

REQUEST FOR APPLICATIONS

INTRODUCTION

- 1 We have received a request for a Cellular Mobile Spectrum License to use radio frequency spectrum blocks in the 1800MHz band (1710 MHz to 1785 MHz paired with 1805 MHz to 1880 MHz).
- 2 Accordingly, as required by the Spectrum Licensing Rules 2019 (“**the Spectrum License Rules**”), we are publishing this Request for Applications for Spectrum Licenses.

LEGAL FRAMEWORK

- 3 The spectrum requested is intended to be used for the purpose of providing Cellular Mobile Services to the public. Other spectrum in the 1800MHz band is currently being used by FSMTC to provide Cellular Mobile Services to the public.¹
- 4 Section 2(3) of Schedule 1 of the Spectrum License Rules requires us to publish a Request for Applications when we receive a request for spectrum for Cellular Mobile Services.
- 5 Under Section 17(3) of the Spectrum License Rules, a Request for Applications must:
 - (a) *be published on the Authority’s website and, as applicable, in such other manner as the Authority may deem appropriate;*
 - (b) *identify the blocks or bands of available Radio frequency spectrum for assignment and their expected use;*
 - (c) *set forth the applicable eligibility requirements to obtain a Spectrum License;*
 - (d) *establish aggregation limits in accordance with Section 9, as applicable;*
 - (e) *specify, where applicable, the number of Spectrum Licenses to be assigned;*
 - (f) *establish the timeframe to present applications which shall be at least thirty (30) days after publication;*
 - (g) *reference the application and annual fees attached to the Spectrum License;*
 - (h) *provide a draft of the Spectrum License to be assigned; and*

¹ Mobile Cellular License No FL -MC- 001 authorizes FSMTC to use, among others, 1710 MHz to 1730 MHz paired with 1805 MHz to 1825 MHz.


(i) address such other matters as the Authority may deem appropriate.

AVAILABLE SPECTRUM AND APPLICATION PROCESS (SECTION 17(3) OF THE SPECTRUM LICENSING RULES)

6 We are making available paired blocks of 5 MHz (2x5 MHz) of spectrum in the 1800MHz band (Band 3) **in Yap State**. The spectrum in the 1800MHz band is intended to be used **for the purpose of providing Cellular Mobile Services to the public**.

7 The blocks and band plan are described in the following table:

Block	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Uplink	1710	1715	1720	1725	1730	1735	1740	1745	1750	1755	1760	1765	1770	1775	1780
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Downlink	1715	1720	1725	1730	1735	1740	1745	1750	1755	1760	1765	1770	1775	1780	1785
	1805	1810	1815	1820	1825	1830	1835	1840	1845	1850	1855	1860	1865	1870	1875
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	1810	1815	1820	1825	1830	1835	1840	1845	1850	1855	1860	1865	1870	1875	1880

 Previously assigned to FSMTC

8 General conditions for eligibility for applicants, as set out in section 19 of the Spectrum License Rules, and additional conditions and requirements, as set out in Section 2 of Schedule 1 of the Spectrum License Rules, are detailed in later sections of this Request for Applications.

9 In accordance with section 9 of the Spectrum License Rules, in order to promote competition and innovation in the FSM market and to avoid undue concentration of radio frequency spectrum resources by a licensee, its parent corporation or other entities within its corporate group, we propose to limit any one licensee (including its parent corporation or other entities within its corporate group) to **a maximum of seven (7) paired blocks of spectrum** in the 1800MHz band. This will ensure no one licensee can control more than half of the spectrum available in the 1800MHz band.

10 A maximum of 2x35 MHz is therefore available to any one licensee or its affiliates. Applicants who are not already licensed to use spectrum in the 1800MHz band may apply for any number of blocks, up to the maximum number of seven (7). Applicants who are already licensed to use spectrum in the 1800MHz band may apply for additional blocks of spectrum, as long as the sum of their existing blocks and of the blocks requested does not exceed the maximum number of seven (7).

11 Successful applicants will be assigned contiguous blocks.

12 Applicants must submit their applications by 5 p.m. on **February 19, 2024**. Applications should be sent to **anfernee.mallarme@tra.fm**.

13 The application fee must be submitted with or before the application. The relevant fee is **\$85 per block of 2x5 MHz spectrum**, as set out in the Schedule of Fees Rules 2019. The application fee is not refundable (per section 11(3) of the Schedule of Fees Rules 2019).

- 14 The annual fees for nationwide 1800MHz band (Band 3) spectrum are \$6,390 per 2x5 MHz block per year, as set out in the Schedule of Fees Rules 2019. In accordance with section 5 of Schedule 1 of the Schedule of Fees Rules 2019, the annual fees for a Cellular Mobile License set forth above assume the assignment of a license with national coverage. We may reduce such fees in proportion to the population covered (based on the 2010 census²) if a Cellular Mobile License is granted with sub-national coverage. Noting that applications under this Request for Applications are limited to Yap State and that Yap State accounts for 11.1% of the FSM population based on the 2010 census, if the applicant is successful **the annual fees for a block of 2x5 MHz of 1800MHz band spectrum are \$709.29 per year** and the annual fees for 2x35 MHz (7 blocks) of 1800MHz band spectrum in Yap State (the maximum available to any one applicant and its affiliates) would be **\$4,965.03 per year**.
- 15 In accordance with section 13 of the Schedule of Fees Rules 2019, the licensee shall pay the annual fee in one installment for the first year of the license term within ten (10) days upon grant of license, and thereafter on the fee payment date set forth in the Cellular Mobile Spectrum License.
- 16 A copy of the draft Spectrum License, including coverage obligations, is attached to this Request for Applications.

GENERAL ELIGIBILITY CRITERIA FOR FREQUENCY LICENSES (SECTION 19 OF THE SPECTRUM LICENSING RULES)

- 17 Applicants must meet the following general eligibility criteria:
- a. the applicant is registered or incorporated with the FSM Registrar of Corporations, in accordance with the Corporate Registry Act, as amended by Public Law 20-35;
 - b. if the applicant, its parent corporation or other entities within its corporate group, holds or has held a license issued by the Authority:
 - i. there are no outstanding fees, fines, or other charges to be paid; and
 - ii. such license has not been terminated by the Authority within the last three (3) years;
 - c. the applicant, its parent corporation or other entities within its corporate group, possesses the financial and technical capabilities to carry out and engage in the planned Communications Networks and Communications Services; and
 - d. the applicant and its planned Communications Network and Communications Services are not likely to negatively impact competition in the FSM communications market.

² <https://www.fsmstatistics.fm/social/population-statistics/>

**CONDITIONS AND REQUIREMENTS FOR CELLULAR MOBILE SERVICE LICENSES
(SECTION 2 OF SCHEDULE 1 OF THE SPECTRUM LICENSING RULES)**

- 18 Persons applying for a Cellular Mobile Services License must obtain an associated Operating License. Per section 331 of the FSM Telecommunications Act of 2014, applicants may combine their application for a Cellular Mobile Services License with an application for an Individual Operating License if they do not already hold the appropriate Operating License. A separate application and application fee may be applicable, as set out in the Telecommunications Operating License Rules for the Federated States of Micronesia, 2019 and in the Schedule of Fees Rules 2019.
- 19 A License granted under section 2 of Schedule 1 of the Spectrum License Rules includes both the right to use approved frequencies and to operate the end user Radio Apparatus that uses those frequencies.
- 20 A License granted under section 2 of Schedule 1 of the Spectrum License Rules authorizes the Licensee to deploy an unlimited number of base stations and end user terminals; no individual authorization of such Radio Apparatus is required from the Authority.
- 21 Communications Network and end user Radio Apparatus do not require our approval prior to the commencement of operations provided they are compliant with the provisions of section 32 of the Spectrum License Rules.
- 22 The Authority shall assign Licenses under section 2 of Schedule 1 of the Spectrum License Rules for use of the radio frequency spectrum block or band in the entire territory of the FSM as the preferred approach.
- 23 Notwithstanding the preceding paragraph, Licenses under section 2 of Schedule 1 of the Spectrum License Rules may be granted for use of the radio frequency spectrum block or band in one or more individual States of the FSM provided that such Licenses do not include the State of Pohnpei.
- 24 Radio Apparatus used as part of providing the authorized service shall comply with any technical standards or requirements in accordance with section 32 of the Spectrum License Rules.
- 25 Licensees shall comply with other technical conditions (e.g., power limits for Radio Apparatus and end user devices) may be specified from time to time in order to minimize interference.
- 26 Licensees shall comply with such additional conditions and requirements as may be established by the Authority in the Cellular Mobile Service License.
- 27 Holders of a Cellular Mobile Service License shall:
 - a. only use the radio frequencies or radio frequency bands approved by the Authority;
 - b. register tower locations and antennae structures with the Authority, but no prior approval for building such towers or antennae is required from the Authority. It is noted that permits, authorization or licenses may be required from other local or national agencies for tower construction; and
 - c. keep adequate records to allow any instances of interference to be resolved.

- 28 The initial term of Cellular Mobile Service Licenses shall be **fifteen (15) years**, with renewals allowed under section 24 of the Spectrum License Rules.

ATTACHMENT: DRAFT SPECTRUM LICENSE