An investment incentive framework?

Spectrum 5.0
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Personal views, may not represent Orange positions
A regulatory framework which incentivize investment?

- Investment as an explicit regulatory objective
  - Article 3 of the EECC
  - Not just rhetoric, positive legal impact

- 5G spectrum available in 2020
  - Specific provision in EECC

- Simplified authorisation process for small cells and access to public infrastructures and buildings

- Provisions to ensure
  - Rationale and fair criteria for spectrum allocation
  - Sound economic grounds for spectrum prices and fees, consistent with objectives
  - Spectrum paid only when available
  - Unfortunately, peer review to check actual implementation does not bite

- Spectrum under individual authorization and under general authorization complement, not substitutes

- No direct spectrum allocation to verticals
Impact of license duration on investment

• European minimum license duration hotly debated

• Pros: one invests more in assets you own than in assets you rent, so the longer the better
• Cons: long license goes against competition and innovation, hence against investment

• Commission proposed 25 years of minimum duration, political agreement on 20 years in line with current practice

• Empirical insight
  • WCIS public database of MNOs financial reports and spectrum rights
  • Cisco public database on traffics
  • 14 EU countries during 15 years
  • Clear cut outcome of empirical analysis:

  +1 year of license duration =

  +5€ / inhabitant / year of investment

  +10% yearly data traffic growth
Thanks