



Office of the Director of
**Telecommunications
Regulation**

MEDIA RELEASE

Wednesday 27th March 2002

3 Companies apply for 3G Licences

The ODTR today Wednesday 27th March 2002 announced that 3 companies had applied for 3G mobile licences. There were 3 applications for the A licence and 2 applications for the B licences. Four 20 year licences are on offer, one A and three B. The deadline for receipt of applications was 12pm (noon) today.

The following is a list of the companies and the licences for which they have applied: (Alphabetical Order)

Name of Company	Type of licence applied for
Hutchison Whampoa Group	A
O2	A and B
Vodafone Ireland	A and B

Third Generation mobile telecommunications represents a major evolution in mobile technology allowing for the rapid transfer of data over the mobile phone. Wireless internet, audio on demand, video conferencing and traffic and travel information which is location specific will be available on a 3G handset.

There are two types of licence on offer: one 'A' and three 'B' licences with differing terms. The A licence provides for 80% population coverage and potentially extra spectrum to carry MVNO services. The three B licences provide

for a minimum of coverage of the five major cities (53%) and somewhat slower minimum roll-out conditions compared with the A licence. Bidders for the A licence are invited to offer access for mobile virtual network operators (MVNOs) and will be offered additional spectrum on the basis of justifiable demand to support the MVNO requirement.

Additional spectrum is also offered to new market entrants in order to level the playing field with incumbent operators who will have an inherent advantage in rolling out 3G networks.

An information memorandum (ODTR 01/96) is available on the ODTR website www.odtr.ie. It describes the objectives of the competition, a description of the licences, the licensing process and the proposed licensing framework, fees and timescales.

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Notes for Editors

Fees

The innovative fee structure requires an upfront payment followed by a moratorium of 3 to 5 years and with deferred payments over the 4th to 15th of the 20 year licence period.

The overall spectrum access fee is €27 million for the “A” license and € 74 million for the “B” license using the standard industry discount rate of 9%. The upfront fee for the A Licence is € 12.7 million and for the B licence is € 44.4 million. There is then a moratorium of 5 and 3 years respectively on the A and B licenses to take account of network build and the need for market development. Nominal spectrum access fees will be € 50.7m for the “A” licence and €114. 3 m for the “B” licence, with payments spread out up to year 15.

This Media Release is for information purposes only and does not form part of the formal Tender Process.