

INVITATION FOR APPLICATIONS FOR FREQUENCY BAND ALLOCATION
Telecom operating licences for the spectrum 703–733 MHz and 758–788 MHz

The Government hereby invites applications for telecom operating licences for the spectrum 703–733 MHz and 758–788 MHz pursuant to section 7 of the Information Society Code (917/2014). The licences will be granted through an auction process as provided for in section 11 of the Code.

Any enterprise or organisation wishing to participate in the auction shall sign up with FICORA no later than 7 November 2016 as specified in FICORA regulation M64.

Further information on operating licences and the application procedure is available on the website of the Ministry of Transport and Communications at www.lvm.fi/taajuushuutokauppa and on the FICORA website at <https://www.viestintavirasto.fi/taajuudet/radiotaajuuksienkaytto/taajuushuutokauppa.html>.

FURTHER INFORMATION ON THE APPLICATION PROCEDURE AND OPERATING LICENCES

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The Government hereby invites applications for telecom operating licences for the spectrum 703–733 MHz and 758–788 MHz pursuant to section 7 of the Information Society Code (917/2014). The licences will be issued pursuant to the procedure specified in section 11 of the Information Society Code and in the Government Decree on Radio Spectrum Auctions (840/2016), hereinafter the Auction Decree. Further provisions on the auction procedure are given in FICORA regulation M64. The licences will be issued based on the outcome of the auction.

The purpose of the licences to be issued includes, as provided for in section 1 of the Information Society Code, fostering the supply and use of electronic communications services and to secure efficient use of radio frequencies. Another aim is to improve the nationwide availability, quality and capacity of high-speed wireless broadband connections in Finland.

The spectrum that the licences concern is provided for in section 9 of the Government Decree on Radio Frequency Usage and the Frequency Plan (1246/2014). FICORA will grant the licence holder a frequency reservation pursuant to sections 41 and 45 of the Information Society Code. FICORA will further grant the licence holder a radio licence pursuant to section 40 of the Code after the operator has paid the first instalment of the licence fee. Terms and conditions for frequency band usage may be included in a radio licence granted by FICORA as per section 42 of the Code.

The auction will begin on 24 November 2016. The practical arrangements of the auction are the responsibility of FICORA. Under section 13 of the Information Society Code, only one enterprise of a corporate group may participate in the auction. No cooperation concerning the auction is allowed between parties participating in the auction. Any enterprise or organisation wishing to participate in the auction shall sign up with FICORA no later than 7 November 2016 as specified in FICORA regulation M64. Also, such an enterprise or organisation shall pay the EUR 50,000 participation fee as provided for in section 286 of the Information Society Code and set in section 5 of the Auction Decree.

Under section 2 of the Auction Decree, a total of six 2 x 5 MHz frequency pairs will be auctioned off in the 703–733 MHz and 758–788 MHz spectrum. No more than two 2 x 5 MHz frequency pairs will be allocated to any individual enterprise or organisation. An enterprise or organisation that has made the highest valid bids for multiple frequency pairs will be granted a single licence covering all those frequency pairs.

Under section 4 of the Auction Decree, the starting price in the auction is EUR 11 million per each 5 MHz frequency pair. Under subsection 11, FICORA announces the auction concluded after a bidding round during which no new bids have been placed for any frequency pair or frequency band. The highest valid bid placed for each frequency pair or frequency band at the conclusion of the auction wins the auction. After the auction has ended, FICORA will inform the Ministry of Transport and Communications of its outcome.

Pursuant to section 11 of the Information Society Code, the Government will grant a licence valid until 31 December 2033. The licence will be valid nationwide except for the Åland Islands.

Operations in the spectrum as per the operating licence may begin on 1 February 2017 when other use of the spectrum has ceased.

Licence holders are required to begin operations in practice under the licence within two years of the beginning of the licence period, unless the Government orders otherwise on application from the licence holder due to technical advancements or the general economic situation.

Under the licence terms and conditions, licence holders are required to remove disruptions caused by their operations to other regulation-compliant radio communications and to be liable for the labour and material costs of such removal of disruptions. 'Other regulation-compliant radio communications' means TV broadcasts and their reception. A licence holder is required, together with other licence holders in the same spectrum, to ensure that consumers are provided sufficient guidance and advisory services concerning the adoption of the broadband mobile communications network as regards potential disruptions to TV reception. Licence holders must publicise such advisory services in a sufficient and feasible way.

The network pursuant to the licence must be built so as to cover 99% of the population of mainland Finland within three years of the start of the licence period. The coverage requirement should be structured so as to ensure reasonable indoor coverage within the coverage area. 'Reasonable indoor coverage' means that the telecom operator's services must be available without additional cost to users in normal circumstances of use in users' permanent residences or enterprises' places of business. The licence holder is obliged to demonstrate availability of service if required.

The network pursuant to the licence must be built so that it covers all the main roads, secondary roads, regional roads and connecting roads in mainland Finland and the entire rail network owned by the State of Finland or managed and operated by a state-owned company.

A telecom operator's own network must cover at least 35% of the required coverage over the entire population. Joint network usage in areas beyond an operator's own network is not limited in any way.

When calculating coverage, the broadband mobile communications networks previously built by the licence holder using the 2.6 GHz, 1800 MHz and 800 MHz spectra are taken into account.

The coverage requirement does not apply to those geographical parts of mainland Finland where, for reasons due to Russian activities other than mobile communications, it is not at all possible to build a broadband mobile communications network. The requirement will be extended to all of mainland Finland as of such time as when the aforementioned restrictions are removed.

Licence holders should advise their subscribers in matters related to the licence terms and conditions such as network coverage and publicise information sufficiently and feasibly.

FICORA may issue more detailed regulations concerning the calculating of coverage areas pursuant to the licence and the implementation of the licence terms and conditions in practice.

A telecom operator that has been granted a licence pursuant to section 11 of the Information Society Code is liable to pay the licence fee provided for in section 287 of the Code. The licence fee is the highest valid bid in the auction as provided for in section 11 of the Information Society Code. The licence fee is to be paid in five equal annual instalments as of the issuing of the licence. FICORA will issue a decision on payment of the fee.

The licence holder must also pay the fees specified in the Decree of the Ministry of Transport and Communications on spectrum fees and other charges for radio management duties of FICORA (1222/2010).

The licence holder may transfer the licence to another operator as provided for in section 18 of the Information Society Code. A licence transfer may concern only some of the frequency bands covered by the licence. Under section 20 of the Code, the licence holder may, on approval by the Government, lease the right to use frequencies specified in the licence to another operator.

Under section 14 of the Information Society Code, the name and other information of the enterprise or organisation provided in the auction registration are not public before the conclusion of the auction process. Winning bids will be published after the auction ends. Any other bids submitted by the enterprise or organisation remain confidential. However, FICORA may publish the total in EUR of all bids submitted in any one round of the auction. Auction participants will also be informed of the number of bids submitted and the amount in EUR of the highest bid.

Further information

For further information on signing up for the auction, the auction procedure and participation fees, please contact Chief Specialist Pasi Toivonen and Legal Counsel Henriikka Rosti at FICORA. (firstname.lastname@ficora.fi)

For further information on the terms and conditions of operating licences and the granting of licences, please contact Senior Adviser Kaisa Laitinen and Coordinator Katariina Vuorela at the Ministry of Transport and Communications. (firstname.lastname@lvm.fi)