

Responses to Queries related to the Information Session (27th March 2014)

S No.	Question	PTA Response
1	Only definition in IM is in Table 11 “A mobile operator in Pakistan not currently holding spectrum in the 900 MHz or 1800 MHz bands that obtains a License in the NGMSA”. Please clarify what will happen in case a new entrant taking 850MHz spectrum acquires/merges/is sold with/to an existing operator before network roll-out obligations are fulfilled (i.e. within 8 years from spectrum assignment).	The License holder will be required to fulfill the terms of the NGMS License. The license is issued in the name of the Company. Hence, the license remains the same. Only the management changes
2	Can an existing operator not obtaining any spectrum in the NGMSA refarm its spectrum to provide 3G/4G services? Which is the associated procedure? Are there any specific costs/fees to be paid?	Not in the scope of the NGMSA Award However, the terms and conditions of existing license will prevail
3	Can an existing operator obtaining spectrum in the 2100MHz band refarm its already assigned 1800MHz spectrum to 4G and its already assigned 900MHz spectrum to 3G? Which is the associated procedure? Are there any specific costs/fees?	Not in the scope of the NGMSA Award However, the terms and conditions of existing license will prevail
4	Please confirm that tech neutrality includes forward looking spectrum management techniques (e.g.carrier aggregation)?	Technology neutrality includes all services permitted by the license, which includes carrier aggregation.

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5	<p>“Licensees may enter into commercial arrangement with each other for active sharing and spectrum trading”. Please confirm that active sharing and spectrum trading allowance covers all spectrum assigned to every operator (i.e. including 900 and 1800MHz spectrum not assigned during NGMSA).</p>	<p>Please refer to clause 1.6.5 of the IM and Clause 2.6.1 of the latest license template.</p>
6	<p>Active Sharing and Spectrum Trading shall not take effect till such time the GoP policy is in place and subject to the formal approval and comprehensive framework of PTA. Is there an expected timeline for GoP policy and PTA comprehensive framework? Can operators assume in their BP that Active Sharing and Spectrum Trading will be effectively available within 3 years?</p>	<p>The framework will be prepared by PTA, if necessary when the Policy is received. Policy is to be announced by the Federal Govt.</p>
7	<p>With respect to the 18 months embargo to hold any auction(s) of any spectrum/license. Please clarify the condition of “all designated Spectrum being sold out”: Is this condition related to 2100MHz spectrum only?</p>	<p>No. As per section 1.4.3 of the IM, this applies to all spectrum i.e. 2100, 1800 and 850 MHz</p>
8	<p>Please confirm what would happen in case all 2100MHz spectrum is sold but some 1800MHz and/or 850MHz remains unsold. Would the 18 months embargo still be valid with the only exception of the NGMSA unsold spectrum?</p>	<p>Yes</p>

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9	<p>“The assigned spectrum must not be used to provide Fixed Services”. Please confirm that mobile data services available through dongles and any kind of M2M (machine to machine) services (e.g. smart grid metering, consumer electronics remote control, alarm systems etc.) are authorized and not considered Fixed Services.</p>	<p>Kindly refer to the definition of ‘Fixed Services’ in Section 7 of the NGMS license</p>
10	<p>“The spectrum included in the sealed bid offer is a binding commitment”. Please confirm that such binding commitment only applies at Sealed Bid Offer Stage. In other words an operator acquiring 2100MHz at auction stage will not be obliged (he will have the opportunity) to buy the 2x10MHz in 1800MHz band that was included in the Sealed Bid Offer.</p>	<p>Refer to Section 4.15 & 4.9 of the IM. Binding commitment applies on the bidder throughout the NGMSA process at all stages in case he wins or if there is any unsold spectrum at the end of the auction.</p> <p>binding holds also if only 5 MHz is left unallocated at the end of the auction; in this case the reserve price for 5 Mhz will be half of the reserve price for 10 mhz;</p>
11	<p>Please clarify whether the Mock Auction will be conducted centrally in shape of training or both centrally as well as from our actual location from where we shall participate for the final auction? It is recommended that Mock Auction should be conducted centrally as well as from our actual location from where we shall participate for the final auction. This will save us from unwanted interruptions during actual auction process.</p>	<p>Mock auction will be conducted with bidders bidding over the internet from their preferred locations.</p>

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12	Our perception from clause 4.2 of the IM is that PTA will fix the incremental price before every round and the prospective bidders will have to show their willingness to purchase the lots by bidding higher than the fixed price. Highest bidder's bid will be called SHB and the process will continue till there is no activity in the round. It will be more convenient for the prospective bidders if the same is explained with the help of an example incorporating all the scenarios please.	This statement is correct. It is important to note that the bidder with the standing highest bid on a lot does not have to bid for the new price for that lot. PTA will apply a bid increment to lots receiving new bids on a round. An example shall also be provided.
13	Can the PTA provide guidance in advance about the following aspects of the auction in order to facilitate bidders to manage their internal governance processes during the auction:• The minimum and maximum size of bid increments per round and the methodology used to determine them (e.g. absolute or percentage increases);• The minimum and maximum time duration for a round; and• The minimum and maximum number of bidding rounds per day?	Round Schedules and exact initial increment will be provided to eligible bidders as part of the Bidder information Package but enough time will be provided for rounds and in-between rounds. The increment will be up to a maximum of 5%. The minimum duration of a round will be 30 minutes with minimum of 15 minutes between rounds. The minimum and maximum number of bidding rounds per day will be as many as PTA can fit between 10 am and 6 pm Pakistan standard time. A bidding round will not go past 6 pm on any bidding day. Hence, the bidding rounds can range between 4 and 10.
14	Can we use the same login ID from two different places at the same time?	Only one login at a time. It can be from any location
15	What specific frequency ranges in each of the 2100MHz and 1800MHz bands will be available for this auction? This information may be provided to the prospective bidders before	Exact Frequency lots of 2100 band will be announced after the sealed bid and will also be visible to the bidder at the time of

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	submission of their sealed bid offers.	bidding. For 1800 band, PTA will try to facilitate the operators to get contiguous spectrum upon their consensus
16	The PTA states that in case more than one entrant applied for 850MHz at the reserve price, there will be a “mechanism” to determine the winner. Need clarity on the mechanism? Would this mechanism take place before or after the auction for 2100/1800 MHz?	Please refer to clause 2.2.2.of the IM. It will be decided once the auction of the 2100/1800 MHz happens and results are announced.
17	Will PTA provide the information regarding the initial eligibility of all the bidders to the qualified bidders?	No, only the identities of qualified applicants will be revealed
18	Our perception is that no additional taxes (including VAT or withholding tax of any kind) are associated with payments for this spectrum fees. Can the PTA confirm that this interpretation is correct?	As per applicable laws
19	We believe that the success of any auction is mainly dependent on the transparent processes. But the element of transparency in this auction is missing when IM says that the Standing High Bidders’ identities will not be disclosed at the end of each round. Will PTA reconsider its stance regarding disclosure of the identity of the Standing High Bidder after every round for the sake of transparency?	The information policy is designed to limit opportunities for collusion and strategic behavior

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20	Can a bidder's team participate in the bid from outside Pakistan or can two teams of a bidder participate concurrently (one local and one abroad) under same login or ID?	Only one login at a time. It can be from any location.
21	What factors will the PTA consider in deciding whether to divide the 2100MHz spectrum up into 2x5MHz or 2x10MHz lots? In case of interest by a bidder in 2x15MHz, will 5 MHz be the basic lot size for actual bids (i.e. 6 lots in 2100 MHz) with aggregation left to bidder's choice? Are any other permutations for lot structure possible?	It will be decided after receipt of sealed bid.
22	If 2x5MHz lots are being made available, then is it possible for any operator to get a 2x5MHz lot in 2100MHz band? e.g. if any operator bids for 2x15MHz, can the remaining 2 x 5MHz be obtained by another? Is 2x5 MHz of 2100 MHz spectrum a feasible outcome for any operator?	A bidder may bid for and win 2x5 MHz of Spectrum if it is offered in the SMRA. All options will be considered before the decision of availability of 2x5 MHz lots is made. Feasible outcome question is related to the Operators.
23	Will the current prescription of holding on to crucial spectrum packaging arrangement information till after the sealed bid stage and possibility of arbitrary decision midway through the auction; not lead to possibility of creating artificial scarcity during the bidding process?	It is not appropriate for PTA to speculate on what might happen during the auction or potential outcomes

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24	Bidding simultaneously forms the basic concept of SMRA. However no simultaneous bidding activity is foreseen in the prescribed auction format. Can PTA explain what "Simultaneous" bids on different packages can an existing operator make?	All lots or packaged lots available including 2100 and 1800 MHz spectrum can receive simultaneous bids. There will be at least 3 lots in the 2100 MHz band available.
25	Lack of demand information from previous round precludes the possibility of intelligent price discovery and hence may hamper the efficiency of spectrum allocation. Why information about demand in previous round is not available to bidders?	The information policy is designed to limit opportunities for collusion and strategic behavior.
26	The inter-round increments are variable, arbitrary and nothing currently in the IM preclude untenable, unforeseen and abrupt jumps. In the interest of fairness and efficient allocation will PTA at least reveal the range being considered for possible inter-round increments before start of the auction?	Up to a maximum of 5% of the highest of base price / SHB.
27	It would also be helpful to understand the bid increment setting method to be adopted by PTA. The IM states PTA will inform about the bid increment values min and max but does not say how these will be derived.	It will be a function of demand.

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28	Withholding the identities of the Standing High Bidders' coupled with non-disclosure of demand information at the end of each round raises questions about transparency and efficiency of the auction. Will PTA reconsider its stance regarding disclosure of the information after every round for the sake of transparency (analogy with Open Outcry British Auction)?	The information policy is designed to limit opportunities for collusion and strategic behavior.
29	According to current provision of the IM there will be specific lots with frequency ranges at auction stage effectively meaning several similar lots within same frequency band. Could winning price of individual lots within the same band be different?	Winning prices may be different for different lots.
30	What aggregation mechanism will be employed by PTA if lots won by a bidder are fragmented and rearrangement is required particularly in case that final price for similar lots and the bidder priorities may be different?	During the SMRA bidders bid for specific lots. Bidders have the opportunity to bid for lots that are adjacent to each other.
31	Can PTA elaborate on the mechanism of bidding penalties and waivers?	<p>If a bidder is inactive during a round (i.e. does not click the submit button) a waiver will automatically be submitted on its behalf (i.e. an "automatic waiver"). A bidder may also submit a waiver using the feature on the bid form (i.e. a "proactive waiver").</p> <p>Bid withdrawal is not permitted. Penalties</p>

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		associated with the award process are as described in Section 5.2 of the IM.
32	Does automatic submission of waivers mean that eligibility point penalty for inactivity will only be applied if the bidder has run out of all waivers?	Yes
33	Is the randomly selected bidder the final winner for the lot if there are no subsequent bids?	Yes
34	What mechanism is proposed to avoid a speculative price war loop which can possibly ensue for the lot on the pattern of gambling?	Any bidder shall be required to pay for any bid submitted if that becomes a winning bid. This discourages bidders from submitting bids that are higher than their true valuation for the spectrum.
35	Switching rules have not been defined. Waiver a switch can effectively enable good aggregation. Can PTA prescribe an inter-lot switching mechanism for the SMRA particularly if the option of 2 X 5 MHz basic lots is introduced as a result of sealed bid stage?	A bidder that is the standing high bidder on a particular lot cannot withdraw that bid. A bidder whose high bid is topped will have free eligibility points going into the next round. That bidder is able to bid those points on the same lots or switch to other lots.
36	As far as current information from IM is concerned it appears that outcome of the 2.1 Ghz plus initial indication of interest for 1.8 Ghz via sealed bid will jointly determine starting lineup for 1800/4G bands. Effectively there could at maximum be a competition between three players for two 1800MHz (4G) lots.	Yes the auction will remain SMRA. 1800 MHz band will be packaged with 2100 MHz band if necessary. Bidders interested in 1800 lots will compete on packaged lots. If only two bidders show interest in 1.8 GHz,

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	Will the PTA clarify the competitive mechanism to be adopted for 1800 award? Will it stay SMRA?	SMRA will only happen on the 2100 MHz band and those who win at least 2X10 MHz in the 2100 MHz band and had shown interest in the 1.8GHz band by submitting the appropriate bid money would be given the 2X10 MHz in the 1.8 GHz band at the base price.
37	Also can we explicitly ask for a confirmation whether 2100 and 1800 would be simultaneously auctioned or would that be in stages, with 2100 happening first?	If there is excess demand of 1800 and 1800 is packaged with 2100 in SMRA stage, the auction will be simultaneous on all 2100 lots i.e. packaged with 1800 and non-packaged lots.
38	It is believed that there can be no retreat once sealed bid EOI is made for either 3G or 4G bands. In case of withdrawal bid money would be forfeited. Whether withdrawal from contest in one band (during or post auction) will also have an impact on successful bids in other bands needs to be clarified. Question: Can PTA explain whether withdrawal from 1800 MHz band after initial sealed bid EOI and after winning 2100 MHz lot band will also have an impact on the already won bid for 2100 MHz?	Please refer to section 5.2 and 5.3 of the IM. Yes, if 2100 and 1800 MHz have been packaged. If there are separate lots for 2100 and 1800 MHz, it will depend on the situation and PTA will decide at that time.
39	What would the PTA do with the 850MHz block in the event that no entrant applied for or bought the spectrum? Would existing players be subsequently given the chance for allocation of 850 MHz frequency block?	If no potential Market Entrant applies or buys the 850 MHz spectrum, it will not be awarded in the NGMSA and an auction of the same may happen later

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40	There can be a potential impact on bid strategy if 850/1800/2100 are offered for allocation simultaneously. Is there a possibility of all three bands on offer to be auctioned simultaneously?	No
41	Clarity is required that whether the bidders will have to match the highest bid price or each lot that PTA intends to offer will have its own winning price. To be precise is it possible that different bidders will have to pay different winning price for the same 10 MHz lot in 2100 MHz band. Besides will it be possible for the bidders to shift lots from this round to the next round in the auction process?	<p>Each lot offered by PTA will have its own winning price: in SMRA, it is possible for each lot to have a different winning price.</p> <p>Standing High Bids cannot be withdrawn. SHBs cannot shift lots.</p>
42	We need a clarification that as per IM payment can be made either in USD or equivalent PKR but currently State Bank of Pakistan does not allow to issue pay order or make payment in USD to local organizations so we would like to know that how can payment be made in USD to PTA	Procedure for payment is given at clause 5.3. The operator can deposit in USD and even in equivalent PKR amount. If they have a USD account in Pakistan, they can pay by cheque of USD account.
43	If PTA intends to reduce the spectrum floor in 2100 MHz to 2x5MHz band will the winner of 2x5 MHz spectrum in 2100 MHz band be eligible for spectrum bidding in 1800 MHz.	No

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44	The IM vide section 4.2 mentions that the auction will have an "activity rule", to penalize bidders who are inactive by reducing their "eligibility points". What the penalty of the inactive, only reducing the eligibility points'?	The penalty for not bidding to the fullest extent possible in a round is to have reduced eligibility in the following round.
45	In case no new entrant applies for spectrum in 850MHz block would the existing bidders be eligible for bidding for this spectrum?	No. The 850 MHz spectrum is reserved for Market Entrants in the NGMSA. However, the same may be auctioned later if there is no new entrant or they don't win the SMRA auction.
46	We request that roadmap may please be regarding the future allocation of Additional spectrum in the 1800MHz band, 2100 MHz band and 2600 MHz band.	As per policy directive dated 17th March 2014, there will be no auction for another 18 months. However, unsold/leftover spectrum from this auction can be auctioned any time as PTA deem it appropriate
47	As per Section 1.5 of the IM bidders will receive "confidential information and instructions" on 18 April. We request that the information should include a detailed manual of the auction software and the list of pre qualified bidders.	Yes the package will contain software manual and a list of qualified bidders
48	For a winning bidder, the IM states that the Pre-Bid Deposit shall be used as part payment for the License Fee. Please confirm that this will be the amount in US Dollars at the time of deposit, regardless of whether the deposit was paid in US Dollars or in PKR?	Please refer to section 2.6 of the IM. It will be considered in the same currency in which it was paid. The remaining 35% or 85% as applicable will have to be paid in USD or equivalent PKR at the conversion rate of NBP of the day preceding the date of payment.

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49	In case a bidder opts for the 50% payment option, the remaining 50% is to be paid in 5 equal instalments, which would carry a Cumulative Mark-up Rate of 1 Year LIBOR + 300 BPS. Can PTA confirm if the rate would be on a floating basis or fixed for the term of the licence?	Floating rate at the due date of making the payment
50	Regarding the requirement for a performance bond against fulfilment of the licence obligations, please confirm whether a separate bond of \$15m is required for each band in which a winning bidder acquires spectrum? Is the amount of \$15m fixed regardless of the amount of spectrum that the bidder acquires in the band? What would be the mechanism to determine the proportionate amount of Performance Bond to be forfeit against any roll-out obligations “not met”? and finally what would be tenure of the bond(s)?	<p>Yes, a separate bond will be required for each band.</p> <p>Yes, the amount of \$15 million is fixed regardless of the amount of spectrum that the bidder acquires in each band.</p> <p>Proportionate amount of Performance Bond (PB) will be forfeited as per the following example:</p> <p>For the 2100 MHz band if the rollout for first phase is not completed within time, PB to the extent of 12.5% (9 months/72 months) and 18% (15 months/72 months) for new entrant shall be forfeited. The percentages of subsequent phases are:-</p> <p>For 2100 band:</p> <p>2nd Phase= 12.5 % for existing, 18% for New Entrant</p> <p>3rd Phase=41.67 % for existing, 35% for New Entrant</p> <p>4th Phase= 33.33% for existing, 29% for New Entrant</p> <p>For 1800 band:</p> <p>1st Phase= 14% for existing, 19% for New Entrant</p>

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		<p>2nd Phase= 29% for existing, 25% for New Entrant 3rd Phase= 28% for existing, 31% for New Entrant 4th Phase=29% for existing, 25% for New Entrant</p> <p>For 850 band: First Phase= 20% Second Phase= 20% Third Phase= 30% Fourth Phase= 30%</p> <p>The PBs will be continuing Bank guarantees i.e. they will not expire until rollout obligations have been met or in case of not meeting the roll out obligations, the PBs are encashed by PTA to the extent of roll out not met. If roll out of all phases is met, the tenure of the Bonds will be equal to the total roll out period.</p>

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51	<p>The rollout obligation mentioned in Appendix 1 of the Licence Terms mentions that the Licensee shall</p> <ul style="list-style-type: none"> • Third Phase: “provide NGMS coverage in 75% of District headquarters (minimum of four 4 District Headquarters in each province), where coverage of a District Headquarter means the area of the Tehsil within which the District Administrative headquarter lies.” • Fourth Phase: “provide NGMS coverage in 50% of all Tehsil headquarters (minimum 20 Tehsil Headquarters in each province). We are of the opinion that the coverage obligation would be met if the licensee provides coverage in any part of the Tehsil by the required date. However we request further clarity from PTA in this matter. 	<p>Kindly refer to the Roll out obligations in the IM published on 17th March 2014 in which this section was based on the feedback from the operators.</p>
52	<p>The IM mentions that the spectrum awarded will be “technology neutral.” We request clarity from PTA that shall we be allowed to use the spectrum assigned in this award to deploy advanced 2G technologies, such as edge, and all associated services, including voice and SMS?</p>	<p>The licensee shall be under obligation to meet the roll out obligation and QoS KPIs spelled out in the NGMS license.</p>
53	<p>What kind of visibility PTA will provide to each operator regarding other operators bandwidth choice submitted through sealed document and lot choice and bidding price after each round. We need necessary information to make our decision.</p>	<p>Only identities of other bidders will be communicated</p>

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54	Prepayment penalty: if operator opts for 50% installment option and after that within 5 years pays off remaining outstanding installments in one go would there be any pre-payment penalty by PTA.	No, however cumulative markup rate at the rate of one year LIBOR + 3 percent will be charged from the effective date of license to the payment date
55	Direct Payment in PTA Account: Can Operator through Parent Equity or Parent Loan directly remit USD in PTA's account? In such case would State Bank accept such direct transfer as Equity or loan registration?	As far as payment to PTA is concerned procedure is given in clause 5.3 of the IM. For the second query, the Operator may approach SBP.
56	Direct Payment in PTA account: Can Operator remit from its USD account in Pakistan to PTA in USD?	Yes, the process of payment is described at Clause 5.3
57	Return of Funds to Operator: In case of unsuccessful bid would PTA return the money in equal USD and which rate would be applicable?	Funds will only be returned in PKR equivalent to USD paid

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58	AAA Rating Requirements for Banks: IM mentions in clause 5.4, The triple AAA rating of banks for issuance of Bank Guarantees and Bonds. It should be clarified if a foreign bank operating in Pakistan like CITI and ICBC if have international rating (Moody, S&P) how equivalency would be made for such banks to issue the Guarantees/Bonds.	As reference in Clause 5.4 of the IM, foreign banks with A1 rating of Moody's (which is equal to A+ rating of S&P and Fitch) are also eligible to provide guarantees.
59	What factors will the PTA consider in deciding whether to divide the 2100MHz spectrum up into 2x5MHz or 2x10MHz lots? In particular, if no bidders apply for 2x15MHz, will the PTA still consider adopting 2x5MHz lots? Also, will PTA consider any other lot structure than 10-10-10 or 10-10-5-5?	Will be decided after the sealed bid offer
60	The PTA states that in case more than one entrant applied for 850MHz at the reserve price, there will be a "mechanism" to determine the winner. Would this mechanism take place before or after the auction for 2100MHz? Will the mechanism be competitive and, if so, will any criteria other than bid amount be used?	After the SMRA auction However, the new entrant must win spectrum in the 2100 MHz band to qualify for the 850 MHz spectrum.
61	What would the PTA do with the 850MHz block in the event that no entrant applied for or bought the spectrum?	Please refer to clause 1.4.3 of the IM

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62	<p>In the IM, it is stated that “The spectrum floor for the 2100 MHz may be reduced to 2x5 MHz for the auction stage depending upon the lot definition following receipt of Sealed-bid Offers.” Please clarify if this statement can be reinterpreted as follows: “The spectrum floor for the 2100 MHz will be reduced to 2x5 MHz for the auction stage if the PTA decides to make some of the spectrum available in 2x5 MHz lots.” If not, please clarify what would happen if, during or at the end of the auction, a bidder was standing high bidder on only one lot of 2x5MHz and/or had only 1 eligibility point?</p>	<p>The commitment to buy at least 10 MHz at reserve price, which is indicated in the IM as a key requirement to participate in the sealed bid, binding holds also if only 5 MHz is left unallocated at the end of the auction; in this case the reserve price for 5 Mhz will be half of the reserve price for 10 mhz; PTA will package blocks in order to minimize the risk of unallocated 2100 spectrum</p> <p>In case more than one bidder is left with less than 10 Mhz won in 2100 band and there is unallocated 2100 band spectrum, PTA reserves the right to define at a later stage whether or not to allocate the unsold spectrum to the bidders.</p>
63	<p>We understand that “Lots will be concrete and tied up to a specific uplink and downlink frequency range.” Does this mean that it is possible that a bidder bidding on two blocks (if the lot structure allows for this) could bid for frequencies that are not contiguous?</p>	<p>Yes</p>
64	<p>We also understand that “some of these lots may also be tied up to the option of buying a 2x10 MHz lot in the 1800 MHz band after the auction”. Which specific frequencies in the 2100 MHz band will be tied to 1800 MHz lots?</p>	<p>This will be decided after the Sealed-bid Offer stage</p>

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65	Section 3.1 of the IM states that "... expressing a binding commitment for 2 segments (2x10 MHz) in 2100 MHz band is mandatory to participate in the NGMS Auction, and the applicant is bound to buy at least 2x10 MHz in the 2100 MHz band." Please confirm that this obligation applies to a new entrant, whether or not they apply to buy the 850MHz lot.	The requirements for the Sealed-bid Offer apply to market entrants and existing operators.
66	The following paragraph which describes the process if the auction is not required appears to conflate two sentences and is not clear. Please provide a correction: "In the case where the auction is not required due to no excess demand, applicants that submitted a Sealed-bid Offer supported by a correct pre-bid deposit will be awarded the amount of spectrum stated in their Sealed-bid Offers for the 2100 MHz band at the Base Price, and for the 1800 MHz lots the Government reserves the right to hold the spectrum for a future auction or award it as deemed appropriate." (p24)	In the case where the auction is not required due to no excess demand, applicants that submitted a Sealed-bid Offer supported by a correct pre-bid deposit will be awarded the amount of spectrum stated in their Sealed-bid Offers for the 2100 MHz band at the Base Price. For the 1800 MHz lots the Government reserves the right to hold the spectrum for a future auction or award it to applicants in a similar manner as the 2100 MHz lots.
67	Will bidders receive any information about the initial eligibility of other bidders?	No. Only the identities of the other applicants will be revealed.
68	Is the process for conducting the random draws to determine high bidders in each round built into the EAS? Can the process be audited retrospectively?	Yes, it is built into the EAS.

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69	Can PTA confirm that bid amounts are non-discretionary, i.e. it is not possible for a bidder to make an offer that is greater than the stated bid amount for a lot in any particular round?	Yes
70	In case a lot does not receive a bid in a round, can PTA reduce the bid amount (i.e. apply a smaller bid increment) for that lot in the next round?	PTA can change the bid increment from round to round. PTA will announce bid increment change prior to the round when it applies.
71	<p>The IM states that “If the auction closes with unallocated lots, PTA will revert to the Sealed-bid Offers. Bidders that reduced eligibility after round 1 would still be bound to purchase the spectrum indicated in their Sealed-bid Offers and the precise lots awarded to each bidder would be determined by PTA and that determination shall be final.” Please advise at what price a bidder may be obliged to buy additional spectrum under this clause. Also, please clarify the following examples:</p> <p>a) Bidder X applied for 2x15MHz but reduces its eligibility to 2x10MHz from round 2. It ends the auction winning 2x10MHz at a price above reserve, but 2x5MHz is unsold. Can Bidder X be obliged to buy 2x15MHz? If so, could the bidder be obliged to pay more than its application offer?</p> <p>b) Bidder Y applied for 2x10MHz but drops out of the auction after round 3. At the end of the auction, 2x5MHz is unsold. Can Bidder Y be obliged to buy 2x5MHz? If so, how much would it pay?</p> <p>c) Bidder Z applied for 2x10MHz at 2100MHz and 2x10MHz at 1800MHz. Bidder Z wins 2x10MHz at 2100MHz at a price above reserve. Under what circumstances could Bidder Z also be obliged to buy an 1800MHz lot? If so, what will be its total price for all lots?</p>	<p>The commitment to buy at least 10 Mhz at reserve price, which is indicated in the IM as a key requirement to participate in the sealed bid, holds also if only 5 Mhz is left unallocated at the end of the auction;</p> <p>a) Yes, For price refer to clause 4.15</p> <p>b) Yes, For price refer to clause 4.15</p> <p>c) Yes, if 2100 and 1800 are offered as separate lots and bidder Z bid on both and won 2100 but not 1800 and it remains unallocated it can be obliged to buy 1800. For price refer to clause 4.15</p>

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72	Section 4.13 clarifies that a waiver may be submitted “proactively” by a bidder using the EAS or “automatically” if the bidder fails to submit any bid. Can PTA clarify that a waiver will only be played automatically if the bidder would otherwise lose eligibility?	Yes, a waiver will only be played automatically if the bidder would otherwise lose eligibility
73	Section 4.14 states that “Under normal circumstances, when a round concludes with: (a) no bids being submitted; (b) no proactive waivers having been submitted” the auction will close. Can PTA clarify that the auction cannot end in the case that an automatic waiver was submitted on behalf of a bidder?	Yes
74	We note that the requirements for performance bonds in relation to the initial spectrum fee instalment option and annual regulatory dues have been removed from the final version of the IM. Please can you confirm our understanding that performance bonds will not be required for these types of fees?	Yes
75	The PTA proposes to introduce a new charge called the Annual Spectrum Administrative Fee (ASAF) which is to be calculated based upon proportion of the allocated spectrum out of total spectrum to recover 75% of FAB’s total budgeted expenditure for the next Financial year. Please provide more clarity about how the ASAF will be calculated. For example, will the ASAF be based only on spectrum assigned in this award or will it take account of existing spectrum holdings? Will the ASAF apply also to operators that do not acquire a new licence and, if so, what will be the mechanism for introducing the ASAF?	<p>ASAF is not a new charge, it is included in the Cellular Mobile Policy as well as existing CMO license.</p> <p>It shall be applicable as per the applicable GoP policy and the Terms and Conditions of the NGMS license.</p>

S No.	Question	PTA Response
76	<p>Other questions unanswered:</p> <ol style="list-style-type: none"> 1. What is the rationale for linking the purchase of 1800MHz to 2100MHz? 2. What is the rationale for excluding 850MHz and 1800MHz spectrum from bidding in the auction? 3. What is the rationale for reserving the 850MHz block for a new entrant when, as the PTA itself acknowledges, the market is already highly competitive? 4. What is the rationale for a spectrum floor of 2x10MHz at the application stage? 5. What is the rationale for setting different prices for the 1800MHz and 2100MHz licenses? 	<ol style="list-style-type: none"> 1. As per GoP Policy directives 2. 1800 MHz has not been excluded from bidding in the auction. 3. As per GoP Policy directives 4. As per GoP Policy directives 5. As per GoP Policy directives