



Auction dates and details for 3.5 GHz National Fixed Wireless Services Licenses announced by the TRA Bahrain

Manama 29 August 2006 - The TRA has today announced the initial details of the auction for the two National Fixed Wireless Services (NFWS) Licenses in the 3.5 GHz part of the spectrum, including the planned timetable. The Information Memorandum issued today provides interested parties with preliminary information about the auction process and a draft of the proposed license.

This announcement follows the recent publication of the Spectrum Policy by the TRA and the Ministry of Transportation, which provides for the necessary spectrum, followed on by the decision of the Board of Directors of the TRA on July 2006 to award these licenses by way of an auction.

The Information Memorandum outlines the frequency lots to be allocated to each license and relevant details such as license obligations for instance network deployment and coverage requirements. In addition, the document provides details on the auction process, including the proposed timetable for the auction, the information that should be included in the qualification document and the evaluation of qualification documents. The TRA has also provided for an automatic re-evaluation process by three international experts for any case that may not meet the pre-qualification criteria. The names of the experts will be announced in due time.

The TRA has also set the starting price for the auction of each license at 20,000 BD, taking into account the fact that the successful licensees will also have to pay annual fees of BD28000 to the Ministry of Transportation for the use of the spectrum.

The NFWS licenses are of particular importance to the Bahraini telecommunications market, as they will pave the way for wireless connectivity to customers for voice and data services. This in turn means that the companies which are successful in obtaining the license will be

able to provide voice telephony and internet connection to customers using wireless technologies, instead of relying on cables or on the incumbent operator for access. The licensing process creates the potential for the entry of two new operators for fixed telephony and data in Bahrain.

Currently, the only company in Bahrain with access to end customers for telephony services is Batelco, which uses cables to reach customer premises. New operators will, if they so choose, be entitled to use Batelco's infrastructure in order to reach end customers, insofar as a commercial agreement to that effect is reached between them and Batelco.

It should be noted that the Information Memorandum is issued for information purposes only, in order to assist interested parties in deciding whether they wish to further investigate their possible participation in the auction. The TRA will be issuing in due time a formal Invitation to Tender document, which will be the official invitation to interested parties to submit their qualification documents and financial bids.

The General Director of the TRA, Mr. A. Andreas Avgousti, commented as follows on the issuance of the Memorandum: "The Information Memorandum issued today is the first official step putting into effect the recent decision of our Board of Directors, chaired by Dr Mohammed J.K. Alghatam, to award the National Fixed Wireless Service licenses by means of an auction. The procedure we have devised is based on international best practice with additional safeguards, and ensures that the process will be fair and transparent both in form and in substance. The Information Memorandum provides interested parties with the necessary preliminary information to decide if they are interested in the two licenses that will be awarded, but also gives them the opportunity to send us comments which we can take into account in preparing the formal invitation to take part in the auction, which will be published on 5th October 2006."

The TRA will be accepting comments on the published Information Memorandum up to 21 September 2006.

The Information Memorandum is available on the TRA's Website www.tra.org.bh.

About the TRA

The Telecommunications Regulatory Authority (TRA) was established by Legislative Decree No. 48 of 2002 promulgating the Telecommunications Law. The TRA is an independent body and its duties and powers include, among other things, protecting the interests of subscribers and users and promoting effective and fair competition among existing and new licensed operators. More information regarding the TRA can be viewed at www.tra.org.bh