



Nigeria's Fixed Wireless Access (FWA) Licensing Auction Questions and Answers (as at March 19, 2002)

The Commission has received a number of questions concerning the Licensing Process. Those questions to which the answers provide further information or clarification to the benefit of all interested parties are published below.

QUESTION - Due to the types of services that are likely to be provided by operators do you feel that Schedules 2, 3 and 33 of the FWA licence are necessary?

ANSWER - The Commission agrees that Schedules 2, 3 and 33 may not apply in all cases. These Schedules will only be enforced in instances where operators are providing the relevant services.

QUESTION - Would a successful bidder be allowed to reassign an unutilised portion of its spectrum, and under what conditions (if applicable)?

ANSWER - The Commission does not permit operators to sub-let, re-sell, transfer or re-assign the authority to operate the spectrum assigned to a successful bidder.

QUESTION - What is the position of the NCC on the use of licence exempt spectrum?

ANSWER - The Commission does not permit the use of unlicensed spectrum for the provision of commercial services. Apart from having competitive advantage over those who had paid for spectrum, the unlicensed providers would not be in a position to guarantee acceptable levels of service and the protection of the rights of consumers. The Commission accepts that the use of unlicensed bands may be made for self provision, or for industrial, scientific and medical research applications.

QUESTION - Are the licences on offer in the FWA Licensing Process in addition to those issued previously?

ANSWER - Correct. The Licenses offered in each state are available in addition to any previously issued. Details of existing licensees are contained in Appendix 3 of the Information Memorandum.

QUESTION - Is it correct that new licensees will be authorised to provide both voice and data services?

ANSWER - This is Correct.

QUESTION - Will new Licensees be expected to pay an additional fee for an operating license?

ANSWER - No, Licensees will be awarded one licence which will authorise the use of specific frequencies and set out the operating terms. Licensees will be expected to meet the obligations applicable to the particular service of interest.

QUESTION - Will the Commission give bidding preference to potential National Operators?

ANSWER - Following applications the Commission will conduct a demand evaluation to examine the level of interest across all regions. Bidding will only take place where there is excess demand in particular regions. The rules for the bidding process (the auction) have not yet been defined. In developing appropriate auction rules, one of the objectives that the Commission will take into account is its desire to promote the development of competitive FWA services in as many regions as possible.

QUESTION - Will the existing licensees be forced to compete in the Licensing Process or to pay the fees that the new licensees will pay?

ANSWER - Existing licensees in the band will not be joining the auction for this purpose of retaining their present allocations nor will they necessarily be required to pay the fees set through this Licensing process.

The Commission will take steps where possible to strike a balance to minimize any unfair financial advantage on either side. This should not however, be relied upon in making any business decision on whether to participate or not in the current licensing process. Existing licensees were authorized under different conditions with annual payment terms and consequently have legitimate expectations. They paid a separate license fee for their operating license as well as a fee for the spectrum; whereas whatever fee is paid in the present licensing process will cover both frequency and operating license fees.

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