

**Questions and answers related to the 3G licencing process in Norway**

----- Updated 11 August 2000 -----

**Question:** The available population figures from Statistics Norway are:

Sarpsborg/Fredrikstad	92.309
Oslo	761.259
Drammen	73.523
Tønsberg/Åsgårdstrand	46.225
Sandefjord	36.421
Skien/Porsgrunn	82.794
Kristiansand	58.598
Stavanger/Sandnes	138.171
Bergen	194.025
Trondheim	136.562
Bodø	31.024
Tromsø	48.159
TOTAL	1.699.070

Are these the right figures, meaning that the requirement for year 1 may be met by covering 169.907 persons, for example in Oslo?

**Answer:** Yes.

**Question:** Section 4.3.2 of the invitation to tender states that "Applicants must document...or their existing owners may pledge that additional capital will be provided". If it can be documented that the applicant has an economically strong owner and that they, in the application, express that the necessary capital will be provided in accordance with the presented financing plan, is this sufficient documentation, or does the telecommunications authority expect further information and if so on what form?

**Answer:** The telecommunications authority will undertake assessment of the totality of the documentation of the financing pursuant to chapter 4.3.2 of the invitation to tender. Applicants who do not meet the minimum requirements stated in chapter 5.6 of the invitation to tender document, including documentation of financing, will within a period of one week after having received notification thereof be allowed to submit changes and additions in order to meet the minimum requirements.

**Question:** In order to secure a faster roll-out of base stations, it will be advantageous to use 58 GHz radios in city areas. What are the requirements for an operator that wants to use 58 GHz radios in the UMTS roll-out?

**Answer:** The Norwegian Post and Telecommunications Authority is currently considering whether the frequency band 57-59 GHz can be managed most efficiently by authorising unlicensed use in accordance with ERC rec 12-09. Initially, the use of this band will require an individual licence. This licensed spectrum sharing will allow each licensee to deploy an unlimited number of transmitters. Further information on this licensing regime will be published on [www.npt.no](http://www.npt.no)

----- Updated 12 July 2000 -----

**Question:** 3.4.2 National roaming

Regarding national roaming, it is stated that providers of 3G are allowed to use 2G networks - Does this apply also to 2G networks with GPRS and EDGE functions?

**Answer:** Pursuant to section 4-6, subsection 2, of the Regulations on public telecommunications networks and public telecommunications services of 5 December 1997, the Ministry of Transport and Communications will authorise a provider of 3G network to use 2G networks, cf. chapter 3.4.2 of the invitation to tender. The Ministry applies that this also should include 2G networks with GPRS.

----- 7 July 2000 -----

**Question:** 3.2.2 Frequency allocation

As of when will the frequencies be available for usage (test and / or operation)?

**Answer:** The frequencies will be available immediately or a few weeks after the award of the 3G-licences. There are no other users of these frequency bands in Norway.

**Question:** 3.2.4 Coverage requirements; roll out obligation

Sharing of network components is allowed, but co-operation between providers may be banned if it implies that the third generation networks do not appear as separate networks.

- Can the Norwegian Post and Telecommunications Authority (NPT) indicate which types of co-operation are and are not allowed (e.g. sites or more)?

**Answer:** Generally, the NPT will allow most types of co-operation. Site sharing is allowed and NPT encourages the operators to do so where possible. The 3G-networks must, however, appear as separate networks.

**Question:** 4.1.1 General remarks

-What is the meaning of "directly and indirectly coverage" in chap. 4.1.1, 1st part?

-Does it mean that indirectly coverage is the same as Interconnection?

**Answer:** This sentence is inaccurate and the subordinate clause, *direct or indirect*, should be removed so that the sentence remains as follows: The telecommunications authority emphasises the importance of using a coverage requirement which contributes to bringing the benefits of increased competition to all parts of the country, and preventing exploitation solely of the most profitable parts of the market at the cost of the development of nation-wide services.

**Question:** 4.1.2 Scope of the coverage requirement

Please state which communities are considered to be part of Greater Oslo.

**Answer:** Greater Oslo comprises: 22.287 of the inhabitants of the community of Oppegård; 97.298 of the inhabitants of the community of Bærum; 43.136 of the inhabitants of the community of Asker; 1.143 of the inhabitants of the community of Sørum; 12.300 of the inhabitants of the community of Rælingen; 28.765 of the inhabitants of the community of Lørenskog; 36.016 of the inhabitants of the community of Skedsmo, 7.335 of the inhabitants of the community of Nittedal, 498.110 Oslo, 5.652 of the inhabitants of the community of Røyken; and 9.217 of the inhabitants of the community of Ski.

**Question:** 4.1.3 Method of calculation

Statement that the MTC may specify the delivery format for the coverage assumptions

- By which date will the authority specify any delivery format at the latest?

**Answer:** The NPT will not specify any delivery format for the coverage assumptions that exceeds what is already stated in the invitation to tender document of 31 May 2000.

**Question:** 4.2 Roll out obligation

The first stage of the minimum coverage requirement is timed as "within one year after the license has been awarded". Furthermore, license award is likely to be in November 2000

- Can the MPC confirm that it requires UMTS launch in November 2001 (or by January 2002)?

**Answer:** The NPT confirm that 10 per cent of the total population in the 12 densely populated areas shall have coverage within one year after the licence has been awarded. In principle, it is possible to postpone the specified dates if there is no equipment available in the market.

**Question:** 6.2.4 Technical description of planned network and of the range and quality...

- As it is not possible to have signed a contract with a hardware vendor by the due date for the bid submission we assume that it is acceptable that the subject will be covered by the descriptions of the vendor selection process, of the network architecture and of the level of compliance with the respective specifications, correct?

**Answer:** It is up to the applicant to document this in the best possible way.

**Question:** Section 6.2.5 of the invitation to tender states that: "The degree of coverage shall be substantiated in compliance with chapters 4.1 and 4.2, and include expected location of each radio station." To which degree is it expected that one documents the "expected location of each radio station"? Is it adequate to state for example the number of radio stations per community, or is it expected that the location of the radio stations appear from the map?

**Answer:** The Norwegian Post and Telecommunications Authority expects that the location of the radio stations appear from a map. These maps will only be used in the selection process and will not be part of the license requirements.

----- 5 July 2000 -----

**Question:** Is the NPT considering to tender UMTS licences together with the third GSM licence (the Telia licence) ?

**Answer:** Telia AB have informed the Ministry of Transport and Communications of their purchase of NetCom ASA shares. The Ministry has not yet reached any decision on what consequences the purchase shall have on Telia AB's DCS 1800-licence in Norway. If the outcome of the share purchase is that the Ministry withdraws Telia's licence, the licence will be tendered independently of the already ongoing 3G-tender.

----- 30 June 2000 -----

**Question:** Section 3.2.3 of the invitation states that the 3G providers will be granted right of way within the imposed area of coverage, and that this area is defined in chapter 5.8. We cannot find a clear definition in 5.8, but assume that since no reference is given to 4.1.2 (minimum coverage requirement) that the imposed area of coverage will be that area which an applicant has committed himself to in his application for a license, which may be more extensive than the minimum coverage requirement. Is our assumption correct?

If and when a successful applicant/3G provider wishes to extend his UMTS coverage beyond the area of coverage he has committed himself to in his application (imposed area of coverage), right of way must be sought through expropriation. How long does it typically take from application for an expropriation permit is

filed until a right of way is granted?

**Answer:** The invitation states that a provider will be granted right of way for the establishment of the 3G network, cf. section 10-2, first paragraph of the Telecommunications Act. The right of way will be limited to the establishment of infrastructure within the imposed area of coverage, cf. section 3.2.3 of the invitation. Imposed area of coverage is the area to which the applicant has committed himself in the application. This area of coverage will be included as a condition in the final licence, cf. section 5.8 of the invitation.

However, we would like to draw your attention to the wording of Report to the Storting no 24 (1999-2000) to the effect that the Ministry, acting on a recommendation by the majority of the Convergence Committee (cf. NOU 1999:26), will consider whether special rights of way in accordance with section 10-2, first paragraph of the Telecommunications Act should be repealed.

The right of way pursuant to section 10-2, first paragraph of the Telecommunications Act will, as earlier stated, be limited to the establishment within the imposed area of coverage. The establishment of infrastructure beyond the area of coverage will have to be considered as a request for expropriation pursuant to section 10-2, second paragraph of the Telecommunications Act, cf. section 2 no. 9 of the Expropriation Act. The Ministry cannot say anything definite about the time span from an application for an expropriation permit is filed until a possible right of way is granted.

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**Question:** Lump sum payment in connection with the granting of 3G licences?

**Answer:** The invitation to tender stated that, subject to approval by the Storting, a lump sum of NOK 100 million per licence would be required. The Government's proposal was in accordance with the invitation to tender, cf Proposition. nr. 61 (1999-2000) to the Storting. The Storting decided to increase the lump sum to NOK 200 million, cf Recommendation S. nr. 220 kap. 5583, item 70.

**Question:** In table 1 attached to the invitation for tender, information is sought on minimum and maximum capacity/bitrate. This will probably vary between locations. Should the applicants state which geographical area the capacity/bitrate is related to?

**Answer:** Yes

**Question:** Geographical coverage in terms of population and the estimated capacity involved will be given emphasis as an assessment criterion. Can the authorities give information on how an offered increase in geographical coverage in terms of population will be given emphasis compared to an offered increase in capacity?

**Answer:** Geographical coverage in terms of population is an important an assessment criterion which includes estimated speed of transmission. In comparing the applications, greater importance is attached to an increase in geographical coverage in terms of population than to an increase in speed of transmission.

**Question:** Can the authorities further explain the meaning of item 1.5, 1.6, and 1.7 in table 1? What does "capacity/bitrate" and "Erlang" signify in this context ?

**Answer:** Under item 1.5 we ask for minimum speed of transmission per user.

Under item 1.6 we ask for how large part of the users will be offered speed of transmission exceeding the speed

of transmission stated under item 1.5.

Item 1.7 is included by a mistake. The applicants may disregard this item.

**Question:** With reference to the document entitled "Invitation to tender for licenses for the development and operation of a third generation mobile telecommunications system in Norway", and in particular to part 3.3.1 Administrative fees (pag. 7), could you please clarify to me what you mean by "alternatively"? Could you please list which are, exactly, the fees to be paid by 3G licensees?

**Answer:** The standard fee for provision of public telecommunications networks is NOK 10 000, for provision of transmission capacity (i.e. leased lines) NOK 10 000, and for provision of publicly available voice telephony services NOK 30 000.

The meaning of the word "alternatively" is that each licensee will have to pay either the standard fee(s) or a fee set by individual decision. The fee set by individual decision is set for providers with an annual turn-over in Norway which exceeds a certain limit value. The fee is calculated on the basis of a set of parameters which are deemed to reflect the Norwegian Post and Telecommunications Authority's relevant administrative costs. The exact amount to be paid cannot be decided upon before the relevant information is available. Telecommunications provider fees for Telenor Mobil AS and NetCom GSM as were approximately NOK 7.3m and NOK 3.0m respectively in 1999

The fees to be paid by each licensee are, in addition to the abovementioned, a frequency management fee and a standard fee for the use of numbers.

The frequency management fee, which is also set annually by individual decision, is part of the funding for the Norwegian Post and Telecommunications Authority. It is set to an amount estimated to cover PT's administrative costs incurred in the issue, management, control and enforcement of the applicable individual licences. For reference purposes it may be noted that Telenor Mobil AS and NetCom GSM as each paid about NOK 1m in frequency management fees for each GSM network in 1999. It is assumed that frequency management fees for 3G will be somewhat higher.

The Regulations no 302 of 20 March 2000 relating to fees payable to the Norwegian Post and Telecommunications Authority contain the provisions on standardized fees and the provisions constituting the foundation for the setting of fees by individual decision.

**Question:** When is the lump sum payment due?

**Answer:** Subject to the Storting's approval a lump sum payment per licence will be required. The lump sum payment will be due immediately after the granting of the licences.

**Question:** When will the licences be awarded?

**Answer:** The Ministry of Transport and Communications aims at awarding four licences for the development and operation of a third generation mobile telecommunications system at the end of October/ beginning of November 2000. The time needed to deal with the applications will depend upon the applications received.

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Last update: 08.09.2001