

**NOTICE OF INVITATION TO APPLY FOR ELECTRONIC COMMUNICATIONS
LICENCES**

**Licences for the purpose of providing telecommunication services within the 3410–
3800 MHz spectrum**

The Government of Finland invites applications for electronic communications licences for the purpose of providing telecommunication services within the 3410–3800 MHz spectrum. The invitation is issued in accordance with section 7 of Finland's Act on Electronic Communication Services (917/2014). The licences will be granted through an auction process as provided in section 11 of the Act.

An enterprise, organisation or an association that wishes to take part in the auction must register at the Finnish Communications Regulatory Authority by no later than 17 August 2018 in the manner specified in Regulation M 64 B of the Finnish Communications Regulatory Authority.

Further information about the licences and the application procedure is available on the web pages of the Ministry of Transport and Communications at <http://valtioneuvosto.fi/hanke?tunnus=LVM040:00/2018> and the Finnish Communications Regulatory Authority at <https://www.viestintavirasto.fi/taajuudet/radiotaajuuksienkaytto/taajuushuutokauppa.html>.

FURTHER INFORMATION ABOUT THE OPERATING LICENCES AND THE APPLICATION PROCEDURE

Licences for the purpose of providing telecommunication services within the 3410–3800 MHz spectrum

The Government of Finland invites applications for electronic communications licences for the purpose of providing telecommunications services within the 3410–3800 MHz spectrum. The invitation is issued in accordance with section 7 of Finland's Act on Electronic Communication Services (917/2014). The licences will be issued pursuant to the procedure specified in section 11 of the Act on Electronic Communication Services and in the Government Decree on Radio Spectrum Auctions within the 3410–3800 MHz Spectrum (xxx/2018), hereinafter the Auction Decree. Further provisions on the auction procedure are issued in Regulation M64 B of the Finnish Communications Regulatory Authority. The licences will be issued based on the outcome of the auction.

The aims of the licences to be issued include, as provided in section 1 of the Act, fostering the supply and use of services in communications networks and securing the efficient use of radio frequencies. The licences aim to facilitate the construction of the first 5G networks in Finland and so improve the quality and capacity of high-speed wireless broadband connections.

Provisions on the spectrum that the licences concern are laid down in section 9 of the Government Decree on Radio Frequency Usage and the Frequency Plan (1246/2014). The Communications Regulatory Authority will grant the licence holder a frequency reservation pursuant to sections 41 and 45 of the Act on Electronic Communication Services. The Communications Regulatory Authority will also grant the licence holder a radio licence pursuant to section 40 of the Act after the operator has paid the first instalment of the licence fee. In accordance with section 42 of the Act, a radio licence granted by the Communications Regulatory Authority may include terms and conditions for the frequency band usage. The Communications Regulatory Authority may alter the radio licence terms, if the requirements laid down in section 47 of the Act are met.

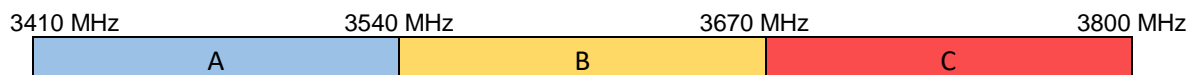
The auction will begin on 26 September 2018. The practical arrangements of the auction are the responsibility of the Communications Regulatory Authority. Under section 13 of the Act on Electronic Communication Services, a corporate group may participate in the auction through one of its enterprises only. No cooperation concerning the auction is allowed between parties participating in the auction. An enterprise, organisation or an association that wishes to take part in the auction must register at the Finnish Communications Regulatory Authority by no later than 17 August 2018 in the manner specified in Regulation M64 B of the Communications Regulatory Authority. Such an enterprise, organisation or an association shall also pay the EUR 40,000 participation fee

as laid down in section 286 of the Act on Electronic Communication Services and section 5 of the Auction Decree.

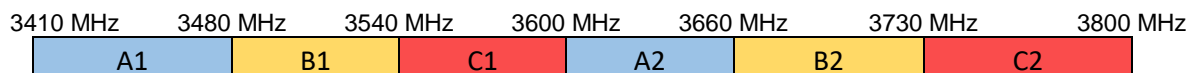
In accordance with section 2 of the Auction Decree, three 130 MHz frequency bands (A, B and C) will be auctioned within the 3410–3600 MHz spectrum. One enterprise, organisation or association may be granted a maximum of one 130 MHz frequency band (primary frequency band). The frequency band A is 3410–3540 MHz, B is 3540–3670 MHz and C is 3670–3800 MHz. An enterprise, organisation or association will be granted a licence that covers the frequency band for which it has made the highest valid bid.

Due to radio-technical reasons resulting from the use of frequencies by the neighbouring countries, there are frequency band-specific restrictions within the 3410–3800 MHz spectrum. That is why the licence entitles to provide public telecommunication services in secondary frequency bands A1 (3410–3480 MHz) and A2 (3600–3660) instead of the primary frequency band A, in secondary frequency bands B1 (3480–3540 MHz) and B2 (3660–3730 MHz) instead of the primary frequency band B and in secondary frequency bands C1 (3540–3600 MHz) and C2 (3730–3800 MHz) instead of the primary frequency band C.

Primary frequency bands



Secondary frequency bands



The licence holders for the spectrum of 3410–3800 MHz may, on the basis of their licences, together apply from the Communications Regulatory Authority for an alteration in their radio licences so that a switch to using the primary frequency bands be adopted in a certain geographical area. On the basis of an application, the Communications Regulatory Authority will alter the radio licence granted to the licence holder in accordance with section 41 of the Act on Electronic Communication Services, if the applications meet the requirements laid down in subsection 3 of section 47 of the Act on Electronic Communication Services. On the basis of the changes in the radio licences, the network licence entitles to provide public telecommunication services on the primary frequency bands, instead of the secondary frequency bands, in areas referred to in the radio licence.

The radio licences may be altered under certain conditions even if the licence holders did not apply for the change together. This requires a statement by the Communications Regulatory Authority that use of frequencies by the neighbouring countries does not cause any restrictions in a certain geographical area. A switch to using the primary frequency bands in the area requires a 12 month transition period. If these requirements are met, on application of at least one licence holder the Communications Regulatory Authority will

alter the radio licences granted to the licence holders in accordance with section 41 of the Act on Electronic Communication Services, provided that the application meets the requirements laid down in subsection 2 of section 47 of the Act on Electronic Communication Services.

Under section 4 of the Auction Decree, the starting price for the frequencies in the auction within the frequency band A (3410–3540) is EUR 23,000,000 and within the frequency bands B (3540–3670) and C (3670–3800) EUR 21,000,000.

Under section 11 of the Act on Electronic Communication Services, the Communications Regulatory Authority announces the auction concluded after the bidding round during which no new bids have been placed for any frequency band. The highest valid bid placed for each frequency band at the conclusion of the auction wins the auction. After the auction has been completed, the Communications Regulatory Authority will inform the Ministry of Transport and Communications of the outcome of the auction.

Pursuant to section 11 of the Act on Electronic Communication Services, the Government will grant a licence that will be valid until 31 December 2033. The licences to be granted will cover the whole of Finland excluding the Region of Åland.

Operations referred to in the licence may be launched on 1 January 2019 once other use within the spectrum has ceased.

Licence holders are required to begin operations under the licence within two years of the beginning of the licence period, unless the Government, following the licence holder's application, provides otherwise due to technical advancements or the general economic situation.

The telecommunications operator's own network must provide a minimum of 35% coverage of the 3410-3800 MHz network it uses.

The licence holders should advise their customers in matters related to the licence terms and conditions, such as network coverage, and publicise information about them in an adequate and appropriate manner.

If a licence holder, despite the invitation to tender, does not provide within the 3.5 GHz spectrum a network service that takes the customer's special needs into consideration and is addressed to a party using a restricted geographical area such as a port, industrial facility, hospital or shopping centre, it is obliged to lease the right to use the 3.5 GHz spectrum under reasonable and non-discriminatory terms and conditions to abovementioned customer or another operator chosen by the customer for the purpose of providing the network service in the mentioned area.

The licence holder is obliged to transfer frequencies for research, product development and teaching purposes in a manner provided in the annex to the Government Decree on Radio Spectrum Usage and Frequency Allocation Plan (1246/2014). Provisions on the usage restrictions obliging the licence holder within the spectrum of 3410–3800 MHz are laid down in Government Decree on Radio Spectrum Usage and Frequency Allocation Plan.

A telecom operator that has been granted a licence pursuant to section 11 of the Act on Electronic Communication Services is liable to pay the licence fee provided in section 287

of the Act. The licence fee is the highest valid bid as provided in section 11 of the Act. According to section 6 of the Auction Decree, the licence fee shall be paid in five annual equal instalments starting from the granting of the licence. An obligation to pay the fee is stipulated by the Communications Regulatory Authority.

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 the Finnish Communications Regulatory Authority (1028/2017).

The licence holder may transfer the licence to another operator as provided in section 18 of the Act on Electronic Communication Services. A licence transfer may apply to only a part of the frequencies covered by the licence. Under section 20 of the Act, the licence holder may, on approval by the Government, lease the right to use the frequencies specified in the licence to another operator.

In accordance with section 14 of the Act, the name of the enterprise, organisation or association signed up for the auction as well as other registration information are not accessible to the public before the conclusion of the auction process. The winning bids will be disclosed after the auction process has been concluded, while other bids remain confidential. During the auction the Communications Regulatory Authority may, however, issue the total amount in EUR of the bids placed on each round. The bidders are also provided with the information on the number of bids made for the frequencies and the amount of the highest bid in EUR.

Inquiries:

For further information on signing up for the auction, the auction procedure and participation fees, please contact Deputy Director Kati Heikkinen and Communications Market Specialist Jan Jääskeläinen (Jul 11- Aug 8, 2018) or Director Jarno Ilme and Legal Counsel Henriikka Rosti (Aug 9 - 17, 2018) at the Finnish Communications Regulatory Authority (firstname.lastname@ficora.fi).

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