

Vodacom's written submission in response to ICASA's invitation to submit enquiries on 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, 700 MHz, 800 MHz and 2.6GHz.

[General Notice 438, Government Gazette 40145 of 15 July 2016]

Vodacom's submission on the Invitation to Apply

A. Introduction

Vodacom Pty Ltd ("Vodacom") appreciates the opportunity to submit enquiries on 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", hereinafter referred to as the Invitation to Apply ("ITA") as published in Gazette 40145, Notice 438 of 15 July 2016.

After years of spectrum scarcity and licensing uncertainty, Vodacom welcomes the concrete plans to license spectrum for 4G, so that customers and businesses across South Africa can all benefit from affordable high speed mobile broadband services, with resulting benefits for society and the broader economy¹. It will relieve current capacity constraints which stifle competition, quality and affordability and will allow mobile operators to extend coverage across South Africa. These benefits will be even greater when complemented with the enablement of the rapid deployment of infrastructure and increased infrastructure sharing which are currently in progress. Completion of all these actions will advance the supply side of broadband in respect of the NDP goals and propel South Africa's value rating in comparison with its main economic peers and competitors.

Vodacom's enquiries are aimed at contributing to a transparent, procedurally fair, and non-discriminatory licensing process, and are structured as follows:

Section B: Overview

Section C: General enquiries

Section D: Specific enquiries

B. Overview

The main aim of licensing 700MHz, 800MHz and 2600MHz is to ensure nationwide affordable broadband access for all citizens by 2020². Achieving this requires a combination of investment and competition. Licences therefore need to be awarded to operators who will put the spectrum to best use and invest in nationwide 4G networks, and the auction needs to deliver a sufficient number of 4G licences at a price enabling healthy rivalry among operators to drive competition, investment and innovation.

It is therefore important that the licensing framework provides for, inter alia, the following:

- Transparency and absence of discrimination between the assignment process and licence conditions (including obligations) of Lot A and the other Lots to be auctioned in this ITA
- Spectrum Lots that are affordable to all of South Africa's mobile operators
- Spectrum that is immediately available for deployment in 4G networks
- Coverage obligations that are affordable and efficiently achievable

¹ SA Connect at page 16

² ITA at page 10

C. General enquiries

1. Transparency and absence of discrimination between the assignment process and licence conditions (including obligations) of Lot A and the other Lots to be auctioned in this ITA

In order to ensure fair competition in the market and to preserve confidence in the sector by international inward investors, it is important that there be no discrimination in the assignment process and licence conditions (including obligations) of Lot A when compared with the other Lots to be auctioned in terms of this ITA. The ITA reserves Lot A for subsequent assignment and no details are provided in respect of; justification for subsequent assignment, the process that will be followed for the assignment, and the obligations and other terms and conditions that will apply. This creates uncertainty with investors and risks a sub-optimal auction outcome.

- a. What are the Authority's plans for Lot A and the justification for subsequent assignment?
- b. How will the Authority will meet its mandate to ensure that this spectrum is awarded so as to meet the requirements of the Electronic Communications Act No 36 of 2005 ("EC Act") and other relevant legislation with regards to the orderly, efficient and effective utilisation and management of this spectrum?
- c. Can the Authority confirm that the reserve price, obligations, terms and conditions, and the process of assignment of Lot A will not be more (or less) favourable (non-discriminatory) than that pertaining to the other Lots?

2. Spectrum Lots that are affordable by South Africa's mobile network operators

Reserve Price

Reserve prices should, ideally, be set at a value which covers the opportunity cost of alternative uses of each spectrum band, and deters frivolous entry while encouraging serious entry. Setting reserve prices too high risks not all South Africa's mobile network operators ("MNOs") being able to afford spectrum Lots and not all Lots being sold. The ITA sets the Reserve Price at ZAR 3 Billion of "the Lots" (employing the plural).

- a. Is the Reserve Price ZAR 3 Billion in total for all Lots in the aggregate?
- b. What are the reserve prices for the individual Lots?
- c. Were the different spectrum components of each Lot considered?
- d. Are the Reserve Prices for Lots B and E at a discount compared to the reserve prices for Lots C and D?

Payment terms

Auction Fee payment terms should be affordable to South Africa's MNOs, as they have varying financial capacities to absorb such payments. Will licensees have the option of a payment plan, over say 5 years with a reasonable rate of interest, as an alternative to a once-off Auction Fee payment following the announcement of the auction results?

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3. Spectrum that is immediately available for deployment in 4G networks

The availability of spectrum for efficient and effective use is paramount to assess the business case for a bid and the ability to achieve the coverage and throughput obligations.

- a. Will the 700MHz and 800MHz bands be cleared of fixed services and television broadcasting and interference free across the country by January 2017?
- b. In the event that clearance of the 700MHz and/or 800MHz bands is delayed;
 - i. What is the contingency its plan to deal with such a delay?
 - ii. Will the 2.6GHz spectrum be assigned immediately notwithstanding? If so, how will this be done?
 - iii. Will a pro-rata payment apply in respect of 2.6GHz spectrum which payment will be calculated on a pro-rated basis using international spectrum benchmarks?
 - iv. Will the payment for 700MHz and 800MHz bands be delayed until such time that it is clear and interference free?

4. Coverage obligations that are affordable and efficiently achievable

Vodacom supports coverage and throughput targets that are aspiring whilst realistic, affordable and efficient. Please provide detail on the factors that were considered in deriving at the coverage obligations, inter alia;

- a. expected timelines by which spectrum will be available for use,
- b. current coverage and availability of high capacity transmission networks that are necessary for backhauling traffic from base stations into the core network,
- c. impact and effect of Rapid Deployment Policy and/or measures
- d. current status of network deployment and means of service delivery across the country, and
- e. implications for affordability for consumers.

D. Specific enquiries

For ease of reference the specific enquiries below are structured in accordance with the structure of the ITA. "Paragraph xy" refers to the relevant numbered paragraph in the ITA and the *Italics* font is applied to quotations from the ITA.

1. Definitions

- 1.1 Relevant Groups: What is the definition?

2. Legal framework

- 2.1 Paragraph 14: The important legal reference point is section 30(1) of the ECA. It is clear from the terms of the ITA, and in particular the importance of the spectrum at issue for IMT, that the participation of the current MNOs is important, not only for the effective and efficient use of the

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radio frequency spectrum in question, but also for the ultimate successful Bidder and Licensee to be able to meet the obligations specified in the ITA and other legislation including the ECA.

Should any current MNOs be excluded or disqualified from the auction process for whatever reason, how does the Authority intend to fulfil its mandate to ensure the efficient utilisation of the radio frequency spectrum in controlling, planning, administering, managing, licensing and assigning the use of such spectrum?

- 2.2 Paragraph 15: Footnote 7 references "The Radio Frequency Migration Plan Government Gazette Number 36334 (Notice Number 352 and 353 of 2013) of 03 April 2015".
- a. Is this the correct Regulation?
 - b. If not, what is the correct Regulation? Is it "Radio Frequency Spectrum Regulations 2015 (gazette 38641)?"
- 2.3 Paragraph 15: Draft Amendments to the Radio Frequency Spectrum Regulations, 2015 were published for comment on 17 June 2016.
- a. Is it the Authority's intention that the amended Regulations would be finalised before the application date so as to govern the ITA?
 - b. If so, how is it envisaged that this would be achieved in terms of process and timelines?
 - c. Is it envisaged that the ITA would be amended to align it with Final Amendments to the Radio Frequency Spectrum Regulations?
- 2.4 Paragraph 15: If the migration of fixed link and broadcasting services from 700MHz and 800MHz is not completed by the ITA licences issuing date and/or has not by then become available to provide services, what are the implications for;
- a. the ITA licensing process?
 - b. the auction fee payment?
 - c. achieving the obligations?
- 2.5 Paragraph 15: If the migration of fixed link and broadcasting services from 700MHz and 800MHz is not completed by the ITA licences issuing date and/or has not by then become available to provide services, what are the envisaged processes and timelines to complete this migration?
- 2.6 Does the Authority envisage altering or expanding upon any of the licence conditions prescribed in the ITA? If so, precisely how and at what stage is this envisaged to occur, and on what basis would this be done?

3. Policy framework

- 3.1 Paragraph 18 read with 47: According to SA Connect, the reviewable target for 2020 is an average user experience of 5 Mbps to 90% of the population.
- a. How were the ITA uplink and throughput obligations derived taking into consideration both the aspirational targets captured in the SA Connect as well as the critical aspect of financial feasibility in meeting such an obligation based on mobile access technologies?

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- b. How, if at all, was the high capacity transmission required to achieve these obligations and the current state of transmission networks considered when the obligation was designed?
 - c. What were the assumptions made regarding the effective date and the impact of the Rapid Deployment Policy that is currently in progress with its associated regulations?
- 3.2 Paragraph 20: The Broadcasting Digital Migration Policy³ aims to cover 84% of the population by the national broadcasting terrestrial television digital signal.
- a. Will the release of the IMT spectrum occur only after the DTT coverage target of 84% is achieved and if so, what is the planned date for 700 and 800 MHz bands to be cleared of fixed and television broadcasting services?
 - b. The effective date by which spectrum is available to provide services for use across the country would have a significant impact upon the business case and any ability to meet the obligations by 2020. What are the precise timelines and processes for this migration?
 - c. Have the DTT transition phase and the frequency "restacking" process, reorganising television broadcasting spectrum to release dividend spectrum, been factored into these timelines?
 - d. How will cross border-interference with neighbouring countries, which are at different stages of the analogue switch-off process compared to South Africa, be handled?

4. Spectrum to be awarded and licence conditions

Spectrum to be awarded

- 4.1 Paragraph 22: The 800MHz spectrum available for Auction is inconsistent with the Channel arrangements for the IMT800 band based on the Region One recommendation by the ITU (791-821MHz) & (832-862MHz) and Radio Frequency Spectrum Assignment Plan, Gazette 38640.
- a. Why is 2x5MHz of 800MHz omitted from this auction?
 - b. When will it be made available for IMT services, considering that the Radio Frequency Assignment Plan for IMT800 has come into effect on 1 July 2015?
- 4.2 Paragraph 22: What will be the utility of the 1x25MHz TDD band within 2.6GHz block and will it be fully usable, considering the co-ordination required between the TDD portion and the FDD portion of the 2.6GHz band?
- 4.3 Paragraph 23: Will the licence be on an exclusive basis?
- 4.4 Paragraph 24: With regards to Lot A (To be awarded through a separate process)
- a. What is the rationale for assigning Lot A through a separate process?
 - b. What are the Authority's detailed plans for Lot A?
 - c. What will be the form of this separate process?
 - d. When will it be assigned?

³ Gazette 38583, sub paragraphs 1 and 2 of paragraph 2 of executive summary

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- e. Will the successful bidder of any of the lots B to F be precluded from participating in the “separate” process for Lot A? If so, why?
- f. What will the qualification criteria be?
- g. Please confirm that there will be no respective advantages or disadvantages as between the terms, conditions, obligations and award process for Lot A versus the other Lots?
- h. What is the justification for allocating more bandwidth to Lot A for both 700MHz and 2600MHz when compared with the other Lots?
- i. Were the impacts of the obligations imposed on Lots B to E on the obligations to be imposed on Lot A considered? If so, the Authority is requested to provide details.

Lot categories

4.5 Paragraph 25: Lot categories versus Lots

- a. Is there a difference between Lots and Lot Categories? What is the difference between the Lots listed in paragraph 24 and the Lot groupings/categories in paragraph 25?
- b. The paragraph reads “... *excluding Lot A* ...” but then includes Lot A as one of the cubes. Please clarify what is meant here?

4.6 Paragraph 26 read with 56: *An Applicant will qualify to only bid on one of the Lots...*. Vodacom understands that this requirement should be interpreted ‘per bid round’, i.e. a bidder is allowed to submit only one bid per round. An Applicant can therefore apply and qualify for 1 or more or all Lots (excluding Lot A). The Spectrum Cap (paragraph 33), however, limits the number of bids a bidder can place during a single bid round to 1. Therefore, where an Applicant qualified to bid on more than 1 Lot, the Applicant will be limited to bid on 1 Lot at the time – with the option to bid on another Lot qualified for during the following round.

- a. Is this understanding correct?
- b. If not, in what precise respects is it incorrect? How exactly will this work?

Reserve prices

4.7 Paragraph 28: The ITA sets the Reserve Price at ZAR 3 Billion of “the Lots” (employing the plural). Is the Reserve Price ZAR 3 Billion in total for all Lots in the aggregate? What are the Reserve Prices for the individual Lots?

4.8 Paragraph 28: What are all the factors that will be considered to determine the Reserve Prices for the individual Lots? Will the unique characteristics of each Lot be considered, i.e. band (propagation characteristics, interference, power restrictions), bandwidth and availability for use?

4.9 Paragraph 28: What will happen if the reserve price on a particular Lot is not met?

Term of licenses

4.10 Paragraph 29 read with 207: A Licence is valid for 15 years from the date of issue. In cases where a Lot is not cleared from fixed and television broadcasting service and/or is not free from interference, will the 15 year term be measured from the later of the licensing date or the date on which the Lot is “clean” and interference free across the country? Please clarify.

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- 4.11 Paragraph 29: On what basis was it decided to set the licence term at 15 years?
- 4.12 Paragraph 29: With reference to Regulation 10 of the Radio Frequency Spectrum Regulations 2015, a “multi-year radio frequency spectrum licences” as provided for in Regulation 10(2) can be automatically renewed prior to the expiry of the license in the last licence year of the licence term by payment of the prescribed licence fee on or before the due date. Vodacom understands that the ITA license will be a “multi-year radio frequency spectrum licences” as provided for in Regulation 10(2) Radio Frequency Spectrum Regulations 2015 and therefore will automatically renew by payment of the prescribed licence fee on or before the due date in the last licence year of the licence term.
- Is this understanding correct?
 - If not, in what precise respects is it incorrect?
 - Please clarify exactly how renewal will work.

Technologies to be allowed

- 4.13 Paragraph 31: Are there any restrictions regarding either technology choice or service choice? Please clarify how this relates to the obligations?

Spectrum Caps

- 4.14 Paragraphs 32 and 33: Vodacom understands that the effect of the Spectrum Cap is to allow a bidder only one bid per single bid round.
- Is this understanding correct?
 - If not, in what precise respects is it incorrect?
 - Please clarify exactly how this will work.

Annual fees

- 4.15 Paragraph 34: The enquiries under Term of licence above refer. Since the auction achieves the same “incentive” as the Authority’s administrative incentive pricing (AIP) regime in the Spectrum Fees Regulations, Vodacom understands that no annual licence fees will be payable during the 15 year license term (except for renewal in the last year, as envisaged in Regulation 10).
- Is this understanding correct?
 - If not, why not and what is the rationale for imposing two incentive payments?
 - If not, what will the annual licence fees be in Rand by Lot and by spectrum band?
- 4.16 Paragraph 34 read with paragraph 207: In the case where a spectrum licence is issued for spectrum that is not available for immediate use:
- What will be the effective date from which the annual fees will accrue, if any?
 - Will this occur on award of license or only when spectrum can be effectively used?

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Technical conditions – 800MHz band

- 4.17 Paragraph 38.2: Which frequencies are most affected by this?
- 4.18 Paragraph 41.1 and 41.2: What is the definition of EIRP limits and are these limits applicable to a specific;
- a. antenna port (polarization)
 - b. antenna (all polarizations) or
 - c. direction (all antennas)?
- 4.19 Paragraph 41.2: Considering 41.1, why is the guard band from 2570 – 2575 between FDD and TDD assignments a restricted block and not a guard band?
- 4.20 Paragraph 42.2: Why is the effective utility of 1x25MHz TDD of 2.6 GHz reduced to only 1x15MHz?
- 4.21 Paragraph 42.2: Have any restrictions in terms of guard bands or block edge masks been placed on the incumbent currently occupying 2575-2595MHz which adjoins block A?

5. Obligations

Uplink and throughput obligations

- 5.1 Paragraph 46 and 47: Vodacom supports coverage and throughput targets that are aspiring whilst realistic, affordable and efficient and agrees with the observation from the OpenSignal report that there is also a trade-off between population coverage and speed. The actual achievements quoted from the OpenSignal report are, however, less instructive when considering appropriate targets for South Africa, since the observed countries are not comparable to South Africa in terms of, amongst others, economic, demographic, topographic and state of development characteristics. It is, however, worth noting that according to OpenSignal, no country has surpassed the ITA's combinational target and that out of 200 countries South Korea (Olleh) came closest with LTE speeds of 34 Mbps and 96% Population coverage. South Korea ranks No. 1 (out of 166 countries) in the ITU ICT Development Index (IDI) compared to S.A at No. 88.
- a. Which factors were considered in setting the combinational target for South Africa?
 - b. Precisely how this will be measured?
- 5.2 Paragraph 47: The definitions of “average user experience throughput” and “100% of the population” are ambiguous and further clarification is required on the definition and the basis of measurement. It is however important that these targets are affordable and efficiently achievable and for these reasons Vodacom's interpretation and analysis are as follows:
- a. “average user experience throughput” means the average downlink speed of 30 Mbit/s and an average uplink speed of 15 Mbit/s experienced by a single user under favourable radio conditions with low cell loading at the antenna where the spectrum awarded in terms of the ITA is deployed.
 - i. Is this interpretation acceptable?
 - ii. If not, in what respects and to what extent not?

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- iii. What would be an acceptable interpretation considering exogenous factors over which MNOs have no or limited control, e.g. radio conditions (propagation, interference, noise, fading and cell loading), user device capabilities, etc?
 - iv. In designing this obligation, what were the Authority's assumptions with regard to, amongst others; availability of spectrum for immediate and effective use across the country, the impact and effective date of a Rapid Deployment Policy and regulations and availability of high capacity transmission networks that are necessary for backhauling traffic from base stations into the core network?
 - v. In the alternative, will achieving the target in S.A Connect of providing data services to 90% of the population across the country with an average downlink user throughput of 5 Mbit/s by 2020 be acceptable? If not, in what respects and to what extent not?
- b. "100% population coverage"
- i. What would be an acceptable interpretation, considering several coverage restricted areas across South Africa, such as Karoo Astronomy Geographic Advantage Area and National parks and cross border interference with neighbouring countries?
 - ii. What were the Authority's assumptions with regard to, amongst others; availability of spectrum for immediate and effective use across the country, the impact and effective date of a Rapid Deployment Policy and regulations, availability of high capacity transmission networks that are necessary for backhauling traffic from base stations into the core network and affordability?
 - iii. Can this obligation be met through existing spectrum and technologies, e.g. 900MHz, National Roaming, Satellite, etc.?
- 5.3 Paragraph 47: Is "average user experience throughput" an average throughput across all users nationally across all hours of the day and all days of the year? If not, what exactly is it?
- 5.4 Paragraph 47: Can the coverage obligation be achieved through roaming on other Licensees?
- 5.5 Paragraph 47: What is the date by which compliance will be measured? Is it 31 December 2020?
- 5.6 Paragraph 47: Will the obligations and target date be amended should there be any delays to clear spectrum from fixed and broadcasting services and other forms of interference? If so, how exactly?
- 5.7 Paragraph 47: Can Licensees form a consortium and/or groups of consortiums with the aim to provide data services across the country as required by the coverage obligation? Would the coverage achieved by a consortium meet the coverage obligation for Licensees who are part of such a consortium?
- 5.8 Paragraph 47: Assuming that the requirement is for at least one licensee to cover a specific area, will the network roll-out services associated with Lot A be considered? Please clarify what the obligations for Lot A will be?
- 5.9 Paragraph 48: What are the penalties for not meeting the obligations? How will these be applied and enforced considering potential varying degrees of throughput and coverage achieved in 2020?

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Open access obligations

5.10 Paragraph 50: Open access to MVNOs

- a. Is it acceptable for a Licensee to engage a single Mobile Virtual Network Enabler (MVNE) or Mobile Virtual Network Aggregator (MVNA) and then for this party in turn to engage MVNOs?
- b. Will the same obligation apply to Lot A?
- c. Will "in-country" roaming partners be considered as MVNOs, e.g. national roaming?

5.11 Paragraph 51: Can the Licensee own a stake in the MVNO and can it be a controlling stake? If not, on what basis is this not possible?

6. Overview of application process and general timing

Award process

6.1 Paragraph 56: Can applicants apply to bid on more than 1 Lot? For example all of the Lots?

6.2 Paragraph 57: Can applicants bid on all Lots that they qualified for?

6.3 Paragraph 57: What will happen if the Reserve Price is not met on a particular Lot?

7. General rules

Groups or Consortiums

7.1 Paragraph 63 read with 67.2: Groups/consortiums that participate in the licensing process

- a. Are all members of the consortium required to have a minimum of 30% equity ownership held by persons of HDG? Please clarify in detail what the requirement is?
- b. Is there a limit on the number of members in a consortium?

7.2 Paragraph 63: How can the ITA licensed spectrum be utilised amongst a group or consortium of members including members who already have separate spectrum licences?

- a. Can they subdivide / share / pool the ITA licensed spectrum amongst members and on what basis?
- b. Can they share / pool their current individually licensed spectrum with that of the ITA licensed spectrum?
- c. Are there any requirements with regard to functional / accounting / structural separation amongst consortium members and use of the ITA spectrum?
- d. Are there limits on consortiums forming once licences are allocated?

Sanctions

7.3 Paragraph 65: What are the fines that can be imposed on an applicant that breaches the auction rules?

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- 7.4 Paragraph 65: How are “breaches” classified according to severity, e.g. what will be considered a severe breach versus one that is not severe?
- 7.5 Paragraph 65: How do the sanctions relate to Section 11: “Prohibited Practices and other disruptions to the auction”; e.g. would an applicant be fined and excluded or fined only?
- 7.6 Paragraph 65: Why should the entire award process be annulled if only one applicant is excluded from the auction process for breaching the auction rules?

8. Qualification stage

Entities that are eligible to submit an application

- 8.1 Paragraph 67: It is stated that in order to submit an application, an Application must be an Individual ECNS licensee and have a minimum 30% equity ownership held by persons from Historically Disadvantaged Groups.
- a. Does this requirement apply to Individual ECNS licensees that were issued licences under section 36 or section 37 of the Telecommunications Act 1996? If not, on what basis does it not apply to them?
 - b. What is the definition of “Historically Disadvantaged Groups” in the ITA?
 - c. How will the ownership level of HDGs be measured?
 - d. Vodacom understands that the ownership requirement is irrespective of whether the ownership is held directly or indirectly in the licensee e.g. black shareholding held in the holding group company of the licensee.
 - i. Is this understanding correct?
 - ii. If not, provide reasons why not, and what precise nature of ownership is envisaged?
 - e. The ITA equity ownership eligibility requirement differs from the disqualification criterion contained in Regulation 7(3)(d) of the Radio Frequency Spectrum Regulations 2015 (gazette 38641). Notwithstanding this difference, the ITA equity ownership eligibility requirement aligns with Draft Amendments to the Radio Frequency Spectrum Regulations 2015 (gazette 40078).
 - i. Is it the Authority's intention to address the discrepancy through the amended Regulation? Please consider Vodacom's submission on the Draft Amendments to the Radio Frequency Spectrum Regulations 2015 (gazette 40078).
 - ii. If not, how is it envisaged that this discrepancy be addressed?

Submission of Applications

- 8.2 Paragraph 71: When will the auctioneer be appointed and when will this be announced?
- 8.3 Paragraphs 73 read with 56: Please confirm that the requirement for an applicant to submit only one application does not preclude an Applicant to bid on 1 or more of all Lots in one Application.

Application fee

- 8.4 Paragraph 75: Will the application fee be offset against the auction amount if the bid is successful?

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Application content

- 8.5 Paragraph 77.5: Will the Applicant's audited annual financial statements suffice?
- 8.6 Paragraphs 77.10 and 85: Bank guarantees reduce the risk of default by auction participants and the resulting unintended outcome. Is the proposed ZAR100m sufficient?

Business plan

- 8.7 Paragraph 81.3: What are "*any obligations associated with the Lot(s)*"? Are these only the obligations contained in section 8 of the ITA? Are any other obligations envisaged and what are they?
- 8.8 Paragraphs 81.4: Refer to enquiry under paragraph 34.

Bank guarantee

- 8.9 Paragraphs 85 and 77.10: Refer to enquiry under paragraph 77.10.
- 8.10 Paragraph 86: What are the penalties and compensation that may accrue during the Application Stage?

Opening and initial review of Applications

- 8.11 Paragraphs 93 and 94: Can the time allocated to make any corrections be extended? Can it be extended more than once?

Publication of list of applicants

- 8.12 Paragraphs 95, 98 and 99: What is meant by "Relevant Groups" and what is the purpose of these paragraphs?
- 8.13 Paragraphs 97 and 56: In the case where an Applicant has applied for more than 1 Lot, will all its requested Lots be published?

Assessment of applications

- 8.14 Paragraph 105: Can the time allocated for clarification be extended? Can it be extended more than once?

9. Auction stage

Bid rounds

- 9.1 Paragraphs 112 and 113 read with 32 and 33: According to the Spectrum Cap a Bidder can bid for only one of Lots B, C, D and E in each bid round. Please clarify whether Bidders can bid for no more than 1 Lot in a bid round.
- 9.2 Paragraph 114: This implies that a bidder with a Standing High Bid (SHB) needs to take one of four actions in the next round, but by convention the bidder should be able to be passive in future rounds until it is displaced as SHB. Please clarify.

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Eligibility and Activity

- 9.3 Paragraphs 123 to 131: According to the Spectrum Cap a Bidder can bid for only one of Lots B, C, D and E in each bid round. Please clarify the purpose of this section on eligibility points, since it appears redundant, given that bidders can bid for one Lot only in a bid round. Please clarify whether Bidders can bid for no more than 1 Lot in a bid round.

Waivers

- 9.4 Paragraph 134: This implies a bidder with an SHB could use a waiver, but this again would be unconventional – a waiver would normally be employed when otherwise the bidder would lose eligibility. Please clarify.

Submission of Bids

- 9.5 Paragraphs 143.3, 143.10, 143.11, 143.13, 143.14, 143.17: According to the Spectrum Cap a Bidder can bid for only one of Lots B, C, D and E in each bid round. Please clarify whether Bidders can bid for no more than 1 Lot in a bid round.

Bid round process

- 9.6 Paragraph 169: What procedures will be in place to ensure the previous bid form is destroyed and bid boxes are securely handled?
- 9.7 Paragraphs 173, 175, 176, and 177: According to the Spectrum Cap a Bidder can bid for only one of Lots B, C, D and E in each bid round. Please clarify whether Bidders can bid for no more than 1 Lot in a bid round.

10. Licensing Stage and Licence Duration

Payment of the Auction Fee

- 10.1 Paragraph 205: Will the application fee be off-set against the Auction Fee?