



Office of the Director of
**Telecommunications
Regulation**

INFORMATION MEMORANDUM

COMPETITION FOR AWARD OF A NATIONAL TETRA PUBLIC ACCESS MOBILE RADIO LICENCE

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INFORMATION MEMORANDUM

COMPETITION FOR AWARD OF A NATIONAL TETRA PUBLIC ACCESS MOBILE RADIO LICENCE

1. Introduction

The Director of Telecommunications Regulation has launched a competition for the award of a national TETRA¹ Public Access Mobile Radio (PAMR) licence to provide digital trunked radio services in Ireland. The term of the licences will be fifteen years. It is expected that the highest ranked applicant will be known in January 2001.

TETRA (Terrestrial Trunked Radio) is a mobile communications service, aimed at professional business users, which can deliver a broad range of voice and data services in both public and private networks such as communications for transport fleet management or on a major construction site. Many of the technical and infrastructural issues currently associated with two-way business radio communications will be effectively overcome by TETRA as a service provider will provide users with a broad based infrastructure which they can then tailor to their own specific needs.

The Director believes that the introduction of TETRA services in Ireland has the potential to create further choice and diversity for users of business mobile communications.

This memorandum provides information to all interested parties about the licensing process. It sets out the objective, a description of the licensing process itself, the proposed licensing framework, and fees and time-scales. Full details of the licensing process are contained in the tender documentation, which is available from the Office of the Director of Telecommunications Regulation (ODTR) on payment of a non-refundable fee of £1,500.

¹ For the purpose of this document, TETRA is defined as a system conforming to the relevant TETRA technical standards defined by the European Telecommunications Standards Institute (ETSI), or functionally equivalent publicly available standards for digital terrestrial trunked radio systems

This memorandum is not a legal document, it is for information purposes only and does not form part of any formal tender process. It is without prejudice to the legal position of the Director or her rights and duties under relevant legislation

2. Licence Framework

The Director undertook a public consultation on TETRA earlier this year (ODTR 00/11 “Extending Choice ...Opening the Market for Terrestrial Trunked Radio (TETRA) - Consultation Paper” -available from the ODTR website www.odtr.ie). The ODTR response to this consultation was published in Document ODTR 00/54 “Opening the Market for Terrestrial Trunked Radio (TETRA) - Response to the Consultation”.

Following the consultation process, it was decided that the competition should be for a single national TETRA PAMR licence, comprising 2 x 2 MHz of radio spectrum in the frequency band 410-430MHz. The licence will be awarded by tender using a two stage evaluation process. Licensing will be subject to compliance with a minimum coverage / roll out requirement. Should more than one licence application be received which meets this criterion, a licensee will be chosen by means of a comparative selection process. Tender documentation will be available shortly.

The principal reason for proceeding initially with a single licence is the uncertainty regarding the long-term spectrum requirement for a national TETRA PAMR service, a concern which was shared by the majority of the respondents. A review will therefore be conducted in not less than two years after licence issue to determine whether additional spectrum is required for TETRA PAMR services and how this should be apportioned. Depending upon the outcome of this review, further TETRA PAMR licences may be made available.

The Licensee will be granted the right to offer TETRA PAMR services to the public. The TETRA PAMR licensee will require two types of licence: a mobile telecommunications licence granted pursuant to Section 111 of the Postal and Telecommunications Services Act, 1983, as amended (the "service licence"); and the relevant licences issued under the Wireless Telegraphy Acts, 1926 to 1988. The term of the TETRA PAMR service licence will be fifteen years.

2.1. Spectrum Allocation and Review

The license will comprise the following radio spectrum allocations:

Mobile station transmit band: 410.00-412.00MHz

Base Station Transmit Band: 420.00-422.00MHz

In accordance with her responsibilities regarding the efficient and effective use of the radio frequency spectrum, the Director may conduct a review from time to time of the operating environment of TETRA PAMR services, having regard to such matters as international developments, new technologies and market requirements. Such a review may include an examination of the allocation of spectrum, the terms and conditions of the licence awarded and the possibility of further licences being awarded. The licence may be supplemented, amended or revoked as a result of such a review. It is expected that the first such review will not take place until two years after licence issue and would involve a public consultation.

2.2. Licence Conditions

The licences will incorporate specific provisions relating to the TETRA PAMR service, which will be additional to the standard provisions of the Telecommunications Licence, and the Wireless Telegraphy Licence. The additional specific provisions will comprise general TETRA provisions applicable to the first TETRA licensee and any other TETRA licensees who may be awarded licences in the future and also conditions applicable to the individual TETRA licensees, based on proposals in their applications.

2.3. Licence Fees

In addition to the annual telecommunications levy fee equivalent to 0.2% of the turnover of the licensee the following fees will be incurred by the licensee.

2.3.1. Administration Fee

The successful applicant will be liable to pay an administrative fee of £150,000 to cover the cost of the ODTR in running the competition. A deposit of £150,000 is

required from each applicant on submission of their application. This will be refunded to all unsuccessful applicants.

2.3.2. Spectrum Access fee

Applicants offered a licence will be liable to pay a once off spectrum access fee of IR£500,000, 50% of which will be offset against future spectrum fees subject to coverage and rollout obligations being met.

2.3.3. Annual spectrum fees

Within the total reserved for the license, the licensee can decide how quickly and how much spectrum is required as the network is rolled out.

An annual spectrum fee of IR£2,500 for each 2 x 25 kHz channel - equivalent to IR£200,000 for the full 2 x 2 MHz.

The spectrum fee shall be subject to a 50% discount upon the granting of and first renewal of the annual Wireless Telegraphy License.

These annual fees will be subject to review and adjustment where appropriate after a period of not less than two years.

3. The Licensing Process

The competition will be administered by the Director, who has established a Steering Group, which is responsible for the evaluation of applications and management of the selection process. Andersen Management International of Copenhagen has been appointed to assist in the competition.

The selection between applicants competing for the licence will be carried out by way of open tender using a two-stage evaluation process. In the first stage the applications will be assessed to determine whether they are in compliance with the formal and binding requirements of the tender document. The second stage is a comparative selection process incorporating evaluation criteria, which are outlined and weighted in the tender document.

The tender document contains an overview of the TETRA PAMR licence, and a description of the fees. In addition it is divided into a number of sections detailing the tender process:

- General information on the procedure for submitting applications
- Structure of the application
- Specific details to be provided in the application
- Formal and binding requirements for applications
- Evaluation process
- Award of service licence
- Other conditions

The document also contains information on licensing and other legal requirements and frequency regulation.

Written questions will be permitted from purchasers of the tender documents. The latest time for receipt of questions is 14.00 hours on Friday 10th November 2000. Answers will be circulated to every other purchaser, but without disclosing the identity of the party posing the question unless legally obliged to do so.

The closing date for receipt of applications is Friday 24th November 2000. The timetable below sets out the key events:

Event	Date
Launch of Competition	9 October 2000
Question and Answer Phase End	10 November 2000
Deadline for submission of tenders	24 November 2000
Complete analysis of tenders	8 January 2001
Announce Decision	19 January 2001

The Director reserves the right to alter the above dates.

4. Request for Tender Document

Requests for the tender document should be accompanied by a bank draft for IR£1,500 made payable to the Office of the Director of Telecommunications Regulation. Participation in the application process is limited to those who have purchased the tender document. All requests should be addressed to:

**Ms. Sinead Devey,
Office of the Director of Telecommunications Regulation,
Abbey Court,
Irish Life Centre,
Lower Abbey Street,
Dublin 1,
Ireland.**

deveys@odtr.ie

Phone: +353 1 804 9621

Appendix 1

The Irish Telecommunications Sector - Regulatory and Legal Framework

The Director of Telecommunications Regulation

The regulation of the telecommunications sector is carried out by the Director of Telecommunications Regulation appointed pursuant to the Telecommunications (Miscellaneous Provisions) Act, 1996. The Office of the Director of Telecommunications Regulation is independently funded and independent in the exercise of its functions. The Director has responsibility for the exercise of powers accorded to national regulatory authorities pursuant to EU and national legislation concerning telecommunications.

Radio Frequency Spectrum

The use of radio frequency spectrum in Ireland is governed by licences issued pursuant to the Wireless Telegraphy Acts, 1926 to 1988. The appropriate authority for assigning spectrum in Ireland is the Director of Telecommunications Regulation. Operators will be expected to use the spectrum in an efficient manner.

The Minister for Public Enterprise

Responsibility for national telecommunications policy is exercised by the Minister for Public Enterprise and her Department.

Appendix 2

Legislative Background to this Competition.

The licence will be awarded by the Director under the Postal and Telecommunications Services Act, 1983, as amended and the Wireless Telegraphy Acts, 1926 – 1988.

As required under section 111 of the Postal and Telecommunications Services Act, 1983, the Director has also sought and obtained the consent of the Minister for Finance for the licence fee.

The European Commission has also been advised of the Director's proposals and the Director has taken into account the views of the European Commission