



### Questions and Answers on 2.6 GHz Information Memorandum (IM)

The Commission notes that some of the questions received were based on a previous IM published by the Commission in 2014. The current auction is strictly guided by the provision/information provided in the new IM published by the Commission since March 11th 2016. Interested bidders are expected to avail themselves of the new IM available on the NCC website, to be guided accordingly.

S/N	Questions	Response
1	Is the goal of this auction a method of obtaining revenues for government for the use of scarce national resources?	The goals of this auction is as defined in section 2.1 of the IM.
2	Can the minimum and maximum number of lots to be bid be reviewed?	It cannot be reviewed. The minimum number of lots to be bid for is four (4) lots while the maximum number of lots to be bid for is eight (8).
3	Why are Technical and Financial plans not required to be submitted to ensure competence and capacity in this auction?	Please refer to Section 4.9.4 of the IM.
4	Which exchange rates are to be used for the auction? Is it the buying or selling official exchange rates?	The Central Bank of Nigeria (CBN) prevailing Exchange Rates are to be used for the auction. See Section 6.6.5
5	Are guard bands to be provided to address interference from adjacent bands/ services?	Adjacent operators are required to coordinate Spectrum usage to avoid interference. The coexistence between services in adjacent bands are as specified in the ITU Radio Regulation for Region 1. Additionally,

		Rules are specified in "Commercial Frequency Management Policy, Administrative Procedures and Technical Guidelines" published on the Commission's website. Furthermore see appendix F and Section 5.4 of the IM.
6	Is spectrum going to be reserved for new entrants?	Please refer to Section 2.6 of the IM.
7	When will the spectrum be made available to successful bidders?	Please refer to the Auction Timetable in Section 2.7 of the IM.
8	What are the acts if breached that would lead to penalties deducted from the IBD?	All the circumstances under which financial penalties apply are clearly specified in various sections of the IM. Some of these acts are specified in the section and sub-sections of 6.6 of the IM.
9	Are colocation and infrastructure sharing service providers classified as Licensed Network Operators?	No. Please refer to Pre-qualification Criteria in Executive Summary as well as Section 2.6 of the IM.
10	What criteria would be adopted in identifying a covered population of an area?	Please see Section 4.9.4 of the IM.
11	The IM provides templates and forms to be utilized by applicants to file their application to partake in the Spectrum Auction. We would like to confirm if significant or material compliance with the templates provided is acceptable.	The Commission expects applicants to provide complete information as required in the templates.
12	Can operators deploy or combine deployment of LTE CA (Carrier Aggregation) technology on existing frequencies such as deploying 5MHz from existing 1800 band and 20MHz from the new 2600band? Is there any limitation?	Please refer to Section 5.2.1 of the IM

13	Is Voice over LTE (VOLTE) allowed?	The Commission does not have restriction on VOLTE
14	Will IBD be returned to unsuccessful bidders?	Please refer to Section 6.6.5 of the IM.
15	Will the major GSM Operators be allowed to participate in the process?	Yes.
16	Does each spectrum lot and the corresponding reserve price refer to a nationwide allocation covering all the states of the Federation and not the geographical limitation of one state?	Each spectrum lot and the corresponding reserve price refer to a nationwide allocation covering all the states of the Federation
17	What factors were considered in arriving at the stated ten (10) year license term?	Assessment of the various feedback from the industry stakeholder consultation was used in determining the license tenure.
18	Will the ten (10) year spectrum license be subject to renewal and, if so, for how long.	Yes. In accordance with the terms of the spectrum license.
19	Is the Commission prepared to review the tenor of the stated license?	No
20	Is the Commission prepared to ensure an alignment of all UASL grants with the 2.6GHz spectrum grant by permitting an extension of existing UASL licenses accordingly?	No alignment would be considered. UASL shall be renewed as at when due.
21	Can the Commission clarify the disparity in the Roll Out Obligations (ROO) in the license obligations and the IM?	The Roll Out Obligations (ROO) is as stated in the IM (Section 4.9.4). The license document has been aligned with this.

22	<p>Will the Commission consider hiatus for operators in year 1 and condition no 24 rollout obligations in succeeding years ending in year 6 with 2/3rd of all Local Government Headquarters being covered in the remaining Licence period?</p>	<p>Rollout obligations commence from year 2 in the IM. It is based on state capitals of the geo-political zones of the country. See Section 4.9.4</p>
23	<p>a. Does the Commission intend to impose any sanction/penalty (use-it-or-lose-it obligations) on licensees who fail to meet the stipulated rollout/coverage obligations?</p> <p>b. Given the aggressive nature of the targets and the investment &amp; infrastructure required to meet them, what measures does the Commission intend to deploy so as to deter prospective bidders without requisite capacity from abusing/jeopardizing the auction?</p>	<p>a. The Commission intend to strictly enforce the use it-or-lose it obligation. See Condition no. 24 of Appendix F of the IM.</p> <p>b. It is expected that Bidders will bid based on an assessment of the value of the spectrum to their business plans and meet the rollout targets specified in the IM. Additionally, the Commission's determination to strictly enforce the use it - or - lose it obligation is expected to encourage winning bidders to meet the rollout obligations.</p>

24	<p>The Commission is requested to clarify the following:</p> <ul style="list-style-type: none"> <li>i. Will a bidder who makes an exit bid and is awarded a lot be required to pay its bid?</li> <li>ii. How will the Commission address the discriminatory pricing (in relation to other bidders) that could occur in this regard?</li> <li>iii. Are exit bids required to be round numbers?</li> <li>iv. How will ties in an exit bid be resolved? (Given that ties in exit bids are not contemplated in the section on “exit bids”, but are considered in the “tiebreaker rules” section)</li> <li>v. Which bidder is permitted to place bids in the unsold lots round? (The rules refer to a bidder that had “excess eligibility” in the round before the final, but this may be ambiguous. For example item [ix] on Exit Bids states “then Bidders who did not make Exit Bids have the opportunity to make further Bids in the Unsold Lots Round”. This could be interpreted as implying that those that did make Exit Bids are not eligible for the Unsold Lots round.)</li> <li>vi. What is the maximum number of bids a bidder can bid for in the unsold lots round?</li> </ul>	<ul style="list-style-type: none"> <li>i. Yes. The bidder will lose its IBD if it refuses or is unable to pay for the bid.</li> <li>ii. There is no discriminatory pricing but differential pricing that is determined by bidders.</li> <li>iii. Exit bids are required to be round numbers.</li> <li>iv. Refer to section 6.5.3: Auction Stage under Tie Breaker rules (iii).</li> <li>v. There cannot be an unsold lot round if the cumulative eligibility point of all the bidders that made exit bids in the penultimate round were not satisfied.</li> <li>vi. Balance of the bidder’s eligibility is the total number such a bidder can place.</li> </ul>
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25	<p>What are the rules on spectrum trading after the auction?</p>	<p>There are no rules on spectrum trading after the auction.</p>