

Frequently asked questions

1. [What is a managed spectrum park \(MSP\)?](#)
2. [How much spectrum is available for the MSP?](#)
3. [When will the "use it or lose it" provisions apply?](#)
4. [What are the "charges and fees" to access the MSP?](#)
5. [Why is there a resource rental charge?](#)
6. [Why are the fees so low?](#)
7. [What is the indicative timeline?](#)
8. [Why can iwi groups access the MSP when there is a 25 MHz block already set aside for Maori?](#)
9. [Are there any current users in the MSP that need to be transitioned out of that spectrum?](#)

1) What is a managed spectrum park (MSP)?

This is a block of spectrum for shared use. It allows local/regional access for a selected number of users, but with requirements to coordinate with other users to enhance the quality of service otherwise achievable. It is a middle ground option between nation-wide spectrum rights with exclusive access (highest acquisition cost but offering high quality of service) and open (public) access in the General Licence "Wi-Fi" bands (easy access with no licence fees, but a greater risk of interference and reduced quality of service).

2) How much spectrum is available for the MSP?

The spectrum allocated for the MSP is 45 MHz in the 2.5 GHz band. It is located at 2575-2620 MHz. However, a guard-band needs to be provided at the lower boundary of the MSP to provide protection from interference from and to the adjacent management right.

Thus the effective bandwidth available for MSP services is 40 MHz, at 2580 to 2620 MHz.

3) When will the "use it or lose it" provisions apply?

The 'use or lose' provisions will apply from two years after licences are granted.

These rules are intended to ensure rightholders use rights or relinquish them (which frees up spectrum for new entrants and other rightholders).

4) What are the "charges and fees" to access the MSP?

The charges will be made up of:

A) Regulatory charge

An annual administration fee, currently of \$300 per transmitter per year (under Schedule 6 of the Radiocommunications Regulations 2001).

The annual administration fee covers the general administration of the Radiocommunications Act (register, EMC and operational compliance, IT, planning, etc)

B) Management charge comprising of

1. An application charge of \$5000
2. An annual park management charge of \$200 per base station transmitter, up to a maximum of \$1,000
3. A resource rental charge as estimated in Appendix Two of the Discussion Paper for each TLA.

[Top](#)

The application charge is intended to be sufficient to recover the Ministry's internal and external costs for managing and processing applications, and in particular the costs of the work done by the ARE (Accredited Radio Engineer) contractor.

The Ministry's costs will include:

- Tendering for, commissioning and liaising with the contractor
- Preparation of a database and website
- Administration of initial allocation procedures (including lot drawing)
- Issuing licences (where an ARE certificate has been issued)
- Legal costs.

The Ministry plans to refund any excess recovery on a pro-rata basis.

The annual park management charge relates to the cost of managing the MSP (maintaining a database and website, administering 'use or lose' requirements, responding to enquiries etc).

The resource rental charge is based on the average price per MHz paid at Auction 9 for 2.3/2.5 GHz per population.

5) Why is there a resource rental charge?

The reasons for a resource rental are:

- It recognises the value of right to use spectrum (which would otherwise be auctioned) and the lost value (foreclosed opportunity) to other potential users.
- It minimises "unfair" competition in a local area or region (including major metropolitan centres like Auckland) between those who have paid for a nationwide management right and those operating in a region using the MSP who would potentially face lower spectrum costs.
- It encourages applicants to be serious and provides a disincentive to gaming of the process.
- It encourages rightholders to use rights or to relinquish them (which frees up spectrum for new entrants and other rightholders).

The resource rental is intended to reflect:

- the extent to which there is scarcity (in some regions there may be plenty of available spectrum relative to demand)
- the local or regional nature of use of MSPs compared with nationwide rights
- the extent of geographical coverage and quantity of spectrum used.

The proposed resource rental is calculated using the average price per MHz paid at Auction 9 for 2.3/2.5 GHz per head.

6) Why are the fees so low?

- Access to the MSP is designed to be affordable for local and regional operators.
- It is for shared use rather than exclusive access
- Auction 9 prices were modest due to limited demand and possibly because of conditions of use.

[Top](#)

7) What is the indicative timeline

Design	
Submissions on discussion document close	18 July 2008
Decisions and announcements	end August 2008
Drafting of Final rules	
Preparation and review	end September 2008
Implementation	
Invite applications	early October 2008
Applications close	mid January 2009
Ministry appoints ARE contractor	late January 2009
Applicants advised of outcome of high level analysis by ARE contractor	March 2009
Issue initial licences	April 2009 onwards

8) Why can iwi groups access the MSP when there is a 25 MHz block already set aside for Maori?

The nation-wide management right (of 25 MHz) set aside for Maori has been offered by the Minister of Maori Affairs to Hautaki Ltd. The terms and conditions of the management rights deed for this piece of spectrum are the same as those of the management rights deed that successful bidders for other management rights have entered into, including acquisition limits, association rules and requirements for implementing services in any spectrum band that is the subject of the rights.

The lot offered to Hautaki Ltd is most suitable for deploying a nation-wide broadband network.

On the other hand, access to the MSP is suitable for local iwi groups who intend to deploy local/regional broadband services.

9) Are there any current users in the MSP that need to be transitioned out of that spectrum?

Yes. The spectrum to be used as the MSP will also be used by other pre-existing services, on a progressively diminishing basis, for a few years. This is to allow existing users time to purchase new equipment and transfer their services to other frequency bands.

This transitional use is for itinerant television linking which does not operate from fixed or predetermined locations.

The licence for this use is held by the Ministry.

Compatibility issues between transitional services and MSP services are discussed in the Paper.