

GOVERNMENT RESOLUTION ON SPECTRUM POLICY

The Government has on this date issued the following resolution:

1 Operating licences for the digital broadband 800 MHz mobile communications network are granted by means of a spectrum auction.

2 Legislative amendments required by the auction will be implemented in such a way as to allow the auction to be held during 2013 at the latest.

3 The objective of the auction is:

- a) to promote efficient and market-based use of frequencies
- b) to extend the availability of mobile broadband, especially beyond built-up areas
- c) to achieve the quickest possible introduction of a national mobile broadband communications network
- d) to generate revenue for the state.

4 Frequencies contained in the band to be auctioned are auctioned in frequency pairs of 2x5 MHz.

5 In the auction, an enterprise, organisation or association will be granted a licence for each frequency pair for which it has made the highest approved bid, provided that the total number of frequencies does not exceed 2x15 MHz.

6 The starting price of one 2x5 MHz frequency pair is EUR 16.67 million. The auction payment to the state is to be settled during a period of five years.

7 A condition is included in the operating licence of a certain number of the frequencies to be granted, requiring that a network complying with the operating licence be constructed to cover 95 per cent of the population in mainland Finland within 3 years of the start of the licence period and 99 per cent of the population in mainland Finland within 5 years of the start of the licence period. The other licences to be granted for the frequency band will include a condition according to which a network complying with the operating licence must be constructed to cover 97 per cent of the population in mainland Finland within 5 years of the start of the licence period.

A telecommunication operator's own network must provide 35 per cent of the required population coverage. Joint use of networks is not restricted outside the area in which the operator's own network is required.

In calculating coverage, networks built up by the licence holders in the 2.6 GHz and 1800 MHz frequency bands will be taken into account.

The coverage requirement is to be implemented such that a reasonable indoor coverage is also ensured within the coverage area.

8 Licences for the frequency band are granted in a technology-neutral manner.

9 Licences for the frequency band are granted for a period of 20 years.

10 The provisions of the Communications Market Act (393/2003) and those of the Act on Auctioning Certain Radio Frequencies (462/2009), to be amended during 2012, will apply, where appropriate, to the licence terms and conditions and to the auction procedure with regard to issues such as licence transfers and leasing of the right to use frequencies, along with more specific provisions on the auction procedure, including the switching of bids between frequency pairs.

11 Other terms and conditions relating to the auction and licences will be prepared in conjunction with law-drafting. The other terms and conditions to be attached to the licence will be notified at the latest when licences are announced open for application.

12 Other than mobile broadband network use within the frequency band to be auctioned will cease by the end of 2013. Replacement frequencies have already been allocated for radio microphones. After the resolution has been adopted, the authorities will take care that those concerned are provided with sufficient information and told about the measures that may need to be taken.

13 The Code for Information Society and Communications Services to be prepared in accordance with the Government Programme will be drawn up in such a way as to allow the auction process to be used in the future as well, especially in granting licences for new frequency bands. In the same context, consideration will be given to introducing, in those frequency bands in which the auction procedure is not used, a spectrum fee that reflects the market value of frequencies and exceeds the administrative costs.

14 The Resolution on Spectrum Policy applies to mobile communications. Decisions relating to the future of television broadcasting will be evaluated in the electronic media communications policy programme referred to in the Government Programme.

15 The Ministry of Transport and Communications will appoint a spectrum committee to assist the Ministry in policy development and preparations for implementing the Resolution on Spectrum Policy.