



**AUCTION OF
1800 MHz SPECTRUM RIGHT (2011)**

FREQUENTLY ASKED QUESTIONS (FAQ)

3 March 2011

INFO-COMMUNICATIONS DEVELOPMENT AUTHORITY
REPUBLIC OF SINGAPORE

Important Notice

Terms and expressions used in this document ("FAQ") are as defined in the Auction Rules relating to the Auction of 1800 MHz Spectrum Right (2011) released by IDA on 3 March 2011 ("Auction Rules").

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Use of PCMTS Spectrum for LTE deployment

Q1. IDA has indicated that the operator who obtains the 1800 MHz Spectrum Right (2011) will need to seek IDA's approval to amend its existing FBO licence and Radio-Communications Network Licence before it can deploy Long Term Evolution (LTE) technologies to provide public cellular mobile telecommunication services (PCMTS). How long will the approval process take?

A1. Typically, an operator's request to amend its existing FBO licence and Radio-Communications Network Licence to deploy new technologies will take a few weeks to process, depending on the information that it puts forth on what it intends to deploy, and whether the information is sufficient.

Q2. If an existing PCMTS operator does not obtain the 1800 MHz Spectrum Right (2011), does it still need to seek IDA's approval to amend its existing FBO licence and Radio-Communications Network Licence in order to provide PCMTS using LTE or any other form of technology? If so, how long will the approval process take?

A2. Yes, an existing PCMTS operator that does not obtain the 1800 MHz Spectrum Right (2011) will still need to seek IDA's approval to amend its existing FBO licence and Radio-Communications Network Licence in order to provide PCMTS using LTE or any other type of system that is not already covered in its existing licences. See response to Q1 on the typical timeframe of the approval process.

Q3. Can operators seek approval to amend their existing FBO licence and Radio-Communications Network Licence prior to the upcoming auction?

A3. Yes, operators may seek IDA's approval to amend their existing FBO licence and Radio-Communications Network Licence prior to or after the upcoming auction.

Q4. If an operator provides commercial 4G services by deploying a LTE system using spectrum assigned under the 1800 MHz Spectrum Right (2011) or its existing PCMTS Spectrum Right or 1800 MHz Spectrum Right, would it be required to pay the annual licence fee to IDA based on 1% of the annual gross turnover (AGTO) arising from the provision of those services?

A4. Yes. The new LTE system and services would be licensed under the operator's (amended) FBO Licence, and the operator would be required to pay an annual licence fee to IDA, currently based on 1% of AGTO arising from the provision of the services.

Use of PCMTS Spectrum for non-PCMTS services

Q5. If an operator does not acquire the 1800 MHz Spectrum Right (2011) in the upcoming auction, will it still be permitted to make use of its assigned spectrum under its PCMTS Spectrum Right or 1800 MHz Spectrum Right to provide non-PCMTS services, such as fixed wireless broadband?

A5. Yes, an operator that does not acquire the 1800 MHz Spectrum Right (2011) may still make use of its assigned spectrum under its PCMTS Spectrum Right or 1800 MHz Spectrum Right to provide non-PCMTS services, such as fixed wireless broadband, as long as it has met the requirement to provide PCMTS and provided it obtains IDA's approval to amend its existing FBO licence, Radio-Communication Licence and the relevant spectrum right(s).

Q6. Will IDA set any technical requirement for operators who wish to use part of the PCMTS spectrum they have acquired to provide non-PCMTS services?

A6. Please refer to Part A Clause 4.4 of IDA's Information Memorandum on the Auction of 1800 MHz Spectrum Right (2011) issued on 3 March 2011.

Pre-Auction

Q7. Will the "Instructions to Bidders" be issued to Bidders before the Information Session?

A7. Yes, see Section 3.3 of the Auction Rules.

Q8. What happens if an Authorised Representative is unable to attend the Information Session?

A8. In general, IDA requires all authorised representatives to attend the information session prior to an auction to ensure the smooth running of an auction. However, IDA is prepared to relax this requirement for the 1800 MHz Spectrum Right (2011) Auction, as the Auction procedure is relatively simple. A Bidder must notify IDA in writing if an Authorised Representative is unable to attend the Information Session, in accordance with Section 3.5 of the Auction Rules. The Bidder must ensure that at least 2 of its Authorised Representatives attend the Information Session. Regardless of whether they attend the Information Session, all Authorised Representatives are to submit the written declaration specified in Section 3.6 of the Auction Rules.

Auction

Q9. Is the bid increment for every Round fixed at \$10,000?

A9. Yes

Q10. Must a Bidder make a Valid Bid in every Round in order to remain as an active Bidder in the auction? Can a Bidder remain as an active Bidder without submitting any Valid Bid in the first Round and/or any subsequent Rounds?

A10. This Auction follows a simple ascending auction format. The Auction will proceed to the next Round as soon as one Bidder makes a Valid Bid in a Round. There are no "activity rules". In other words, Bidders are not required to make a Valid Bid in every Round to remain "active". A Bidder may make a Valid Bid in any Round, even if it did not bid in earlier Rounds.

Q11. Will the corresponding Bidders for the Valid Bids be displayed in the Auction Table?

A11. Yes. The Auction Table will show all Valid Bids and the Bidders that submitted the Valid Bids.

Q12. Are Authorised Representatives allowed to leave and re-enter the Auction Centre as long as at least one Authorised Representative from the Bidder is present at the Auction Centre to participate in the Auction?

A12. Yes. However, Authorised Representatives should ensure that their movements do not disrupt the Auction process. The Auctioneer may bar an Authorised Representative from re-entering the Auction Centre and serve a Forfeiture Notice on the Bidder if he deems that the Authorised Representative is acting in a disruptive manner.

Q13. Can a Bidder exit or retire from the Auction at the end of any given Round?

A13. A Bidder is free to withdraw from the Auction at any time during the Auction. In accordance with Section 4.3 of the Auction Rules, IDA will deem that the Bidder has withdrawn from the Auction if the Bidder does not have at least one Authorised Representative is physically present at the Auction Centre at all times from the start to the close of the Auction, unless the Auction has been suspended or abandoned. Such Bidder will no longer be allowed to participate further in the Auction and may not submit further bids. However, any Valid Bids or Final Bid that the Bidder had submitted would remain legally binding. A Bidder is required to return its bidding card (and any other auction materials provided by IDA at the Auction Centre) to IDA upon its withdrawal from the Auction.

Q14. How will IDA allocate/grant the 1800 MHz Spectrum Right (2011) if no Valid Bid is placed within 5 minutes of the start of the first Round and the Auction closes without a winner?

A14. Please refer to Section 10.2 of the Auction Rules.

Q15. If there are no Valid Bids within 5 minutes of a Round following a Tied Round, will Bidders who did not submit any Valid Bid in any or all of the preceding Rounds be invited to submit a Final Bid using the Final Bid Form?

A15. Yes. In accordance with Section 6.6 of the Auction Rules, the Auctioneer will invite all Bidders present at the Auction Centre to submit a Final Bid using the Final Bid Form, if there are no Valid Bids within 5 minutes of a Round following a Tied Round.

Q16. Is there any limit on the valid Final Bid to be submitted?

A16. There is no maximum limit on the Final Bid price. Bidders are free to submit a bid for any amount higher than the Standing Bid.

Q17. Is the Final Bid submission a “closed” or “open” submission?

A17. The Final Bid will be a closed (sealed) bid.

Q18. Will Bidders be provided private rooms during the Recess period?

A18. The Bidder that requested the Recess will be provided a private room.

Q19. Are all timings for the Auction visible and made known to all Bidders?

A19. The time remaining to submit a Valid Bid in each Round of the Auction will be based on the Auction Clock displayed in the Auction Centre. In the event of a Recess, the Auction Clock will show the remaining time of the Recess.