cost of a microwave network to operators increase linearly with the number of links. Comparatively, the current per spectrum block regime would better encourage scalable extension of microwave networks for better network coverage.



Clear basis for setting microwave spectrum charges

We note that the proposed per link fee noted in PTD's letter referenced above will see the annual fees for microwave spectrum incurred by TML increase by tenfold. It would be aligned with international best practice for PTD to assess the impact of new spectrum charge regimes on existing operators, and consequent knock on impact on cost of providing services to mobile users. PTD should ensure that any change in licensing framework including how spectrum fees are charged – does not cause additional burden to mobile operators nor deter mobile market development that promotes productive investments for the benefits of consumers over the longer-term.

Further, it is unclear why PTD has proposed the current fee structure and how the proposed fee amount was determined. PTD should be transparent about its policy objectives behind the proposed per link fee structure and per link fee level. This would help ensure PTD's policy objectives, fee structure, and fee level will support better utilization of microwave spectrum to cater for longer-term data requirements of the consumers.

Overall, we do not see much clear benefit in moving to a per link licensing regime and note with concern that the proposed per link charges will have a significant impact on the microwave spectrum fees that will be incurred by TML. We would like to further understand PTD's rationale for proposing such a change and how it has determined the per link fee level. We are also happy to discuss potential licensing models and solutions to accommodate both users of a small number of links as well as mobile operators who utilize many links. We look forward to working with PTD and the rest of industry to ensure that the microwave spectrum licensing framework continues to facilitate mobile development in Myanmar.

Should you have any further information, please do not hesitate to contact us.

Best Regards,

A handwritten signature in black ink, appearing to read "Mya Thwin", written over a horizontal line.

Mya Thwin, SVP, Head of Regulatory,
Signing on behalf of Jon Omund Revhaug,
Chief Executive Officer, Telenor Myanmar Limited,