

NOTICE 912 OF 2011**DRAFT INVITATION TO APPLY****FOR****RADIO FREQUENCY SPECTRUM LICENCE****TO PROVIDE MOBILE BROADBAND WIRELESS ACCESS SERVICE FOR URBAN AND RURAL AREAS USING THE COMPLIMENTARY BANDS, 800MHz AND 2.6GHz.**

The Independent Communications Authority of South Africa ("the Authority") hereby, in terms of section 31(3) of the Electronic Communications Act, 2005 (Act No. 36 of 2005) ("the Act") read with Regulation 7 of the Radio Frequency Spectrum Regulations 2011, published in Government Gazette No. 34172, Notice 184 of 2011 (the regulations), invite comments on the applications for the radio frequency spectrum licenses within the designated range, 2500 – 2690MHz ("the 2.6GHz band") and 790 – 862 MHz ("the 800 MHz band") for the purposes of providing national broadband wireless access services.

The combination of the 2.6 GHz and the 800 MHz is to be licensed as a complement to ensure capacity and coverage for the purposes of providing mobile broadband wireless access services nationally

A handwritten signature in black ink, appearing to read 'W. Currie'.

W.H Currie
CHAIRPERSON.
ICASA

APPLICANTS MUST CAREFULLY READ THE NOTES UNDER SCHEDULES AND ALSO REFER TO THE REGULATIONS AND THE RELEVANT PROVISIONS OF THE ACT

SCHEDULE A

1. APPLICATION

- 1.1. Only applicants with ECNS licenses are eligible to apply
- 1.2. Applications must be made in writing.
- 1.3. Applications submitted must be in the format as provided in Schedule B. Applicants must answer all questions in full as set out in Schedule B.
- 1.4. If any question is considered not applicable, please mark N/A with further explanation if necessary.
- 1.5. The applicant must provide the original plus five (5) copies of the completed application and a soft copy by the deadline.
- 1.6. All applications submitted to the Authority pursuant to this ITA will be made available for inspection upon request by interested persons
- 1.7. Where the applicant requires that the application or part thereof be treated confidential, then an application in terms of section 4(d) of the ICASA Act, 2000 (Act No. 13 of 2000) must be lodged during the submission of the application.
- 1.8. Applicants must separate any confidential material into a clearly marked confidential annexure.
- 1.9. The Authority may determine that an application or portion(s) thereof are confidential and the Authority will inform applicants of the determination within seven (7) days of receiving a request for confidentiality.
- 1.10. If, however, the request for confidentiality is refused, the applicant making the request has the right to withdraw such applications or portion(s) thereof
- 1.11. Each application must have a cover page with the name of the applicant, the licence being applied for and date of application on it.
- 1.12. Each application must have a cover page with the name of the applicant, the package being applied for and date of application on it.
- 1.13. The pages immediately following the cover must be the content pages which detail each section of the application and its page number.
- 1.14. The application **must** be properly bound and paginated.
- 1.15. In the event that the applicant has to submit its application in more than one part or volume, each part or volume must have a cover page. In this case the cover page must specify the number of the part or volume (i.e. Part one, Part Two or Volume One, Volume Two). Each volume or part must also have the full set of content pages and sequentially numbered as noted.
- 1.16. Every application must be accompanied by proof of payment of a non-refundable application fee of R 100 000.00 (One Hundred Thousand Rands). The payment shall be in the form of an electronic transfer or via a direct deposit into the following ICASA bank account:

BANK: First National Bank

BRANCH: Weirda Valley

BRANCH CODE: 260950

ACCOUNT NO: 61037058222

REFERENCE: Applicant Name

- 1.17. In addition to item 1.16 above, the application must be accompanied by the sealed bids as per item 1.36 below
- 1.18. Applications must be submitted by no later than 16H00 on 23 March 2012 (Central African Time).
- 1.19. The time indicated on the clock in the reception hall of Block B at ICASA head office, will be regarded as the correct time.
- 1.20. Applications submitted must be addressed to the Chairperson, Independent Communications Authority of South Africa, 164 Katherine Street, Sandton, Johannesburg.
- 1.21. Applications must be **DEPOSITED IN THE BID BOX SITUATED AT:** Block B, Pinmill Farm, 164 Katherine Street, Sandton, Johannesburg.
- 1.22. An audit firm to be appointed by ICASA will manage the process of receiving the applications and sealed bids
- 1.23. The Authority shall provide each applicant with an acknowledgement.
- 1.24. Applications received after the deadline will not be accepted and considered by the Authority.
- 1.25. Failure to comply with any of the requirements listed above will result in the immediate disqualification of the application and shall not be considered for the Prequalification Criteria as stipulated in item 1.29 below.
- 1.26. The packages for this licensing process are shown in Table 1 below and defined in the spectrum assignment plan.

Table 1: Packages for licencing of 2.6 GHz and 800 MHz bands

Packages	2.6 GHz Block	800 MHz Block	Proposed Assignments
1	B	Z	To be assigned to an individual ECNS licence holder on Wholesale Open Access conditions described in this document
2	C	N/A	To be assigned to an individual ECNS licence holder that have no spectrum assigned in any of the designated IMT bands
3	D	N/A	To be assigned to an individual ECNS licence holder that have no spectrum assigned in any of the designated IMT bands

- 1.27. An applicant can apply for one or more of the packages but can only be licensed one .

- 1.28. Where more than one package is applied for, an applicant is required to specify the order of priority.
- 1.29. The available licences in the designated range shall be awarded using competitive processes. The following four (4) stages will be followed:
- Phase 1 - Prequalification criteria
 - Phase 2- Comparative evaluation (Beauty Contest)
 - Phase 3- Sealed Bids
 - Phase 4- Granting of licences
- 1.30. The prequalification phase sets out the minimum requirements that must be met in order for a person to participate in a comparative licensing process.
- 1.31. The requirements for prequalification are 30% ownership by Historically Disadvantaged Individuals (HDI), ECNS licence and Financial credibility.
- 1.32. Proof of HDI, ECNS licence and financial credibility must accompany the application
- 1.33. An applicant who does not meet any of the prequalification criteria at the time of application deadline will be disqualified.
- 1.34. The comparative phase will evaluate qualifying applicants on business plan, technical plan, marketing plan and network rollout
- 1.35. Applicants who score 65 % or more and have not scored less than 50% on any of the criteria as set out for evaluation phase will move to the sealed bid phase
- 1.36. In the event that more than one applicant meets the criteria set in phase 2 for a package, the applicants will move to the sealed bid phase.
- 1.37. The Sealed bid phase will be conducted in accordance with the following manner and procedure:
- 1.37.1. Sealed bids must be submitted together with the applications in a separate envelope clearly marked "Private and Confidential sealed bid" and the name of the bidder, outside.
 - 1.37.2. The highest bidder wins
 - 1.37.3. The winning bidder pays their bid
 - 1.37.4. The Authority will announce bid prices, announce the winning bidder and publish the winners in the government gazette.
- 1.38. In case there is more than one successful bidder, the Authority will call for further bids from those bidders within five (5) working days:
- 1.38.1. The bids must not be less than the original bids,
 - 1.38.2. The bidders will be expected to respond within five (5) working days,
 - 1.38.3. The processes as outlined above will be repeated until there is a successful bidder,
 - 1.38.4. The Sealed bid will end when participants are not willing to bid further, at which point the highest bidder pays their bid,

1.38.5. It is the responsibility of the participants to arrange their own finances,

1.38.6. The first payment of thirty percent (30%) of the bid is to be made within thirty (30) working days by the successful bidder, calculated from the day the letter of award is issued,

1.38.7. The last payment of seventy percent (70%) must be made within sixty working days, calculated from the day after the first payment (30%) was due and payable.

1.39. Information relating to network rollout schedule will form part of the licence terms and conditions.

1.40. Information on the initiatives and creativity on the part of the applicant to enable an early release of the 800 MHz bands by providing an incentive and or mechanism will form part of the license condition.

2. APPLICATION AMENDMENT

2.1. No changes may be effected to the application

3. WITHDRAWAL OF THE SPECTRUM LICENCE

3.1. The authority shall review radio frequency spectrum utilization by the licensee assigned in terms of this ITA after two (2) years of a licence being granted and every year thereafter.

3.2. Failure to meet the rollout targets as per the network rollout plan and as set out as part of licence conditions will be considered under-utilization and appropriate penalties may apply, including withdrawal of the licence.

3.3. In the event of non-utilization ICASA shall revoke the license.

3.4. To assist the Authority with its determination, the Licensee must submit to the Authority, prior to the second anniversary of the launch of the service , a declaration:

3.4.1. Stating that the services are being provided; and

3.4.2. Detailing the extent of service provision including the period of use, the percentage of population covered by the service in the License Area and how that is calculated.

3.4.3. The degree of rural geographic coverage

3.4.4. The split between the urban and rural

4. DURATION OF THE RADIO SPECTRUM LICENCE

4.1. The radio frequency spectrum licence will remain valid from 01 April until 31 March of the following year and is thereafter renewable by payment of the prescribed annual licence fee for the period of fifteen (15) years or the duration of the ECNS license or whichever comes first.

5. SPECTRUM LICENSING TIME TABLE

5.1. The authority will endeavour to License e the Spectrum in terms of the following timelines;

- 5.1.1. Publication of the Spectrum Plan by 15 December 2011
- 5.1.2. Closing date for Comments by 31 January 2012
- 5.1.3. Public Hearings from 08 to 10 February 2012
- 5.1.4. Final Publication of the ITA on 20 February 2012
- 5.1.5. Closing date for applications on 23 March 2012
- 5.1.6. Finalise the Licensing Process on 30 April 2012

6. COMPARATIVE CRITERIA FOR THE AWARD

Phases	Description	Score	Criteria
Phase 1.	Prequalification criteria		<ul style="list-style-type: none"> - HDI component - An individual ECNS licence holder or a consortium of a combination individual ECS and individual ECNS licence holders on Wholesale Open Access conditions - Financial Credibility such as proof of funding or audited financial statements
Phase 2.	Beauty Contest		<ul style="list-style-type: none"> - Business Plan (20%) - Technical plan (15%) - Market Innovation and stimulation (15%) - Network rollout plan (50%),
Phase 3.	Sealed Bids		<ul style="list-style-type: none"> - Highest Price prioritised available package.
Phase 4.	Granting of licences		<ul style="list-style-type: none"> - Highest Bidder

7. THE DISQUALIFICATION CRITERIA

7.1. An applicant shall be disqualified from the application process where such applicant:

7.1.1. Has submitted an application and is an affiliate of another applicant, or possesses an ownership or financial interest in another applicant within the same application process; or

7.1.2. Has submitted an application which contains false or misleading information; or

- 7.1.3. Is colluding or has attempted to collude, with another applicant with the intention to distort or manipulate information; or
- 7.1.4. Has obtained or acquired confidential information relating to another applicant; or
- 7.1.5. Has failed to comply with the requirements of the ITA as listed in this schedule or

SCHEDULE B – APPLICATION PROCEDURE

THE FOLLOWING INFORMATION SHALL BE PROVIDED, IF THE INFORMATION TO BE SUPPLIED IS NOT APPLICABLE, THEN THE TERM 'NOT APPLICABLE' SHALL BE WRITTEN WITH A SHORT EXPLANATION.

A APPLICANT DETAILS

No.	Information Required
1	<p>Name, address, telephone number and Email address of applicant</p> <ul style="list-style-type: none"> a. A certified copy of the Company's registration certificate b. Name and address of directors and/ or principal executives c. A valid copy of the the Individual ECNS licence
2	<p>Annual report of the applicant and its main shareholders from the previous three years</p> <p>The applicant must submit three years audited financial statements or proof of funding.</p>
3	<p>Full particulars of the experience and expertise of the applicant, its partners, shareholders, suppliers and contractors in the business contemplated</p>
4	<p>Extent of beneficial ownership of the applicant by the historically disadvantaged individuals</p> <p>Extent of beneficial ownership by women</p> <p>Extent of beneficial ownership by the youth</p> <p>Extent of beneficial ownership by the disabled</p>

B DESCRIPTION OF SERVICE

No.	Information Required
1	Description of service to be provided
2	Proposed annual coverage, rollout indicating the exact areas and location covered

C CONSTRUCTION OF THE NETWORK (RADIO COMPONENT)

No.	Information Required
1	Availability and experience of planning and project management capabilities required for construction of the network
2	Mechanisms used for the planning of any radio component of the network
3	Plans to acquire resources such as access to sites, other property, technology, personnel and capital

D BUSINESS PLAN

Should a Radio Frequency Spectrum License be issued, the information contained in the business plan may be incorporated as licence conditions including the rollout indications.

No.	Information Required
1	Fundamental assumptions for the business plan with financial forecasts for a minimum period of three years.
2	A market analysis of the services contemplated to be offered through the radio frequency spectrum licence applied for, including forecast demand.
3	Description of products and services to be offered through the radio frequency spectrum licence applied for.
4	Description of pricing strategy for products and services to be offered through the radio frequency spectrum licence applied for.

E TECHNICAL INFORMATION (RADIO SYSTEM DESIGN)

No.	Information Required – for the Network Rollout Plan (Where Applicable)	
1	Full information of the technology to be implemented	
2	Approach to network development and expansion	
3	Description of all the relevant or important interfaces in the network	
4	Requirements for interconnection to other telecommunication networks or services and transmission medium and links required	
5	Upgrade of the network to accommodate new standards and technology developments	
6	Compliance with recognized international standards and specifications	
7	Details of radio planning including methods to reserve frequency	
7.1	Site names	Name of place where equipment is located
7.2	Site code	Code assigned to place
7.3	Site coordinates	Geographic coordinates to locate places on maps in degrees, minutes and seconds (ddmmss)
7.4	Frequency (Hz)	Airwaves through which the radio waves are transmitted
7.5	Bandwidth (MHz)	Amount of frequency occupied by the transmitted signal (RF bandwidth)
7.6	Modulation scheme	Method of transmitting radio signals
7.7	Bit rate (bits/s)	Speed of transmitting radio signals
7.8	Antenna site	Where antenna is situated
7.9	Antenna type	Type of antenna
7.10	Antenna diameter (m)	Diameter of antenna
7.11	Antenna gain (dB)	Gain of antenna in terms of decibels (dB)

7.12	Antenna polarization (H/ V)	Horizontally or vertically polarized
7.13	Transmit power (dbm/ Watt)	Transmitted power at the output of antenna
7.14	Receiver sensitivity threshold (dBm)	Lowest value of signal detected by receiver
7.15	Fixed loss (dB): transmit and receive	Percentage of lost power
7.16	Type of service	Data service, voice, paging, telemetry etc
7.17	Area and direction of operation	Geographical area of service
8	Applicants must provide diagrams or sketches of proposed operations	
9	Adherence to EMC specifications	
10	Theoretical traffic volume forecasts and alternative routing and redundancy requirements	
11	Numbering plan for the service:	
12	Quality systems deployed and quality targets used:	
13	Details of fixed network planning	
14	Presentation of network planning data in the form of schedules, diagrams, tables and maps for the initial phase and two subsequent phases	
15	Network management, fault detection, service and maintenance mechanisms	
16	Equipment specifications, type approval certificates	
17	Regulatory requirements (ITU and Act)	
18	Technical expertise	
19	Service monitoring capabilities	
20	<p>Critical Efficiency Factors</p> <ol style="list-style-type: none"> Technical (spectral efficiency) defined in terms of maximum volume of traffic (voice/ data) within a given spectrum resource 	

	<p>(erlangs/MHz/km² or Mbits/MHz/km²) for voice and data respectively. Technical efficiency indicators include the following:</p> <ol style="list-style-type: none"> i. Bandwidth efficiency (expressed in bits/ Hz) defined as the amount of information contained in a finite spectrum . ii. Reuse which dictates to what extent the spectrum can be simultaneously used at multiple locations (reuse factor of 1 is the highest). iii. Time; since applications do not typically use information on a continuous basis and can share resouces by time multiplexing. <ol style="list-style-type: none"> 2. Functional efficiency defined in terms of extent to which the use of spectrum meets the users needs (<i>evaluated by defined key performance indicators (KPI)</i>) 3. Economic efficiency defines the monetary gain in terms of revenue, profit and value which the licensee <i>derives from that portion of spectrum.</i>
--	--

F SEALED BID

Package Number	Order of Priority	Bid Price (ZAR)

WARRANTY UNDERTAKING

I..... (duly authorised person)

Have prepared and/ or compiled, or directly supervised those who have prepared all or parts of this application and/or information constituting this application.

To the best of my knowledge, the application information contained herein, and any attachment thereto, is accurate and not misleading.

I further understand that should any information included herein be found to be false or misleading the entire application will be disqualified and the applicant precluded from further consideration within the application process.

Name and title of the person authorised to sign this undertaking:

Authorised Signature: _____

Date: ____/____/ 2012

I certify that this declaration was signed and sworn to before me aton the day of 2012, by the deponent who acknowledged that he/she: knows and understands the contents hereof;

has no objection to taking the prescribed oath or affirmation; and considers this oath or affirmation to be truthful and binding on his/her conscience.

COMMISSIONER OF OATHS

Name:

Address:

Capacity: