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It is suggested in the proposal that an act on auctioning certain radio spectrum be enacted and the Communications Market Act be amended.

It is proposed that the right to use certain radio spectrum mainly reserved for wireless broadband be granted to an enterprise, organisation or association that has made the highest valid bid for it in an auction, unless the licensing authority has especially weighty reasons to suspect that awarding the licence to the applicant in question would risk national security.

The auctioning would be limited to include a certain frequency band only. The intention is to acquire experience of spectrum auctioning and, consequently, assess the applicability of auctioning to the Finnish communications market.

Due to coherence in legislation, some necessary amendments are proposed to be made to the Communications Market Act.

The new act and the amendments are proposed to enter into force as soon as possible.

1.1. **Main proposals**

An operating licence for general telecommunications within the frequency band 2500–2690 megahertz would be granted to an enterprise, organisation or association that has made the highest valid bid for the frequency band or frequency pair in the auction, unless the licensing authority has especially weighty reasons to suspect that awarding the licence to the applicant in question would risk national security. Reasons for making an exception because of national security are discussed in chapter 4.2. Elements of national security would also be considered in assessing the adequacy of transferring a licence or leasing the right of use.

A licence would be issued by the Government for a maximum period of 20 years. It would cover the whole of Finland excluding the Region of Åland. Under certain conditions the Government could amend or cancel the licence.

A licence transfer would be subject to the Government's approval. As a rule, the Government should approve a transfer. All rights and responsibilities of the licence holder, including the radio licence related to the operating licence, would be transferred to the new licence holder. The licence holder would also be allowed to lease the right to the spectrum referred to in the licence. In such cases, the responsibility for the obligations would continue to lie with the licence holder. If so desired, the licence holder could return the licence to the licensing authority before the end of the licence period.

As a licence holder an enterprise, organisation or association would be liable to pay a licence fee. The licence fee would be the highest valid bid made by the enterprise, organisation or association. The licence fee would be paid in equal instalments during the licence period. However, the first five annual instalments would be paid at once in the beginning of the licence period.

Practical arrangements related to the auctioning would be the responsibility of the Finnish Communications Regulatory Authority. An enterprise, organisation or association willing to

participate in the auction should inform the Finnish Communications Regulatory Authority in advance of its participation. The enterprise, organisation or association should also pay a participation fee that would cover the administrative costs that will accrue to the Finnish Communications Regulatory Authority for arranging the auction.

Only one company of a corporate group referred to in the Accounting Act would be allowed to take part in the auction. Companies participating in the auction would not be allowed to cooperate in matters related to the action.

One enterprise, organisation or association would be granted a maximum of 50 megahertz of spectrum. The regulations aim to ensure competition in the market so that the spectrum to be auctioned would be shared by as many enterprises, organisations or associations as possible.