

Regulation

2500-2690 MHZ SPECTRUM AUCTION

Issued in Helsinki on xx xx 2009

The Finnish Communications Regulatory Authority has, under sections 5 and 10 of the Act on Spectrum Auctions (x.x.2009/xxx), prescribed as follows:

Section 1

Scope of application

This Regulation concerns the auctioning of the 2500-2690 MHz spectrum band.

Section 2

Registration period

Registration period for the auction is 30 days counting from the date when Government announces the licenses for application. The registration must be at FICORA no later than on the last day of the registration period at 16:15. Registrations that arrive late will not be accepted.

Section 3

Information to be given at registration

Registration to the auction must be made in writing as stipulated in section 5 of the Act on Spectrum Auctions, by using the registration form in Annex 1.

All information required must be given and the registration form must be signed by an authorised signatory. The authority to sign must be clearly indicated in the extract from the trade register, in a corresponding foreign document or in a separate procura.

All documents must be submitted either in Finnish, Swedish or English.

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Any changes in the information given in the registration must be notified to FICORA without delay.

Section 4

Contact person

FICORA will direct documents and other correspondence pertaining to the auction only to the contact person named in the registration form. It is the bidder's responsibility to ensure that the contact information is correct and up-to-date and that the contact person is available starting from the date of registration until the end of the auction.

Section 5

Auction system

The Auction will be conducted via electronic auction system over the public internet. The bidder is responsible for arranging an Internet connection, including hardware and web browser.

FICORA will deliver the log-in information and passwords to the contact person referred in section 4 by registered letter to the postal address given in the registration form.

Section 6

Spectrum blocks and associated points

The spectrum blocks to be auctioned are divided into blocks according to section 3 of the Auction Act. The paired spectrum blocks of 2500-2570 MHz and 2620-2690 MHz are called blocks FDD1 to FDD14. Spectrum block 2570-2620 MHz is called TDD-block.

Each spectrum block is assigned a value in points that corresponds to the amount of MHz of the spectrum block, where 10 MHz is one (1) point. The points are used to calculate eligibility in accordance with section 8. Points associated with each spectrum block are given in annex 2 of this regulation.

Section 7

Usage restrictions

There are usage restrictions in spectrum blocks FFD1, FDD2, FDD5, FDD6, FDD9, FDD10, FDD13, FDD14 and in part of the TDD block. The usage restrictions are based on Statute No. 680/2007 of the Council of State on the utilisation plan of the frequency bands allocated to television and radio broadcasting as well as to telecommunications subject to licence. The said spectrum blocks are reserved for research, development and teaching purposes in certain limited geographical areas. The usage restrictions are defined in detail in the technical conditions of the radio licence.

Section 8

Bidding rounds

The auction will be conducted in one or more bidding rounds. The bidding round includes a reporting phase, bidding phase and a calculation phase.

FICORA will announce the starting date and time of the first bidding round to the bidder's contact person no later than a week before the start of the auction.

Section 9

Starting price and bid increments

During the first bidding round, the starting price of a spectrum block is defined according to section 9(2) of the Act on Spectrum Auctions and is 15,000 euros per megahertz. The starting price for each spectrum block is given in annex 2.

From the second bidding round and onwards, FICORA will determine the bid increments for each spectrum block based on bids made in the previous bidding round. The bid increment is at the most 10% of the standing highest bid placed on the frequency block.

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Section 10

Placing bids

By making a bid on a spectrum block, the bidder commits to pay for it the amount stated in the bid.

Bids are placed via electronic auction system. If, due to a technical difficulty or other reasons, the bidder is unable to place bids via the auction system, bids can be placed by fax or other means approved by FICORA.

Only bids that are placed before the end of the bidding phase are accepted. Bids arriving late will not be accepted.

During the first bidding round, the bidder can place bids for frequency blocks whose total number of points corresponds to a maximum of five (5) points. In the following bidding rounds, the bidder can place bids for frequency blocks whose total number of points corresponds to the bidder's eligibility, as defined in section 12.

Section 11

Standing highest bid

The standing highest bid for a frequency block is the bid that has the highest value. If there are several equal bids for the same frequency block, the standing highest bid and the mutual ranking of the bids is set by drawing lots.

Section 12

Eligibility

The bidder's right to place bids in each bidding round is called eligibility. Eligibility is announced in number of points and it is calculated separately for each bidding round.

In the first bidding round, the bidder's eligibility is five (5) points.

In the second and following bidding rounds, eligibility points are calculated in the following manner:

- a) Points pertaining to frequency blocks, where the bidder had standing highest bids at the beginning of the bidding round, plus,
- b) Points pertaining to frequency blocks, where the bidder has placed new bids during the bidding round, plus,

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- c) Points pertaining to frequency blocks, where a previously placed bid becomes the standing high bid due to another bidder's cancellation or disqualification, minus,
- d) Points pertaining to frequency blocks, where the bidder has cancelled standing highest bids during the bidding round.

If bidder's eligibility points would rise from zero to one due to a cancellation or disqualification referred to in point c) above, the total number of eligibility points will be two (2).

In order to maintain eligibility, the bidder must participate in every bidding round, except for situations defined on section 15.

Section 13

Switching bids

The bidder can switch its bids. Bids can be switched only to frequency blocks where the bidder does not already have a bid. New bids must be higher than the standing highest bid for that frequency block.

The number of points pertaining to the bid(s) switched must be the same before and after the switch.

A bidder can switch its bids only if it has sufficient eligibility.

Section 14

Cancelling bids

A bid can be cancelled only if

- a) the bidder replaces the bid with a higher bid for the same frequency block; or
- b) the bidder replaces the bid with one or more switched bids in accordance with section 11.

Section 15

Right to waive a bidding round

A bidder has a right to waive three (3) bidding rounds without its eligibility being reduced.

If a bidder has not placed any bids during a bidding round and if he would lose eligibility, a waiver will be played on his behalf.

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The bidder can also decide to waive a bidding round and announce it via the electronic auction system before the end of the bidding round.

It is not possible to waive the first bidding round.

Section 16

Conclusion of the auction

FICORA announces the auction concluded after a bidding round where no bidders have placed new bids on any frequency blocks. In this context, placing a bid according to section 10, switching bids according to section 13 and waiving a bidding round according to section 15 are regarded as placing new bids.

Winners of the auction are those bidders, who have the standing highest bid on one or several frequency blocks after the auction has been concluded.

Section 17

Disqualification of bids

If a bid is disqualified according to section 12 of the Act on Spectrum Auctions before FICORA has announced the auction concluded, all bids made by the disqualified bidder will become void. If the void bid has been a standing highest bid, the bid that is ranked second will be selected as the standing highest bid.

If a bid is disqualified according to section 12 of the Act on Spectrum Auctions after FICORA has announced the auction concluded, all winning bids made by the bidder will become void. Otherwise, the outcome of the auction will stay valid.

Section 18

Interruption of the auction

FICORA may interrupt the auction, if unforeseen events have a major impact on the auction.

The auction may be resumed at the phase when the bidding was interrupted. When appropriate, FICORA may declare one or more bidding rounds to be invalid and restart the auction from the preceding phase.

Section 19

Entry into force

This regulation enters into force on [date] and will be valid until further notice.

Section 20

Information and publication

This Regulation is included in the Series of Regulations issued by the Finnish Communications Regulatory Authority and it can be obtained from the Customer Service Office of FICORA:

Visiting address	Itämerenkatu 3 A, HELSINKI
Postal address	PO Box 313, FI-00181 HELSINKI
Tel. national	09 6966 500
Tel. international	+358 9 6966 500
Fax national	09 6966 410
Fax international	+358 9 6966 410
Website	http://www.ficora.fi/
Business ID	0709019-2

Helsinki xx xx 2009

Director General Rauni Hagman

Director --

ANNEXES

Annex 1 Registration Form

Annex 2 Spectrum Blocks, Associated Points and Starting Prices

ANNEX 1

REGISTRATION FORM TO THE 2500 - 2690 MHZ AUCTION

Name of the registrating company or entity:

The registry number (business ID) or equivalent:

Mailing Address:

Contact information of the person who represents the company or entity in the Auction

Name:

Phone number:

E-mail:

Signature:

The registration form must be signed by an authorised signatory. The authority to sign must be clearly indicated in the extract from the trade register, in a corresponding foreign document or in a separate procura.

The following documents must be annexed to the registration form:

- Extract from the trade register or a corresponding foreign registry document indicating authorized signatory.
- Procura, if the authorized signatory is not clearly stated in the extract from the trade register.
- Information on all companies and entities belonging to the same corporation with the registrant, as defined in Accounting Act (1336/1997).

Documents may be issued in Finnish, Swedish or English. If the original documents are drawn up in another language, a Finnish, Swedish or English translation must be provided.

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ANNEX 2

Spectrum block	Lower band (MHz)	Upper band (MHz)	Points	Starting price
FDD1*	2500-2505	2620-2625	1	150 000 €
FDD2*	2505-2510	2625-2630	1	150 000 €
FDD3	2510-2515	2630-2635	1	150 000 €
FDD4	2515-2520	2635-2640	1	150 000 €
FDD5*	2520-2525	2640-2645	1	150 000 €
FDD6*	2525-2530	2645-2650	1	150 000 €
FDD7	2530-2535	2650-2655	1	150 000 €
FDD8	2535-2540	2655-2660	1	150 000 €
FDD9*	2540-2545	2660-2665	1	150 000 €
FDD10*	2545-2550	2665-2670	1	150 000 €
FDD11	2550-2555	2670-2675	1	150 000 €
FDD12	2555-2560	2675-2680	1	150 000 €
FDD13*	2560-2565	2680-2685	1	150 000 €
FDD14*	2565-2570	2685-2690	1	150 000 €
TDD*	2570-2620		5	750 000 €

* The spectrum block is subject to usage restrictions defined in the radio licence.