



Award of Spectrum in the 800 and 2600 MHz bands

**Second consultation issued by the
Telecommunications Regulatory Authority**

21 March 2019

Ref: TOD/0319/001

Purpose: to outline options for the proposed award of spectrum in the 800 and 2600 MHz bands for the holders of Individual Mobile Telecommunications Licences

Legal disclaimer

This Consultation is without prejudice to the legal position or the rights and duties of the Authority to regulate the provision of telecommunications services. Any views expressed in this document are not binding on the Authority and are without prejudice to the final form and content of any decisions the Authority may make. This Consultation does not constitute legal advice. Inappropriate reliance ought to not therefore be placed on the contents of this document.

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Instructions for submitting a response

Instructions for submitting a response

1. The Telecommunications Regulatory Authority ('the Authority') invites comments on this second consultation document from all interested parties and, in particular, the holders of Individual Mobile Telecommunications Licences in the Kingdom of Bahrain.
2. Comments should be submitted no later than **4 pm on 21/04/2019**.
3. Responses should be sent to the Authority preferably by email (or by fax or post) to the attention of:

Technical & Operations Director

spectrum-rfp@tra.org.bh

Telecommunications Regulatory Authority
P.O. Box 10353, Manama, Kingdom of Bahrain
Fax: +973 1753 2125

4. Responses should include:
 - a. the name of the company/institution/association etc.;
 - b. the name of the principal contact person;
 - c. full contact details (physical address, telephone number, fax number and e-mail address); and
 - d. in the case of responses from individual consumers, name and contact details.
5. The Authority expects respondents to provide a response to the questions raised throughout this consultation document (the consolidated list of questions can be found in Annex A of this document). The Authority also invites respondents to substantiate their responses, wherever possible by providing factual evidence to support the responses.
6. In the interest of transparency, the Authority intends to make all submissions received available to the public. The Authority will evaluate a request for confidentiality in line with relevant legal provisions and the Authority's published guidance on the treatment of confidential and non-confidential information.¹
7. Respondents are required to mark clearly any information included in their submission that is considered confidential. Where such confidential information is included, respondents are required to provide both a confidential and a non-confidential version of their submission. If a part or a whole submission is marked confidential, reasons should be provided. The Authority may publish or refrain from publishing any document or submission at its sole discretion.
8. Once the Authority has received and considered responses to this consultative document, it will publish its decision and the reasoning thereof. The Authority may also publish a public

¹ The Authority, "A Guidance Paper issued by the Telecommunications Regulatory Authority on its treatment of Confidential and Non-confidential Information", Guidance Paper No. 2 of 2007, 10 September 2007, at http://www.tra.bh/en/pdf/Confidentiality_Guidelines_Final.pdf

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consultation report on its website with a general review of the responses received, if it considers this necessary.

Award of Spectrum in the 800 and 2600 MHz bands

List of acronyms and definitions

Additional frequency block	A frequency range of 10 MHz for TDD use in the 2600 MHz band, offered by auction to auction bidders
Administrative price	The price to be paid for a Basic Spectrum Portfolio assigned administratively on application to an Eligible Bidder, which includes 2x10 MHz in the 800 MHz band and 40 MHz in the 2600 MHz band
Application form	A form provided by the Authority for MNOs to apply for spectrum in this award.
Auction bidders	Eligible Bidders who have applied for a Basic Spectrum Portfolio
Authority	Telecommunications Regulatory Authority of the Kingdom of Bahrain
Authorized Third Parties	The persons and entities mentioned in paragraph 47 of this Consultation Document
Basic Spectrum Portfolio	A portfolio of spectrum that includes 2x10 MHz in the 800 MHz band and 40 MHz in the 2600 MHz band, which is offered to Eligible Bidders by administrative assignment, at the administrative price
Batelco	Bahrain Telecommunications Company B.S.C
BHD	Bahraini Dinar
Bid amount	The parameter in a bid that specifies the price that an Eligible Bidder offers to pay for the additional frequency blocks included in the bid package
Bid form	A form, included in the Application form, provided by the Authority for MNOs to specify their bids for the spectrum offered by auction.
Bid package	The number lots (one or two) for which the Eligible Bidder offers to pay the bid amount
Eligible Bidders	The three holders of an IMTL in the Kingdom of Bahrain
FDD	Frequency Division Duplex
GCC countries	Gulf Cooperation Council countries
IMTL	Individual Mobile Telecommunications Licence
KSA	Kingdom of Saudi Arabia
Lot	An item offered in the auction, consisting of an additional frequency block (of 10 MHz in the 2600 MHz band)
MNO	Mobile Network Operator
NTP4	Fourth National Telecommunications Plan ²
Release Bands	The spectrum to be awarded
TDD	Time Division Duplex
Telecommunications Law	Telecommunications Law of the Kingdom of Bahrain, promulgated by Legislative Decree No. 48 of 2002
VIVA	VIVA Bahrain B.S.C
Zain	Zain Bahrain B.S.C

² http://www.tra.org.bh/media/document/NTP4_EnglishTranslation_May20161.pdf

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1 Executive Summary

9. This second consultation follows the Authority's first consultation, REF: TOD/0818/006 (the 'first consultation'), and details the Authority's revised proposals for the award of spectrum in the 800 MHz and 2600 MHz bands, taking into account the responses received in the first consultation and new developments affecting the 2600 MHz band.
10. The spectrum to be awarded (in the "Release Bands") includes:
 - a. 60 MHz in the 800 MHz band available as 2×30 MHz of paired spectrum (791-821 MHz and 832-862 MHz) and offered for FDD use; and
 - b. 140 MHz in the 2600 MHz band available as a contiguous frequency block (2550-2690 MHz) and offered for TDD use.
11. The provisional timetable for the award envisages 21/04/2019 as the deadline for the submission of responses to this second consultation, and the period for interested parties to make their applications for spectrum licences would run from 30/05/2019 to 06/06/2019.
12. The Authority will award three Basic Spectrum Portfolios administratively to each of the three Eligible Bidders who apply for a Basic Spectrum Portfolio. Each Basic Spectrum Portfolio includes 2×10 MHz in the 800 MHz band and 40 MHz in the 2600 MHz band, and is offered at a price of BHD 4,390,000.
13. The Authority will award the remaining 20 MHz in the 2600 MHz band by auction, using a sealed-bid, first-price, combinatorial auction mechanism. The spectrum will be offered as two blocks of 10 MHz each (the 'additional frequency blocks') to Eligible Bidders who have acquired a Basic Spectrum Portfolio (the 'auction bidders'). Each auction bidder will be allowed to make a bid for a single additional frequency block and for two additional frequency blocks. The reserve price for each of the additional frequency blocks is BHD 166,000. The distribution of these two additional frequency blocks is determined by the bids made by auction bidders.
14. After the auction, the Authority will determine the specific frequencies for each Eligible Bidder who has been assigned spectrum (the 'assignees'), ensuring that all of the frequencies assigned to each assignee in each of the bands are contiguous. The Authority will determine the placement of assignees by randomly selecting for each band one of the possible band plans that satisfy the requirement that each assignee is assigned contiguous spectrum and the requirement that in the event that there are any spectrum blocks that remain unassigned in a band these must also form a contiguous range.

2 Introduction

15. This consultation document sets out, for comment by interested parties, the Authority's revised proposals for the award of spectrum in the 800 and 2600 MHz bands to the holders of IMTL in the Kingdom of Bahrain.
16. The spectrum to be awarded (the "Release Bands") includes:
 - a. 60 MHz in the 800 MHz band available as 2x30 MHz of paired spectrum (791-821 MHz and 832-862 MHz); and
 - b. 140 MHz in the 2600 MHz band available as a contiguous frequency block (2550-2690 MHz).
17. The Authority is planning to license the spectrum in the 800 MHz band for FDD use, and the spectrum in the 2600 MHz band for TDD use. Spectrum in the 2600 MHz band will be used initially with a downlink/uplink ratio of 3:1, but this ratio may be revised if necessary in order to coordinate the usage of the band with neighbouring countries to avoid harmful interference.
18. The remainder of this consultation document includes a provisional timetable for the award (Section 3), revised information on the Release Bands (Section 4), a description of the proposed licence award process (Section 5), a list of all the questions formulated in the document (Annex A) and a template application form (Annex B).
19. In the first consultation the Authority provided a template for the frequency licences to be awarded. No comments were received against the proposal, the Authority has decided to confirm that it will use that template.

3 Provisional timetable

20. The provisional timetable for the award is as follows:

- 21/03/2019: publication of this consultation document;
- 21/04/2019: deadline for submission of responses to this consultation document;
- 21/05/2019: Council of Ministers' approval of the Authority's proposed process for the grant of the Frequency Licences;
- 27/05/2019: publication of the Authority's decision and the Invitation for Applications;
- 30/05/2019: start of period for submission of applications;
- 06/06/2019: deadline for submission of applications; and
- 13/06/2019: announcement of award results.

This timetable is indicative only, and subject to change if the Authority considers this appropriate.

4 Information on the Release Bands

4.1 Release Bands and conditions of use

21. The spectrum available in the Release Bands include:
 - a. 60 MHz in the 800 MHz band available as 2x30 MHz of paired spectrum (791-821 MHz and 832-862 MHz); and
 - b. 140 MHz in the 2600 MHz band available as a contiguous frequency block (2550-2690 MHz).
22. In line with the Authority's regulatory framework in force today and the provisions of existing Frequency Licences, the Release Bands, once awarded, may be used solely for the purposes of the services provided under the assignees' IMTL in place, with any of the mobile technologies they use (2G, 3G, 4G or, in the future, 5G). In view of this condition and the policy principles set out in NTP4 and mentioned above,³ the spectrum available will only be offered to the three current holders of IMTL in Bahrain.
23. Each of the spectrum assignees will be granted a Frequency Licence for the new spectrum. The licence conditions will be similar, in all material respects, to those currently held by the three MNOs, also including their duration and renewal terms (but obviously not the effective date).
24. The 800 MHz and the 2600 MHz bands are both used in the Kingdom of Saudi Arabia and in the State of Qatar, and are not currently among those covered by the multilateral arrangement concluded between Bahrain and a number of neighbouring countries to control cross border spillover and harmful interference. The Authority will endeavour to actively seek coordination agreements with its neighbouring countries to minimise the risk of harmful interference. The Authority's chosen use for each band is also expected to facilitate coordination at the borders and minimise the risk of harmful interference.

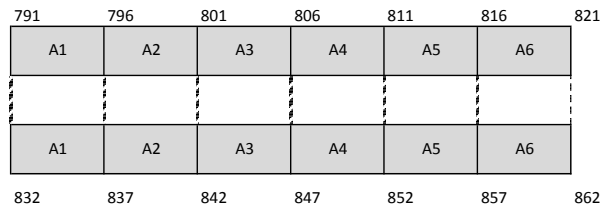
4.1.1 Use of the 800 MHz band

25. The Authority proposes to award the spectrum available in the 800 MHz band as paired blocks for FDD use, and the spectrum available in the 2600 MHz band as unpaired blocks for TDD use.
26. The 800 MHz band will be divided into six paired frequency blocks of 2x5 MHz, as shown in the figure below. On the basis of responses to the first consultation and information available at present the Authority has concluded that there are no reasons at present to expect value differences across the different blocks in this band.

³ See paragraph 36.

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Figure 1: Paired frequency blocks in the 800 MHz band



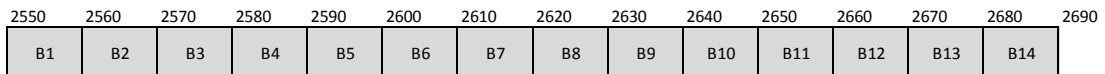
4.1.2 Use of the 2600 MHz band

27. The Authority has decided to award spectrum in the 2600 MHz band for TDD use in light of the responses submitted by interested parties to the first consultation, and announced plans by CITC to license the band for commercial TDD use in KSA:
 - a. the majority of respondents argued in favour of TDD use on the basis of greater efficiency of spectrum use, and the lower risk of interference from users in KSA;
 - b. the majority of respondents have argued that there is no technical advantage for using FDD over TDD, as both technologies are well-developed at present;
 - c. CITC has communicated to the Authority that it plans to use the 2600 MHz band for TDD, and thus using the band also for TDD in Bahrain will facilitate cross-border coordination and mitigate interference issues.

28. The Authority proposes to specify a default downlink/uplink ratio of 3:1 in order to facilitate synchronised use of the band. The Authority may change the default downlink/uplink ratio if such a change were to facilitate coordination with spectrum users in neighbouring countries and thus mitigate the risk of harmful interference. Operators may use a different ratio and agree this with adjacent users, but will have to ensure that any non-synchronised use does not interfere with adjacent users by providing appropriate guard bands out of their respective frequency assignments.

29. The 2600 MHz band will be divided into fourteen frequency blocks of 10 MHz, as shown in the figure below. On the basis of responses to the first consultation and information available at present the Authority has concluded that there are no reasons at present to expect value differences across the different blocks in this band.

Figure 2: Unpaired frequency blocks in the 2600 MHz band



5 Proposed Licence Award Process

5.1 Proposed general approach: mixed award, with an administrative award of a Basic Spectrum Portfolio to each MNO and a follow-up auction for the assignment of additional spectrum

30. As there are no apparent value differences between different frequency blocks within each of the bands, it is possible to define three practically identical spectrum portfolios, which could then be assigned administratively, one to each MNO. In light of this, and taking into account the views expressed by MNOs in their responses to the first consultation, the Authority has defined three 'Basic Spectrum Portfolios', each consisting of 2x10 MHz in the 800 MHz band and 40 MHz in the 2600 MHz band, which it will administratively assign to each of the Eligible Bidders a Basic Spectrum Portfolio at a price of BHD 4,390,000. The price for Basic Spectrum Portfolios has been set with reference to international benchmarks for the price of spectrum licences in the respective bands. In the event that an Eligible Bidder declines to acquire a Basic Spectrum Portfolio, the Authority will retain the spectrum included in this portfolio for a future award.
31. The remaining spectrum, 20 MHz in the 2600 MHz band, will be offered by auction to those Eligible Bidders who have accepted a Basic Spectrum Portfolio (the 'auction bidders'). This spectrum is offered as two additional frequency blocks of 10 MHz each – the two 'lots' available in the auction. Auction bidders are not required to bid in the auction. Those auction bidders who wish to bid for additional spectrum can make a single bid for one lot, or make two bids, one for one lot and another one for two lots. The Authority will select the combination of bids that achieves the highest value given the lots available as the winning bids, and assign the corresponding additional frequency blocks to the winning bidders at the price specified in their winning bid.
32. Following the auction, the Authority will determine the placement of each MNO who has been assigned spectrum (the 'assignees') in each of the bands, by randomly selecting one of possible plans in which all assignees are assigned all their spectrum in each band as contiguous blocks, and in which any unassigned blocks also form a contiguous range.

Q1. Do you agree with the proposed Basic Spectrum Portfolios? If you consider the Basic Spectrum Portfolios not to be suitable for the award, please provide a substantiated justification.

Q2. Do you agree with the proposal to administratively assign the three Basic Spectrum Portfolios to each Eligible Bidder at a price of BHD 4,390,000? If you do not agree with this proposal, please provide a substantiated justification.

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Q3. Do you agree with the proposal to assign the remaining 20 MHz in the 2600 MHz band by auction? If you do not agree with this proposal, please provide a substantiated justification.

5.2 Spectrum caps

33. The Authority considers that no spectrum caps are necessary given its proposal to assign a Basic Spectrum Portfolio to each Eligible Bidder. Specifically, given that each of the Basic Spectrum Portfolios defined by the Authority includes a third of the spectrum available in the 800 MHz band and almost a third of the spectrum available in the 2600 MHz band, the Authority does not consider it necessary to use spectrum caps for the follow-up auction for the assignment of the remaining 20 MHz in the 2600 MHz band. Therefore, the Authority proposes not to use any spectrum caps for the award if it administratively assigns Basic Spectrum Portfolios.

Q4. Do you agree with the proposal to remove spectrum caps if the Authority administratively assigns a Basic Spectrum Portfolio to each Eligible Bidder? If not, provide any supporting evidence to justify setting the spectrum caps at a different level.

5.3 Proposed rules for the follow-up auction for the assignment of the two additional frequency lots of 10 MHz in the 2600 MHz band

5.3.1 Reserve price for the additional spectrum blocks

34. The Authority shall maintain the proposed reserve price of BHD 166,000 for each of the additional spectrum blocks, each containing 10 MHz in the 2600 MHz band.

5.3.2 Participation

35. Only Eligible Bidders who have accepted a Basic Spectrum Portfolio can participate in the follow-up auction. We call these the 'auction bidders'.

5.3.3 Bids

36. A bid is a financial offer (the "bid amount") for a number of lots, which in this case may be one or two lots. Submitting a bid involves a commitment to pay the bid amount in exchange for the number of lots specified in the bid.

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37. Auction bidders who make a bid for two lots must also make a bid for one lot. However, auction bidders may make a bid for one lot without also making a bid for two lots.
38. The bid amount of a bid for one lot must be at least the reserve price for one additional frequency block. The bid amount of a bid for two lots must be at least twice the reserve price for one additional frequency block. Any bids with a bid amount below these minimum levels will be invalid and ignored when selecting winning bids.
39. Auction bidders will submit their bids as part of their application, by filling in a bid form provided by the Authority as part of the application form. The Authority expects to provide Eligible Bidders with the application form by email. Auction bidders will then be required to deliver the completed application form as electronic files on a removable data storage device, along with a printed and signed copy. The Authority expects that the application form will consist of a pdf form, which will include a bid form with two input fields, one for the bid for a single lot and one for the bid for two lots. In order to make a bid, the Eligible Bidder will need to enter the bid amount for the bid in the bid form. If the Eligible Bidder does not wish to make a bid, then it should leave the corresponding input field blank. Eligible bidders who fill in the bid amount for the bid for two lots must also fill in the bid amount for the bid for one lot. Any bids from Eligible Bidders who have not accepted a Basic Spectrum Portfolio will be discarded. A template for the application form is provided as Annex B.

5.3.4 Determination of the winning outcome

40. The highest value that can be achieved by assigning both lots to a bidder is equal to:
 - a. the highest bid for two lots; or
 - b. if no bids for two lots are received, zero.
41. The highest value that can be achieved by assigning the two lots separately is equal to:
 - a. the sum of the two highest bids for a single lot; or
 - b. if only one bid has been received for a single lot, the bid for a single lot; or
 - c. if no bids for a single lot are received, zero.
42. If the highest value that can be achieved by assigning both lots to a bidder is **strictly** greater than the highest value that can be achieved by assigning the two lots separately, then the highest bid for two lots will be the winning bid (with any ties broken at random).⁴
43. Otherwise, if the highest value that can be achieved by assigning both lots to a bidder is **not strictly** greater than the highest value that can be achieved by assigning the two lots separately, then the two highest bids for a single lot will be the winning bids (with any ties broken at random), or if only one bid for a single lot has been received then this will be the only winning bid.
44. The auction bidders who made the winning bids will be assigned the additional frequency blocks corresponding to their bid, at a price equal to the bid amount of their winning bid.

⁴ As a consequence of only selecting a bid for two lots if this strictly greater than the highest value that can be obtained from bids for single blocks, in the event of a tie between a bid for two lots and separate bids for single lots, the latter are prioritised.

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Example 1: Determination of winning outcome

Suppose as a hypothetical example that three action bidders (A, B and C) submit the following bids

Bidder	Bid amount (BHD) for one lot	Bid amount (BHD) for two lots
A	170,000	370,000
B	200,000	-
C	180,000	335,000

The highest value that can be achieved by assigning both lots to a bidder is BHD 370,000, which is the bid for two lots made by A.

The highest value that can be achieved by assigning the two lots separately is BHD 380,000, which is the sum of the two highest bids for a single lot, made by B (BHD 200,000) and C (BHD 180,000).

The highest value that can be achieved by assigning the two lots separately is greater than the highest value that can be achieved by assigning both lots to a bidder, and thus the winning bids are the two bids for a single lot made by B and C.

5.3.5 Information published at the end of the auction

45. At the end of the auction, the Authority will publish all the bids received.

Q5. Do you have any comments on or objections to the auction rules proposed?

5.4 Assignment of specific frequencies

46. After the follow-up auction, the Authority will determine the placement of each assignee in each band, and thus the assignment of specific frequencies to each assignee. The assignment of frequencies will be determined for each band in turn, by selecting at random the order in which the assignees and unsold blocks will be placed in the band, and then assigning the corresponding number of blocks to each of these.

Q6. Do you have any comments on or objections to the proposed mechanism for the assignment of specific frequencies?

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5.5 Bidders' conduct, communications and possible exclusion from the award process

47. Each Eligible Bidder must comply, at all stages, with the present auction procedure's rules and shall be responsible for ensuring compliance with these rules by its shareholders, affiliates, officers, directors, employees, agents, consultants, legal or financial advisors, or providers of finance for the bid (together, "Authorized Third Parties").
48. Each Eligible Bidder shall not, and shall ensure that its Authorized Third Parties shall not, at any time:
 - a. collude or attempt to collude with another Eligible Bidder, or person or entity to distort the outcome of the auction procedure; and
 - b. violate any applicable Anti-Bribery Law or otherwise offer, promise or give to another person a financial or other advantage to induce that person to perform improperly a function or activity relating to the auction procedure.
49. Without prejudice to the generality of the above, none of the Eligible Bidders qualifying for participation in the award process may engage in any direct or indirect communication with (i) another Eligible Bidder or (ii) any other party (other than an Authorized Third Party bound by appropriate non-disclosure obligations), and may not make any public announcement insofar as such communication or public announcement includes any information on, or indication of,
 - a. that Eligible Bidder's demand for additional frequency blocks, or the price that the Eligible Bidder intends to offer, or has offered, for these lots; or
 - b. any other information on the conditions of the Eligible Bidder's participation in the auction whose disclosure could materially affect the auction's outcome or any Eligible Bidder's bid.
50. The above prohibition shall not apply with regard to any views submitted by Eligible Bidders to the Authority in response to this public consultation document or any other communications with the Authority, provided that:
 - a. the Eligible Bidder in question does not object to the publication of those views (or a non-confidential version or summary thereof) by the Authority; and
 - b. the Authority decides to publish those views in a form and at a time it considers appropriate.
51. Without prejudice to the Authority's powers of investigation and imposition of penalties under Article 65 (anti-competitive conduct) of the Telecommunications Law, the Authority may:
 - a. Exclude an Eligible Bidder from the present award process, giving that Eligible Bidder notice in writing, if the Eligible Bidder or any of its Authorized Third Parties breaches the excluded conduct under this section 5.5 or commits any material infringement of any other auction rule;
 - b. Exclude one or more Eligible Bidders from the present award process, giving them notice in writing, or cancel the award process, in the event of any collusion between two or all Eligible Bidders, or on the Authority's reasonable suspicion of such collusion, based on evidence that renders any other explanations unlikely,

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such as the offering of identical (or near-identical) prices by two or all Eligible Bidders.

52. If an Eligible Bidder is excluded from the award process under any of the previous provisions, the Authority will determine if it should proceed with the award of spectrum to the other Eligible Bidders pursuant to the present rules or repeat the auction for part or the whole of the Release Bands.

5.6 Payment terms

53. A successful Eligible Bidder must pay the value of its Spectrum Usage Rights Fee resulting from the present auction procedure in annual instalments, as further specified in Schedule B (Spectrum Usage Rights Fee Payment Schedule) of the attached Annex B (Frequency Licence Template).
54. The grant of the new Frequency Licence to an Eligible Bidder shall not occur until that Eligible Bidder has:
 - a. Paid to the Authority the first annual instalment of the Spectrum Usage Right Fee resulting from the present auction procedure; and
 - b. Submitted to the Authority a bank guarantee in favour of the Authority in respect of the remaining instalments of the Spectrum Usage Right Fee, in the form set out in Annex 2 of the template Application Form.

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ANNEX A – QUESTIONS FORMULATED IN THE DOCUMENT

- Q1. Do you agree with the proposed Basic Spectrum Portfolios? If you consider the Basic Spectrum Portfolios not to be suitable for the award, please provide a substantiated justification.**
- Q2. Do you agree with the proposal to administratively assign the three Basic Spectrum Portfolios to each Eligible Bidder at a price of BHD 4,390,000? If you do not agree with this proposal, please provide a substantiated justification.**
- Q3. Do you agree with the proposal to assign the remaining 20 MHz in the 2600 MHz band by auction? If you do not agree with this proposal, please provide a substantiated justification.**
- Q4. Do you agree with the proposal to remove spectrum caps if the Authority administratively assigns a Basic Spectrum Portfolio to each Eligible Bidder? If not, provide any supporting evidence to justify setting the spectrum caps at a different level.**
- Q5. Do you have any comments on or objections to the auction rules proposed?**
- Q6. Do you have any comments on or objections to the proposed mechanism for the assignment of specific frequencies?**

ANNEX B – TEMPLATE APPLICATION FORM

Application Form



APPLICATION

FOR A FREQUENCY LICENCE GRANTING SPECTRUM USAGE RIGHTS IN THE 800 AND 2600 MHZ FREQUENCY BANDS IN THE KINGDOM OF BAHRAIN

This Application Form must be completed and delivered by the eligible bidder as electronic files on a removable data storage device, along with a printed and signed copy, between 0900 and 1600 (Bahraini local time), by 06/06/2019 at the latest, to:

Acting General Director
Telecommunications Regulatory Authority
5th Floor
Building No. 852
Road No. 3618
Seef 436
Kingdom of Bahrain

A scanned copy should be delivered on the same date to spectrum-rfp@tra.org.bh.

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APPLICATION FOR A 2018 FREQUENCY LICENCE GRANTING SPECTRUM USAGE RIGHTS IN THE 800 AND 2600 MHZ FREQUENCY BANDS IN THE KINGDOM OF BAHRAIN

1 Applicant Details

Name of Applicant: _____

Please complete the Applicant Information Sheet contained in Annex 1 to this Application.

2 Application

The Applicant hereby applies for the grant of a 2018 Frequency Licence pursuant to Article 44 of the Telecommunications Law of the Kingdom of Bahrain promulgated by Legislative Decree No. 48 in October 2002, in accordance with the application form for 2018 Frequency Licences auction in the 800 and 2600 MHz bands issued by the Telecommunications Regulatory Authority (the "Authority").

3 Undertakings

The Applicant accepts and commits to the following undertakings as a condition of its participation in this Award Process:

1. The Applicant hereby accepts to comply with, and not challenge, the auction rules and procedures, based on the Authority's objective of achieving, to the extent possible, contiguous spectrum holdings amongst the three existing IMTL holders.
2. If the Applicant is awarded a frequency licence by the Authority in relation to this Application, the Applicant shall:
 - (a) agree to and accept the terms and conditions of the frequency licence;
 - (b) exercise its spectrum usage rights in accordance with the frequency licence; and
 - (c) make timely payment in full of all applicable fees stipulated in the Frequency Licence.
3. By executing and submitting this Application, the Applicant irrevocably and unconditionally agrees not to commence, or assist or encourage any third party to commence, any claim, action or proceedings against the Authority, its employees, agents, officers or advisors in relation to the legality of this Award Process, including any claim, action or proceedings which are designed (or have the effect of), in whole or in part, to hinder, prevent, delay, interrupt, postpone, cancel, overrule, change or vary the form of this Award Process.

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4 Acceptance of Basic Spectrum Portfolio

Please indicate if you wish to acquire a Basic Spectrum Portfolio, which includes 2x10 MHz in the 800 MHz band and 40 MHz in the 2600 MHz band, at a price of BHD 4,390,000.

Yes

No

5 Bid Form

If you have accepted a Basic Spectrum Portfolio and wish to bid for additional frequency blocks of 10 MHz in the 2600 MHz band, please enter the bid amounts for the packages for which you wish to make a bid below.

Bid for one 10 MHz lot
(*minimum bid BHD 166,000*)

Bid for two 10 MHz lots
(*minimum bid BHD 332,000*)

Award of Spectrum in the 800 and 2600 MHz bands

6 Attestation and Signature

The undersigned hereby attests that:

1. the information provided in this application is true and complete;
2. the Applicant accepts and commits to each and every undertaking set out in Section 3 of this Application Form; and
3. the Applicant has included with its Application Form a confirmation that the undersigned is duly authorised by the Board of the Applicant to execute and submit this Application Form to the Authority on the Applicant's behalf.

Signed by Authorised Person*

Date

<hr/>	
<hr/>	<hr/>
Name and Title	
<hr/>	
[Affix relevant company stamp/seal below]	

* Application must be signed by the Applicant's Chief Executive Officer or a senior executive of the Applicant.

Award of Spectrum in the 800 and 2600 MHz bands

ANNEX 1

APPLICANT INFORMATION SHEET

Full Legal Name of Applicant	
Applicant C.R. number	
Name and title of person (Authorised Person) authorised to sign Application on behalf of Applicant	
Name and title of contact person within Applicant	
Telephone number of contact person	
Fax number of contact person	
Office address of contact person for hard copy delivery	
Email address of contact person	

Award of Spectrum in the 800 and 2600 MHz bands

ANNEX 2 – BANK GUARANTEE FORM

[PRINTED ON THE ISSUING BANK'S LETTERHEAD]

The Acting General Director
Telecommunications Regulatory Authority
P.O. Box 10353
Manama
Kingdom of Bahrain

Date

Re: Financial Guarantee

Dear Sir,

We, the undersigned [insert issuing bank] ("Bank"), irrevocably and unconditionally guarantee as primary obligor, and not merely as a surety, on behalf of [Insert Name of Licensee] (the "Applicant") which has successfully submitted a bid for a Frequency License in the Kingdom of Bahrain (the "Frequency Licence"), that a sum of [BHD] (amount in words) being the sum due in respect of the outstanding instalments of the Spectrum Usage Rights Fee ("Guarantee") shall be payable to the Telecommunication Regulatory Authority ("Authority") upon its written demand through the following [number of withdrawals] withdrawals:

[n] withdrawal: being [BHD] (c. [%] of the value of the Spectrum Usage Rights Fee) payable to the Authority and valid for one year and four months from [Insert Date] or until receipt of written confirmation from the Authority that the Authority has received in cleared funds the relevant Frequency Licence Fee Installment in accordance with [insert schedule no.] of the said Licence (whichever occurs first);

[...]

Payment shall be made into an account to be specified by the Authority without objection or legal proceedings of any kind. We shall not delay the payment, nor shall we oppose it for any reason whatsoever. We shall inform you in writing as soon as the payment has been made.

We hereby agree that we shall not be discharged or released from this Guarantee by any arrangement between the Applicant and the Authority with or without our consent or by any alteration in the obligations undertaken by the Applicant or by any forbearance by the Authority.

Award of Spectrum in the 800 and 2600 MHz bands

The law and courts applicable to this Guarantee shall be those of the Kingdom of Bahrain. This Guarantee will come into force from [insert effective date of the Frequency Licence] and will be valid for the applicable periods outlined above.

Date

Signature