

The race for mobile broadband is on! Find out about mobile spectrum pricing trends and new auctions with this new and exciting report.



International Review of Mobile Spectrum Prices and Licensing

After two blockbuster spectrum auctions in 2008 the world economy sank into a financial crisis. However, as previous recessions have proven, the mobile industry does not slow down like other sectors... Spectrum is a key input to the growth in mobile competition and is the enabler of development of mobile broadband services worldwide. The increasing economic importance of mobile is reflected in continued focus on licensing activities in many countries.

Lema-Yates Associates Inc. (LYA) has conducted extensive research for this report to bring together information on licensing activities and spectrum prices worldwide. Some interesting trends have emerged. There have been impacts of the economic downturn and some countries have delayed licensing processes (not always due to the financial crisis). Many awards – e.g. in the 2.6 GHz and “digital dividend” spectrum – had been anticipated for 2008-2009 but will now take place in 2010. That said, however, there is little evidence of declining prices in the spectrum awards that have taken place and there is no overall slow down in licensing processes for new spectrum.

The 2.6 GHz and digital dividend spectrum represent the “rising tide” of new mobile spectrum that operators increasingly value for new fourth generation mobile broadband services – allowing for creation of portfolios of spectrum licenses, below and above 1 GHz. New licensing and license renewal processes often recognize the need for competing carriers to have equitable access to networks and to different types of spectrum, in some cases by re-farming 900 MHz spectrum. Licensing is a critically important activity for governments, given that mobile and related investments in innovative devices and applications may well be key stimulators of economic growth.

LYA’s report includes 15 years of spectrum pricing information from 82 licensing processes held in 45 countries since 1995. It also provides insight into spectrum licensing processes underway in 54 countries... of which almost half resulted in the award of new licenses, in the 3G bands and 2.6 GHz and others. In some cases these provided for additional capacity for existing providers; some are focused on spectrum for new competitors. The license for a fourth mobile operator in France was issued late in 2009, a 3G auction will be held in India and in Mexico in 2010. Ten years after having set the high water mark for spectrum prices, there is a landmark auction teed up in Germany for 2010, with the UK no doubt to follow. In 2009 the FCC conducted a major review of spectrum to support mobile broadband development as part of the US recovery plan.

LYA’s 92-page report covers the “long view” of spectrum pricing, looking at different types of spectrum for mobile – below and above 1 GHz – and provides insight to the dynamics of recent auctions, the timeline and assessment of prices by spectrum type, by region of the world and relative to mobile penetration and GDP per capita, as well as pricing and licensing trends going forward. It is a must-read for spectrum regulators, governments, mobile carriers, investors, and equipment vendors – anyone with an interest in industry development worldwide.

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Since 1993 Lemay-Yates Associates Inc., "LYA", has been providing consulting services to the telecom industry focused on business plan development, market research, spectrum licensing, as well as expert testimony and evidence in policy and regulatory matters. LYA is a key advisor to the telecom industry including at the Board and ownership level of many of its clients, helping to drive major investment decisions and strategy. LYA work in the wireless area has included business case and license valuation, due diligence of mobile and fixed wireless operators and technologies, policy development, auction strategy and support, and market research. LYA does independent research and has published a number of reports on telecom markets with topics covering Local Competition, CLECs, Foreign Investment, Mobile 911, Consumer Telecom, Mobile Broadband Services and others. **Please visit our web site at www.LYA.com.**

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