

**TRA response to questions received relating to:
An Invitation to Tender for a Mobile Telecommunications Licence**

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An Invitation to Tender for a Mobile Telecommunications Licence

Introduction

1. On 16 September 2008 TRA published an Invitation to Tender (ITT) for the grant of the third Mobile Telecommunications Licence in the Kingdom of Bahrain.
2. In accordance with the section III of the ITT interested parties were invited to Register in order to be able to submit bids and ask questions relating to the Auction process and the ITT.
3. In accordance with the provisional timetable published in the ITT registration closed at 15:00 (GMT +3 hours) 13 October 2008 and the receipt of questions closed at 15:00 (GMT + 3 hours) 16 October 2008. 4 parties had registered by the close of registration.
4. As stated in the ITT whilst questions received will not be treated as confidential the identity of the parties submitting the questions will be treated as confidential.
5. Responses to questions received will be posted on the TRA Website by 23 October 2008.
6. The responses to questions published herein are for information purposes only. Registered parties should at all times seek their own legal and professional investment advice.
7. The questions received have been arranged in the order of the flow of the ITT where directly related to the ITT and annexes. Other more general policy level questions have been addressed at the end of the list.

TRA response to questions received relating to:

An Invitation to Tender for a Mobile Telecommunications Licence

Questions received and responses

ITT Reference	Question	Answer																				
ITT, Clause 4	<i>When will the frequency licence be granted after the mobile licence is issued to the licensee?</i>	The Licence for the required frequencies in the 1800 MHz and 2100 MHz will be issued simultaneously with the service Licence. The 900 MHz frequencies are subject to migration by the current users of these frequencies and the frequency Licence will be amended if required to include the 900 MHz frequencies once the migration process has been completed. TRA anticipates this to be completed by June 2009.																				
ITT, Clause 4	<i>Will spectrum be available nationwide?</i>	Yes, spectrum will be assigned on a nationwide basis.																				
ITT, Clause 4	<p><i>i) Is the spectrum assignment in each of the bands to be made in contiguous blocks?</i></p> <p><i>ii) Are the bands to be assigned currently free, and if not, when will they be vacated?</i></p> <p><i>iii) Will the successful bidder have the option of taking (and paying fees for) less than the identified spectrum allocation identified, or will it only be assigned in its entirety?</i></p> <p><i>iv) What are the actual frequency assignments that will be made?</i></p>	<p>Spectrum in each block will be in contiguous.</p> <p>The spectrum in the 900 MHz band is currently being used by a mobile service provider, it is anticipated that the spectrum will be vacated by June 2009.</p> <p>The full endowment of frequencies are being assigned to the Prospective Licensee, however, should the prospective Licensee not wish to make use of the full endowment, spectrum can be returned to TRA and the associated annual spectrum fees will be reduced. The Bid value will not be affected by any return of frequencies and the Licensee will not retain any rights to returned frequencies.</p> <p>See the table below for a summary of the above and for details of the actual frequencies to be assigned.</p> <table border="1" data-bbox="978 967 1848 1284"> <thead> <tr> <th>Band</th> <th>Endowment</th> <th>Assignment</th> <th>Current user</th> </tr> </thead> <tbody> <tr> <td>900 MHz</td> <td>2 x 5.6 MHz</td> <td>909.4-915 MHz/954.4-960 MHz</td> <td>2G mobile service provider</td> </tr> <tr> <td>1800 MHz</td> <td>2 x 15 MHz</td> <td>1735-1750 MHz/1830-1845 MHz</td> <td>Unassigned</td> </tr> <tr> <td>1900 MHz/TDD</td> <td>5 MHz</td> <td>1910-1915 MHz</td> <td>Unassigned</td> </tr> <tr> <td>2100 MHz/FDD</td> <td>2 x 15 MHz</td> <td>1950-1965 MHz/2140-2155 MHz</td> <td>Unassigned</td> </tr> </tbody> </table>	Band	Endowment	Assignment	Current user	900 MHz	2 x 5.6 MHz	909.4-915 MHz/954.4-960 MHz	2G mobile service provider	1800 MHz	2 x 15 MHz	1735-1750 MHz/1830-1845 MHz	Unassigned	1900 MHz/TDD	5 MHz	1910-1915 MHz	Unassigned	2100 MHz/FDD	2 x 15 MHz	1950-1965 MHz/2140-2155 MHz	Unassigned
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ITT, Clause 18	<i>In case there was a change in the deadlines timeframe, will the bidders be notified by the TRA</i>	Yes, according to Clause 18 of the ITT, the parties registered with TRA will be notified by email if there are any changes in timeframes or deadlines. However, it is the responsibility of interested parties and Bidders to check TRA's Website to ensure that they are aware of the current version of the Auction Rules, including any related amendments.																				
ITT, Clauses 25-	<i>Registration under clauses 25 to 32 and Control</i>	Under Clause 25, registration is a prerequisite to the submission of																				

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32, 43-46	<p><i>under clauses 43 to 46 of the ITT. Our present understanding is that, in relation to clauses 43 to 46, a Prospective Licensee may, simultaneously, be de facto controlled by a party that meets criteria set out in relation to Form B, under the provisions of clauses 45 or 46, and controlled by another party, which does not meet the criteria set out in relation to Form B, on a de jure or other basis under the provisions of the other mentioned clauses, and, that either party, having duly registered by 13 October, may Bid on behalf of the Prospective Licensee. This issue relates to eligibility to bid, in which the mandatory registration date of 13 October, 2008 has an important bearing. The TRA is therefore requested to indicate its confirmation of this understanding or otherwise by return. In the event that it does not confirm the above understanding, TRA is requested to provide its reasons for not so confirming. Our understanding is based on the following analysis: - The definitions of Bidder and Prospective Licensee within the Definitions Section of the ITT are effectively amended or supplemented by the provisions of clauses 25 and 38 respectively. - Clause 25 makes registration by 13 October a condition of making a Bid, and clause 38 requires that a Bidder controls the Prospective Licensee (for which an alternative definition to that in the Definitions section is thus created). - The practical example then to be tested in the light of those linked conditions is that if any entity, that does not meet the qualification parameters set out in Form B, but has registered, enters into an agreement with a foreign mobile operator for the creation of a Prospective Licensee on a basis that passes de facto control of the Prospective Licensee to the foreign operator, but that foreign operator had not registered by 13 October, could a Bid that might attain Qualified status be made by the foreign operator? - The terms of the ITT would appear to indicate that a Qualified Bid could not be achieved, in such circumstances. - However, there would appear to be no prohibition within the ITT that would prevent a Prospective Licensee being under the de facto control of a</i></p>	<p>Bids. Accordingly, only individuals or entities registered with the TRA by the deadline are allowed to submit a Bid. A Bidder that has duly registered may bid on behalf of itself, an existing entity over which it has control or a yet-to-be-created entity over which it will have control. Control may be <i>de facto</i> or <i>de jure</i> control as described in Clause 43 of the ITT.</p> <p>In addition, a Prospective Licensee may be controlled by more than one entity, with one entity having de jure control and the other entity having de facto control.</p> <p>According to the definition of a Bidder in the ITT, the Bidder may be formed as a consortium. Therefore, if one of the members of the Consortium has registered with the TRA, then the Consortium can submit a Bid in the Auction. Furthermore, in the event that the Bidder is a Consortium, then the members of the Consortium have to collectively meet the pre-qualification criteria in Form B.</p>

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An Invitation to Tender for a Mobile Telecommunications Licence

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	<p><i>foreign operator that meets Form B criteria whilst simultaneously being under de jure or other control of the registered entity that does not meet Form B criteria. - In such circumstances the terms of the ITT would appear to permit a Bid, which might attain Qualified status, to be made by the entity that does not meet Form B criteria, on behalf of a Prospective Licensee, which by virtue of its de facto control by the foreign operator, does meet Form B criteria.</i></p>	
ITT, Clause 40	<p><i>If an affiliate of the licensee, which the bidder has no control over, purchases shares in another Bahraini operator; will the licence be revoked?</i></p>	<p>There are no restrictions on an affiliate of the Licensee to acquire shares in another Bahraini operator after the Licence has been granted, provided it is in compliance with the applicable TRA rules and regulations regarding transfer and assignment of licences. (See TRA Merger and Acquisition regulations – www.tra.org.bh/en/pdf/Final_clean_nergers_regulation_LAU_RN_009_21_09_2004_E_1.0.pdf). For purposes of bidding in this Auction, however, Bidders must disclose any Material Interest they hold in a mobile network operator licence in the Kingdom of Bahrain or an Opposing Party in the Auction (see Clause 40). According to the definition, this would include purchases made by a Bidder’s Affiliate.</p>
ITT, Clause 42	<p><i>After the licence is granted, will the bid documents become available to the public?</i></p>	<p>No, only the portions that become part of the licence conditions, e.g., quality of service and build-out commitments, will be made public.</p>
ITT, Clause 43	<p><i>Please confirm that for the purpose of evaluating the "de facto" control: (i) the list of indicia set forth in Clauses a.) to d.) is limitative and (ii) the fulfilment of one of the indicia is sufficient.</i></p>	<p>The list of indicia is not limitative for the purposes of the evaluation of <i>de facto</i> control, therefore it is not necessary for all of the indicia to be met to have <i>de facto</i> control.</p>
ITT, Clause 44	<p><i>Please advise what type of criteria and method that will be used to assess whether the officers and directors of the Bidder have a controlling interest in the Bidder.</i></p>	<p>Clause 44 states that “Officers and directors of the Bidder shall be considered to have a controlling interest in the Bidder. The officers and directors of an entity that controls the Bidder shall be considered to have a controlling interest in the Bidder.” By virtue of their position as an officer or a director of the Bidder, they are deemed to have a controlling interest. No further criteria or method is necessary to assess their controlling interest.</p>
ITT, Clauses 45-46	<p><i>Shall the criteria set forth in the 2 Clauses be construed as additional criteria for the purpose of evaluating the "de facto" control as defined in §43.</i></p>	<p>Clauses 45 and 46 can be considered to be other instances in which the situation gives rise to a Controlling Interest Holder, e.g., management agreements and joint marketing arrangements as described in the above mentioned clause</p>
ITT, Clause 46	<p><i>What is meant by “joint marketing agreement”?</i></p>	<p>A joint marketing agreement is when two or more parties agree to use commercially reasonable efforts to engage in the marketing and promotional activities of a certain product or service.</p>
ITT, Clause 46	<p><i>If the bidder is an unincorporated consortium, is the member of the consortium obliged to provide information in regard to their marketing arrangements?</i></p>	<p>Clause 46 applies when a company outside the Consortium enters into a joint marketing agreement with the Bidder (including any members of a Bidder’s consortium) or Prospective Licensee. .</p>
ITT, Clause 52	<p><i>Does a public company bidding for the licence</i></p>	<p>No, a public company submitting a Bid only has to disclose any</p>

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An Invitation to Tender for a Mobile Telecommunications Licence

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	<i>have to disclose all of its shareholders?</i>	shareholder holding five per cent (5%) or more stock in the company (see Clause 52 of the ITT).
ITT, Clause 53	<i>Article 53/b requested the bidder to provide information about the role and contribution of each consortium members in terms of resources; please define resources?</i>	Resources refer to the particular attributes that each Consortium member brings to the team, which can include personnel, financial capabilities, technical capabilities, equipment, networks, buildings, towers, rights of way, relevant IPRs and international roaming agreements etc.
ITT, Clauses 78, 90	<i>Clauses 78(iii) and 90 state that the Qualification Document must include completed Forms B-I and attachments. However forms G and H reveal the financial offer and should therefore presumably be excluded from the Qualification Document. Would TRA please confirm this is correct?</i>	<p>Because Forms G and H reveal the Financial Offer, they should be excluded from the Qualification Document. Therefore, Clause 78(iii) should read:</p> <p>“Completed Forms B-F and Form I. The Financial Bid, as specified in Clause 146, should include completed Form G (Financial Bid Form) and Form H (Bank Guarantee Form filled out pursuant to Clause 148) and should be submitted separately from the Qualification Documents.”(addendum)</p> <p>Clause 90 should read:</p> <p>“The Qualification Documentation must include Bid Forms B-F and Form I. Bidders should include their registration passwords in the forms.”</p>
ITT, Clause 87/Form I	<i>Re Clause 87 and Form I: Clause 87 states that the bid bond should be in an amount of BD 500,000, and shall be in the form and substance as set out in Form I. Form I specifies a sum of BD 5,000. Please would TRA clarify the required amount for the bid bond?</i>	<p>Clause 87 and Form I should be consistent as the Bid Bond is in the amount of BD 500,000. Therefore, Form I should be amended to replace the bid bond amount of BD 5,000 with BD 500,000. (addendum)</p>
ITT, Clause 87	<i>What is the amount of the bid bond, it is mentioned in the TD Article 87 that it is equal to BD 500,000 and in form I equal to BD 5,000?</i>	
ITT, Clause 88	<i>Clause 88 describes the performance bond which, inter alia, can be exercised if the QoS requirements contained in the Qualification Document and Licence are not met. Is this an indefinite obligation and how does it relate to the Contravention and Enforcement process defined in Article 9 of the QoS Regulation issued by TRA on the 11th September 2008? How will the amount forfeited relate to the degree of failure to meet the QoS targets?</i>	<p>The performance bond will remain valid for the duration of the licence, i.e., 15 years, and will be invoked by the TRA if the Licensee fails to meet the License obligations. The amount of forfeiture under the performance bond will be determined on a case by case basis taking into consideration the degree of breach. The measures that can be taken by the TRA described under Article 9 of the Quality of Service Regulation are in addition to any decisions that may be made to forfeit part or all of the performance bond.</p>
ITT, Clause 89	<i>Is there a minimum spending requirement for providing “additional benefits” to the Kingdom?</i>	No, there is no minimum spending requirement.
ITT, Clause 130	<i>In Clause 130, for the Fault Rate, Number of faults reported, Fault repair time (mean, std dev and 95%ile), it appears that these parameters are more applicable to fixed networks. There is no</i>	<p>The TRA Quality of Service Regulation of September 11, 2008, provides a definition and measurement method for Fault Report rate, Fault repair time and Number of Faults; the measurements do apply for Mobile Services. TRA will be publishing Quality of Service Guidelines</p>

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	<p><i>sound technical basis for their application to mobile networks and the QoS regulation does not specify a method for their calculation. If these parameters are to be applied please explain the method intended to be used for their calculation.</i></p>	<p>to support the implementation of the regulation</p>
<p>ITT, Clause 130</p>	<p><i>Re Clause 130: Service supply time (number, mean, std dev and 95th percentile) - Business and Residential. It appears that these parameters are more applicable to fixed networks. The nearest equivalent for mobile networks is the activation time. Although [•] will differentiate between consumer and business customers, the activation time will depend on the type of service being purchased (e.g. pre- or post-paid) rather than the type of consumer, The activation time will be largely dependent on subscriber actions. The QoS regulation does not specify the method of calculation, and only lists fixed services against the parameter. Please explain the method by which these measures should be applied to the mobile network.</i></p>	<p>The Quality of Service Regulation provides a definition and measurement method for Service Supply time but this does not apply to Mobile Services. TRA would consider taking into account the activation time from when the user switched on the SIM to when the device becomes operational (with all package features). TRA would anticipate that the average activation time would be counted in minutes.</p>
<p>ITT, Clause 130</p>	<p><i>Re Clause 130: Network – Internal Automatic Observations and Network – an observation on international outgoing telephone calls; ITU-T E.425 applies to measurements of international calls at an International Gateway. If there is no intention to implement an International Gateway under this licence does the TRA agree that these parameters will not be applicable?</i></p>	<p>The reference should be ITU-T E.425 (addendum)</p>
<p>ITT, Clause 130</p>	<p><i>Re Clause 130: Network – an observation on international outgoing telephone calls: should the reference to ITU-T E.425 be to ITU-T E.422?</i></p>	<p>The reference should be ITU-T E.422 (addendum).</p>
<p>ITT, Clause 130</p>	<p><i>Re Clause 130: This Clause describes the parameters and their target values to be included in the Licence. The following detailed points arise: i) Account Complaint Rate: Please explain the rationale behind the segmentation of the complaint rate into 14 sub-sections. The systems potentially giving rise to such complaints will be common and thus the individual parameters listed will not be independent. This will reduce the degree of statistical significance for each individual measure, each of which will have to account for the greater variance exhibited by the smaller number of complaints. A more meaningful and more tightly controlled measure would be</i></p>	<p>Clause 130 is seeking the Bidder's target for each of the listed parameters therefore the Bidder is requested to provide them. The Bidder can comment on each listed parameters and propose additional relevant parameters to monitor quality delivered once the network is in operation. i) Account Complain rate and ii) Account Complaint Resolution time shall be reported in Total; Breakdown in specific sub-sections as additional measurements. iii) Please see the revised table for Quality of Services contained in the Addendum to the ITT iv) Disconnection Complaint rate and v) Disconnections complaints received should be based on the Quality of Service Regulation and consist of 3 reporting requirements: Blocking calls to or from certain numbers or networks</p>

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An Invitation to Tender for a Mobile Telecommunications Licence

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	<p><i>possible if it was applied to the total population of Account Complaints. ii) Account Complaint Resolution Time: A similar question to i) above arises in this case. iii) Call Statistics For National Manual Directory Enquiries: Please explain the rationale behind setting targets for the Total Number of Calls to DQ (P) and the Total Number of Telephone Look-ups Performed. These numbers will be driven by the amount of use of the service made by subscribers. Targets are appropriate for the holding and answer times as well as the unsuccessful and failure rates, but those would be in proportion to the total number of lookups made. iv) Disconnection Complaint Rate: There appears to be a transcription error for this parameter. The Reporting Requirements entry would more logically be associated with the previous Parameter. We assume that the Reporting Requirement should be as defined in the Regulation mentioned in question 7 above. v) Disconnection Complaints Received: The Reporting Requirement entry here seems more appropriate to the Call Statistics for International Manual Operator Services as defined in the Regulation mentioned in question 7 above. We assume the definition should be as defined in the Regulation. There also appears to be one definition in relation to Disconnection Complaints that is missing in comparison to the Regulation, namely Disconnection Complaints Resolution Time (95th Percentile). vi) Disconnection Complaints: In relation to each of the Parameters under this heading, a similar question to a. above arises in this case. If it is the intention to include the Std Dev and 95%ile measures (in line with the Regulation) please explain the rationale behind requiring both measures to be reported as they both indicate the degree of Variance of the parameter and one should be unnecessary. vii) Miscellaneous Complaint: Can we assume that Miscellaneous Complaints are all complaints, of whatever nature, excepting the Account and Disconnection complaints described above? We note that the Regulation also includes a 95%ile measure of the Resolution Time in addition to the Std Dev and would appreciate confirmation for</i></p>	<p>Blocking SMS messages to or from certain numbers or networks Stopping services for alleged non payment Disconnection Complaint Resolution time shall be included. vii) Yes the assumption is correct; STD Dev and 95th percentile are expected viii) Fault Report section and x) Service Supply sections have been amended for the first QoS Report; Guidelines and input Data Form are available on TRA web site. As a general comment, Quality of Service Regulation has just been implemented and will be revised on a regular basis based on Licensed Operators comments and TRA’s continuous efforts to improve end user’s experience.</p>

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An Invitation to Tender for a Mobile Telecommunications Licence

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	<p><i>both this query and on vi) above as to whether it is intended to include the 95%ile measure. viii) Fault Report Rate: There appears to be a transcription error in the Reporting Requirement for this parameter. We assume it should read 'Service affecting' and 'Non service affecting'. Please explain the rationale behind measuring both the Fault Report Rate and the Number of Faults Reported. They both describe the same set of events and a target for one would control both parameters. A Fault Report Rate would be a more general measure as it would be independent of the network size, while the number of faults reported is likely to grow as the network size increases and any target for this parameter would require regular adjustment. Please also explain the rationale behind measuring non service affecting faults. Whilst this measure will have an impact on end user fault performance it will depend upon the redundancy configuration of the non service affecting fault and without this information the measure is meaningless as a management tool. ix) Fault Repair Time: Please explain the rationale behind measuring both the Std Dev and the 95%ile of the Fault Repair Time reported as they both indicate the degree of Variance of the parameter and one should be unnecessary. x) Service Supply Time: A similar question to ix) above arises in this case.</i></p>	
ITT, Clause 133	<p><i>Are any additional QoS measures required for Directory Services as described in Clause 133 over and above those already defined in Clause 130?</i></p>	<p>No additional QoS measures are required for Directory Services other than those defined in Clause 130. However, the Bidder can propose any additional relevant QoS parameters to monitor</p>
ITT, Clause 143	<p><i>What is the exact definition of health and safety, and which authority will decide if there is a breach?</i></p>	<p>In addition to the ITT Clause 143 references, TRA would point Bidders to the documents of the World Health Organisation and ICNIRP (International Commission on Non-Ionizing Radiation Protection), e.g., Guidelines for limiting exposure to time-varying electric, magnetic, and electromagnetic fields (up to 300 GHz). Health Phys 74:494 –522; 1998.</p>
ITT, Clause 148	<p><i>If a bank is a member of a consortium, will it be possible to have the bank guarantee issued by the bank itself?</i></p>	<p>If a bank is a member of the Consortium, the bank in question can issue the Bank Guarantee on behalf of the Consortium provided it is recognized by the Central Bank of Bahrain.</p>
ITT, Clause 150	<p><i>What are the annual spectrum fees for the spectrum allocated for the licensee? The information in the National Spectrum Policy does not appear to cover this.</i></p>	<p>The calculation method for the annual spectrum fees is contained in the National Spectrum Policy. In accordance with the National Spectrum Policy, annual fees are calculated as a function of the frequency band and the channel bandwidth. Therefore, until the</p>

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ITT, Clause 150	<i>How is the cost of the frequency allocated?</i>	technology deployed has been ascertained, the annual spectrum fees can not be determined (see Article 3.5 of the National Spectrum Plan).
ITT, Clause 152	<i>Can a new member join a consortium provided they meet the qualification requirements?</i>	The timing of the new member entering the Consortium will dictate the answer. During the period from Bid Submission Date until the announcement of the successful Bidder there can be no change to the membership and structure of the Consortium. Once the Successful Bidder has been announced then any changes to structure, shareholding or control of the Licensee would be subject to the Clause 38 and 43 of the ITT (in which it states that the Consortium must remain in control of the Prospective Licensee) and the Mergers and Acquisitions Regulation. It should be kept in mind that the requirements and rules of the ITT remain valid after the licence award.
ITT, Clause 152	<i>If a member of the consortium pulls out, will the bid be disqualified?</i>	As stated above during the period from Bid Submission Date until the announcement of the successful Bidder there can be no change to the membership and structure of the consortium.
ITT, Clause 182	<i>In the event that a Successful Bidder has submitted a Revised Bid it is required both to pay the TRA the difference between the difference between the revised bid price and its original bid price and to amend its bank guarantee form. We would expect only one of these actions to be required. (If the bidder pays the difference between the revised bid and the original bid then the outstanding amount is equal to the original bid, which is covered by the Bank Guarantee. Alternatively, if the bidder does not pay the difference then the bank guarantee needs to be amended to reflect the revised bid amount.) Please would TRA clarify its requirement?</i>	<p>The question raises a valid point and the intent of Clause 182 was that the Successful Bidder either pay the difference between the Bid Price and the Revised Bid Price or amend its Bank Guarantee Form. Therefore, Clause 182 should be amended as follows:</p> <p>182. In the event that a Successful Bidder has submitted a Revised Bid Price, such Successful Bidder shall pay to TRA in accordance with the Payment Instructions the difference between its Revised Bid Price (Form J) and its Bid Price within five (5) Working Days or shall amend the Bank Guarantee (Form H) accordingly. (addendum)</p>
ITT, Clause 185	<i>What are the consequences for the licensee if incorporation is delayed past January 4th, 2009?</i>	If the delay is caused by circumstances beyond the Successful Bidder's control, then TRA has the discretion according to Clause 185 of the ITT to allow more time for the incorporation to be finalised. If TRA determines that the delay is the fault of the Successful Bidder, then it may disqualify the Successful Bidder pursuant to Clause 186 of the ITT.
ITT, Form B	<i>In the event that the bidder is a partnership, will fulfilment of the pre-qualification criteria be prorated depending on the shareholding of each partner (e.g. in the case of the condition of have 10 million subscribers)?</i>	In the event that the bidder is a partnership/consortium, then overall the partnership/consortium must meet all of the pre-qualification criteria.
ITT, Form B	<i>Would a reputable vendor with international operating outsourcing arrangements to service subscribers indirectly qualify for the pre-qualification criterion of possessing 10 million subscribers?</i>	The pre-qualification criterion with regards to having at least 10 million subscribers worldwide refers to an operator's subscribers not to subscribers using a particular vendor's equipment, network or system. The relationship must be a direct relationship between the subscriber and the operator(s) in the Consortium.

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An Invitation to Tender for a Mobile Telecommunications Licence

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ITT, Form B	<i>In the event that the bidder is a partnership where one partner meets all or most of the pre-qualification criteria, what is the minimum acceptable qualifying shareholding of that partner?</i>	There is no minimum shareholding interest that must be met by a partner in the partnership or member of a consortium. In cases where the partner or consortium member holding the required qualifications equity is minimal it will be incumbent on the bidder to demonstrate through the technical submission that the requisite level of knowledge, expertise and capabilities will be made available to the operating company.
ITT, Form B	<i>Form B / number of worldwide subscribers, does this include the affiliates subscribers; if yes, should the consortium member give information about its affiliates, if yes, what is the type of information should be given.</i>	The number of worldwide subscribers can include those from a Consortium member's affiliate(s). Subscribers should be clearly identified as such. (Addendum)
ITT, Form B	<i>Form B / annual revenue; please advise what information should be given in case the consortium is consisting of telecom operators and investors.</i>	In the event that the Bidder is a partnership/consortium, then overall the partnership/consortium must meet the pre-qualification criteria.
ITT, Form F	<i>Having any sort of sanction or sanctions in the Declaration of Good Standing in Regulatory Matters which should be provided by the Bidder, is this supposed to have any impact on the Bidder and is this going to affect the Bidder position in the Bid? ITT-Declarations and Certifications-Regulatory Compliance Article 61/page 16.</i>	The purpose of the <i>Declaration of Good Standing in Regulatory Matters</i> is to provide TRA with a view of how well the Bidder has been complying with its regulatory obligations in other jurisdictions. This information will be considered in the evaluation and may affect the evaluation and total score of the Bidder.
ITT, Annex 2, Section 5.2 (Draft Individual Mobile Telecommunications Licence – hereinafter Draft Mobile Licence)	<i>Is the access that must be provided by the Licensee to any licensed operator to the licensee's directory information limited or restricted for Numbering Portability issue or it is open for any type of needed business purposes? Individual Mobile Telecommunications License-Provision of Directory Information Services Article 5.2/page vii.</i>	Not limited to number portability. It is open to other purposes including other Licensee's Directory Information services.
ITT, Annex 2, Draft Mobile Licence, Section 9	<i>What is the tariff filing process, and are there any plans to change the current process?</i>	The tariffs that are required to be filed under Clause 9.1 are for information purposes only and are not subject to the approval of TRA. However, if TRA determines that the Licensee has significant market power then other provisions related to tariffs, will be applicable. Please refer to the statement on Strategic and Retail Market Review for future developments of regulatory measures. .
ITT, Annex 2, Draft Mobile Licence, Section 9	<i>Why is the licensee required to file tariffs with the TRA when this is not a requirement for the second mobile licensee (unless it is found to have Significant Market Power)?</i>	
ITT, Annex 2, Draft Mobile Licence, Section 10	<i>What is the exact definition of "dominant position"?</i>	According to the Kingdom of Bahrain's Telecommunications Law of 2002, Section 1, "dominant position" is defined as "the Licensee's position of economic power that enables it to prevent the existence and continuation of effective competition in the relevant market through the ability of the Licensee to act independently – to a material extent – of competitors, Subscribers and Users." .

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ITT, Annex 2, Draft Mobile Licence, Section 10.3	<i>Can TRA kindly elaborate more on Articles 10.3 &10.4 to remove the unclarity and uncertainty in these articles? Individual Mobile Telecommunications License-Provision of Access Articles 10.3 &10.4/page xiii.</i>	The question lacks specificity and therefore TRA is unable to answer the question.
ITT, Annex 2, Draft Mobile Licence, Section 11.1	<i>Is Article 11 talking about the MVNO? What is the current situation of MVNO in Bahrain? TRA are kindly requested to explain this and to clarify whether the Licensee is obliged to conclude a reselling agreement with other licensees? Individual Mobile Telecommunications License-Provision of Services For Resale Article 11.1/page xiii.</i>	The Strategic and Retail Market Review contains explicit statements regarding the position of TRA on MVNO.
ITT, Annex 2, Draft Mobile Licence, Section 11.2	<i>Can TRA review, stress and highlight the very wide and open statements mentioned in Article 11.2(a& b) where these two points represent the two cases by which the Licensee shall not be required to enter into an agreement; we believe that these two points could be used by the dominant operator as an excuse for not providing the service of resale and thus the TRA are requested to be much more specific in determining exactly these exceptions. Individual Mobile Telecommunications License-Provision of Services For Resale Article 11.2(a& b)/page xiv.</i>	To exercise 11.2 a & b, an operator must have the consent of TRA and therefore provides appropriate safeguards.
ITT, Annex 2, Draft Mobile Licence, Section 23.3	<i>i) When does the Regulator expect to implement the Unified Licensing Framework? ii) What is the timeframe for issuing further Mobile Licences?</i>	Please refer to the Strategic and Retail Market Review which contains an indicative timetable (the unified licence is expected to be completed in the second quarter of 2009). The unified licensing framework in Bahrain is expected to be technology neutral. TRA has not made any decisions with respect to issuing further mobile licences; however, the restrictions on mobility applied to the NWFS licences will be lifted on 17 November 2010.
General Policy	<i>Is a 4th licence expected in the future and when?</i>	
General Policy	<i>When will the unified licensing be implemented and will this licence be service and technology neutral?</i>	
General Policy	<i>How will the licence be transitioned to a unified licence and what are the associated costs?</i>	The transition arrangements have yet to be defined, however, TRA intends to transition to a unified licence framework in the least disruptive fashion and with very little, if any, associated cost.
ITT, Annex 2, Draft Mobile Licence, Section 25	<i>What are the terms and conditions for the renewal of the licence at its expiry date?</i>	Section 25 of the model Individual Mobile Telecommunications Licence included in the ITT details the terms and conditions for renewal of the Licence.
ITT, Annex 2, Draft Mobile Licence, Schedule B	<i>What are the consequences for the licensee if 95% of the population is not covered within the first year?</i>	In addition to being able to revoke the Licence in an extreme situation, TRA can exercise part or all of the performance bond if the Licensee has not complied with the coverage requirements.
ITT, Annex 2, Draft Frequency	<i>What are the restrictions on the sale or transfer of the licence?</i>	The Licensee shall not, except with the prior written approval of the regulator, assign, transfer, trade, sell or otherwise dispose, whole or in

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Licence, Section 7		part, the rights, privileges, duties and/or obligations under the frequency licence to any person (see Section 7 of the Draft Mobile Frequency Licence). The Telecommunications Law also states that frequency and individual licences are personal and cannot be assigned without the prior written approval of TRA (Article 28 for individual licences and Article 44(f) for frequency licences).
ITT, Annex 2, Draft Frequency Licence, Section 9.1	<i>Regarding the coverage obligations, the TRA- In Article 9.1 in the Frequency License- is referring to Schedule B in the same document where it states that the Licensee shall offer licensed services under its Mobile Telecommunications License on or before(date) with coverage of at least(95%) of the population in the licensed area.....; as might be noticed, this date is left open, undetermined and unspecified; accordingly, our question is: what is the period needed by the Licensee to provide 95% coverage by the services licensed under its Mobile Telecommunications License? Frequency License (Mobile)-Coverage Requirements Article 9.1 and Schedule B/pages 5 &I respectively.</i>	In accordance with Clause 128 of the ITT, the period to achieve 95 per cent coverage is 12 months from award of the licence.
ITT, Annex 2, Draft Frequency Licence, Section 11	<i>Does the licence allow the licensee to resell capacity?</i>	Yes, see Clause 11.1 of the Draft Mobile Frequency Licence.
ITT, Annex 2, Draft Frequency Licence, Schedule C	<i>Re Schedule C to Frequency Licence: It appears that the same transcription errors as described in the question on Clause 130 above have occurred in this table as well.</i>	Yes, TRA will issue an addendum to the ITT correct this. (addendum)
ITT, Annex 2, Draft Frequency Licence, Schedule A	<i>Re Draft Frequency Licence, Schedule A: The table for frequency assignments includes a column "Channel bandwidth in kHz". Channel bandwidths are technology specific; does the TRA intend to restrict the use of the assigned frequencies to specific technologies?</i>	TRA does not intend to restrict the use of the assigned frequencies to specific technologies; channel bandwidth is required to calculate the annual spectrum fees.
General Policy	<i>Will the licence allow for the sale or provision of subsidized handsets and accessories?</i>	There are no specific prohibitions on the subsidisation of handsets and accessories. The sale of subsidised handsets is currently practiced in the Kingdom of Bahrain.
General Policy	<i>Will the licensee be allowed to bid for a MVNO licence?</i>	There are no restrictions envisaged in obtaining an appropriate licence allowing provision of MVNO services, once such a licence is available. Please refer to the Strategic and Retail Market Review.
General Policy	<i>Are there any restrictions on the licensee to undergo an IPO?</i>	The Licensee is free to undergo an IPO.
General Policy	<i>Are there any restrictions on the sale or transfer of shares in the newly incorporated company?</i>	The Licensee must comply with the TRA's Telecommunications Mergers and Acquisition Regulation, Regulation 3 of 2004 which governs mergers, acquisitions or joint ventures involving a Licensee.

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An Invitation to Tender for a Mobile Telecommunications Licence

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		Please refer to previous answers related to control of the Prospective Licensee.
General Policy	<i>At the end of the licence term, in case of non-renewal, will all the equipment and capital invested in infrastructure remain the property of the licensee?</i>	Yes, all the equipment and capital invested in infrastructure will remain the property of the Licensee.
General Policy	<i>Confirm if an additional licence is required to establish an international gateway. If yes, are such licences readily available?</i>	In addition to the mobile Licence, an “Individual Licence for International Telecommunications Facilities” is required for the operation of an international gateway. There are no restrictions regarding the number of available licences and the licence is readily available. (please see TRA website www.tra.org.bh)
General Policy	<i>What mechanisms are in place to ensure fair and non-discriminatory access to cable landing points?</i>	Please refer to TRA’s Access Regulation and Batelco’s Reference Offer published on Batelco’s website.
General Policy	<i>. Will the TRA support the licensee in its collocation and site sharing efforts?</i>	Please refer to Batelco Reference Offer. Further to this in August 2008, TRA issued a Public Consultation for Draft Regulation that would introduce a Wireless Telecommunications Network Facility sharing regime applicable to all Licensees that own, manage or lease such facilities. A final decision on the Draft Regulation has not yet been released.
General Policy	<i>What are the regulations on access to dark fibre?</i>	TRA has no specific regulation with respect to dark fibre.
General Policy	<i>What rights and powers does the licensee have to construct its own cabled infrastructure</i>	Under the terms of an individual licence, the licensee has the right to construct its own infrastructure, please see section 59, 61 and 62 of the Telecommunications Law. Further to this, please refer to the published Public Consultation on the Draft Guidelines for Telecommunications Infrastructure Deployment found on TRA’s website.
General Policy	<i>What are the regulations on Carrier Selection and Carrier Pre Selection?</i>	TRA issued its Regulation on Carrier Pre-Selection in June 2004 and the Code of Practice on Carrier Pre-Selection in November 2005, which was issued pursuant to Article 7 of the Regulation. The Regulation excludes Mobile Operators. Please refer to the Strategic and Retail Market Review regarding the implementation of carrier selection.
General Policy	<i>What are the regulations on Voice over IP?</i>	TRA updated its position on the Regulation of Voice over Internet Protocol (VoIP) Services in a Position Paper in May 2007.
General Policy	<i>Is there a limitation on the type of services that could be provided including voice, media, multi-media, broadband, etc.?</i>	There are no limitations, except that the mobile operator is not permitted to provide broadcasting services. However, appropriate licences are required to provide additional telecommunications service other than mobile services.
General Policy	<i>What is the penalty on the incumbent for not meeting the Mobile Number Portability time requirements</i>	TRA published 14 October 2008 for public consultation a Draft Regulation and explanatory document with respect to Number Portability. Registered Parties are encouraged to become familiar with these documents and respond to the public consultation. Further please refer to Section 35 of the Telecommunications Law.
General Policy	<i>What are the rules and regulations on promotions? What are the limitations on offering promotions?</i>	Retail tariff controls are only applicable to a licensee with significant market power. TRA as part of the Strategic Retail Market Review is developing a retail price control regulation in which greater emphasis

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		will be placed on the use of <i>ex post</i> analysis of anti-competitive behaviours and a relaxation of <i>ex ante</i> mobile retail tariff control on Batelco. Tariffs must comply with the provisions of Section 65 of the Telecommunication Law.
General Policy	<i>Would the TRA intervene if the interconnection agreements negotiations failed?</i>	A Licensed Operator in a Dominant Position must provide interconnection in accordance with Section 57 of the Telecommunications Law and publish a reference interconnection order according to Section 57 (b) of the Telecommunications Law. Negotiating parties can refer a dispute to TRA in accordance with Article 57(g) of the Telecommunications Law.
General Policy	<i>Will the TRA intervene if incumbent operators charge excessive national roaming and interconnection rates?</i>	The TRA has the discretion to intervene if incumbent operators charge excessive roaming charges (section 17.1 of Mobile Service Licence) or interconnection rates. In accordance with Article 57 of the Telecommunications Law interconnection charges are to be cost based with Dominant operators subject to the requirement to provide interconnection services under the terms of a reference offer approved by TRA.
General Policy	<i>Will interconnection rates provided by operators be cost based? If not on what basis</i>	Tariffs and terms for interconnection must be fair, reasonable and non-discriminatory. They also should be based on forward looking incremental costs or by benchmarking such tariffs in comparable telecommunications markets. (Article 57 Telecommunications Law)
General Policy	<i>What kind of measures would the TRA take to ensure new entrants secure fair interconnection rates?</i>	Section 57 of the Telecommunications Law and the TRA's "Access Regulations" Regulation 1, 2005 provides the TRA with the authority to impose interconnection and access obligations on any operator declared to hold a dominant position in a market.
General Policy	<i>Do the interconnection prices include IP interconnection or are they limited to TDM interconnection only?</i>	The current Batelco reference interconnection offer rates are based on TDM.
General Policy	<i>Can additional spectrum be requested?</i>	Additional spectrum can be requested under the general frequency assignment rules as contained in the National Spectrum Policy.
General Policy	<i>What are the conditions and costs?</i>	
General Policy	<i>Is there any spectrum dedicated for the microwave transmission links?</i>	Yes, microwave spectrum is available for transmission links subject to frequency assignment application and the payment of appropriate fees in accordance with the National Spectrum Policy.
General Policy	<i>Will the licensee be responsible for monitoring and/or policing internet activities against illegal activities or materials like but not limited to VoIP calls, etc</i>	Licensees are required to comply with the requirements and orders issued by the relevant authorities in Bahrain (includes orders issued by the Ministry of Information regarding Internet content). Please see TRA's position paper regarding VoIP.
General Policy	<i>Does the licensee need to apply for an ISP licence to provide mobile broadband?</i>	Yes.
General Policy	<i>Will the licensee be required to provide access to MVNOs?</i>	The position of TRA regarding MNVO is stated in the Strategic Retail Market Review.
General Policy	<i>Are any changes in numbering plans expected in the next 5 years?</i>	TRA has recently published a revised National Numbering Plan. The Strategic Retail Market Review and the National Numbering Plan envisage the launch of Number Portability during the course of 2009. There are no further amendments envisaged to the plan.

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General Policy	<i>Is SIM locking allowed?</i>	No restrictions exist at present.
General Policy	<i>What is the way or possibility to negotiate some articles in the License with the TRA? i.e., will the next following questions be taken into the TRA's consideration in a way to modify the License?</i>	TRA strives to have the same licence conditions apply to all of its Licensees, except in extraordinary circumstances. TRA currently issues licences based on a model licence, but TRA is moving to a unified licence where all licences will be the same.
General Policy	<i>Does TRA have a vision in regard to the type of the company which shall be incorporated (the licensee)</i>	The Prospective Licensee must be a juristic entity and comply with the applicable laws of Bahrain including Article 26 of the Telecommunications Law.