

Market-Based Spectrum Pricing

20 - 24 September 2010
Kenya



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Overview

The first part of the course introduces the need for spectrum management in general, highlighting why spectrum is a limited national resource and the need for key and active spectrum management.

Key spectrum management methods are introduced including administrative traditional 'command & control' approach, unlicensed spectrum, spectrum trading and spectrum pricing - and the role of the regulator.

The second part of the course covers spectrum pricing in particular covering administrative fees/prices, market-based prices, administered-incentive pricing, cost recovery - all approaches to pricing for spectrum.

The third part covers Administered Incentive Pricing (AiP) - perhaps the most practiced quasi-market based spectrum pricing approach drawing from the core principle of the opportunity cost of spectrum. It covers the practice and principles of AiP - and adjustments that are made for special users, e.g. Charities.

The fourth part covers auctions, different types of auctions, rules and procedures for auctions and auctions in practice (including tools to facilitate the auction).

The fifth part covers secondary markets and approaches to make them work better including spectrum liberalisation. It also draws the course to a close by pulling together the principles and practice of market-based spectrum pricing including band management.

PDT

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Objectives

The main objective of this course is to understand the principles and practice of market-based spectrum pricing including band management.

Target audience

- Telecommunications Engineers
- Economists (or related fields)
- Participants with experience in Frequency Spectrum Management
- Other Telecommunications professionals with an interest in Spectrum Management
- Telecommunication Regulators and Management

Expected outcome

- Understand the need for spectrum management
- Spectrum management methods, e.g. spectrum trading, spectrum for unlicensed use
- Administered-Incentive Pricing
- Spectrum liberalisation
- Spectrum auctions types and praxis
- Band Management & the role of a national spectrum regulator
- The principles and practice of market-based spectrum pricing

About the programme for development & training (PDT)

Managed by the CTO, the PDT is a unique low-cost membership programme providing needs-based professional training and capacity building courses on telecommunications policy, regulation, technologies and telecoms business management. The PDT has delivered over 3600 bilateral training and consultancy projects, covering every aspect of the telecommunications industry, training over 35,000 professionals in 33 countries of the Commonwealth.

Course content

Section One: Spectrum Management

Need for Spectrum Management

- What is "spectrum"?
- Spectrum as a limited national resource
 - Economic resource
 - Technical resource
- Need for spectrum management
- National and International regulation

Spectrum utilisation

- Broadcast
- Telecommunications
- Defence
- Science and research
- Future Technologies

Spectrum Management Methods

- Traditional (administrative method)
- Spectrum trading (market method)
- Unlicensed spectrum
- The role of the regulator

Section Two: Types of Spectrum Pricing

Administrative fees/pricing

- Determining administrative fees
- Implementing administrative fees

Market-based Prices

- Determining market-based fees
- Implementing market-based fees
- Future spectrum market-based pricing use

Administrative-Incentive Pricing (AiP)

- Determining AiP fees
- Implementing AiP Fees

Administrative Cost Recovery Pricing

- Determining cost recovery fees
- Implementing cost recovery fees

License Exemption

- Why license exempt?
- License exemption in practice
- Receivers & Short Range Devices (SRDs)

Section Three: Administered Incentive Pricing (AiP) in Detail

The Opportunity Cost of Spectrum

AiP in Practice

- Determining opportunity cost-based fees
- Implementing opportunity-cost based fees
- Future spectrum market-based pricing use

Adjusting AiP Prices

- Why & How to adjust
- Examples

Advantages & Limitations of AiP Pricing

- Advantages
- Limitations

Course content

Section Four: Spectrum Auctions

Types of Auctions

Specifying what is to be auctioned

- How to decide on what and why to auction
- How to specify what is to be auctioned

Rules and Methods of Auctions

- How to organise auctions
- Examples

Practice of Conducting Auctions

- Investment Memoranda
- Tools for conducting auctions

Section Five: Secondary Markets, Band Management & Trading

Secondary Markets

Band Management

- How to decide on whether to get external band managers

- What must be in place for band management to work

Trading Simplifications

- Why this is key for secondary markets to work
- Examples

Conclusions

- Drawing all the threads towards principles & practice of market-based pricing

Course content

Sama Nwana

Professor Sama Nwana is a Visiting Professor to Brunel University, West London. He hails from Cameroon, West Africa, and is passionate about using his western-gained education and experience to give back to his continent of origin. In this vein, he is also a Visiting Professor to a number of Cameroonian Universities and involved in many Diaspora activities including investment ones.

He was previously Managing Director at Arqiva (UK's broadcast transmission & infrastructure provider) where he was responsible for new spectrum-related opportunities like Mobile TV, mobile broadband, DAB radio/TV, etc. Before Arqiva, he was an Executive Director at Quadriga where he was credited with turning around the fortunes of this £75M European company.

He holds an MA from Cambridge, a PhD from Aston University and an MBA (with Distinction) from London Business School. He has also worked for British Telecom Plc and taught at the Universities of Liverpool, Keele and Calgary (Canada).

In partnership with:

Telecommunications Regulatory Board - PDT OP (Cameroon)

About the CTO

The Commonwealth Telecommunications Organisation (CTO) is an international development partnership between Commonwealth and non-Commonwealth governments, business and civil society organisations.

It provides the international community with effective means to help bridge the digital divide and achieve social and economic development through the use of Information and Communication Technologies (ICT) in the specific areas of Telecommunications, IT, Broadcasting and the Internet.

