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**The Chairman**  
**Malaysian Communications and Multimedia Commission**  
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**BY EMAIL AND BY COURIER**

Chairman, Malaysian Communications and Multimedia Authority

**GSMA views on the allocation of spectrum bands for mobile broadband service in Malaysia: 700, 2300 & 2600 MHz**

In reference to the Public Inquiry on the allocation of the above mentioned mobile spectrum bands, GSMA would like to commend the MCMC for seeking comments and views from industry, which will contribute to securing a good outcome and the best use of these critical bands for mobile broadband services.

We would like to highlight the MCMC's positive approach in advancing the award of 700 MHz licences under a technology neutral framework and without undue conditions that could hamper the initial rollouts. These measures combined, together with a reasonable offer price, will contribute to the successful rollout of 700 MHz for nationwide mobile broadband.

Since lower-frequency spectrum (below 1 GHz) plays a fundamental role in expanding broadband adoption, we expect that significant economic and social value will be added by the mobile industry in addition to the already important mobile economy of Malaysia. The emerging 5G world will also benefit from the availability of this lower-frequency spectrum, which will build on the successful deployment of 4G LTE services across all the required frequency bands for capacity and coverage.

GSMA also acknowledges the importance of the capacity bands being reviewed by MCMC (2300 & 2600 MHz) and considers that IMT mobile services will be well placed in Malaysia for the use of these bands on nationwide basis for the next 20 years and beyond.





The GSMA would appreciate the opportunity to discuss the details of our views with you. We believe that Government and industry working together will maximise the opportunities mobile infrastructure will continue to bring to Malaysia. We respectfully submit the views of the GSMA in annex 1 below.

Yours Sincerely,

A handwritten signature in black ink that reads "Brett Tarnutzer".

Brett Tarnutzer  
Head of Spectrum, GSMA

### **About the GSMA**

The GSMA represents the interests of mobile operators worldwide, uniting nearly 800 operators with almost 300 companies in the broader mobile ecosystem, including handset and device makers, software companies, equipment providers and internet companies, as well as organisations in adjacent industry sectors. The GSMA also produces industry-leading events such as Mobile World Congress, Mobile World Congress Shanghai, Mobile World Congress Americas and the Mobile 360 Series of conferences.

For more information, please visit the GSMA corporate website at [www.gsma.com](http://www.gsma.com). Follow the GSMA on Twitter: @GSMA.





**ANNEX 1: RESPONSES TO THE QUESTIONS POSED ABOUT EACH BAND**

Question	Comments / Responses
<p>1.</p>	<p><b>700 MHz (2x40 MHz)</b></p> <ul style="list-style-type: none"> <li>i) <b>Award mechanism:</b> the proposed mechanism – competitive tender – seems as an appropriate way to assign this band to interested parties. We encourage MCMC to consider a price in the lower range in comparison to other markets in Asia Pacific, as the 700 MHz band will serve large rural areas.</li> <li>ii) <b>Timeline for assignment:</b> the proposed timeline for the release is in line with other proposals across ASEAN countries yet to release the band. We encourage MCMC to ensure the band is available for use no later than the proposed timeline.</li> </ul>
<p>2.</p>	<p><b>Optimum spectrum block per operator</b></p> <p>Lot sizes in the band have been implemented in international markets generally in sizes of 10, 15 or 20 MHz. The proposed 2x10 MHz (4) tender arrangement fits within this range of choices. The remaining 5MHz could be awarded and combined with the winning operator to make a 15MHz channel or left out as one 5MHz channel for another operator. The location of the 5MHz channel could be kept open during the auction so that any operator winning one of the blocks A, B, C or D could have the opportunity to win also the last 2x5 MHz block.</p> <p>In order to carry out the above, the frequency ranges of block A should be specified as per the example of band assignment provided in figure 1 below:</p> <p>(This one example alternative could be considered for a full allocation of the APT 700 MHz arrangement)</p> <p>703 MHz to 713 MHz paired with 758 MHz to 768 MHz.</p> <p>Block B should be 713 MHz to 723 MHz paired with 768 MHz to 778 MHz or 718 MHz to 728 MHz paired with 773 MHz to 783 MHz, if the 5 MHz block is won by the owner of block A or B.</p>



	<p>Block C should be 728 MHz to 738MHz paired with 778 MHz to 788MHz or 723 MHz to 733 MHz paired with 778 MHz to 788 MHz, if the 5MHz block is won by the owner of block C or D.</p> <p>Block D should be amended to be 738MHz to 748MHz paired with 795MHz to 805MHz or 733MHz</p> <p>By doing this, the conditions of the two blocks A and D remain unchanged, not affecting the coexistence with adjacent users such as broadcasting or Mobile and spectrum is fully used.</p> <table border="1" data-bbox="347 757 1425 875"> <tr> <td style="background-color: yellow;">Block A</td> <td style="background-color: lightgreen;">5MHz for block A or B</td> <td style="background-color: lightblue;">Block B</td> <td style="background-color: lightorange;">Block C</td> <td style="background-color: orange;">Block D</td> </tr> <tr> <td style="background-color: yellow;">Block A</td> <td colspan="2" style="background-color: lightblue;">Block B</td> <td style="background-color: lightorange;">Block C</td> <td style="background-color: lightgreen;">5MHz for block A or B</td> </tr> </table> <p>Figure 1. Example for a full allocation of the 2x45 MHz of the APT 700 band</p> <p>In awarding the blocks to operators, we recommend a licence term of 20 years as provided within national Malaysian regulations, under technology neutral basis and without undue conditions that could skew the large initial network investment required. Any payment terms should be carefully formulated.</p>	Block A	5MHz for block A or B	Block B	Block C	Block D	Block A	Block B		Block C	5MHz for block A or B
Block A	5MHz for block A or B	Block B	Block C	Block D							
Block A	Block B		Block C	5MHz for block A or B							
<p><b>3.</b></p>	<p><b>2300 MHz (90 MHz)</b></p> <ul style="list-style-type: none"> <li>i) <b>Award mechanism:</b> the proposed mechanism – competitive tender – seems as an appropriate way to assign this band to interested parties. Considering the incumbency in this band and costs likely to arise from migrating existing users, we recommend factoring these costs into the offer price.</li> <li>ii) <b>Timeline for assignment:</b> the timeline for implementation of the awarded spectrum blocks should take into account any necessary migration of users.</li> </ul>										
<p><b>4.</b></p>	<p><b>Optimum spectrum block per operator</b></p> <p>Lot size is in line with the range of options implemented internationally. As pointed out in 3.2.2.5, 20MHz per operator is preferred. Each operator should not be restricted to bid for more than one block of 10MHz to optimise its service and spectrum usage.</p> <p>In awarding the blocks to operators, we recommend a licence term of 20 years as provided within national Malaysian regulations, under a technology neutral basis and without undue conditions. Any payment terms should be carefully formulated.</p>										



<p>5.</p>	<p><b>2600 MHz (2x70 MHz FDD, 40 MHz TDD)</b></p> <ul style="list-style-type: none"> <li>i) <b>Award mechanism:</b> direct renewal is supported and encouraged</li> <li>ii) <b>Timeline for assignment:</b> the proposed timeline could be accelerated considering current incumbency</li> </ul> <p>In awarding the blocks to operators via direct renewal, we recommend a licence term of 20 years as provided within national Malaysian regulations, under a technology neutral basis and without undue conditions. Any payment terms should be carefully formulated.</p>
<p>6.</p>	<p><b>Interference mitigation FDD/TDD in 2.6 GHz</b></p> <p>The following documents contain the relevant mechanisms agreed in the EU:</p> <p>ECC Decision (05) 05. Harmonised utilization of spectrum for Mobile/Fixed Communications Networks (MFCN) operating within the band 2500-2690 MHz</p> <p>ECC Report 131. Derivation of a block edge mask (BEM) for terminal stations in the 2.6 GHz frequency band (2500-2690 MHz)</p>
<p>7.</p>	<p><b>General principles – spectrum pricing</b></p> <p>GSMA notes that for all three bands in question (700, 2300, 2600 MHz), a fair price policy should be applied. Consulting with industry on the licence terms and conditions and considering these views when setting prices is extremely important. The terms and conditions associated with a spectrum licence have a major impact on its value. Where regulators set coverage or other obligations, they must be factored into the spectrum award price and any annual fees. Expensive spectrum licences coupled with onerous obligations can cause a variety of problems: the licences may go unsold, the obligations may prove impossible to meet, or they could lead to reduced investment in networks or higher retail prices<sup>1</sup>.</p>

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<sup>1</sup> [GSMA spectrum price policy position](#)