

The Hashemite Kingdom of Jordan



**Telecommunications Regulatory
Commission**

STATEMENT

**ON LICENSING THE USE OF 3G
CELLULAR COMMUNICATIONS
TECHNOLOGIES RADIO FREQUENCIES
IN JORDAN**

TRC Board Decision No 5-24/2008
issued on 25/11/2008

2008/24-5
2008/11/25

Notice: This Statement should be read in conjunction with TRC document “ Explanatory Memorandum Regarding the Results of Consultation for Licensing the Use of 3G Cellular Communications Technologies Radio Frequencies in Jordan “ accompanying this statement.

“
”

1 Background

.1

1.1 Pursuant to powers granted to it under the provisions of the Telecommunications Law No 13 of 1995 and its amendments (hereinafter “the Law”), and in accordance with the provisions of the Statement of Government Policy 2007 on the Information and Communications Technology & Postal Sectors (hereinafter “Government Policy”) the Telecommunications Regulatory Commission, (TRC) issues this statement on Licensing the use of 3G Cellular Communications Technologies Frequencies. In particular, TRC cites the following provisions of the Law as the TRC’s authority to issue this statement:

1/1

1995 13
(2007)

()
()

a) **Article 6h** - *To establish and adopt the conditions and criteria for the granting of licenses for telecommunications networks and services and for the use of radio frequencies.*

: 16 (

b) **Article 6i** - *To manage the radio frequency spectrum and to regulate the use of all terrestrial, maritime, aeronautical and space frequencies.*

: 16 (

c) **Article 25/a** - *The Board may decide to license the establishment, operation, and management of public telecommunications networks, or the provision of public telecommunications services, whether throughout or in part of the Kingdom. In such case the Board shall announce its decision through the means it deems fit together with the instructions related to the procedures of and criteria for the selection of licensees, depending on the nature of the service to be provided.*

: /25 (

d) **Article 25/b** - *In implementing the provisions of Paragraph (a) of this Article, the Board shall declare its decision by the way it deems fit, including the following:*

() : /25 (

-:

<p>1) <i>Announcing the desire to license the service by public tender in accordance with the bases and conditions approved by the Board.</i></p> <p>2) <i>Allowing the submission of applications for the licensing of a new service by whoever meets the conditions approved by the Board.</i></p> <p>3) <i>Proposing to Licensees to offer new services within the Kingdom.</i></p>	<p>(1</p> <p>(2</p> <p>(3</p>
<p>1.2 The TRC issues this Statement pursuant to the decision of the Council of Ministers No 3113, dated 4/11/2008, which pursuant to the provisions of Article 32 of the Telecommunications Law, has authorised the use of a public tender to grant the first 3G Spectrum Licence and thus establish the Market Price for subsequent assignments of 3G Spectrum.</p>	<p>2/1</p> <p>2008/11/4 3113</p> <p>32</p>
<p>1.3 By publishing this Statement, TRC seeks to act transparently and objectively as part of a process in securing the conditions for effective competition in the mobile telecom sector in Jordan.</p>	<p>3/1</p>
<p>1.4 The positions described in this Statement are for advanced notification and guidance only. The detailed tender process will be specified in the official tender documents which will be published by TRC as soon as is possible.</p>	<p>4/1</p>
<p>1.5 Clarification on the points made in this Statement and the definitions of capitalised terms can be found in the related document entitled:</p> <p>Explanatory Memorandum Regarding the Results of Consultation for Licensing the use of 3G Cellular Communications Technologies Radio Frequencies in Jordan</p> <p>published pursuant to TRC Board Decision No 5-24/2008 of 25/11/2008</p>	<p>5/1</p> <p>:</p> <p><i>Explanatory Memorandum Regarding the Results of Consultation for Licensing the use of 3G Cellular Communications Technologies Radio Frequencies in Jordan</i></p> <p>2008/24-5</p> <p>2008/11/25</p>

<p>2 Basic Principles</p>	<p>.2</p>
<p>2.1 The basic principles that the TRC will adopt for licensing the use of frequencies in the 2.1GHz band (3G Spectrum) are:</p>	<p>1/2</p>
<p>a) To ensure the efficient use of the radio spectrum. Therefore, the TRC believes that among the means of achieving this objective is the setting of a realistic level of spectrum acquisition fees, and that it is appropriate to set spectrum acquisition fees at the market price.</p>	<p>2.1</p>
<p>b) Pricing the frequency spectrum at rates below the market price is contrary to Government Policy.</p>	<p>(</p>
<p>c) That the most appropriate method of determining the Market Price for the frequency spectrum is by means of a competitive process and that a public tender is the most appropriate procedure,</p>	<p>(</p>
<p>d) To grant a single license authorising the use of a particular assignment of 3G Spectrum through the public tender to the winning bidder.</p>	<p>(</p>
<p>e) Unless otherwise stated, no Person will be denied the opportunity to participate in the public tender to acquire the first 3G Spectrum License.</p>	<p>(</p>
<p>f) To set a separation period of ten months between the grant of the first 3G Spectrum Licence and the grant of subsequent 3G Spectrum Licenses.</p>	<p>(</p>
<p>g) To give the current licensees who provide public mobile wireless services (Incumbent operators) the opportunity to acquire a 3G Spectrum Licence after the elapse of the separation period as set out in this Statement.</p>	<p>()</p>

<p>3 Eligibility and Awarding Mechanism – First License</p> <p>3.1 TRC will in the first instance offer a single 3G Spectrum License through a public tender.</p> <p>3.2 All participants in the tender process (the bidders) will need to qualify for participation by providing certain statements and undertakings as set out in the Tender Documents. Such statements and undertakings will be binding on the winner of the public tender and may include (without limitation) : an undertaking to rollout the 3G network and provide the 3G services in various regions; and an undertakings to abide by any provisions regarding a change of control of the Licensee.</p> <p>All subsequent applicants for 3G Spectrum licenses will be required to provide similar undertakings. The purpose of such undertakings is to ensure that all applicants for 3G Spectrum Licenses make their applications and submissions on the basis of firm plans.</p> <p>3.3 Eligibility to Participate in the Tender:</p> <p>The TRC will issue a Special Invitation to Tender, where any person who holds an Individual License, or has submitted or intends to submit an application to TRC for the acquisition of an Individual License, will be considered as eligible to participate in the tender in accordance with the terms and conditions that will be specified in the tender document.</p>	<p style="text-align: right;">-</p> <p style="text-align: right;">.3</p> <p style="text-align: right;">1/3</p> <p style="text-align: right;">2/3</p> <p style="text-align: right;">3/3</p>
---	--

<p>3.4 Bidders will be invited to submit bids comprising technical and financial proposals where:</p> <ul style="list-style-type: none"> • The technical proposal will be in the form specified in the Tender Documents (to be published) and shall consist of the provision of information and commitments as set out in the Tender Documents. • The financial proposal shall take the form of a single sealed bid for the acquisition price of a paired channel of 3G Spectrum (5+5 MHz), • The Bidders will be required to attach to their financial offers a bank guarantee (Bid Bond) as will be specified in the Tender Documents. 	<p style="text-align: right;">4/3</p> <p style="text-align: right;">:</p> <ul style="list-style-type: none"> • • •
<p>3.5 Bidders will be free to state their spectrum requirement in one of the following alternatives:</p> <ul style="list-style-type: none"> • 10 MHz, paired FDD (2 x (5+5) MHz); or • 15 MHz, paired FDD (3 x (5+5) MHz). or • 20 MHz, paired FDD (4 x (5+5) MHz). 	<p style="text-align: right;">5/3</p> <p style="text-align: right;">:</p> <p>FDD . . . 10 : • (. . . (5+5) x 2)</p> <p>FDD . . . 15 : • (. . . (5 + 5) x 3)</p> <p>FDD . . . 20 : • (. . . (5+5) x 4)</p>
<p>3.6 The minimum acceptable price (reserve price) for each pair of FDD/3G channels (5 + 5) MHz spectrum in the 2.1 GHz band shall be set at (JD 25,000,000) twenty five million Jordanian Dinars.</p>	<p style="text-align: right;">6/3</p> <p>(FDD) . . . (5 + 5) (25.000.000) (. . . 2.1)</p>
<p>3.7 The winner of the tender will be required to pay the fees specified in the Tender Documents for the evacuation of the frequencies by the current users (the Armed Forces).</p>	<p style="text-align: right;">7/3</p> <p>(. . .)</p>

3.8 The bidder whose proposal fully complies with the requirements of the Tender Documents and who submits the highest bid for the acquisition fee for a pair of FDD/3G channels (5+5 MHz) will be the Candidate Winner of the 3G Spectrum License. This will be true even if the number of paired channels required by the winner is less than the requirements of other bidders and consequently the total amount of money pledged by the winning bidder is lower than the amount of money pledged by another bidder.

8/3

(. 5+5)

3.9 The 3G Spectrum License will be granted to the Candidate Winner once the following conditions are realised:

9/3

:

a. The Candidate Winner holds a valid Individual License obtained in accordance with the relevant TRC Instructions concerning the acquisition of Individual Licenses, which requires the registration of a company at the Ministry of Industry and Trade.

(

b. The Candidate Winner has fulfilled all the requirements for obtaining the 3G Spectrum License in accordance with the:

(

“Instructions Regarding the Application and conditions for the Issuance of a General Radio Spectrum License for Radiocommunication Systems Related to the Integrated Licensing Regime”

"

Published on TRC website :

<http://www.trc.gov.jo/images/stories/pdf/General%20Spectrum.pdf?lang=english>

<http://www.trc.gov.jo/images/stories/pdf/general%20spectrum.pdf?lang=arabic>

c. The Candidate Winner has paid the full amounts of money related to total bandwidth of the 3G spectrum, which will include the acquisition fees, the annual returns and the evacuation charges as specified in the Tender Documents,

(

<p>4 Awarding Mechanism – Subsequent Licenses</p> <p>4.1 Following the successful conclusion of the public tender and the grant of the first 3G Spectrum Licence, a separation period will commence and no further 3G Spectrum Licenses will be granted during the separation period. On the expiry of the separation period, a reserve period will commence (see Article 6 below). During the reserve period, the remaining 3G Spectrum will be offered to the incumbent operators only. The acquisition price will be equal to the price of the winning bid of the tender, in addition to the evacuation charges and the annual returns. The reserve period for the Incumbent operators will last for three (3) months. If after the elapse of this period the reserved 3G Spectrum has not been made use of by the Incumbent operators, TRC reserves the right to commence proceedings for another public tender to so assign that spectrum or to dispose of it by means of the mechanism and /or acquisition fees that the TRC finds appropriate.</p> <p>4.2 During the reserve period, TRC will process applications from Incumbents who have not won the tender for acquiring two FDD slots (2x (5+5) MHz) for each operator from the remaining frequencies in a timely manner and on a first come first served basis.</p> <p>4.3 This tender process will be automatically cancelled in the event that no offers are submitted, and all the procedures described in this document for the assignment of frequencies to the incumbent operators will also be cancelled. In such circumstances, TRC shall have the right to take the necessary measures for the assignment of the 3G Spectrum in any way TRC determines appropriate including re-tendering with modified terms and conditions and a revised reserve price of the unit FDD spectrum if necessary.</p>	<p style="text-align: right;">- .4</p> <p style="text-align: right;">1/4</p> <p style="text-align: right;">(6)</p> <p style="text-align: right;">/</p> <p style="text-align: right;">2/4</p> <p style="text-align: right;">(. (5+5) x 2)</p> <p style="text-align: right;">3/4</p>
--	---

5 Spectrum Availability and Assignment Plan

.5

5.1 TRC will make available the entire 3G (2.1GHz) spectrum allocation, [i.e., a maximum capacity of (2 x 60 MHz) of FDD plus (55 MHz) of TDD] , as set out in the following tables:

60 x 2)] (. . 2.1)
 (. . 55) (FDD) (. .
 , [(TDD)
 :

1/5

()				
2.1 GHz (FDD) – Basic				
SLOT	Up-Link (MHz)		Down-Link (MHz)	
	From	to	From	To
2.1 - FDD – 1	1920	1925	2110	2115
2.1 - FDD – 2	1925	1930	2115	2120
2.1 - FDD – 3	1930	1935	2120	2125
2.1 - FDD – 4	1935	1940	2125	2130
2.1 - FDD – 5	1940	1945	2130	2135
2.1 - FDD – 6	1945	1950	2135	2140
2.1 - FDD – 7	1950	1955	2140	2145
2.1 - FDD – 8	1955	1960	2145	2150
2.1 - FDD – 9	1960	1965	2150	2155
2.1 - FDD -10	1965	1970	2155	2160
2.1 - FDD -11	1970	1975	2160	2165
2.1 - FDD -12	1975	1980	2165	2170

()

2.1 GHz (TDD) – Optional

SLOT	From (MHz)	To (MHz)
2.1 - TDD – 1	1880	1885
2.1 - TDD – 2	1885	1890
2.1 - TDD – 3	1890	1895
2.1 - TDD – 4	1895	1900
2.1 - TDD – 5	1900	1905
2.1 - TDD – 6	1905	1910
2.1 - TDD – 7	1910	1915
2.1 - TDD – 8	1915	1920
2.1 - TDD – 9	2010	2015
2.1 - TDD – 10	2015	2020
2.1 - TDD – 11	2020	2025

5.2 The available 3G /TDD spectrum capacity exceeds the foreseen collective demand of the market in Jordan, and one channel (1 x 5 MHz) shall be available for awarding to any 3G FDD spectrum Licensee on a first come first served basis, for a price that is equal to half of the Award Price of the paired (5+5 MHz) FDD channel.

(TDD)

2/5

(. 5 x 1)

(FDD)

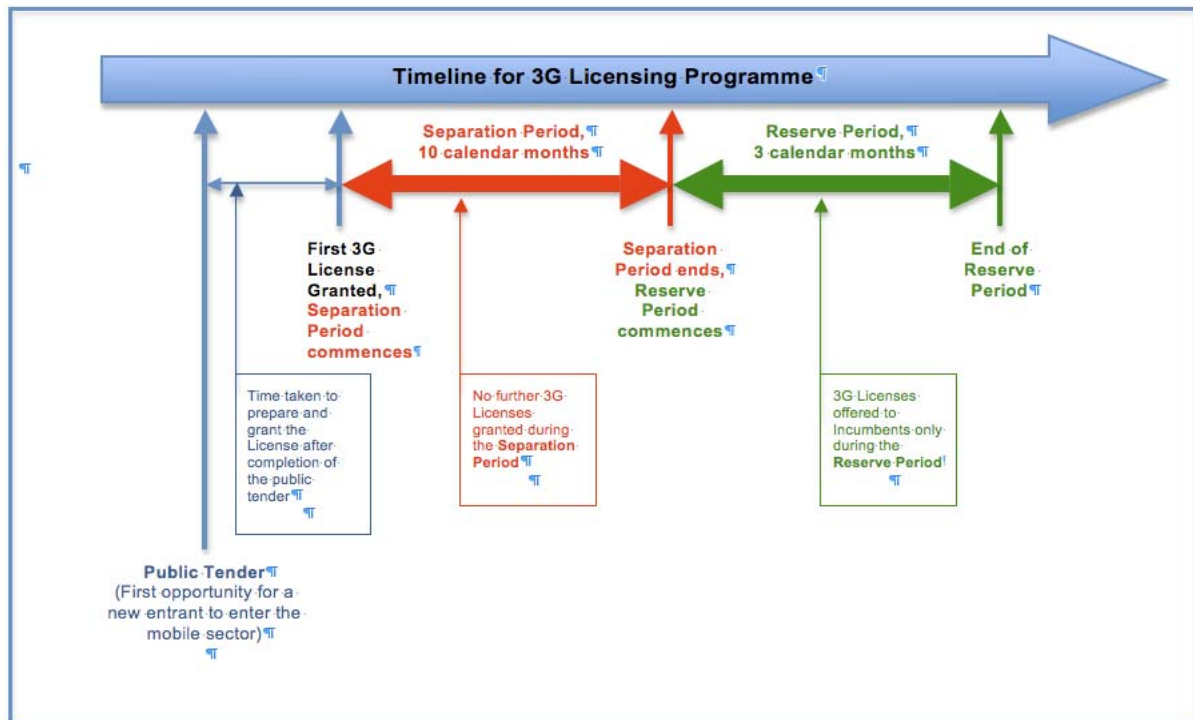
.(FDD) (. 5+5)

6 Timeline

.6

6.1 The timeline for the 3G Licensing Programme is depicted in the following diagram:

1/6



6.2 The following table indicates the expected time sequence for the tender process and beyond:

2/6

Announcement of tender details : 26/11/2008
 Release of tender documents : 14/12/2008
 Closing date (Bid Submission) : 27/1/2009
 Declaration of Candidate Winner : 28/1/2009
 Issuing / modifying licenses : 29/1-21/2/2009
 The Separation Period : 22/2-21/12/2009
 The Reservation Period : 22/12/2009-21/3/2010

2008/11/26 :
 2008/12/14 :
 2009/1/27 :
 2009/1/28 :
 2009/2/21-1/29 : /
 2009/12/21-2/22 :
 2010/3/21-2009/12/22 :

<p>7 Duration of 3G Spectrum License</p> <p>7.1 The 3G Spectrum Licenses shall be awarded for a term of fifteen years as of the effective date of each license.</p>	<p>7. مدة سريان رخصة ترددات الجيل الثالث</p> <p>1/7</p>
<p>8 Provisions applicable to 2G Spectrum</p> <p>8.a Licensing the 2G Spectrum for providing 2G services</p> <p>8.a.1 Upon the successful conclusion of the 3G tendering process, the TRC will commence receiving and processing license applications for 2G Spectrum in the 900 MHz and 1800 MHz bands in accordance with the provisions of the ‘‘Instructions Regarding the Application Procedures and Conditions for the Issuance of a General Radio Spectrum License for Radio-communications Systems Related to the Integrated Licensing Regime’’.</p>	<p>.8</p> <p>- /8</p> <p>1- /8</p> <p>(900)</p> <p>" (. 1800</p>
<p>http://www.trc.gov.jo/images/stories/pdf/General%20Spectrum.pdf?lang=english</p> <p>8.a.2 TRC will make the 2G Spectrum available against an acquisition fee which equates to 130% of the winning price of a unit of (5+5) MHz of FDD 3G (2.1GHz) spectrum.</p>	<p>http://www.trc.gov.jo/images/stories/pdf/general%20spectrum.pdf?lang=arabic</p> <p>2- /8</p> <p>(%130)</p> <p>(FDD) . . (5 + 5)</p> <p>.(. . 2.1)</p>

<p>8.a.3 Any of the Incumbents and the winner of the 3G tender will be eligible to apply for 2G Spectrum. TRC will endeavour to satisfy all demands for 2G Spectrum against payment of the requisite acquisition fees, annual returns and evacuation charges.</p>	<p>3- /8</p>
<p>8.a.4 In the event that the justified demand (as approved by TRC) for the 2G Spectrum in the (900 MHz) band specifically exceeds the currently available supply (5+5 MHz), TRC will in the first instance propose that interested applicants share the slot. If this is not acceptable to those interested in this band, TRC will seek to conduct a special auction to select a winner. Participation in such auction would be limited to those parties who have justified applications for access to the 900 MHz spectrum. In this latter case, the reserve price for this 2G Spectrum will be equal to 130% of the winning price of the 3G tender.</p>	<p>) 4- /8 (. 900) ((. 5+5) (. 900) (%130)</p>
<p>8.b Licensing the use of 2G Spectrum for providing 3G services</p>	<p>- /8</p>
<p>8.b.1 This subject forms part of a wider policy debate, including technology neutrality, convergence and removal of regulatory asymmetries between mobile and fixed services.</p>	<p>1- /8</p>
<p>8.b.2 TRC will develop its position regarding these issues in a consultative and transparent manner after the elapse of a suitable period from the completion of the current 3G spectrum licensing programme.</p>	<p>2- /8</p>

9 Taxes, Fees and Revenue Share

	.9
9.1 All Individual Licensees who provide Public Mobile Wireless Services are subject to the payment of revenue share of 10% of their operational revenues in addition to other taxes and custom duties imposed by the prevailing laws and by-laws.	1/9
	%10
9.1 The TRC will request from the Council of Ministers to grant the companies that acquire 3G frequencies and any new company that acquires 2G frequencies an exemption from customs duties for a period of four years in the same way that was granted to mobile telecommunication companies previously.	2/9