



Ooredoo Myanmar Limited
MICT Park Building No. 10 Block 2
Myanmar Info Tech
Hlaing Township
Yangon
Republic of the Union of Myanmar

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Our Ref: Reg/PTD/2016(17)

Posts and Telecommunications Department
Ministry of Communications and Information Technology
Republic of the Union of Myanmar
Office No (2)
Nay Pyi Taw, Myanmar

Attention: Director General

Dear Director General,

2600 MHz Auction

This letter is with regard to PTD's proposed auction of radio frequencies in the 2600 MHz band. Ooredoo Myanmar Limited received on 28 January 2016 a presentation titled, "Framework for the 2600 MHz Auction," containing details regarding a proposed auction of radio frequencies in the 2600 MHz band, scheduled to take place on 24th March 2016.

OML is firmly opposed to the proposed auction framework and urges PTD to reconsider this action. The proposed auction is inconsistent with the government's commitments to the existing mobile licensees, discriminates against the existing licensees without sound rationale, diverges from PTD previously announced plans with regard to radio spectrum and is inconsistent with internationally-accepted spectrum licensing priorities. This position is based on the following points:

- The proposed framework would issue six new nationwide broadband wireless licenses, while at the same time, MCIT has previously committed to the existing licensees that no more than four such licenses would be issued:
The Union Government is committed to ensure a sound and rapid development of the telecommunications market. With that perspective in mind, it has been decided that the market will comprise of no more than four nationwide mobile telecommunications Operators. The Union Government reserves the right to adjust its policy to favour the long term development of the telecommunications sector, after due consultation with the Licensees. (Invitation to Tender Questions and Answers - May 13, 2013)

The proposed auction framework would initially restrict authorised services to "fixed wireless service," but the proposed framework would allow all six new licensees to provide mobile services after the first five years. Moreover, the channel plan as proposed, as well as available technology, clearly favours the use of LTE, which is a mobile technology, for which handsets are widely



available. Unless the MCIT requires licensees to intentionally cripple the new services and restrict availability in Myanmar of LTE-enabled handsets, the Government will effectively be granting nationwide mobile broadband wireless services licences.

- The decision to exclude the existing licensees is a blatant and unjustified discrimination against the existing licensees without any reasonable basis. The three existing licensees possess the infrastructure and the expertise to quickly roll-out services using the relevant frequencies, while new entrants will be required to make substantial investment, will inflate the cost of the service to consumers and are likely to be unable to offer a service that profitably competes with the mobile operators' existing 3G offerings.
- PTD has announced a "Spectrum Roadmap," which is intended to create a framework for the effective management of radio spectrum, including prioritization and processes for making new frequency bands available in a manner consistent with international best practices. It is inexplicable that PTD would choose to launch the first ever spectrum auction in Myanmar before comments have even been sought on the draft Spectrum Roadmap.
- In markets with successful wireless industries, the spectrum blocks with the highest priority are usually the commonly used mobile bands, such as the 1800 and 700 MHz bands, both of which are completely unused at the current time in Myanmar. The 2600 MHz band, by contrast, due to its radio propagation characteristics relative to lower frequency bands, is considered by most regulators as a less desirable and lower priority band. It is unclear why MCIT would want to prioritize issuance of licenses in this frequency band over the other available bands. Indeed, issuance of additional frequencies to the current licensees in the more commonly-used frequency bands would result in immediate benefits to Myanmar customers in the form of higher download speeds, fewer dropped calls and fewer towers that would be needed.

While OML understands the inclination for making opportunities for investment in the telecommunications sector more widely available, we believe the proposed framework is deeply flawed and is unlikely to achieve the benefits envisioned. We again urge PTD to reconsider its decision to proceed with this auction and instead to prioritize finalization of the "Spectrum Roadmap" in a predictable and transparent manner and to proceed with making radio spectrum available in accordance with the processes developed as a part of that framework.

Sincerely,

A handwritten signature in black ink, appearing to be "CP", followed by a horizontal line.

Chris Peirce,
Chief Regulatory and Government Affairs Officer