

**MOBILE TELEPHONE NETWORKS (PTY) LTD**  
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**4 August 2016**

**Chairperson**  
ICASA  
Block A, Pinmill Farm  
164 Katherine Street  
Sandton

Attention: Spectrum Resources  
Via Email: [spectrumresources@icasa.org.za](mailto:spectrumresources@icasa.org.za)

Dear Sir,

**RE: MTN'S SUBMISSION IN RESPECT OF THE INVITATION TO APPLY FOR A RADIO  
FREQUENCY SPECTRUM LICENCE TO PROVIDE MOBILE BROADBAND WIRELESS  
ACCESS SERVICES FOR URBAN AND RURAL AREAS USING THE  
COMPLIMENTARY BANDS, 700MHZ, 800MHZ AND 2.6GHZ**

Please find enclosed Mobile Telephone Networks (Pty) Ltd ("MTN") submission on the MTN's submission in respect of the Invitation to Apply for a radio frequency spectrum licence to provide mobile broadband wireless access services for urban and rural areas using the complimentary bands, 700MHz, 800MHz and 2.6GHz.

We are available to engage further with ICASA in relation to this submissions and questions, if required.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Graham de Vries', is written over the typed name.

**GRAHAM DE VRIES**  
**EXECUTIVE, CORPORATE SERVICES**

**MOBILE TELEPHONE NETWORKS (PTY) LTD**

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**MTN'S SUBMISSION IN RESPECT OF THE INVITATION TO APPLY FOR A RADIO  
FREQUENCY SPECTRUM LICENCE TO PROVIDE MOBILE BROADBAND WIRELESS  
ACCESS SERVICES FOR URBAN AND RURAL AREAS USING THE COMPLIMENTARY  
BANDS, 700MHZ, 800MHZ AND 2.6GHZ AS PUBLISHED IN GOVERNMENT GAZETTE  
No. 40145 DATED 15 JULY 2016**

**4 August 2016**

## 1. Introduction

MTN is pleased to submit its questions to the Invitation to Apply (“ITA”) for a radio frequency spectrum licence to provide mobile broadband wireless access services for urban and rural areas using the complimentary bands, 700MHz, 800MHz and 2.6GHz.

MTN fully supports the use of an auction as a transparent and objective process to allocate this scarce national resource. Ultimately, the licensing of frequency spectrum will benefit consumers who are demanding better quality and higher speeds as it will allow operators to more rapidly roll out advanced broadband services and further stimulate broadband connectivity in South Africa.

MTN is however concerned about the amount of uncertainty surrounding this auction process. Although there is always uncertainty surrounding the valuation of spectrum, in this particular case, MTN is faced with significant and unusual gaps in its understanding of the spectrum being awarded (and consequently how to value it) and the rules applying to it:

1. The timing of the availability of the spectrum that is being offered. The history of the Digital Dividend release needs no repetition, yet the timing of when spectrum can be deployed has a direct impact on its value. As an illustration, if significant site build must take place to meet coverage obligations using 2600MHz spectrum, the capex-avoidance value of sub-1GHz spectrum (and so its price) is significantly reduced (MTN asks specific questions relating to the timing of the release in the schedule below);
2. The cost of meeting the proposed (highly onerous) obligations is directly linked to spectrum availability (and their measurements – which are not detailed in the ITA);
3. The value of the spectrum is also directly related to the rules and timing of Lot A availability. If capacity is made available downstream on a (cost-based) wholesale basis, this impacts the value of all Lots. Indeed, given the very high reserve price, some players may choose not to bid at all if they believe wholesale capacity would be available downstream on a more scalable basis;
4. Liquidity also directly impacts spectrum value. If spectrum can be traded (leased, shared, or transferred in all or in part) then stranded asset risk is significantly

reduced (e.g. if a player pays R3bn for a Lot but finds it cannot deploy this asset as expected, the write-off risk is greatly reduced if the spectrum can be traded – of course with the associated obligations);

5. It is unclear how the (significant) reserve price has been set, and whether a financial case can be made at this price (when combined with the extremely aggressive obligations). ICASA should show it has taken account of financial feasibility, rather than revenue-extraction only, when setting this price. It should also show that the proposed obligations are economically reasonable (so the costs of unrealistic obligations are not passed on to consumers).
6. There are uncertainties regarding the qualification or eligibility to submit an application with regard to calculations of equity ownership by persons from Historically Disadvantaged Groups. Paragraph 6.2 of the ITA requires a minimum of 30% (thirty percent) equity ownership held by persons from Historically Disadvantaged Groups in order to submit an application. Will ICASA rely on the BBBEE Certificate of the applicant measured in terms of the ICT Sector Code to demonstrate compliance with the equity ownership held by persons from Historically Disadvantaged Groups? If not, what calculation methodology will ICASA rely on to test the 30% equity ownership? If ICASA will not rely on the BBBEE calculation methodology, will ICASA provide a legal opinion as to why it believes it is not bound by the calculation methodology contained in BBBEE legislation and associated documents?
7. In terms of the BBBEE legislation, provision has been made for continuing consequences - being shares that used to be owned by black persons but subsequently sold. This is the so called "once empowered, always empowered" principle. Is ICASA going to recognize this principle in its consideration of the 30% equity ownership held by persons from Historically Disadvantaged Groups?
8. How will ICASA treat shares held by entities such as Public Investment Corporation (PIC) in the calculations of equity ownership held by persons from Historically Disadvantaged Groups in the applicant? Will applicants be able to rely on such mandated investments in its testing of the 30% equity ownership? If

not, would ICASA please give a detailed response as to the reason ICASA believes mandated investments must be excluded, if applicable?

9. Section 10(3) of the BBBEE Act which states that:

*"Subject to section 9(6), an enterprise in a sector in respect of which the Minister [of Trade and Industry] has issued a sector code of good practice in terms of section 9, may only be measured for compliance with the requirements of [BBBEE] in accordance with that code."(Our emphasis)*

Section 3(2) which states that in the event of a conflict between any other law in force immediately prior to the commencement of the BBBEE Amendment Act 46 of 2013 ("BBBEE Amendment Act") (which commenced on 24 October 2014) and the BBBEE Act, the provisions of the BBBEE Act shall prevail.

Since the provisions of the ECA predate the commencement of the BBBEE Amendment Act, the BBBEE Act prevails on issues pertaining to BBBEE. What is ICASA's view in this regard?

Uncertainty generally impacts the value of an asset. The more uncertainty, the lower its value. At the moment, the significant gaps highlighted above and detailed in the attached submission mean best value may not be achieved for South Africans from the proposed ITA process. It is even doubtful that the proposed ITA is workable without a proper resolution of these key issues. MTN is committed to working with the Authority to ensure a solution is found that satisfies policy objectives and financial rationality.

In addition, MTN submits that the questions relating to the Invitation to Apply contained herein are not considered to be confidential. As such MTN anticipates that the answers provided by the Authority by the 24<sup>th</sup> August 2016 be made available to the broader public, in order to give purpose and effect to the level of transparency that a process such as this should follow. In this regard MTN puts forward that all questions supplied by interested parties, as well as their related answers be made available to the public.

Finally, given the scale of the uncertainties as ICASA will note from the questions that are asked below, and the resultant ramifications that they have bearing on, MTN suggests that the Authority provide for an intermediate step where all of the uncertainties can be clarified before the process as stated in the Invitation to apply continues. If such uncertainties are not clarified, any interested party may not be able to constructively get

its affairs in order to submit the necessary documentation to comply with the ICASA requirements. Alternatively will ICASA consider that all interested parties may continue to submit enquiries to the Authority that will be answered by ICASA between the 24th August and the 3rd October 2016?

Although MTN is cognisant that this process is not required to follow a public consultation process, the Authority may consider that any remaining questions / doubts can be addressed in a public workshop in order for the process to be as clear as possible prior to formal application.

The remainder of this paper addresses the uncertainties resulting from the ITA to which MTN requires clarity on from the Authority. These questions will be in a table format, and will for ease of reference be tabled as reference number, relevant ITA page and section, ITA text upon which the enquiry is based followed by MTN's specific enquiry.

## 2. Specific Enquiry Questions

MTN Ref #	ITA page & section	ITA text upon which the question is based	Question to be submitted to ICASA
1	P.12, S.24	Lot A (To be awarded through a separate process)	<ol style="list-style-type: none"> <li>1) When will Lot A be awarded?</li> <li>2) By what process will Lot A be awarded?</li> <li>3) Who will be eligible to bid on Lot A?</li> <li>4) Does ICASA still intend to award Lot A to a wholesale network?</li> <li>5) What Lot A restrictions, if any, will be placed on bidders who are successful in the current award?</li> <li>6) Why did ICASA decrease the 800MHz spectrum allocation from the Information Memorandum previously published, in Lot B from 9.305MHz to 5MHz?</li> </ol>
2	P.12, S.7.2	Band plan	<ol style="list-style-type: none"> <li>1) Can ICASA confirm that all the spectrum contained in each Lot is unencumbered and available for immediate use by the successful bidders?</li> <li>2) If the spectrum is not immediately available can ICASA please provide a detailed schedule of which frequencies will be available and when?</li> <li>3) If the Authority is unable to commit to such a schedule, can</li> </ol>

			the Authority indicate how financial compensation may be claimed and/or coverage / throughput obligations may be relaxed should the spectrum not be released in a timely manner (or at all)?
3	P.13, S.25	Lots	<ol style="list-style-type: none"> <li>1) When will any unsold Lots be assigned?</li> <li>2) What process will be used for assigning any unsold Lots?</li> <li>3) Will the reserve price change for any unsold Lots in any subsequent assignment process?</li> <li>4) Will the restrictions on the number of Lots a bidder can win be altered in the event that Lots are unsold during the current assignment process?</li> <li>5) Over the duration of the Licence term of 15 years does ICASA envisage that additional spectrum will be made available? <ul style="list-style-type: none"> <li>• What spectrum will be made available in the future?</li> <li>• When will it be available?</li> <li>• Through what process will it be made available?</li> <li>• What restrictions, if any, will be placed on successful bidders in the current process when applying for spectrum in any future assignment process?</li> </ul> </li> <li>6) Can ICASA confirm whether the awarded spectrum is capable of being traded (leased, transferred, and/ or shared in any way) and what process would be required for trading it?</li> <li>7) When will spectrum trading or leasing be possible, if at all?</li> <li>8) What, if any, restrictions would be placed on spectrum trading?</li> <li>9) What would happen to the coverage and throughput obligations in case the spectrum is traded / leased / shared, in all or in part?</li> <li>10) Can ICASA confirm the awarded spectrum licence may be returned prior to the 15 years and what process and financial implications, if any, would this entail</li> </ol>



			11) Can ICASA confirm the process by which the spectrum Licence may be withdrawn from a successful bidder and whether financial compensation would be applicable?
4	P.13, S.26	An Applicant will qualify to only bid on one of the Lots (excluding Lot A).	<ol style="list-style-type: none"> <li>1) Please confirm whether an Applicant can be awarded more than one of the Lots.</li> <li>2) How is Lot A going to be awarded?</li> <li>3) When is Lot A going to be awarded? See also questions 2-5 @ MTN Ref. 1</li> <li>4) Please confirm what would happen to the Lots and/or Reserve Price and/or Auction design if there are less successful applicants (qualified Bidders) than Lots (4) on 31/11/2016.</li> </ol>
5	P.13, S.27	An Applicant will be free to switch between Lots during the auction stage.	<ol style="list-style-type: none"> <li>1) Please provide a detailed explanation of the way in which a bidder can "switch" during the auction?</li> <li>2) Can a Standing High Bidder switch from the Lot on which it is a Standing High Bidder to another Lot even if there are no other bids for that Lot?</li> </ol>
6	P.13, S.28	The Reserve Price of the Lots is Three Billion South African Rand (ZAR 3 Billion).	<ol style="list-style-type: none"> <li>1) Please confirm how the reserve price has been set – eg. the reserve price is the same although some lots have significantly less spectrum (Lot E) and how this relates to the estimated investment required to meet the coverage and throughput obligations. Has a financial feasibility, or cost/benefit analysis been performed to set this reserve price?</li> <li>2) Please confirm that the reserve price of ZAR 3 Billion is the reserve price for each individual Lot and not the total reserve price for all Lots?</li> <li>3) What happens if a Bidder expresses interest to bid for various lots or switched between Lots during the Auction?</li> </ol>
7	P.14, S.33	An Applicant will be allowed to bid for only one of Lots B, C, D and E.	<ol style="list-style-type: none"> <li>1) Please confirm whether an Applicant can bid for more than one of the Lots. Does the Authority mean an Applicant can bid for various lots during the Auction, but may only win one lot?</li> <li>2) Please can the Authority confirm whether it intends to use additional spectrum caps relating to the total</li> </ol>

			amount of spectrum (overall, or in certain bands – eg. sub-1GHz) a licensee may hold in future (eg. as a result of additional awards, spectrum trading and/or consolidation activity)?
8	P.15, S.42	'Restricted' BEMs will apply to the following frequencies: 42.1. 2615–2620MHz – the highest 5MHz of the unpaired 2.6GHz spectrum within Lot E 42.2. 2595-2600MHz may be designated as a guard band.	From the diagrams in Section 7.2 it appears that the frequency band 2615-2620MHz forms part of Lot A unpaired TDD spectrum rather than Lot E as stated in 7.11- 42.1. Can ICASA confirm that the restricted BEM will apply to the highest 5MHz of the unpaired TDD spectrum within Lot A.
9	P.16, S.47	A Licensee must provide data services across the country with an average uplink of 15Mbit/s and the downlink user experience throughput of at least 30 Mbit/s to 100% of the population of South Africa by 2020.	<ol style="list-style-type: none"> <li>1) Has the Authority performed a high level cost / benefit or investment assessment of the proposed throughput and coverage obligation to assess its reasonableness?</li> <li>2) Can ICASA please specify the process or methodology by which the auction winners' throughput obligations must be measured?</li> <li>3) What is the ICASA detailed definition of "an average uplink of 15Mbits/s" eg: <ul style="list-style-type: none"> <li>• Is this an average at the network or cell level?</li> <li>• Over what time period should this be measured: day, week, month, 6 months etc.?</li> <li>• What 3GPP device category does this relate to? E.g. performance with users using older category 4 devices may be inferior to those using Category 6 or Category 9 devices.</li> <li>• Does the 15Mbits/s relate to outdoor or indoor coverage and if indoor what level of indoor penetration?</li> <li>• Does the 15Mbits/s relate to a user that is stationary or on the move and if on the move what speed should be assumed?</li> <li>• What is the ICASA detailed definition of "downlink user experience throughput of at least 30Mbits/s"</li> <li>• Is this a minimum throughput that has to be offered at any time of the day to every concurrent user even during the busiest hour(s)? If so,</li> </ul> </li> </ol>

			<p>has ICASA done a high level costing implication for the industry and if so, will ICASA share such high level costing?</p> <ul style="list-style-type: none"> <li>• Is the 30Mbps/s an average across the nation, a defined geographic area or cell or a minimum to be achieved anywhere at any time? The average throughput of a cell may satisfy the criteria, but at the cell edge the throughput may be lower than the average and higher than average near to the base station site (subject to user distribution and traffic). Has ICASA taken this into consideration when establishing the criteria?</li> <li>• If the 30Mbps/s is an average user experience rate, over what time period should this be measured – day, week or month?</li> <li>• What 3GPP device category does this relate to? E.g. performance with users using older category 4 devices may be inferior to those using Category 6 or Category 9 devices.</li> <li>• Does the 30Mbps/s relate to outdoor or indoor coverage and if indoor, what level of indoor penetration?</li> <li>• Does the 30Mbps/s relate to a user that is stationary or on the move and if on the move what speed should be assumed?</li> </ul> <p>4) Can ICASA please specify the process or methodology by which the auction winners' population coverage must be measured?</p> <p>5) Is there a specific South African population mapping database that should be used to demonstrate compliance with the 100% population coverage requirement and throughput requirements?</p> <p>6) Will ICASA be willing to make allowances on the 100% coverage obligation in areas where the auction winners are unable to deploy mobile network infrastructure? Examples of such areas include, but are not limited to: the areas surrounding the Square Kilometre Array (SKA) project in the Karoo, the Kruger</p>
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			<p>National Park, and the Isimangaliso Wetland Park or any other area that is considered to be sensitive from an environmental point of view;</p> <p>7) Will ICASA move the 3-year deadline for meeting the auction obligations until such time as the 700MHz and 800MHz bands are available for commercial use by the auction winners? MTN maintains that this should explicitly be 3 years from the spectrum being available nationally, as the obligations within the ITA are national targets.</p> <p>8) Do the throughput and coverage obligations have to be satisfied using only the spectrum auctioned as part of this process or can they be satisfied using existing spectrum holdings plus spectrum acquired as part of this auction process, together with any other potential future spectrum acquisition(s)?</p> <p>9) In the circumstance where the auctioned low band spectrum is not cleared from analogue TV in time to enable sufficient roll-out to meet the coverage and throughput obligations, would ICASA amend the coverage and throughput obligations and or timing?</p> <p>10) Would ICASA consider aligning the coverage and throughput obligation timing to a regional basis in-line with the planned release of low band spectrum from analogue TV use?</p> <p>11) Will ICASA extend the lifetime of the licence (currently 15 years) by the same time period in which it takes ICASA to free up the 700 and 800MHz frequency for effective utilisation by a licensee?</p> <p>12) In this regard, can ICASA show that it has taken financial feasibility into account in setting a 100% population coverage coupled with the high throughput and speed requirements? If so, will ICASA share that feasibility study?</p>
10	P.16, S.48	A Licensee must submit documents to demonstrate progress to-date in sufficiently meeting the criteria of the uplink and	1. Can ICASA provide more detailed information on the uplink and throughput speed criteria – (see questions relating to 8.1 – 47 page 19 above).

		throughput speed obligations. This information should be provided at intervals of 12, 18, 24, 30 and 36 months following the date that the 700MHz/800MHz spectrum is made available for network rollout based on commissioning date by the Licensees.	2. Will ICASA extend the lifetime of the licence (currently 15 years) by the same time period in which it takes ICASA to free up the 700MHz/800MHz frequency for effective utilisation by a licensee?
11	P.16, S.49	The documents to be submitted must demonstrate that the uplink and throughput speed obligations have been met. Should the Authority have any concerns about the accuracy of the information provided, it reserves the right to commission audits confirming the results of the analysis submitted by the Licensee. In this respect, please note that greater consideration will be given to measurements of actual performance instead of theoretical estimations of network performance.	<ol style="list-style-type: none"> <li>1) Can ICASA please specify the process or methodology by which ICASA will audit the auction winners to validate that they have met their throughput obligations?</li> <li>2) Can ICASA please specify the process or methodology by which ICASA will audit the auction winners to validate that they have met their population coverage obligations?</li> <li>3) Is there a period in which the operator can take steps to rectify the failure in its obligation?</li> <li>4) If ICASA commissions independent network testing to confirm compliance with the coverage and throughput requirements, what testing methodology and software applications will ICASA use to verify compliance?</li> </ol>
12	P.16, S.50	A Licensee is required to provide open access to a minimum of three Mobile Virtual Network Operators (3 X MVNO).	<ol style="list-style-type: none"> <li>1) To comply with this obligation must the licensee have established and implemented an MVNO agreement with a minimum of three MVNO businesses?</li> <li>2) Is the obligation met by the Licensee if it is ready and willing to host a minimum of three MVNOs even though agreements with three MVNOs have not been concluded?</li> <li>3) If each Licensee is required to actually be hosting 3 MVNOs then, if all four Lots are assigned, a total of <math>3 \times 4 = 12</math> MVNOs. As this is a large number of MVNOs would a Licensee be deemed to be in breach of its obligation if it is willing to host an MVNO but there is not sufficient demand for MVNO hosting services?</li> </ol>

			<p>4) Does ICASA envisage that an MVNO may be an MVNO of 2 or more successful bidders?</p> <p>5) Has ICASA assessed the ability of the South African mobile market to support this number of MVNOs?</p> <p>6) What are the specific rules relating to when an MVNO withdraws from the market whether voluntarily or involuntarily?</p> <p>7) Is there a period in which the operator can take steps to rectify the failure in its obligation?</p> <p>8) Does the definition of the MVNO in the glossary preclude a Licensee from having any form of beneficial ownership in any MVNO?</p>
13	P.16, S.52	If a Licensee fails to meet the obligations as set out in items 47 and 50 above, this will be regarded as a serious breach of the licence conditions and the radio frequency spectrum licence may be withdrawn by the Authority with immediate effect, subject to a determination by the Complaints and Compliance Committee for non-compliance.	<p>1) Item 47 relates to the throughput obligations. The throughputs experienced by users may be impacted by the level MVNO traffic on the network (which is an unknown at the moment). How is MVNO traffic taken into account in terms of the throughput obligations/criteria/measurements?</p> <p>2) Can the Authority confirm what would happen to the Auction Fee in case of withdrawal – eg. would it be refunded pro-rata of the remaining years on the licence?</p> <p>3) Has ICASA verified that it is legally correct to withdraw a licence, subject to a determination by the CCC? If so, will ICASA share those legal views?</p>
14	P.17, S.56	In the Qualification Stage, parties are invited to submit applications, in which they must state on which Lot categories (Lot B/C/D/E) they may wish to place Bids during the award process.	<p>Can an applicant state that they wish to bid on all Lots?</p> <p>Is it the intention of ICASA that an applicant may bid on multiple lots but only win one lot?</p>
15	P.17, S.57	Qualified applicants (Bidders) will be requested to submit Bids for the Lots that they would be prepared to acquire at Reserve Prices.	<p>1) Can a bidder submit Bids for all Lots simultaneously if it is prepared to acquire any of the Lots at the reserve price?</p> <p>2) In the event that a bidder has placed bids on more than one Lot and no other bidder has bid on those Lots is the bidder entitled to win more than one Lot?</p> <p>3) If a bidder is only entitled to win one Lot, yet it is the Standing High Bidder on multiple Lots then what process will be used to</p>

			determine which Lot is assigned to the bidder?
16	P.17, S.58	Following the Auction Stage, Licences will be issued to winning Bidders, subject to the payment of the Auction Fee as described in section 14.	What process is proposed to re-allocate or re-auction unsold spectrum where an individual Lot or multiple Lots are not sold?
17	P.17, S.59	The table below provides an indicative timeframe for the award process. Note that given the nature of the SMRA, it is not possible to pre-determine the timetable for the Auction Stage.	<ol style="list-style-type: none"> <li>1) Can ICASA provide clarity on the timing for the digital migration, as well as the process and any additional obligations for auction winners?</li> <li>2) When will the licenses for the 700MHz and 800MHz bands be issued?</li> <li>3) Will the 15 year license duration be measured from the date at which the 700MHz and 800MHz bands are available for commercial use <u>nationally</u> by the auction winners?</li> </ol>
18	P.19, S.61.2	Enter into agreements with other Applicants in relation to the award process, or	Are network sharing agreements excluded from this restriction?
19	P.21, S.75.5	A brief profile of the applicant and details of historic investments and operations in the South African telecommunications market (and/or other international telecommunications markets)	Could ICASA indicate the number of typed A4 pages that would no longer be considered "brief"
20	P.21, S.77	Proof of financial capability of the Applicant – including historic financial statements	How many years of financial statements are required?
21	P.23, S.84	In undertaking the evaluation of the technical capability of the applicant, the Authority will seek assurance that the applicant has the technical, managerial and organisational capability to deploy the planned communications network and that the Applicant (areas to be covered, timeline) is fully aligned with the requirements of the applicants Business Plan as well as any coverage obligations	<ol style="list-style-type: none"> <li>1) Clause 84 of the ITA implies that the applicant must submit Proof of Technical Capability for "the Lot(s) which the Applicant intends to apply for". Does this mean that the applicant must submit Proof of Technical Capability for all four Lots in order to be permitted to bid on any of the Lots during the auction? Or can the applicant simply submit Proof of Technical Capability for the Lot that they initially intend on bidding on?</li> <li>2) Can ICASA please specify the criterion and scoring methodology that it will use to determine an applicant's Proof of Technical Capability?</li> </ol>

		associated with the Lot(s) which the Applicant intends to apply for. The applicant should submit all appropriate documentation that demonstrates this – as a minimum, this should include the documents relating to technical capability as detailed in 77.8.	
22	P.25, S.110.2	In each Round, Bidders will have the opportunity to place Bids on any of the available Lots, providing those Bids do not break the Activity Rules and Spectrum Caps.	<ol style="list-style-type: none"> <li>1) Can ICASA confirm that in a round a bidder can place bids on more than one Lot?</li> <li>2) If following a round in which a bidder has bid on multiple Lots and has become the Standing High Bidder on multiple Lots and in the subsequent round there are no new bids and no waivers can ICASA confirm that the bidder will be awarded all Lots on which it is the Standing High Bidder?</li> <li>3) If the bidder can only win one Lot but is the Standing High Bidder on multiple Lots at the end of the auction how will the Lot assigned to the bidder be determined?</li> </ol>
23	P.25, S.111	Before each Round begins, the Authority will communicate to all Bidders the Standing High Bid and Standing High Bidders amount on each Lot	<ol style="list-style-type: none"> <li>1) Can ICASA confirm that the Standing High Bid and the Standing High Bidder's amount is the same monetary amount?</li> <li>2) Will all bidders be informed as to the identity of the Standing High Bidder on each Lot?</li> </ol>
24	P.25, S.113	<p>32. A Spectrum cap is a limit placed on the amount of spectrum a Bidder can bid for in each bid round in an auction.</p> <p>33. An Applicant will be allowed to bid for only one of Lots B, C, D and E.</p> <p>112. Each Bidder (other than Bidders which have already withdrawn from the auction) is invited to submit one Bid Entry Form (see example Bid Entry Form in Appendix E) stating on which Lots it wishes to place a Bid</p> <p>113. If a Bidder wishes to submit a Bid, it is free to choose which Lots to Bid for, subject to Eligibility, the</p>	<ol style="list-style-type: none"> <li>1) Sections 32 and 33 indicate that a bidder can only bid for one of the Lots B, C, D or E. Section 112 indicates a bidder can place simultaneous bids on multiple Lots. Section 113 indicates that the number of Bids a bidder can bid on is constrained by the cap which limits it to bidding on only one Lot. Section 124 states that activity is linked to the number of Lots suggesting a bidder can bid on more than one Lot. Section 128 indicates a bidder can be Standing High Bidder or Bid on multiple Lots. Can ICASA please clarify the number of Lots upon which a bidder can bid during a round?</li> <li>2) Please confirm whether a Bidder can bid for more than one of the Lots</li> <li>3) If a bidder is the Standing High Bidder on one Lot and wishes to</li> </ol>



		<p>Spectrum Caps, and the Lot Categories on which they have qualified to bid.</p> <p>However, a Bidder is not permitted to bid on Lots on which it is currently the Standing High Bidder.</p> <p>124. A Bidder's Activity describes the number of Lots on which it is either Standing High Bidder or places a new Bid on in the current Round.</p> <p>128. The sum of the Activity Points of each Lot on which a Bidder places a Bid in a Round, combined with the Activity Points of Lots on which the Bidder is Standing High Bidder, defines the total Activity of the Bidder within the Round.</p>	<p>switch to another Lot how can this be achieved?</p>
25	P.26, S116.1	<p>If one or more Lots have received Bids from multiple Bidders of value equal to the maximum bid value of the Round, the Standing High Bidder will be selected by means of a tie-break.</p>	<ol style="list-style-type: none"> <li>1) Can ICASA please explain in detail how the tie-break would work?</li> <li>2) Can ICASA confirm that in the situation where a tie-break occurs and that in the following round there are no new bids or waivers then the winner of the Lot will have effectively be determined by chance?</li> </ol>
26	P.26, S.118	<p>For each Round, the Authority will specify four (4) bid amount options which may be placed on each Lot.</p>	<p>Can ICASA confirm that the four bid amount options for each Lot in any round will specify a set of four specific amounts that a Bidder can bid based on four different percentages of the Standing High Bid amount?</p>
27	P.26, S.125	<p>In the first Round, a Bidder's eligibility is equal to its Activity in its Initial Bid</p>	<p>Can ICASA please state the maximum eligibility points a bidder can achieve through its Initial Bid and how this can be achieved?</p>
28	P.27, S.130	<p>If a Bidder is Standing High Bidder on Lots which have a combined Activity Points level equal to the Bidder's Eligibility for the Round, it must submit a "no Bid" Bid, to identify that it does not wish to use a Waiver.</p>	<ol style="list-style-type: none"> <li>1) Section 130 indicates a bidder can be the Standing High Bidder on more than one Lot.</li> <li>2) Can ICASA confirm that a bidder can bid or more than one Lot?</li> <li>3) Why should a Bidder who is Standing High Bidder on Lots which have a combined Activity Points level equal to the Bidder's Eligibility for the Round use a Waiver? Does a Bidder who is Standing High Bidder on a Lot</li> </ol>

			need to submit a new bid to maintain Eligibility?
29	P.27, S.131	If a Bidder submits a "no Bid" in Round when it is Standing High Bidder on Lots which have a combined Activity Points of less than the Bidder's Eligibility, then its Eligibility will reduce for the next Round (as per the usual Eligibility rule described in 129).	Section 131 indicates that multiple bids on Lots are possible. Can ICASA confirm that a bidder can bid for more than one Lot in the same round?
30	P.27, S. 140	If a Bidder withdraws whilst it is Standing High Bidder on any Lot, it will remain Standing High Bidder until another Bidder places a higher Bid on that Lot. As a result, it is possible for a Bidder that has withdrawn to win Lots which it had bid on before the Withdrawal, provided no other Bidders place further Bids on those Lots.	Section 140 indicates that a bidder may win more than one Lot. Can ICASA confirm that a bidder can win more than one Lot in the auction?
31	P.28, S.143.2	The Bid must not exceed the Spectrum Caps set out in 32.	Please confirm whether a Bidder can bid for more than one of the Lots.
32	P.28, S.143.9	If a Bidder submits multiple bid forms in a Round, all Bid forms from the Bidder will be deemed invalid.	What happens to a Bidder's Eligibility if its Bid is deemed invalid?
33	P.28, S. 143.11	This should include the combined value of all new Bids in the Round.	Section 143.11 indicates that a bidder may bid on more than one Lot. Can ICASA confirm that a bidder can bid on more than one Lot during a round?
34	P.28, S.143.13	If the total value does not match the combined value of all new Bids submitted by the Bidder in the Round, the Bid will be deemed invalid.	What happens to a Bidder's Eligibility if its Bid is deemed invalid?
35	P.29, S.147	Bidders will also be provided the following additional information: ...	Will Bidders be provided information on the identity of Bidders who submitted a "no Bid"?
36	P.29, S.148	The auction will close once a bid Round has been completed in which no new Bids were placed (excluding	Please confirm whether the auction can close after a Round in which all Bidders placed a "No Bid".

		"No Bid" Bids) and no Waivers were used.	
37	P.29, S.150	Following this, each Bidder's auction fee is calculated as the sum of the Standing High Bids on the Lots which the Bidder has won.	Section 150 indicates that a bidder may win more than one Lot. Can ICASA confirm whether a bidder can win more than one Lot in the auction?
38	P.29, S.152	Each Bidder will be provided its own private room in which it may make its bid decisions.	<ol style="list-style-type: none"> <li>1) How are private rooms going to be allocated to bidders?</li> <li>2) How far are private rooms going to be from the "Bid Box"?</li> </ol>
39	P.30, S.161	During the auction, at least one Authorised Representative per Bidder must be present at the auction location for the duration of each bidding day.	<ol style="list-style-type: none"> <li>1) What is the procedure for designating the Authorised Representatives?</li> <li>2) Is there a maximum number of Authorised Representatives for a bidder?</li> </ol>
40	P.30, S.162	Each Bidder will be allowed up to a maximum of five (5) persons at the auction location each day, including the Authorised Representative(s).	<ol style="list-style-type: none"> <li>1) Is it possible to substitute people at the auction location during a day?</li> <li>2) Is there a procedure for doing so?</li> </ol>
41	P.30, S.164.6	The start of any particular Round may be delayed, but no Round will be scheduled earlier than in the previously published schedule.	<ol style="list-style-type: none"> <li>1) If a round is delayed, how is its duration affected?</li> <li>2) If a round is delayed, how is the rest of the published schedule affected?</li> </ol>
42	P.30, S.164.7	At the end of each bidding day, The Authority will also announce the percentage Bid Increments to be used to calculate the bid amount options for each Lot throughout the following bidding day.	<ol style="list-style-type: none"> <li>1) Are these percentages fixed for all Rounds of the following bidding day?</li> </ol>
43	P.30, S.181	... the bid entry form should be signed by one of the Bidder's Authorised Representatives.	What happens if the Authorised Representatives are unable to sign the bid entry form?

**-END-**