

**NON-BINDING TRANSLATION**

Number: 38144-11/2013/1  
Date: 30 December 2013

Based on Articles 38 and 44 of the Electronic Communications Act (Official Gazette of the Republic of Slovenia, no. 109/2012, 110/2013) the Director of the Post and Electronic Communications Agency of the Republic of Slovenia is issuing

**A DECISION**

on the initiation of a public tender with a public auction for assigning radio frequencies for the provision of public communication services.

**1 The Subject of the Public Tender****1.1 Objectives**

The objectives of the public tender with a public auction are (1) the timely assignment of a sufficient and suitable part of the spectrum, whereby generating an appropriate payment for the efficient use of a limited natural resource, (2) encouraging the efficient use of the spectrum, (3) bridging the digital divide and contributing to the goals of the Digital Agenda for Europe, (4) providing access to advanced mobile communications to the broadest possible share of the population, (5) providing flexibility in the use of the spectrum, (6) preserving and developing effective competition in mobile electronic communications markets, (7) promoting technological and service neutrality in spectrum use in compliance with EU frameworks, and (8) encouraging investments and development.

**1.2 Frequency Blocks that Are the Subject of this Public Tender**

The available part of the spectrum in individual frequency bands that are the subject of this public tender is divided into 5 MHz blocks, which shall for the purposes of bidding in the auction be grouped into lot categories, where lots in the same category shall have comparable properties both in terms of technology and usage properties.

**1.2.1 Frequency Blocks in the 800 MHz Radio Frequency Band**

Six 2 x 5 MHz blocks (from BA01 to BA06) shall be available in the public tender for terrestrial systems in the territory of the Republic of Slovenia that support electronic communications services in accordance with the Commission's decision no. 2010/267/EU. The frequencies are in the 800 MHz radio frequency band and shall be assigned for the period of 15 years from the day of the assignment of the license.

A detailed list of radio frequencies:

Block name	Frequencies	Bandwidth
BA01	791–796 paired with 832–837 MHz	2 x 5 MHz
BA02	796–801 paired with 837–842 MHz	2 x 5 MHz
BA03	801–806 paired with 842–847 MHz	2 x 5 MHz
BA04	806–811 paired with 847–852 MHz	2 x 5 MHz
BA05	811–816 paired with 852–857 MHz	2 x 5 MHz
BA06	816–821 paired with 857–862 MHz	2 x 5 MHz

For the purposes of bidding in the public auction, this frequency spectrum is divided into three lot categories.

Detailed list of lots by category:

Category	No. of lots	Included lots	Spectrum included in the lot	Frequency range
A1	2 (or 3 if there is no demand for A3)	A1_01, A1_02, (A1_03)	2 x 5 MHz	Generic frequency lots in the range 791–821/832–862 MHz (FDD)
A2	1	A2	2 x 10 MHz (2 x 15 MHz, if the demand for A3 is for less than 2 lots)	Generic frequency lots in the range 791–821/832–862 MHz (FDD)
A3 (reserved for eligible bidders)	up to 2	A3_01, A3_02	2 x 5 MHz	Generic frequency lots in the range 791–821/832–862 MHz (FDD)

### 1.2.2 Frequency Blocks in the 900 MHz Radio Frequency Band

Seven 2 x 5 MHz blocks (from BB01 to BB07) shall be available in the public tender for terrestrial systems in the territory of the Republic of Slovenia that support electronic communications services in accordance with the Commission's Decision no. 2009/766/EC, amended with the Commission's Decision no. 2011/251/EU. These blocks are in the 900 MHz radio frequency band and shall be assigned for a period of 15 years, starting 4 January 2016.

A detailed list of radio frequencies:

Block name	Frequencies	Bandwidth
BB01	880–885 paired with 925–930 MHz	2 x 5 MHz
BB02	885–890 paired with 930–935 MHz	2 x 5 MHz
BB03	890–895 paired with 935–940 MHz	2 x 5 MHz
BB04	895–900 paired with 940–945 MHz	2 x 5 MHz
BB05	900–905 paired with 945–950 MHz	2 x 5 MHz
BB06	905–910 paired with 950–955 MHz	2 x 5 MHz
BB07	910–915 paired with 955–960 MHz	2 x 5 MHz

For the purposes of bidding in the public auction, this frequency spectrum is grouped in one lot category.

Detailed list of lots by category:

Category	No. of lots	Included lots	Spectrum amount per lot	Frequency range
B	7	B_01 to B_07	2 x 5 MHz	Generic frequency lots in the range 880–915/925–960 MHz (FDD)

### 1.2.3 Frequency Blocks in the 1800 MHz Radio Frequency Band

Fifteen 2 x 5 MHz blocks (from BC01 to BC15) shall be available in the public tender for terrestrial systems in the territory of the Republic of Slovenia that support electronic communications services in accordance with the Commission's Decision no. 2009/766/EC, amended with the Commission's Decision no. 2011/251/EU. These blocks are in the 1800 MHz radio frequency band and shall be assigned for a period of 15 years, starting 4 January 2016.

A detailed list of radio frequencies:

Block name	Frequencies	Bandwidth
BC01	1710–1715 paired with 1805–1810 MHz	2 x 5 MHz
BC02	1715–1720 paired with 1810–1815 MHz	2 x 5 MHz
BC03	1720–1725 paired with 1815–1820 MHz	2 x 5 MHz
BC04	1725–1730 paired with 1820–1825 MHz	2 x 5 MHz
BC05	1730–1735 paired with 1825–1830 MHz	2 x 5 MHz
BC06	1735–1740 paired with 1830–1835 MHz	2 x 5 MHz
BC07	1740–1745 paired with 1835–1840 MHz	2 x 5 MHz
BC08	1745–1750 paired with 1840–1845 MHz	2 x 5 MHz
BC09	1750–1755 paired with 1845–1850 MHz	2 x 5 MHz
BC10	1755–1760 paired with 1850–1855 MHz	2 x 5 MHz
BC11	1760–1765 paired with 1855–1860 MHz	2 x 5 MHz
BC12	1765–1770 paired with 1860–1865 MHz	2 x 5 MHz
BC13	1770–1775 paired with 1865–1870 MHz	2 x 5 MHz
BC14	1775–1780 paired with 1870–1875 MHz	2 x 5 MHz
BC15	1780–1785 paired with 1875–1880 MHz	2 x 5 MHz

For the purposes of bidding in the public auction, this frequency spectrum is grouped in one lot category.

Detailed list of lots by category:

Category	No. of lots	Included lots	Spectrum amount per lot	Frequency range
C	15	C_01 to C_15	2 x 5 MHz	Generic frequency lots in the range 1710–1785/1805–1880 MHz (FDD)

#### 1.2.4 Frequency Blocks in the 2100 MHz Radio Frequency Band

One paired 2 x 5 MHz FDD block (BD01) shall be available in the public tender for terrestrial systems in the territory of the Republic of Slovenia that support electronic communications services in accordance with the Commission's Decision no. 2012/688/EU, and four unpaired 1 x 5 MHz TDD blocks (from BT01 to BT04) for terrestrial systems that support electronic communications services in accordance with the Commission's Decision no. 128/1999/EC on the coordinated introduction of a third-generation mobile and wireless communications system (UMTS) into the Community. These blocks are in the 2100 MHz radio frequency band and shall be assigned starting the day of the award for the period until 21 September 2021.

A detailed list of radio frequencies:

Block name	Frequencies	Bandwidth
BD01	1955–1960 paired with 2145–2150 MHz	2 x 5 MHz
BT01	1905–1910 MHz (TDD)	5 MHz
BT02	2010–2015 MHz (TDD)	5 MHz
BT03	2015–2020 MHz (TDD)	5 MHz
BT04	2020–2025 MHz (TDD)	5 MHz

For the purposes of bidding in the public auction, this frequency spectrum is divided into three lot categories.

Detailed list of lots by category:

Category	No. of lots	Included lots	Spectrum amount per lot	Frequency range
D	1	D	2 x 5 MHz	1955–1960/2145–2150 MHz (FDD)
T1	1	T1	5 MHz	1905–1910 MHz (TDD)
T2	3	T2_01, T2_02, T2_03	5 MHz	Generic frequencies in the range 2010–2025 MHz (TDD)

#### 1.2.5 Frequency Blocks in the 2600 MHz Radio Frequency Band

Fourteen paired 2 x 5 MHz blocks (from BE01 to BE14) and ten unpaired 1 x 5 MHz blocks (from BF01 to BF10) shall be available in the public tender for terrestrial systems in the territory of the Republic of Slovenia that support electronic communications services in accordance with the Commission's decision no. 2008/477/EC. The frequencies are in the 2600 MHz radio frequency band and shall be assigned for the period of 15 years from the day of the assignment of the license.

The bidder that shall be assigned the BF09 block in this tender shall also be assigned the additional BF10 block (2615–2620 MHz). If the BF09 and BE01 blocks are assigned to the same bidder, this bidder may use the additional BF10 block as a block without additional restrictions, as detailed in this Decision and the tender documentation. If not, the BF10 block is used as a block with additional restrictions.

A detailed list of radio frequencies:

Block name	Frequencies	Block size
BE01	2500–2505/2620–2625 MHz (FDD)	2 x 5 MHz
BE02	2505–2510/2625–2630 MHz (FDD)	2 x 5 MHz
BE03	2510–2515/2630–2635 MHz (FDD)	2 x 5 MHz
BE04	2515–2520/2635–2640 MHz (FDD)	2 x 5 MHz
BE05	2520–2525/2640–2645 MHz (FDD)	2 x 5 MHz
BE06	2525–2530/2645–2650 MHz (FDD)	2 x 5 MHz
BE07	2530–2535/2650–2655 MHz (FDD)	2 x 5 MHz
BE08	2535–2540/2655–2660 MHz (FDD)	2 x 5 MHz
BE09	2540–2545/2660–2665 MHz (FDD)	2 x 5 MHz
BE10	2545–2550/2665–2670 MHz (FDD)	2 x 5 MHz
BE11	2550–2555/2670–2675 MHz (FDD)	2 x 5 MHz
BE12	2555–2560/2675–2680 MHz (FDD)	2 x 5 MHz
BE13	2560–2565/2680–2685 MHz (FDD)	2 x 5 MHz
BE14	2565–2570/2685–2690 MHz (FDD)	2 x 5 MHz
BF01	2570–2575 MHz (TDD)	5 MHz
BF02	2575–2580 MHz (TDD)	5 MHz
BF03	2580–2585 MHz (TDD)	5 MHz
BF04	2585–2590 MHz (TDD)	5 MHz
BF05	2590–2595 MHz (TDD)	5 MHz
BF06	2595–2600 MHz (TDD)	5 MHz
BF07	2600–2605 MHz (TDD)	5 MHz
BF08	2605–2610 MHz (TDD)	5 MHz
BF09	2610–2615 MHz (TDD)	5 MHz
BF10	2615–2620MHz (TDD)	5 MHz

For the purposes of bidding in the public auction, this frequency spectrum is divided into two lot categories.

Detailed list of lots by category:

Category	No. of lots	Included lots	Spectrum amount per lot	Frequency range
E	14	E_01 to E_14	2 x 5 MHz	Generic frequency lots in the range 2500–2570/2620–2690 MHz (FDD)
F	9	F_01 to F_09	5 MHz	Generic frequency lots in the range 2570–2615 MHz (TDD)

### 1.3 Frequency Caps and Reservations

#### 1.3.1 Spectrum Caps

All bids in the public tender shall be subject to the following spectrum caps:

- 2 x 30 MHz across the 800 and 900 MHz bands,
- 2 x 15 MHz in the 900 MHz band,
- 2 x 30 MHz in the 1800 MHz band,
- 2 x 105 MHz FDD across the 800 MHz, 900 MHz, 1800 MHz, 2100 MHz, and 2600 MHz bands, including existing holdings in the 2100 MHz FDD spectrum.

The restrictions regarding the number of assigned frequency rights in the form of spectrum caps shall be, in accordance with the provisions of Article 51 of ZEKom-1, also listed in the DARFs. The frequency caps listed shall be respected in the procedures determining the transfer or leasing of usage rights according to Article 55 of ZEKom-1, except in the event of changes in technology or competitive conditions, whereupon the Agency may, in line with the changes in circumstances, permit the transfer or leasing of usage rights for frequencies outside of the listed restrictions, in accordance with the provisions of Article 55 of ZEKom-1.

#### 1.3.2 Reservations

Two 2 x 5 MHz blocks in the 800 MHz band shall be reserved and available only to:

- applicants, which are new market entrants, or
- applicants, which are existing operators with at most a 15% market share of active end users of public mobile services.

Existing operators are considered those which, at the time of the submission of the public tender application, already hold a DARF or DARFs in any frequency band which is subject of this public tender, and which provide public mobile communication services in the Republic of Slovenia over these radio frequencies.

New operators are considered those which, at the time of the submission of the public tender application, do not already have a DARF or DARFs in the Republic of Slovenia in any frequency band which is subject of this public tender, and which would like to provide public mobile communication services over these radio frequencies.

In the event of a merger of an existing operator from the above definition with an operator which fits the definition of a new entrant, the resulting operator shall be, for the purposes of this tender, considered an existing operator. Similarly for the purposes of this public tender, a group of operators (see Chapter C.2.4 Information on the Applicant's Ownership Structure of the tender documentation) is to be considered an existing operator if one of its members fits the above definition of existing operator.

For determining the market share of active end users of public mobile services for existing operators which submit a bid for a reserved part of the frequency spectrum, the Agency's most recent data, i.e. data from the quarterly report on the development of the electronic communications market for Q3 (the 3rd quarter of 2013) should be used, which is available on the Agency's website: <http://www.apek.si/tretje-cetrletje-2013:-porocilo-o-razvoju-trga-elektronskih-komunikacij>.

The amount of reserved spectrum in the 800 MHz band is determined as follows:

- if applicants which have the right to bid on the reserved parts of the spectrum express in their initial bids aggregate demand in both 2 x 5 MHz lots in the A3 category, both 2 x 5 MHz lots shall be reserved (default scenario),
- if applicants which have the right to bid on the reserved parts of the spectrum express in their initial bids aggregate demand in just one 2 x 5 MHz lot in the A3 category, just one 2 x 5 MHz block shall be reserved, and the A2 lot shall be increased to 2 x 15 MHz (alternative scenario 1),
- if applicants which have the right to bid on the reserved parts of the spectrum do not express in their initial bids aggregate demand in the reserved part of the spectrum, nothing shall be reserved and the A2 lot shall be increased to 2 x 15 MHz, and the number of lots in the A1 category shall be increased from 2 to 3 (alternative scenario 2),

The decision on spectrum reservation in the 800 MHz frequency band shall be announced to bidders in the Decision on the Selection of Bidders

The conditions governing the restricted number of assigned frequency rights, as well as other rights in the form of spectrum caps shall be, in accordance with Art. 51 of ZEKom-1, also listed in the DARFs.

Those applicants which in the public tender succeed in either partially or completely acquiring the reserved part of the spectrum shall be forbidden from transferring (or leasing) rights to the use of these frequencies to parties which, at the time of the transfer do not fulfill the conditions which apply for acquiring reserved parts of the spectrum, for a period of 5 years from the date of assignment. Rights to the usage of frequencies during this period can only be transferred to such entities which, at the time of the transfer, completely fulfill the conditions for obtaining the reserved part of the spectrum as defined in the public tender. The new rights holder shall also be transferred all obligations which were imposed upon the original rights holder for the given part of the frequency spectrum indicated in the DARF in accordance with the conditions of the public tender. All transfers of usage rights for radio frequencies shall be, in addition to the mentioned restrictions, handled in accordance with Article 55 of ZEKom-1.

### 1.3.3 Restrictions on Demand for Frequencies in the 2600 MHz Band

Those bidding on lots from category F (2600 MHz TDD) must include at least 2 lots from this category in a package bid, which means that bidders must include in their bids at least 2 lots from category F or none at all.

**Special treatment of lots in category F reflects the requirement that if a bidder wins n lots in category F, then only n-1 of these lots are available for use under standard terms, with one lot having more restricted usage conditions** (as detailed by the tender documentation).

## **2 Conditions and Requirements of the Public Tender which the Applicants Must Fulfill**

### **2.1 Conditions of the Public Tender which the Applicants Must Fulfill**

To fulfill the conditions of the public tender, the applicant must:

- submit a complete and accurate application, which includes:
  - General information on the applicant;
  - The applicant's statements;
  - Authorization for signing the application;
  - Information on the applicant's ownership structure;
  - Financial, organizational, and technical plans for deployment and operation of a mobile communications network (business plan);
  - Appointment of up to 3 people who shall be authorized to submit bids for the applicant during the public auction;
  - Statement and confirmation of payment of the tender bond;
  - List of the frequency lots the applicant is interested in (initial bid);
  - Statement on the submission of documents in accordance with the requirements of the tender documentation;
- Applicants must have settled all outstanding liabilities towards the Agency which are not the subject of legal proceedings;
- Applicants must be solvent and must not have any compulsory settlement proceedings initiated against them, nor bankruptcy nor forced liquidation proceedings.

Any special requirements regarding the above conditions are detailed in the tender documentation.

### **2.2 Requirements of the Public Tender Which the Applicant Must Fulfill**

The requirements of the present public tender are:

- protection of confidential information;
- prohibition of collusive behavior;
- preservation of the applicant's ownership structure during the public tender;
- additional obligations the applicant assumes in this public tender:
  - a restriction on the transfer or lease of rights to use radio frequencies;
  - general coverage obligations;
  - specific coverage obligations in the 800 MHz band.

#### **2.2.1 Protection of Confidential Information**

The applicant must handle all information it receives from the Agency within the course of this procedure as confidential. Bidders are especially forbidden from communicating content and data from the Decision on the Selection of Bidders or any other decision within the scope of the public tender procedure, as well as from communicating their intentions regarding demand for frequencies or the bids they intend to submit within the course of the public tender or public auction. In the event the applicant or bidder violates this request, it shall be excluded from the public tender or public auction.

The obligation of keeping confidential all information received from the Agency remains in force until the issue of the written decision from paragraph 6 of Article 45 of ZEKom-1. The confidentiality obligations also apply to applicants which fail to be selected as bidders, as well as to bidders excluded during the course of the public auction. These must keep information

confidential up until the moment that the winning bidders are issued the decision from paragraph 6 of Article 45 of ZEKom-1. In the event an applicant or bidder violates the confidentiality obligation, such an applicant forfeits the tender bond or the advance payment of administrative costs, as well as any already paid deposits.

### 2.2.2 Prohibition of Collusive Behavior

Throughout the procedure, applicants and bidders must not enter into agreements, or engage in any other behavior that could have the effect of compromising the integrity of the tender procedure in accordance with this Decision and the tender documentation.

Applicants are forbidden from establishing direct or indirect contact with each other or from exchanging information with the aim of influencing the outcome of the tender procedure.

In particular, the following actions during the tender procedure constitute collusive or prohibited behavior:

- any coordination between applicants, especially with the intention of influencing the course or outcome of the tender procedure,
- disclosure of any information concerning participation in the public tender procedure,
- disclosure of bid amounts or bidding strategies, or other statements which could influence the participation or bidding behavior of third parties,
- any announcements that might provide an indication of intended behavior throughout the tender procedure,
- coordinating bidding in the public auction.

Applicants violating these rules may be excluded from further bidding. The obligations on collusive behavior also apply to applicants which fail to be selected as bidders, as well as to bidders excluded during the course of the public auction. In the event an applicant or bidder violates the obligations on collusive behavior, such an applicant forfeits the tender bond or the advance payment of administrative costs, as well as any already paid deposits.

Should such behavior be discovered after the completion of the tender procedure or after issuing of the DARFs by any competent body, the Agency may launch a procedure for the revocation of such DARFs. In this event the fees paid for the efficient use of a limited natural resource as well as for administrative costs shall be forfeited.

### 2.2.3 Preservation of the applicant's ownership structure during the public tender

An applicant must not be associated with any other applicant in ownership where one applicant holds a share that exceeds the controlling share for the other applicant. A controlling share is considered to be an ownership share in a given company which exceeds 25%. All applicants must operate as independent subjects.

All forms of collaboration in the public tender are treated as a legal entity and in the course of this public tender are treated as "groups".

In the procedure of the public tender a group may only submit one application, which must also contain information on the ownership structure of all members of the group.

Until the issue of the decision from paragraph 6 Article 45 of ZEKom-1 the obligation remains that applicants must maintain the same ownership structure as indicated in its application for the public tender and must not make any changes which would constitute affiliation between it and any other applicant or applicants in the public tender, as is defined in Chapter C.2.4 Information on the Applicant's Ownership Structure of the tender documentation. In this case the applicant's ownership structure shall no longer match the structure indicated in its application or

the requirements of the first two paragraphs of this chapter, and such an application shall thereupon be excluded from the procedure.

In the event of plans for changes to the ownership structure during the course of the public tender which do not fit the aforementioned case the Agency along with the Slovenian Competition Protection Agency shall decide on the appropriateness of such a change based on the requirements of the public tender, which for the purposes of the public tender shall constitute long-term changes to the control of the company, as defined in Article 10 of the Prevention of Restriction of Competition Act (Official Gazette of the RS, no. 36/2008, 40/2009, 26/2011, 87/2011, 57/2012, 63/2013-ZS-K). Applicants must immediately inform the Agency about such plans for changes to the ownership structure. The applicant shall be issued a decision regarding the appropriateness of changes in ownership structure within 15 days of its informing the Agency.

At any time during the course of the public tender, the Agency may call upon the applicant to give an account of its ownership structure.

All details regarding this requirement are detailed in the tender documentation.

## 2.2.4 Additional Obligations the Applicant Assumes in this Public Tender

### 2.2.4.1 Transfer or Lease of Frequency Usage Rights

All restrictions from Articles 1.3.1 Spectrum Caps and 1.3.2 Reservations of this Decision on Initiating a Public Tender apply as obligations.

### 2.2.4.2 General Coverage Obligations

Applicants which acquire parts of the spectrum in bands under 1 GHz must provide commercial wireless electronic communications services in all assigned bands under 1 GHz in such a way that:

- existing operators and new entrants which acquire reserved parts of the spectrum in the 800 MHz band (category A3) provide coverage in this band to:
  - 25% of the population of the Republic of Slovenia after 1 year,
  - 50% of the population of the Republic of Slovenia after 2 years,
  - 75% of the population of the Republic of Slovenia after 3 years.
- new entrants provide coverage to:
  - 25% of the population of the Republic of Slovenia after 2 years,
  - 50% of the population of the Republic of Slovenia after 3 years,
  - 75% of the population of the Republic of Slovenia after 5 years,where new entrants which at the same time acquire reserved parts of the spectrum in the 800 MHz band (category A3) are bound by the obligations from the first indent of this paragraph.

All the above obligations take effect on the day the applicant is assigned an individual frequency band under 1 GHz.

Applicants which acquire parts of the spectrum in bands above 1 GHz must provide commercial wireless electronic communications services by using any of its assigned bands above 1 GHz in such a way that they provide coverage to:

- 25% of the population of the Republic of Slovenia after 3 years,
- 40% of the population of the Republic of Slovenia after 5 years,

All the above obligations take effect on the day the applicant is assigned an individual frequency band above 1 GHz.

Existing operators and new entrants are defined in Article 1.3.2 Reservations of this Decision.

Selected bidders shall have these coverage obligations included in their DARF based on their acquired radio frequencies (Article 51 of ZEKom-1).

Details on verifying the fulfillment of these obligations are detailed in the tender documentation. If operators which are assigned DARFs fail to fulfill their obligations, the Agency may in an inspection procedure order the remedy of irregularities and issue a fine and/or seize their proceeds in offense proceedings. The Agency may also on the basis of the provisions of article 58 of ZEKom-1 launch a procedure for the revocation of a DARF. In the event of a revocation of a DARF the fee paid for the efficient use of a limited natural resource shall not be returned.

#### 2.2.4.3 Special Coverage Obligations in the 800 MHz Band

In addition to the general coverage and deployment obligations, the Agency requires that the applicant which in the course of the public tender receives part of the spectrum in the 800 MHz band, which comes with special coverage obligations (from category A2), provide mobile broadband services at a bitrate of at least 10 Mbit/sec downlink (outdoor) to at least 95% of the population of the Republic of Slovenia in accordance with Chapter G.1 Calculation of Coverage in Verifying Special Coverage Obligations in the 800 MHz Band of the tender documentation within 3 years of the date on which, in accordance with the DARF, frequencies in the given frequency band are assigned to the applicant's. Applicants can fulfill this obligation by using any of the frequency bands assigned.

Details on verifying the fulfillment of these obligations are detailed in this Article, as well as in the subsections in Chapter G Monitoring of License Obligation Fulfillment of the tender documentation. Failure to achieve the above requirements of population coverage and of covering all of the selected locations constitutes a failure to fulfill the obligations of the DARF.

If an operator which is assigned a DARF fails to fulfill their obligations in accordance with technical and other characteristics defined in Section G. Monitoring of License Obligation Fulfillment of the tender documentation, the Agency may in an inspection procedure order the remedy of discovered irregularities and issue a fine and/or confiscate proceeds in offense proceedings. The Agency may also on the basis of the provisions of article 58 of ZEKom-1 launch a procedure for the revocation of a DARF. In the event of a revocation of a DARF the fee paid for the efficient use of a limited natural resource shall not be returned.

##### 2.2.4.3.1 Special Coverage Areas

Within the scope of the special obligation of covering 95% of the population of the Republic of Slovenia, the Agency has, for the purpose of providing suitable coverage of white spots in rural areas and appropriate regional distribution, as well as in accordance with the Strategic Guidelines of the relevant ministry, published a list of 300 locations – settlements or connected groups of settlements (a list of which is provided in the table below) – which are either not covered or poorly covered by a fixed broadband network. Within the scope of above requirements the applicant which acquires the part of the spectrum in the 800 MHz band for which special coverage obligations apply (from category A2) must after the first year also provide coverage to 75 selected settlements from the aforementioned list, another 75 after the second year (150 total), and another 75 after the third year (225 total), all selected at the operator's discretion. The applicant must provide at least 75% population coverage in each of the selected settlements or groups of settlements (selected locations) from the list. In relation to the aforementioned coverage obligation, the applicant must submit to the Agency within 15 days after the end of every quarter

its plan for network deployment in the selected settlements to which it plans to provide coverage in the defined time periods, all the way up until the fulfillment of all obligations.

#### *2.2.4.3.1.1 Substitutes for Fixed Wireless Broadband Access (FWBA)*

The obligation of network deployment is tied to this list, as the network shall be providing these settlements or groups of settlements with mobile services as well as with a suitable service substituting for fixed broadband access. The operator must provide the service substituting for fixed wireless broadband access (FWBA) by installing appropriate internal or external customer-premises equipment (CPE) with a suitable antenna, providing a transfer speed for a user experience of at least 10 Mbps downlink and with a minimum data transfer rate of at least 2 Mbps, and terminally assured uplink speeds of at least 1 Mbps. FWBA service is obligatory only for those addresses of permanent residences and businesses, as well as institutions registered with the Agency of the Republic of Slovenia for Public Legal Records and Related Services (AJPES), which do not have the option of receiving a suitable alternative broadband connection with a bitrate of at least 10 Mbps, and which are within the area of coverage for individual settled locations, even if they are not a part of a settlement or a contiguous group of settlements from the list below. In providing this bitrate with a user experience of at least 10 Mbps or a minimum data transfer rate of at least 2 Mbps, the operator must appropriately design its network, and in doing so may use any of the frequency bands it was assigned. The Agency has the right to verify the suitability of the network design.

The Agency shall monitor the deployment of broadband networks in the country with a special emphasis on rural areas and if necessary can amend the list of settlements. It shall take action, for instance, in the event that a fixed broadband network is deployed in any of the listed settlements with a possible bitrate of at least 10 Mbps downlink. For any change to the list of settlements the Agency's analysis shall be used, as well as the recommendations of operators which shall be subject to special coverage obligations. The Agency shall be able to make changes to the list but shall not remove the settlements or groups of settlements where an operator has already begun deployment, and changes similarly shall not affect the number of settlements or groups of settlements on the list.

Selected applicants which acquire part of the spectrum in the 800 MHz frequency band, which is subject to special coverage obligations (from category A2), shall have these special coverage obligations included as part of their DARF with respect to their acquired radio frequencies (Article 51 of ZEKom-1).

### 2.2.4.3.1.2 List of Settlements

The table below is the list of the 300 locations (settlements or groups of settlements) for which the requirements of Article 2.2.4.3 Special Coverage Obligations in the 800 MHz Band from the subsection of this Decision:

Location no.1	MUNICIPALITY_SETTLEMENT	NA_MID
1	BREŽICE_Bizeljsko	10084695
2	GORIŠNICA_Moškanjci	10124891
3	GRAD_Grad	10115906
4	KRIŽEVCI_Lukavci	10113601
5	SLOVENJ GRADEC_Stari trg	10132550
6	NOVO MESTO_Gabrje	10119219
7	MISLINJA_Dovže	10132347
7	MISLINJA_Šentilj pod Turjakom	10132568
8	KOBILJE_Kobilje	10108039
9	AJDOVŠČINA_Gojače	10084105
9	AJDOVŠČINA_Selo	10084407
10	MUTA_Gortina	10126169
11	BOHINJ_Stara Fužina	10127360
12	LJUTOMER_Spodnji Kamenščak	10113792
12	LJUTOMER_Radomerje	10113725
13	GORNJI PETROVCI_Križevci	10116066
13	PUCONCI_Kušanovci	10116155
14	BELTINCI_Lipa	10116180
15	SVETI JURIJ V SLOV. GORICAH_Zgornje Partinje	10107717
16	SLOVENSKA BISTRICA_Gabernik	10132908
17	VIDEM_Lancova vas	10124646
18	ŠMARJE PRI JELŠAH_Kristan Vrh	10139058
18	ŠMARJE PRI JELŠAH_Stranje	10139848
19	LENDAVA_Dolina pri Lendavi	10107903
19	LENDAVA_Pince	10108128
20	CIRKULANE_Medribnik	10124816
20	CIRKULANE_Paradiž	10124964
20	CIRKULANE_Pristava	10125154
21	MORAVSKE TOPLICE_Martjanci	10116287

<sup>1</sup>The same location number means that the settlement is a part of a group of settlements



Location no.1	MUNICIPALITY_SETTLEMENT	NA_MID
22	KUNGOTA_Zgornja Kungota	10148952
23	PUCONCI_Otovci	10116457
23	GRAD_Vidonci	10116945
24	SREDIŠČE OB DRAVI_Obrež	10122481
25	GORNJA RADGONA_Hercegovščak	10092817
25	GORNJA RADGONA_Police	10093287
26	BOHINJ_Srednja vas v Bohinju	10127351
27	MISLINJA_Gornji Dolič	10132371
28	NOVO MESTO_Velike Brusnice	10121493
29	LJUTOMER_Stročja vas	10113822
30	ŠENČUR_Srednja vas pri Šenčurju	10103312
31	DOBREPOLJE_Ponikve	10095042
32	VELENJE_Kavče	10144698
33	CELJE_Škofja vas	10086817
34	KOČEVJE_Livold	10100151
35	MORAVSKE TOPLICE_Filovci	10115817
36	DRAVOGRAD_Selovec	10092493
37	ŽIROVNICA_Breznica	10097746
38	HOČE-SLIVNICA_Hočko Pohorje	10147514
39	ROGAŠKA SLATINA_Spodnje Sečovo	10139783
40	MARKOVCI_Markovci	10124808
41	LJUBLJANA_Besnica	10110092
41	LJUBLJANA_Podgrad	10110319
42	MARKOVCI_Zabovci	10125839
43	SLOVENJ GRADEC_Gmajna	10132355
44	KAMNIK_Loke v Tuhinju	10098483
44	KAMNIK_Srednja vas pri Kamniku	10098904
45	ŠENTILJ_Spodnja Velka	10148740
46	MAKOLE_Jelovec pri Makolah	10132983
46	MAKOLE_Stari Grad	10133718
47	LENDAVA_Genterovci	10107946
47	LENDAVA_Radmožanci	10108144
48	VELENJE_Paka pri Velenju	10144744
49	ZAVRČ_Hrastovec	10124441
50	LOVRENC NA POHORJU_Rdeči Breg - part	10149177



Location no.1	MUNICIPALITY_SETTLEMENT	NA_MID
50	LOVRENC NA POHORJU_Recenjak	10149185
51	LOŠKI POTOK_Retje	10128757
52	GORJE_Krnica	10126827
53	VELENJE_Plešivec	10144787
54	PUCONCI_Pečarovci	10116473
55	ZAVRČ_Turški Vrh	10125731
56	LAŠKO_Zgornja Rečica	10106915
57	ŠKOFLJICA_Želimlje	10113164
58	MORAVČE_Peče	10091250
58	MORAVČE_Gora pri Pečah	10090768
58	MORAVČE_Ples	10091268
59	MAJŠPERK_Kupčinja Vrh	10126002
59	ŽETALE_Čermožiše	10124000
60	MARKOVCI_Nova vas pri Markovcih	10124948
61	VELENJE_Laze	10144701
62	ŠENTJUR_Loka pri Žusmu	10135478
63	ROGATEC_Sv. Jurij	10139899
63	ROGATEC_Žahenberc	10140366
64	DOBROVA-POLHOV GRADEC_Brezje pri Dobrovi	10111234
65	LJUTOMER_Moravci v Slov. goricah	10113628
66	KUZMA_Dolič	10115744
67	ŽETALE_Žetale	10125979
68	ŠMARTNO OB PAKI_Gavce	10144663
69	ČRNA NA KOROŠKEM_Žerjav	10128030
70	ZAGORJE OB SAVI_Podkum	10145813
70	ZAGORJE OB SAVI_Šklendrovec	10146046
71	VOJNIK_Socka	10086710
72	SVETI JURIJ V SLOV. GORICAH_Jurovski Dol	10107148
73	LJUTOMER_Gresovščak	10113440
73	LJUTOMER_Podgradje	10113687
74	AJDOVŠČINA_Predmeja	10084377
75	DOBROVA-POLHOV GRADEC_Šentjošt nad Horjulom	10112877
76	LAŠKO_Šentrupert	10105781
77	VELENJE_Črnova	10146283
78	KAMNIK_Markovo	10098513



Location no.1	MUNICIPALITY_SETTLEMENT	NA_MID
78	KAMNIK_Poreber	10098726
79	PODVELKA_Spodnja Kapla	10126380
80	KRIŽEVCI_Ključarovci pri Ljutomeru	10113504
81	ORMOŽ_Lahonci	10122341
82	VELENJE_Hrastovec	10144680
83	AJDOVŠČINA_Gaberje	10084083
83	AJDOVŠČINA_Šmarje	10084431
84	LENDAVA_Mostje	10108080
85	VIDEM_Popovci	10125120
85	VIDEM_Zgornja Pristava	10125910
86	BREŽICE_Cirnik	10084865
86	BREŽICE_Koritno	10085209
86	BREŽICE_Laze	10085241
86	BREŽICE_Ponikve	10085489
87	KRIŽEVCI_Stara Nova vas	10113814
88	KOZJE_Vrenska Gorca	10140170
88	KOZJE_Buče	10138507
89	BREŽICE_Pišece	10085438
90	ZAGORJE OB SAVI_Kandrše - part	10145635
90	ZAGORJE OB SAVI_Log pri Mlinšah	10145708
90	ZAGORJE OB SAVI_Vidrga	18679850
91	RADEČE_Jagnjenica	10106036
92	PESNICA_Zgornji Jakobski Dol	10149037
93	ŽELEZNIKI_Dražgoše	10136644
94	NOVO MESTO_Dolž	10119103
95	HOČE-SLIVNICA_Čreta	10147425
96	NOVA GORICA_Bate	10117054
96	NOVA GORICA_Grgarske Ravne	10117429
96	NOVA GORICA_Dragovica	19807258
97	KANAL_Kal nad Kanalom	10117488
98	SLOVENJ GRADEC_Gradišče	10132380
99	VELENJE_Bevče	10144639
100	ROGAŠKA SLATINA_Tržišče	10140021
100	ROGAŠKA SLATINA_Tuncovec	10140030
101	ROGAŠKA SLATINA_Irje	10138892



Location no.1	MUNICIPALITY_SETTLEMENT	NA_MID
102	BRDA_Podsabotin	10117925
103	VOJNIK_Hrenova	10086108
103	VOJNIK_Lemberg pri Novi Cerkvi	10086272
104	MUTA_Sv. Primož nad Muto	10126304
105	LOGATEC_Laze	10114055
106	ŠENTJUR_Krivica	10135443
106	ŠENTJUR_Lopaca	10135508
107	LJUTOMER_Radoslavci	10113741
108	DOBROVA-POLHOV GRADEC_Črni Vrh	10111331
109	ŠKOFJA LOKA_Sv. Andrej	10136326
109	ŠKOFJA LOKA_Sv. Barbara	10137888
110	IG_Zapotok	10113121
111	TOLMIN_Modrej	10141036
112	ZAGORJE OB SAVI_Jesenovo	10145627
113	GROSUPLJE_Velika Loka	10095565
114	ŠALOVCI_Dolenci	10115736
114	HODOŠ_Krplivnik	10116104
115	MAJŠPERK_Lešje	10124662
115	MAKOLE_Stopno	10133734
116	NOVA GORICA_Loke	10117658
117	MORAVSKE TOPLICE_Vučja Gomila	10116953
118	ŠENTILJ_Trate	10148898
119	TOLMIN_Dolenja Trebuša	10140510
120	VELENJE_Arnače	10144604
121	ROGATEC_Dobovec pri Rogatcu	10138612
122	ŠALOVCI_Čepinci	10115680
123	ŠENTJUR_Dolga Gora	10135150
124	NOVA GORICA_Lokovec	10117666
125	METLIKA_Radovica	10114667
126	ŠALOVCI_Domanjševci	10115795
127	ŠOŠTANJ_Bele Vode	10144612
128	SODRAŽICA_Žimarice	10129001
129	CERKNO_Otalež	10096634
129	CERKNO_Pluznje	10096677
130	RADLJE OB DRAVI_Št. Janž pri Radljah	10126401



Location no.1	MUNICIPALITY_SETTLEMENT	NA_MID
131	VOJNIK_Jankova	10086132
131	VOJNIK_Male Dole	10086418
132	PODVELKA_Janževski Vrh	10126185
133	CELJE_Pečovnik	10086507
134	POLJČANE_Lušečka vas	10133246
135	CELJE_Zvodno	10087074
136	KOPER_Gabrovica pri Črnem Kalu	10101581
136	KOPER_Osp	10101948
137	KRŠKO_Veliki Dol	10105528
137	KRŠKO_Koprivnica	10104572
138	PODVELKA_Vurmat - part	10126479
138	LOVRENC NA POHORJU_Ruta	10149207
139	PREDDVOR_Kokra	10102758
140	ORMOŽ_Žerovinci	10122937
141	ŽETALE_Kočice	10124573
142	VRHNIKA_Smrečje	10145309
143	RAZKRIŽJE_Gibina	10113407
144	PUCONCI_Brezovci	10115647
145	ROGAŠOVCI_Rogašovci	10116651
146	JESENICE_Javorniški Rovt	10097819
147	RADLJE OB DRAVI_Zgornja Vižinga	10126509
148	ŽETALE_Dobrina	10124069
149	ŠMARJE PRI JELŠAH_Lemberg pri Šmarju	10139147
149	ROGAŠKA SLATINA_Spodnji Gabernik	10139813
150	PODČETRTEK_Olimje	10139716
151	BREŽICE_Križe	10085225
151	BREŽICE_Pečice	10085403
152	KRŠKO_Dovško	10104165
153	KOSTANJEVICA NA KRKI_Dolnja Prekopa	10104122
154	LAŠKO_Lahomno	10106117
155	LOŠKI POTOK_Mali Log	10128552
156	MARIBOR_Šober	10148103
157	LUKOVICA_Mali Jeltnik	10091187
157	LUKOVICA_Podsmrečje	10091314
157	LUKOVICA_Prevoje	10091420



Location no.1	MUNICIPALITY_SETTLEMENT	NA_MID
157	LUKOVICA_Suša	10091772
157	LUKOVICA_Zgornje Loke	10092183
158	POLJČANE_Spodnja Brežnica	10133645
159	ŽIRI_Žirovski Vrh	10138264
160	ROGAŠKA SLATINA_Topole	10139970
161	CERKNO_Straža	10096839
161	CERKNO_Lazec	10096553
162	BRASLOVČE_Male Braslovče	10146658
163	DOBROVNIK_Strehovci	10108187
164	VELENJE_Paški Kozjak	10144779
165	ZREČE_Boharina	10134153
166	POLJČANE_Stanovsko	10133700
167	TOLMIN_Kamno	10140749
168	CERKNO_Gorenji Novaki	10096367
169	LJUTOMER_Noršinci pri Ljutomeru	10113644
170	SLOVENJ GRADEC_Raduše	10132495
171	BREŽICE_Pavlova vas	10085390
172	METLIKA_Drašiči	10114357
173	DOBROVA-POLHOV GRADEC_Butajnova	10111293
174	LITIJA_Golišče	10108497
175	LAŠKO_Mala Breza	10106249
176	MAJŠPERK_Stoperce	10125553
177	ŠENTILJ_Svečane	10148839
178	BREŽICE_Podgorje pri Pišecah	10085446
179	IDRIJA_Vojsko	10096871
180	ŽALEC_Podkraj	10146801
181	VIDEM_Velika Varnica	10125758
182	CANKOVA_Skakovci	10116716
183	ŠMARTNO OB PAKI_Skorno	10144850
184	TOLMIN_Kneža	10140781
185	ŠMARJE PRI JELŠAH_Spodnje Tinsko	10139805
185	ŠMARJE PRI JELŠAH_Zgornje Tinsko	10140323
186	SELNICA OB DRAVI_Gradišče na Kozjaku	10149096
187	ŠENTILJ_Šomat	10148863
188	ČRNA NA KOROŠKEM_Podpeca	10127858



Location no.1	MUNICIPALITY_SETTLEMENT	NA_MID
189	ŠMARJE PRI JELŠAH_Grobelce	10138825
190	ZAVRČ_Goričak	10124310
191	ŠENTJUR_Kostrivnica	10135419
192	KOZJE_Zagorje	10140234
193	PUCONCI_Poznanovci	10116538
194	KANAL_Levpa	10117623
195	ŠMARJE PRI JELŠAH_Zibika	10140340
196	DOBROVA-POLHOV GRADEC_Setnik	10112702
197	PESNICA_Polički Vrh	10148669
198	LITIJA_Tepe	10109701
199	ZREČE_Skomarje	10098173
200	ZAGORJE OB SAVI_Borje pri Mlinšah	10145406
200	ZAGORJE OB SAVI_Kolovrat	10145660
201	LAŠKO_Tevče	10106672
202	VIDEM_Dolena	10124093
203	BREŽICE_Dednja vas	10084938
204	TOLMIN_Ponikve	10141168
205	KUZMA_Trdkova	10116856
206	MAKOLE_Mostečno	10133335
207	RIBNICA_Grčarice	10128307
208	ŠENTJUR_Javorje	10135320
209	BOHINJ_Nomenj	10126967
210	HOČE-SLIVNICA_Slivniško Pohorje	10148022
211	BOHINJ_Polje	10127084
212	PODVELKA_Javnik	10126193
213	PODVELKA_Zgornja Kapla	10126495
214	IVANČNA GORICA_Brezovi Dol	10093821
215	KOZJE_Lesično	10139155
216	BREŽICE_Mrzlava vas	10085322
217	ROGAŠKA SLATINA_Zagaj pod Bočem	10140226
218	METLIKA_Grabrovec	10114403
219	LAŠKO_Reka	10106478
220	LAŠKO_Lokavec	10106192
221	ŠENTJUR_Voduce	10136202
222	KRŠKO_Mrčna sela	10104831



Location no.1	MUNICIPALITY_SETTLEMENT	NA_MID
223	RAČE-FRAM_Loka pri Framu	10147662
224	ŠENTJUR_Bukovje pri Slivnici	10135087
225	ŠTORE_Javornik	10086159
226	ZREČE_Loška gora pri Zrečah	10134471
227	BRASLOVČE_Dobrovlje	10146313
228	VOJNIK_Vizore	10086973
229	BREŽICE_Blatno	10084709
230	ŠENTJUR_Doropolje	10135168
231	VELENJE_Škalske Cirkovce	10144906
232	NAZARJE_Spodnje Kraše	10115345
233	PREVALJE_Breznica	10127629
234	ČRNA NA KOROŠKEM_Javorje	10127670
235	LAŠKO_Trobni Dol	10106737
236	ŠMARTNO PRI LITIJI_Gradiške Laze	10108594
237	NOVO MESTO_Veliki Slatnik	10121582
238	KOSTANJEVICA NA KRKI_Črneča vas	10103991
238	KRŠKO_Gradnje	10104378
239	ČRNA NA KOROŠKEM_Koprivna	10127696
240	ČRNOMELJ_Zilje	10090440
241	KRIŽEVCI_Berkovci	10113237
242	ŠMARTNO PRI LITIJI_Gozd-Reka	10108551
243	NOVA GORICA_Potok pri Dornberku	10117933
244	GROSUPLJE_Velike Lipljene	10095638
245	ŽETALE_Nadole	10124913
246	PREVALJE_Zagrad	10128005
247	IDRIJA_Idrijske Krnice	10096430
248	KAMNIK_Golice	10098211
249	PODČETRTEK_Sela	10139660
250	KAMNIK_Rožično	10098807
251	BREŽICE_Drenovec pri Bukovju	10085004
252	KOBARID_Vrsno	10141575
253, 254	LAŠKO_Olešče	10106346
255	TOLMIN_Petrovo Brdo	10141095
256	PREVALJE_Poljana	10127866
257	MAJŠPERK_Grdina	10124395



Location no.1	MUNICIPALITY_SETTLEMENT	NA_MID
258	RADEČE_Počakovo	10106397
259	SODRAŽICA_Globel	10128242
260	ZAGORJE OB SAVI_Borovak pri Podkumu	10145414
261	ROGATEC_Trlično	10140013
262	KOZJE_Dobležiče	10138604
263	KUNGOTA_Vršnik	10148928
264	KRIŽEVCI_Grabe pri Ljutomeru	10113431
265	ŠMARJE PRI JELŠAH_Vršna vas	10140196
266	SELNICA OB DRAVI_Sv. Duh na Ostrem Vrhu	16151106
267	RAVNE NA KOROŠKEM_Strojna	10127947
268	KOPER_Dol pri Hrastovljah	10101557
269	KAMNIK_Češnjice v Tuhinju	10098149
270	ŠENTJUR_Bezovje pri Šentjurju	10135001
271	GROSUPLJE_Male Lipljene	10094577
272	TOLMIN_Hudajužna	10140668
273	DOBROVA-POLHOV GRADEC_Srednji Vrh	10112761
274	JEZERSKO_Spodnje Jezersko	10103258
275	DRAVOGRAD_Sv. Boštjan	10092507
276	SODRAŽICA_Podklanec	10128668
277	MAJŠPERK_Doklece	10124077
278	IVANČNA GORICA_Višnje	10095808
279	PODVELKA_Rdeči Breg - part	10126355
280	IVANČNA GORICA_Bukovica	10093856
281	MAJŠPERK_Naraplje	10124921
282	GROSUPLJE_Škocjan	10095336
283	TOLMIN_Kanalski Lom	10140757
284	CERKNO_Poče	10096685
285	RADEČE_Zagrad	10106834
286	PREVALJE_Suhi Vrh	10127955
287	TOLMIN_Podmelec	10141133
288	TOLMIN_Sela pri Volčah	10141290
289	ČRNA NA KOROŠKEM_Ludranski Vrh	10127777
290	ČRNA NA KOROŠKEM_Bistra	10127572
291	KRANJ_Nemilje	10102936
292	KANAL_Doblar	10117259

Location no.1	MUNICIPALITY_SETTLEMENT	NA_MID
293	PREVALJE_Jamnica	10128021
294	ČRNOMELJ_Sinji Vrh	10090024
295	KOČEVJE_Koprivnik	10099994
296, 297	LAŠKO_Paneče	10106362
298	PREVALJE_Belšak	10127564
299, 300	LJUBLJANA_Zgornja Besnica	10110513

### **3 Measure for Selecting the Winning Bid**

As the selection of winning bids only relies on selecting bids that provide the highest total bid amounts subject to the availability of lots, the Agency shall, following a successful public tender and in accordance with Article 44 of ZEKom-1, conduct a public auction in compliance with the auction rules.

The chairperson of the commission from paragraph 2 of Article 37 of ZEKom-1 or their deputy acts as auctioneer in the public auction.

#### **3.1 Radio Frequencies that Are the Subject of this Public Auction**

The radio frequencies which make up the subject of the public auction are indicated in Article 1.2 Frequency Blocks that Are the Subject of this Public Tender and in Article 1.3 Frequency Caps and Reservations of this Decision.

#### **3.2 Conditions Which a Bidder Must Meet to Qualify for the Public Auction**

##### **3.2.1 Payment of a Deposit for an Initial Bid**

In order to participate in the public auction, the bidder must, at least one day before the beginning of the public auction, pay its deposit to a special bank account of the Republic of Slovenia and deliver to the Agency the confirmation of payment. The amount of this deposit must be at least the sum of the reserve price for all the lots included in the bidder's highest initial bid. All details regarding the transfer of the deposit (bank account, reference number, etc.) shall be detailed in the Decision on the Selection of Bidders.

The deposits of winning bidders shall be honored as regards the payment of the fee for the efficient use of a limited natural resource. Unsuccessful bidders shall have their deposits returned after the end of the public auction within the deadline determined in the written decision from paragraph 6 of Article 45 of ZEKom-1.

Bidders which are excluded during the public auction shall not have their deposits returned.

If the public tender is annulled, the deposits shall be returned to the bidders within the deadline determined in the Decision on the Annulment of the Public Tender.

Deposits shall be returned (transferred) to the bank accounts indicated by the applicants.

No interest shall be paid on the deposits.

Transfer commissions and all other costs or taxes incurred during the transfer of funds must be paid by the bidder.

All other details regarding the deposits for the initial bid is available in the tender documentation.

### 3.2.2. Payment of Administrative Costs

In order to qualify for the public auction, the bidders must cover the administrative costs of holding a public auction (indent 2 of paragraph 2 of Article 44 of ZEKom-1). Before the beginning of the public auction each bidder must settle advance payment of administrative costs in the amount of €300,000.00. The Agency shall honor the tender bonds paid by the applicants which are selected as bidders by the Decision on the Selection of Bidders as advance payment of administrative costs in the same amount.

Administrative costs for holding a public auction represent all of the Agency's expenses in connection with preparing and holding a public auction, which shall not include the costs of the work of the Agency's full-time employees. Administrative costs are covered by all bidders in equal parts.

The advance amount paid by bidders for administrative costs shall be considered as advance payment of a share of the administrative costs.

Winning bidders must settle all additional payments in a lump sum within 15 days of the receipt of the written decision from paragraph 6 of Article 45 of ZEKom-1.

Similarly, the Agency shall within 15 days of issuing the written decision from paragraph 6 of Article 45 of ZEKom-1 return to bidders the difference in the advance payment, in the event that the amount of administrative costs shall be less than the advance amount paid by the bidders.

No interest shall be paid on the returned advance payment.

All other details regarding administrative costs are available in the tender documentation.

### 3.3 The Lowest Number of Applicants

The public auction shall only be conducted if at least two applicants qualify.

#### **The Lowest Amount of Payment for the Efficient Use of a Limited Natural Resource (Reserve Price) and the Method of Payment**

The Agency determined the lowest amount of payment for individual lots in each category of lots with the approval of the Government of the Republic of Slovenia, which were published in its decision no. 38100-9/2013/3 of 27 December 2013. With the above decision the Government of the Republic of Slovenia confirmed the lowest amount of payment for the efficient use of a limited natural resource as well as the method of payment. Considering the aforementioned, the lowest amount of payment for the efficient use of a limited natural resource (starting price) per lot for each category of lots amounts to the sums indicated in the following table:

Reserve prices in EUR for each lot:

Frequency band	Lot name	Lot size	No. of lots	Time period of assignment of radio frequencies	Reserve price for the lot
800 MHz	A1	2 x 5 MHz	2 (or 3 if there is no demand for A3)	15 years	5,400,000
	A2	2 x 10 MHz	1	15 years	1,000,000
	A2	2 x 15 MHz	1	15 years	6,300,000
	A3 (reserved for eligible bidders)	2 x 5 MHz	Up to 2	15 years	5,400,000
900 MHz	B	2 x 5 MHz	7	15 years (starting 3 January 2016)*	4,700,000
1800 MHz	C	2 x 5 MHz	15	15 years (starting 3 January 2016)*	2,400,000
2100 MHz	D	2 x 5 MHz	1	until 21 September 2021	1,800,000
	T1	5 MHz	1	until 21 September 2021	10,000
	T2	5 MHz	3	until 21 September 2021	10,000
2600 MHz	E	2 x 5 MHz	14	15 years	800,000
	F	5 MHz	9	15 years	10,000

\*DARFS in the 900 and 1800 MHz bands, which are to be assigned on the basis of the public tender, come into effect on 4 January 2016.

In accordance with the cited Decision of the Government of the Republic of Slovenia, applicants which are assigned DARFs by the Agency for frequencies which are the subject of this public tender must pay the final amount for the efficient use of a limited natural resource in a lump sum within 15 days of the receipt of the written decision from paragraph 6 of Article 45 of ZEKom-1.

### 3.5 More Detailed Rules for Holding a Public Auction

#### F.2 AUCTION RULES

##### F.2.1 General

###### F.2.1.1 Available lots

- In total there are up to 55 lots available in the auction, grouped into ten lot categories. Table F 1: Lots available for award provides an overview of these categories, showing:
  - the number of lots available in each category;
  - the names of the lots included in each category;
  - their respective spectrum endowments; and
  - the associated frequency range for the lots included in each category.

Lot category	Number of lots	Lots included	Spectrum endowment per lot	Frequency range
A1	2 (or 3 if no demand for A3)	A1_01, A1_02 (A1_03)	2 x 5 MHz	Frequency-generic in 791-821/832-862 MHz (FDD)
A2(special coverage obligation)	1	A2	2 x 10 MHz (2 x 15 MHz if demand for A3 less than 2)	Frequency-generic in 791-821/832-862 MHz (FDD)
A3 (reserved for eligible bidders)	Up to 2	A3_01, A3_02	2 x 5 MHz	Frequency-generic in 791-821/832-862 MHz (FDD)
B	7	B_01 to B_07	2 x 5 MHz	Frequency-generic in 880-915/925-960 MHz (FDD)
C	15	C_01 to C_15	2 x 5 MHz	Frequency-generic in 1710-1785/1805-1880 MHz (FDD)
D	1	D	2 x 5 MHz	1955-1960/2145-2150 MHz (FDD)
T1	1	T1	5 MHz	1905-1910 MHz (TDD)
T2	3	T2_01, T2_02, T2_03	5 MHz	Frequency-generic in 2010-2025 MHz (TDD)
E	14	E_01 to E_14	2 x 5 MHz	Frequency-generic in 2500-2570/2620-2690 MHz (FDD)
F	9	F_01 to F_09	5 MHz	Frequency-generic in 2570-2615 MHz (TDD)

Table 0-1: Lots available for award

- Table F 2: Reserve prices and eligibility points provides an overview of the reserve prices and eligibility points per lot for each lot category.

Lot category	Spectrum endowment per lot	Reserve price per lot in EUR	Eligibility points per lot
A1	2 x 5 MHz	5.400.000	6
A2	2 x 10 MHz	1.000.000	12
	2 x 15 MHz	6.300.000	18
A3	2 x 5 MHz	5.400.000	6
B	2 x 5 MHz	4.700.000	6
C	2 x 5 MHz	2.400.000	3
D	2 x 5 MHz	1.800.000	3
T1	5 MHz	10.000	1
T2	5 MHz	10.000	1
E	2 x 5 MHz	800.000	2
F	5 MHz	10.000	1

Table F 2: Reserve prices and eligibility points

3. Lots in categories A1, A2, A3, B, C, T2, E and F will be auctioned initially on a frequency-generic basis, i.e. initial bids and any bids made in the primary rounds or supplementary round (see Section F.2.1.3 Overview of the process) will be made for blocks of spectrum that do not have any specific frequencies assigned to them. The specific frequency assignments are then decided in a separate assignment stage (see Section F.2.1.3 Overview of the process) to ensure that all frequency assignments to a particular winner are contiguous within each frequency band.
4. Categories D and T1 contain a single lot with a specific frequency assignment each, and therefore these lots are not included in the assignment stage.
5. The lot in category A2 will be subject to a special coverage obligation, as specified in Section 2.2.5 Special Coverage Obligations in the 800 MHz Band of Decision on Initiating a Public Tender with a Public Auction and from Section A.7.3.6 Special Coverage Obligations in the 800 MHz Band.
6. The lots in category A3 will be reserved for eligible bidders pursuant to the provisions set out in Section 1.3.2 Reservations of Decision on Initiating a Public Tender with a Public Auction and from Section A.6.2 Reservations and only such bidders will be allowed to bid for these lots.
7. The reserved spectrum will be available as two 2 x 5 MHz frequency-generic lots in category A3 as set out in Table F 1: Lots available for award, unless:
  - there is total demand for exactly one category A3 lot in the initial bids of bidders qualified to bid for the reserved spectrum, in which case category A3 will contain a single 2 x 5 MHz lot and the bandwidth of the lot in category A2 will be increased to 2 x 15 MHz; or
  - there is no demand for the category A3 lots in the initial bids, in which case there will be no reserved spectrum, the bandwidth of the lot in category A2 will be increased to 2 x 15 MHz and the number of lots in category A1 will be increased from two to three.
8. This implies that there are three potential supply scenarios that differ with regard to the number of available lots in the 800MHz band:

- The Default Scenario, with two 2x5MHz lots in category A1, a single 2x10MHz lot in category A2, and two 2x5MHz lots in category A3;
  - Alternative Scenario 1, with two 2x5MHz lots in category A1, a single 2x15MHz lot in category A2, and a single 2x5MHz lot in category A3; and
  - Alternative Scenario 2, with three 2x5MHz lots in category A1, a single 2x15MHz lot in category A2, and category A3 withdrawn from the auction.
9. In order to determine which of these supply scenarios prevails, APEK will first evaluate the initial bids of all bidders who are eligible to bid for reserved spectrum. If aggregate demand for A3 lots from those bidders is two or more lots, the Default Scenario will apply. If aggregate demand for A3 lots is one lot, then Alternative Scenario 1 will apply. If there is no demand for A3 lots, then Alternative Scenario 2 will apply.

#### F.2.1.2 Bidding restrictions

##### F.2.1.2.1 Reserved spectrum

10. Up to 2 x 10 MHz of spectrum in the 800 MHz band will be reserved for bidders who meet the criteria set out in Section 1.3.2 Reservations of Decision on Initiating a Public Tender with a Public Auction and from Section A.6.2 Reservations, provided that such bidders have indicated demand for reserved spectrum in their initial bids.
11. Only bidders deemed eligible to bid for reserved spectrum who have indicated demand for the reserved spectrum in their initial bid will be able to bid for lots in category A3 during the auction.
12. Bidders who are eligible to bid for reserved spectrum cannot bid for a package containing lots in categories A1 and/or A2 during the primary rounds if the price of the package exceeds the price of any alternative package where some or all of the A1 and/or A2 lots are replaced with a combination of A1 and A3 lots and which:
- has the same total bandwidth in the 800MHz band as the original package;
  - contains strictly more A3 lots than the original package; and
  - contains the same number of lots in all the remaining categories as the original package
13. For example, a bidder eligible to bid for reserved spectrum may only submit a bid in the primary rounds for a package containing one A1 lot and the A2 lot in the Default scenario if the price of one A1 lot plus the price of the A2 lot does not exceed:
- the price of two A1 lots plus the price of one A3 lot;
  - the price of one A1 lot plus the price of two A3 lots; and
  - the price of the A2 lot plus the price of one A3 lot.
14. Bidders who are eligible to bid for reserved spectrum may only make a supplementary bid for a package that contains lots in categories A1 and/or A2 but not all lots available in category A3 if they also make supplementary bids, with the same or a higher bid amount for every alternative package where some or all of the lots in A1 and/or A2 are replaced with a combination of A1 and A3 lots, and which:
- has the same total bandwidth in the 800MHz band as the original package;
  - contains strictly more A3 lots than the original package; and
  - contains the same number of lots in all the remaining categories as the original package.
15. For example, a bidder eligible to bid for reserved spectrum who wishes to submit a supplementary bid of X Euro for a package consisting of one A1 lot, the A2 lot and four E lots in the Default scenario would be required also to submit the following bids:
- a bid of  $Y \geq X$  Euro for the package consisting of the A2 lot, one A3 lot and four E lots;

- a bid of  $Z \geq X$  Euro for the package consisting of two A1 lots, one A3 lot and four E lots; and
- a bid of  $W \geq Z$  Euro for the package consisting of one A1 lot, two A3 lots and four E lots.

#### F.2.1.2.2 Spectrum caps

16. Initial bids specified in bidders' frequency allocation applications (see Section C.2.7 List of all the radio frequency lots for which the applicant is interested (the initial bid) (Forms I.6.1, I.6.2 and I.6.3) and bids made in the primary rounds or supplementary round are subject to the following spectrum caps:
  - 2 x 15 MHz in category B (900 MHz);
  - a total of 2 x 30 MHz across lot categories A1, A2, A3 and B (800 MHz and 900 MHz);
  - 2 x 30 MHz in category C (1800 MHz); and
  - 2 x 105 MHz of the total FDD spectrum available (categories A1, A2, A3, B, C, D and E) including existing holdings of 2100 MHz FDD spectrum.

#### F.2.1.2.3 Minimum demand for F lots

17. If bidding for lots in category F (2600 MHz TDD), a bidder must include a minimum of two lots in that category in the package bid for. That is, a bidder must include either zero or at least two category F lots in any package bid.
18. The special treatment of lots in category F reflects the requirement that if a bidder wins  $n$  lots in category F, then only  $n-1$  of these lots are available for use under standard terms, with one lot having more restricted usage conditions (See Section H: Technical requirements for providing services, Frequency band 2600 MHz).

#### F.2.1.3 Overview of the process

19. The public auction proceeds through the following steps:
  - The principal stage: this determines the number of lots awarded to each bidder in each lot category, and the base prices that winning bidders will have to pay for their lots. The principal stage may require a bidding process, consisting of:
    1. a number of primary rounds; followed by
    2. a single supplementary round.
  - The assignment stage: this determines the specific frequencies that will be assigned to winners of frequency-generic lots and any additional prices they will have to pay. APEK will identify the feasible options for assigning specific frequencies to the winners of spectrum in categories A1, A2, A3, B, C, T2, E and F. The assignment stage may require a bidding process consisting of a single bidding round if there are multiple assignment options for any band.
20. All bids submitted during the primary rounds, supplementary round or assignment round are submitted using the Electronic Auction System (EAS) made available by APEK. Each bidder will be supplied with information about how to access and use the system, and will have the opportunity to take part in a bidder training session. Bidders will also be supplied with passwords and digital certificates to access the system.
21. Prior to any bidding process, APEK will give bidders the opportunity to participate in a mock auction that will allow them to familiarise themselves with the EAS and test their own systems and procedures. APEK will notify bidders of the dates of the mock auction and the commencement of the auction in advance.

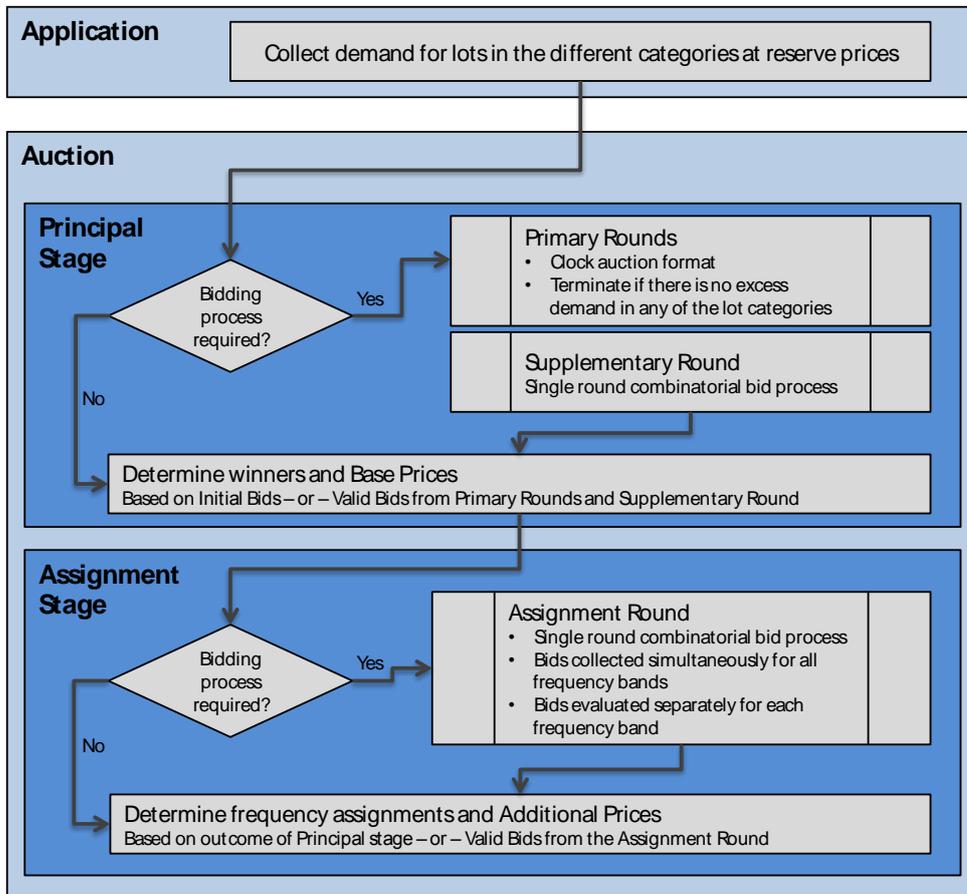


Figure F 1: Overview of the process

#### F.2.1.4 Deposit

22. Before the commencement of the auction, bidders will have to transfer their initial deposit to the value of 100% of their highest initial bid across all three supply scenarios as set out in Section 3.2.1: Deposit requirements from the Decision on Initiating a Public Tender with a Public Auction and Section A.7.2.1: Deposit requirements, and in accordance with all forms I.6.1, I.6.2 and I.6.3 from Frequency allocation application (THE INITIAL BID) .
23. If after the completion of any primary round the deposit provided by a bidder covers less than 50% of its bid, the bidder will have to increase its deposit so that it is no less than 70% of its bid. APEK will notify bidders if they are required to increase their deposit. For the avoidance of doubt, bidders are free to increase their deposit above the required amount in order to reduce the need of further deposit increases as the auction progresses. Bidders are also free to increase their deposit at any point during the auction process – and in particular well in advance of any required increase - notifying APEK of any deposit increase they have effected and providing appropriate proof of payment.
24. If APEK requests an increase of a bidder's deposit it will notify the bidder of the deadline by which the additional amount corresponding to the increase of deposit has to be provided. Such notice will be provided no longer than 24 hours and no less than 6 hours prior to the expiry of the deadline Bidding will be suspended until this deadline has expired.
25. A bidder who fails to increase its deposit as required will be excluded from further bidding in the primary bid rounds. However, all bids made by the bidder up to that point that are not higher than 50% of the deposit provided will remain valid, and the bidder will be able to submit supplementary bids in line with the deposit requirements set out in Rule 26 and the rules governing the validity of supplementary bids (see Section F.2.3.4).

26. In the supplementary round, the deposit provided by a bidder must cover at least 50% of the highest supplementary bid made by that bidder. APEK will notify bidders if their deposit falls short of this requirement, and the deadline by which the bidder has to increase its deposit. Such notice will be provided no longer than 24 hours and no less than 6 hours prior to the expiry of the deadline. The determination of winners and prices for the principal stage will be suspended until this deadline has expired.
27. If the bidder fails to increase its deposit by the deadline set by APEK, all of its supplementary bids will be discarded. However, any primary bids made during the primary rounds will remain valid and will be considered in the determination of winners.

#### F.2.1.5 Collusion

28. See Section 2.2.2: Prohibition of collusive behavior from the Decision on Initiating a Public Tender with a Public Auction and A.7.3.2: Prohibition of collusive behavior.

#### F.2.1.6 Breach of auction rules

29. APEK may exclude a bidder who is in breach of the auction rules. A bidder excluded will forfeit its deposit and all bids made by the bidder will be cancelled.

#### F.2.1.7 Communication with APEK

30. The Electronic Auction System (EAS) provides a one-way messaging system, which will be used as the primary method for APEK to send messages to bidders during the auction.
31. Bidders may contact APEK by telephone, fax or email, only in case of technical problems. Further information will be made available to bidders in advance of the auction.

#### F.2.1.8 Exceptional circumstances

32. In the case of exceptional circumstances during any stage of the auction, APEK has the discretion to:
  - postpone the end of a round in progress or the release of results of a round;
  - postpone the scheduling of further rounds;
  - cancel a round that is either underway or for which round results have not yet been released, and re-schedule the round;
  - void one or more rounds and the bids made therein, and resume the auction from an earlier round;
  - void all bids received in the auction, and either suspend the auction or start the auction again; and/or
  - end the primary rounds early (i.e. while there is still excess demand in at least one lot category), and proceed directly to the supplementary round.
33. APEK determines whether a situation of exceptional circumstances has arisen. Exceptional circumstances could include, for example, widespread technical failure or concern about possible collusion amongst bidders.

### F.2.2 The principal stage

34. The purpose of the principal stage is to determine the number of lots in each of the lot categories that will be awarded to bidders.
35. The principal stage begins with the evaluation of initial bids. A further bidding process in the principal stage is required if, for one or more of the lot categories, the total demand expressed in bidder's initial bids for lots in the respective category exceeds the number of lots available in that category for the applicable supply scenario; otherwise the auction

proceeds to the assignment stage. The further bidding process in the principal stage consists of one or more primary rounds (following a clock auction format) and a single (sealed bid) supplementary round.

36. For the avoidance of doubt, if a further bidding process in the principal stage is required, bidders may, within the scope of these rules and subject to the bidding constraints set out in Section F.2.1.2, bid for any lot in any category, regardless of whether the lot was included in their initial bid.

#### F.2.2.1 Evaluation of initial bids

37. Details of the application process and necessary documentation are set out in Section C: The preparation of the tender application and Forms: I.6.1, I.6.2 in I.6.3 FREQUENCY ALLOCATION APPLICATION (THE INITIAL BID) of the Tender Documentation.
38. As part of its application, each bidder has submitted an initial bid for each supply scenario, which specifies the number of lots in each category that the bidder is willing to buy at the respective reserve prices in that supply scenario. Bidders who are eligible to bid for reserved spectrum must not specify a greater number of A3 lots in their Initial Bid for Alternative Scenario 1 than in their Initial Bid for the Default Scenario.
39. The total demand for lots in each lot category expressed in the bidders' initial bids is the sum of lots in that lot category specified in the initial bids for the applicable supply scenario across all bidders who are taking part in the public auction (i.e. bidders who have complied with the deposit requirements set out in Section F.2.1.4: Deposit).
40. APEK will assess the total demand for lots in lot category A3 (determined by the initial bids from bidders qualified to bid for reserved spectrum) to establish the applicable supply scenario:
  - if the total demand for A3 lots in the Initial Bids for the Default Scenario is two or more, then the applicable supply scenario will be the Default Scenario;
  - otherwise, if the total demand for A3 lots in Initial Bids for the Alternative Scenario 1 is one, then the applicable supply scenario will be Alternative Scenario 1 (where the bandwidth of the A2 lot is increased to 2x15MHz, and the number of A3 lots available reduced to one);
  - otherwise, if there is no demand for A3 lots at all, then the applicable supply scenario will be Alternative Scenario 2 (where the bandwidth of the A2 lot is increased to 2x15MHz, the number of lots in category A1 increased from two to three, and category A3 is eliminated from the process).
41. Once APEK has established the applicable supply scenario, APEK will establish whether a further bidding process is required for the principal stage:
  - If in each and every lot category total demand for that lot category is not greater than the number of lots available in the lot category given the applicable supply scenario, then no further bidding will be required in the principal stage. In this case, all bidders win the amount of spectrum demanded in their initial bid (for the applicable supply scenario), and the base price to be paid by each winning bidder will be the sum of the reserve prices for the lots included in its initial bid (for the applicable supply scenario). The auction will then proceed immediately to the assignment stage (see Section F.2.3: The assignment stage).
  - If for one or more of the lot categories the total demand for that lot category exceeds the number of lots available in the lot category, then a further bidding process in the principal stage is required, in order to determine the allocation of lots amongst bidders.
42. If a further bidding process is required, all lot categories (with their respective lots) will be allocated on the basis of all bids submitted in the principal stage, regardless of whether there was excess demand for the respective category at the application stage.

43. If a further bidding process is required, APEK determines the initial eligibility of a bidder on the basis of the bidder's initial bid for the applicable supply scenario, as the sum of:
  - the eligibility points associated with all lots included in the bidder's initial bid, except for lots in category F; and
  - if the bidder's initial bid includes  $n > 1$  lots in category F, the eligibility points associated with  $n - 1$  lots in category F.
44. After the evaluation of initial bids, APEK will inform each bidder about the applicable supply scenario, whether a further bidding process in the principal stage is needed and:
  - if a further bidding process in the principal stage is needed, the timing of the first primary round and the bidder's initial eligibility; or
  - if a further bidding process is not needed and a bidding process for the assignment stage is required, the timing for the assignment stage bidding round.

#### F.2.2.2 Primary rounds

45. The primary rounds follow a clock auction format. Bidding proceeds in discrete rounds, with all bidders invited to submit bids within the same fixed time window (subject to the provisions for extensions, described further below).
46. Before the start of each primary round, APEK will announce a price per lot for each lot category for that round (the 'clock prices').
47. In any given primary round, each bidder can submit at most one primary bid for a single package of lots, where the bidder specifies the number of lots it wishes to acquire in each category and the bid amount is determined automatically by the sum total of the prevailing clock prices of the lots included in the bid.
48. Each bid is for the package of lots specified by the bidder, i.e. it will be considered in its entirety and will not be subdivided.

##### F.2.2.2.1 Scheduling of primary rounds

49. Primary rounds are scheduled at APEK's discretion. There is no minimum or maximum length for a primary round set in advance. However, APEK does not anticipate running individual primary rounds shorter than 15 minutes or longer than two hours. Subject to the constraints implied by Rule 52, the time between primary rounds is discretionary and may be varied by APEK without notification.
50. All primary rounds will be scheduled to start between 08.30 and 18.00 hours on Slovenian business days.
51. There is no upper bound on the number of primary rounds per day, although APEK does not anticipate running more than eight primary rounds in a single day.
52. Bidders will be notified of the start time for a primary round at least 15 minutes before the scheduled round start.
53. Along with the start time for the next primary round, each bidder will receive the following information through the bidder interface of the EAS:
  - the duration of the primary round;
  - the bidder's eligibility to bid in the primary round (expressed as a number of eligibility points);
  - the bidder's remaining number of extension rights; and
  - the clock price for each lot category in the round.
54. APEK may, at its discretion, publish details of its anticipated primary round schedule for the following day in advance. However, such a published primary round schedule is provisional and for information purposes only. APEK shall not be bound by the provisional primary round

schedule, and will retain the right to schedule primary rounds at its discretion, subject to the constraints implied by Rule 52.

#### F.2.2.2.2 Bid submission during a primary round

55. When a primary round is in progress, bidders may submit a single bid for a package of lots using the EAS. A bid specifies the number of lots in each lot category that a bidder wishes to acquire at the prevailing clock prices. Subject to the constraints arising from the application of the bidding restrictions set out in Section F.2.1.2 Bidding restrictions and Rule 72, a package may include any combination of lots.
56. The interface of the EAS will provide a bid form with the relevant details for each lot category, and which will allow the bidder to specify the package of lots on which it wishes to bid at the prevailing clock prices.
57. Primary bid submissions are made in the following way:
  - First, the bidder must specify the number lots in each category it wishes to bid for at current clock prices using the drop down boxes provided on the bid form presented by the EAS.
  - Second, the bidder must send the bid to the auction server so that it can be checked for validity against the auction rules.
  - If the bid is not compliant with the auction rules, the bidder will be redirected to the bid form so that it can modify the bid. Otherwise the EAS will present the bidder with a summary statement of the bid and allow the bidder to confirm the bid or, alternatively, return to the bid form to revise its bid.
  - The bidder will need to confirm this bid summary in order to complete the bid submission. Only confirmed bids will be registered by the EAS and considered to have been made.
58. Once the bidder has confirmed a bid in a primary round, the bidder will not be able to revise or withdraw this bid, or submit any further bids in the round.
59. A bidder is deemed not to have submitted a bid until such time as confirmation of a valid bid is received by the EAS. Receipt of such confirmation will be communicated to the bidder through the EAS. It is the responsibility of the bidder to check receipt of the bid confirmation by the EAS, and to alert APEK if problems are suspected to have prevented successful confirmation of the bid.
60. In the first primary round, each bidder must submit a bid for a package containing at least one lot. In subsequent rounds, bidders have the option to submit a 'zero bid', i.e. to bid for an empty package containing no lots. In the case that a bidder submits a zero bid, the bidder's eligibility for subsequent primary rounds will be set to zero, and the bidder will no longer be able to participate in the primary rounds.
61. If a bidder fails to submit a bid within the round or before the end of an extension period granted to that bidder (see Rule 81), the EAS would automatically enter a zero bid on the bidder's behalf.

#### F.2.2.2.3 Clock Prices

62. For each primary round, APEK will specify a clock price per lot for each lot category.
63. In the first primary round, the clock price for each lot category will be set equal to the reserve price for that category. In subsequent primary rounds, the clock price for a particular category will be increased if in the previous round demand for lots in that category has exceeded supply.
64. Excess demand in a category exists where the number of lots in that category across all valid bids submitted in the round is greater than the number of lots available in that category.
65. For categories where there is no excess demand, the clock price will remain unchanged.

66. For the avoidance of doubt, it is not possible for the clock price for any category to fall during the primary rounds.
67. For each lot category, the amount by which the clock price is increased in the case of excess demand is set at APEK's discretion, and may vary across categories and across primary rounds. APEK expects that the clock price for a category with excess demand will not increase by less than 2% or more than 20% from one primary round to the next, but may, at the discretion of APEK, be set outside this range. Clock price increments will not be lower than 1% of the reserve price per lot or greater than 50% of the clock price per lot in the previous primary round for the respective category.
68. Clock prices will be in units of EUR 1,000.

#### F.2.2.2.4 Activity rules

69. Each lot available in the auction is assigned a number of eligibility points, as set out in Table F 2: Reserve prices and eligibility points, Rule 2.
70. A bidder starts each primary round with a number of eligibility points; this is the bidder's eligibility for the round.
71. The activity associated with a bid is the sum of:
  - the eligibility points associated with all lots included in the package, except for lots in category F; and
  - if the package includes  $n > 1$  lots in category F, the eligibility points associated with  $n - 1$  lots in category F.
72. In each primary round, a bidder may only submit a bid with an activity level that does not exceed the bidder's current eligibility, and that complies with the bidding restrictions set out in Section F.2.1.2: Bidding restrictions.
73. The eligibility of a bidder for the first primary round (the bidder's initial eligibility) is calculated in accordance with Rule 43. For each subsequent primary round, a bidder's eligibility is equal to its activity in the previous primary round. This means that a bidder's eligibility can stay the same or fall over successive primary rounds, but can never increase.
74. The EAS will not allow bidders to submit a bid with activity that exceeds the bidder's current eligibility or which is in violation of the bidding restrictions set out in Section F.2.1.2: Bidding restrictions. If a bidder submits an invalid bid for checking, the EAS will require the bidder to return to the bid form to revise the bid.
75. The EAS will also warn a bidder if its bid would result in a reduction of eligibility for the next round. In this case, bidders will be able to return to the bid form to revise their bid.
76. As the primary rounds progress, bidders may switch their activity between categories of lots. Therefore, it is possible that a bidder's activity in one or more categories may increase, provided that the bidder's activity in other categories is sufficiently reduced.

#### F.2.2.2.5 Validity of primary bids

77. Valid bids in the primary rounds must satisfy the following:
  - the bid must satisfy the activity rules, and thus the total activity of the bidder cannot exceed the eligibility of the bidder in the round;
  - the bidder would be able to acquire all lots included in the bid without breaching the spectrum caps;
  - the bidder is eligible (in accordance with Rule 6) to bid for all lots included in the bid; and
  - the package bid for includes either zero or at least two lots in category F.
78. The EAS is designed to block submission of invalid bids.

79. Each bid submitted in accordance with the auction rules is considered to be a valid bid. A valid bid represents a binding commitment to buy the specified package of lots at the specified bid amount.
80. A bid remains valid until it is replaced by a higher bid for the same package by the same bidder in a subsequent primary round or the supplementary round, or it is voided by APEK pursuant to Rule 29.

#### F.2.2.2.6 Extension rights in the primary rounds

81. An extension right allows a bidder additional time in which to submit a bid during a primary round. In the event that a bidder with non-zero eligibility and one or more remaining extension rights fails to submit a bid during a primary round, the round will automatically be extended for that bidder, and one of its remaining extension rights deducted. The EAS will automatically extend the time within which that bidder can submit a bid by 30 minutes from the scheduled end of the round.
82. The extension period ends 30 minutes after the scheduled end of the round, or once all bidders who are using extensions have successfully submitted their bids, whichever is the earlier.
83. Bidders who have already submitted a bid during the round cannot take any further action during the extension period; they will be informed that the round has been extended and should wait for the announcement that the extension period has ended.
84. Bidders who have not submitted a bid during the primary round and have no remaining extension rights will not be able to enter a bid during the extension period, and a zero bid will be entered automatically on their behalf.
85. Each bidder starts the primary rounds with two extension rights for the primary rounds.
86. Additional extension rights for the primary rounds may be granted either to all bidders or to individual bidders at the absolute discretion of APEK. APEK does not expect to grant additional extension rights unless it has good reason to believe that one or more bidders faced technical problems that precluded them from submitting a bid within the round schedule, and that this may adversely affect the outcome of the auction. Even where bidders have experienced technical problems, APEK will not grant additional extension rights unless it deems this to be absolutely necessary. Additional extension rights can only be granted in the periods between primary rounds. They cannot be granted during a primary round.
87. A bidder may notify APEK that it is unable to submit a bid during a primary round and is likely to require an extension period; notification is not mandatory but would assist administration of the process.

#### F.2.2.2.7 Information available during the primary rounds

88. Before the start of the first primary round, each bidder will be informed of its own initial eligibility. This information will not be provided to other bidders.
89. At the end of each primary round, each bidder will be informed of:
  - the clock prices in the round just ended;
  - the aggregate demand for each lot category;
  - its own bid during the round;
  - its eligibility for the next primary round; and
  - the number of extension rights it has remaining for the primary rounds.
90. No information will be released about the bids submitted by other bidders during the primary rounds.
91. The EAS includes the functionality to view and download information on clock prices, aggregate demand and the bidder's own demand in previous primary rounds.

#### F.2.2.2.8 End of the primary rounds

92. The primary rounds end after a round in which there has been no excess demand for lots in any of the categories. At this point, APEK will announce that the primary rounds have finished and that the auction will progress to the supplementary round.
93. In addition, following the close of a primary round, APEK may announce that it is ending the primary rounds early (i.e. while demand is still above supply in one or more of the categories). In this case, the auction will proceed directly to the supplementary round, and there will be no further primary rounds.
94. APEK will only terminate the primary rounds early if it believes that proceeding directly to the supplementary round at this time is in the general interest of running an efficient award process.

#### F.2.2.3 The supplementary round

95. The supplementary round consists of a single round of bidding in which bidders may submit a number of bids for packages of lots across all lot categories, subject to the restrictions set out below.
96. The supplementary round provides an opportunity for bidders to:
  - submit bids for packages for which they are willing and eligible to bid, but on which they did not bid in the primary rounds; and
  - increase their bids for packages that they bid for in the primary rounds.
97. Unlike in the primary rounds, bid amounts are discretionary and can be freely chosen by the bidder, subject to a minimum and in some cases a maximum as determined pursuant to Rules 112-114.
98. All valid bids received in the primary rounds and the valid bids from the supplementary round are then considered together to determine the winners of the principal stage, and the base prices to be paid by winning bidders.

##### F.2.2.3.1 Schedule for the supplementary round

99. The start time and duration of the supplementary round will be announced by APEK after the completion of the primary rounds.
100. There will be at least three clear business days between the last primary round and the start of the supplementary round.
101. APEK has discretion over the time and duration of the round. However, APEK anticipates that the round will take place between 08.30 and 18.00 hours on a single business day, and last for at least 4 hours and no more than 6 hours.
102. A single extension right will be available to all bidders in the supplementary round. The extension period will not be longer than 30 minutes.

##### F.2.2.3.2 Bid submission in the supplementary round

103. When the supplementary round is in progress, bidders may submit supplementary bids for multiple packages using the EAS. Each individual supplementary bid specifies a package of lots (the number of lots in each lot category that a bidder wishes to acquire) and a bid amount for that package.
104. Subject to the constraints arising from the application of the bidding restrictions set out in Section F.2.1.2 Bidding restrictions and provided that the activity associated with the bid is not higher than the bidder's initial eligibility, a package may include any combination of lots.
105. The interface of the EAS will provide a supplementary bids form that allows the bidder to:
  - generate and amend a list of packages on which the bidder wants to submit supplementary bids (subject to the requirement that packages bid for in the primary rounds must all be included in the list); and

- specify the bid amount for each of the packages on the list.
106. The amount of each supplementary bid is discretionary, subject to the restrictions set out in Section F.2.2.3.3 Restrictions on bid amounts for supplementary bids and the requirement that all supplementary bids must be in units of EUR 1,000.
107. A bid form may contain bids for up to 3,000 packages. This limit includes all packages on which the bidder submitted bids during the primary rounds.
108. Supplementary bid submission is made in the following way:
- First, the bidder must generate the list of supplementary bids it wishes to submit using the bid form presented by the EAS. Packages for which the bidder bid in the primary rounds are added to the list automatically and cannot be removed.
  - Second, the bidder must send the supplementary bids to the auction server so that they can be checked for validity against the auction rules.
  - If any of the supplementary bids are not compliant with the auction rules, the bidder will be redirected to the bid form so that it can modify the bids. Otherwise the EAS will present the bidder with a summary statement of the bids and allow the bidder to either confirm the bids or return to the bid form to revise its bids.
  - The bidder will need to confirm this summary of bids in order to complete the supplementary bid submission. Only confirmed supplementary bids will be registered by the EAS and considered to have been made.
109. A bidder may submit only one bid form in the supplementary round. Once the bidder has confirmed its supplementary bids, the bidder will not be able to revise or withdraw any of these bids, or submit further bids in the supplementary round.
110. A bidder is deemed not to have submitted supplementary bids until such time as confirmation of a valid set of bids is received by the EAS. Receipt of such confirmation will be communicated to the bidder through the EAS. It is the responsibility of the bidder to check receipt of the supplementary bids confirmation by the EAS, and to alert APEK if problems are suspected to have prevented successful confirmation.

#### F.2.2.3.3 Restrictions on bid amounts for supplementary bids

111. Bidders may submit at most one supplementary bid for any package of lots for which they submitted a primary bid. Bidders may also submit supplementary bids for packages of lots for which they had sufficient initial eligibility at the start of the auction, but for which they did not make primary bids. Bidders may submit only one supplementary bid for each such package. Bid amounts are discretionary and can be freely chosen by the bidder subject to the following constraints:
112. First, the bid amount must not be lower than the sum of the reserve prices for the lots included in the bid. Bid amounts have to be specified in units of EUR 1,000.
113. Second, bid amounts for packages on which the bidder has made primary bids must not be lower than the highest primary bid for the corresponding package.
114. Third, the bid amount for a supplementary bid cannot exceed the applicable cap, which is determined in the following way:
- Each bidder has a 'final primary bid'. This is the most recent, non-zero primary bid submitted by that bidder. If a bidder submitted its final primary bid in the last primary round, the supplementary bid the bidder can make for this package is uncapped.
  - If a bidder's final primary bid was submitted in any earlier primary round, then the bidder's supplementary bid for this package is capped according to the prevailing prices for the component lots in the round immediately after the one in which the bidder submitted its final primary bid.
  - The maximum amount of the supplementary bid on any other package is limited by the prices in the most recent primary round in which the bidder could have made a bid on

the package in question, but bid on a different package instead. More specifically, assume that the bidder was last eligible to bid for package X in round n, but chose to bid on another package Y instead. In this case, the supplementary bid for X cannot exceed the highest bid that the bidder made for Y (which may be a supplementary bid or the clock round bid if no supplementary bid was made) plus the difference between the price of package X and package Y at the clock prices in round n.

#### F.2.2.3.4 Validity of supplementary bids

115. Each valid bid in the supplementary round must satisfy the following:

- the total eligibility points associated with the package bid for cannot exceed the initial eligibility of the bidder;
- the bidder would be able to acquire all lots included in the bid without breaching the spectrum caps;
- the bidder is eligible (in accordance with Rule 6) to bid for all lots included in the bid;
- the package bid for includes either zero or at least two lots in category F; and
- the bid amount specified satisfies the restrictions on supplementary bid amounts as set out in Section F.2.2.3.3.

116. The EAS is designed to block the submission of invalid bids.

117. Each bid submitted in accordance with the auction rules as part of a valid bid form is a valid bid. A valid bid represents a binding commitment to buy the specified package of lots at the specified bid amount.

118. A bid identified as valid under Rule 115 remains valid unless it is voided pursuant to Rule 29.

#### F.2.2.3.5 Winner determination

119. Following the close of the supplementary round, APEK will determine the combination of winning bids.

120. The winner determination process will include a “reserve bid” for every lot available in the auction. That is, it will be as if a bid for each individual lot at an amount equal to the reserve price for the lot has been placed during the principal stage.

121. The combination of winning bids is the combination of valid bids submitted in the primary rounds and supplementary round, initial bids for the applicable supply scenario, and reserve bids that, taken together, have the greatest total value, subject to the conditions that:

- in each lot category, no more lots are awarded than are available in that category; and
- at most one bid is accepted from each bidder.

122. The combination of bids that meets these criteria will be determined algorithmically.

123. If more than one set of bids meeting the conditions in Rule 121 have the equal highest value, the set of bids amongst those with the equal highest value that includes the most winning bidders will be declared the winning combination of bids.

124. If the preceding Rule 123 does not identify a single winning combination, the set of bids amongst the combinations identified by Rule 123 that leads to the most even distribution of eligibility points will be declared the winning combination of bids. This will be determined as follows:

- Bids in each combination are ordered according to their eligibility points.
- The sum of the squared differences between a bid and the next bid in each ordered list of bids is calculated for all bids.
- The combination of bids with the lowest sum of squared differences is then chosen to be the winning combination of bids.

125. If the preceding Rule 124 does not identify a single winning combination, the set of bids amongst the combinations identified by Rule 124 that minimises the total eligibility

associated with the packages awarded to winning bidders will be declared the winning combination of bids.

126. If the preceding Rule 125 does not identify a single winning combination, one of the potential winning combinations identified by Rule 125 will be picked by the EAS using a process of random selection.

127. A simple example of the winner determination process is provided below.

Consider a simple example with only two lot categories (A and B) containing two lots each, and four bidders. For simplicity, we assume that reserve prices are zero.

We denote a bid by  $(x,y)@z$ , where  $x$  is the number of A lots,  $y$  is the number of B lots, and  $z$  is the bid amount.

Bidder 1 makes the following bids:  $(1,0)@8$ ,  $(1,1)@10$ ,  $(0,2)@12$

Bidder 2 makes the following bids:  $(2,0)@16$ ,  $(1,1)@15$

Bidder 3 makes the following bid:  $(1,1)@15$

Bidder 4 makes the following bid:  $(2,2)@24$

In this simple case it is easy to verify that the combination giving the highest total bid value is Bidder 3's bid and Bidder 2's bid for  $(1,1)$ , generating a total value of 30.

If we were to take Bidder 1's first bid, we could only accept either Bidder 2's bid for  $(1,1)$  producing a total value of 23, or Bidder 3's bid for  $(1,1)$  producing a total value of 23 (and leaving one B-lot unsold).

If we were to take Bidder 1's second bid, we could accept a bid for  $(1,1)$  from either Bidder 2 or Bidder 3, creating a total value of 25 in each case.

If we were to take Bidder 1's third bid, we could only accommodate Bidder 2's bid for  $(2,0)$ , producing a total value of 28.

If we were to accept Bidder 4's bid, we could not accommodate any other bidder, giving a total value of 24.

This means that accepting  $(1,1)@15$  from Bidder 2 and  $(1,1)@15$  from Bidder 3 is the unique winning combination.

#### F.2.2.3.6 Determining base prices

128. For each winning bid (and thus for each winning bidder), the EAS will determine a base price that must be paid by the bidder. This is an overall price for the entire package (i.e. the combination of lots included in the winning bid).

129. Base prices are the minimum amount that each winning bidder, and each group of winning bidders jointly, could have bid without changing the outcome of the winner determination process, and are based on the concept of opportunity cost.

130. The opportunity cost of a bidder, or a group of bidders, is given by the difference between:

- the value of the winning allocation in a scenario where all bids from the bidder(s) in question were excluded and unallocated lots are valued at reserve prices; and
- the value of the original winning allocation, excluding the bid amount from all winning bids from the bidder(s) in question with unallocated lots being valued at reserve prices.

131. Base prices are determined jointly for all winners in a single calculation. A unique set of base prices is found by applying the following conditions:

- First condition: the base price of a winning bid must be greater than or equal to the total reserve prices of the lots in the package associated with that winning bid, but less than or equal to the winning bid amount.
- Second condition: the set of base prices must be sufficiently high such that the sum of prices to be paid by each possible subset of winners must be at least their joint opportunity cost. If there is only one set of base prices that meet the first and second conditions, this determines the base prices for the principal stage.

- Third condition: If there are multiple sets of base prices that fulfil the first and second conditions, the set(s) of base prices that minimise(s) the sum of base prices across winning bidders is selected. If there is only one set of base prices satisfying these three conditions, this determines the base prices for the principal stage.
- Fourth condition: If there are many sets of base prices that satisfy the first three conditions, the set of base prices that minimise the sum of squares of differences between the base prices for each winner and the individual opportunity cost for that winner is selected.

132. These conditions characterise a unique base price for each winning bidder that is no more than their winning bid and is at least the reserve price for that package. Finally, if these base prices are not amounts in units of EUR 1,000 they are rounded up to the nearest EUR 1,000.

133. A simple example of the price determination is provided below.

Taking the example provided above, we establish the opportunity cost associated with Bidder 2's winning bid. If we eliminated Bidder 2 completely from the auction, the winning combination would be (1,1)@10 from Bidder 1, and (1,1)@15 from Bidder 3, creating a total value of 25. From this, we have to subtract the amount in the winning combination that comes from the winning bids of bidders other than Bidder 2 – which in this case is the 15 from Bidder 3's winning bid. This means that the opportunity cost of accepting Bidder 2's winning bid is  $25 - 15 = 10$ .

If we eliminated Bidder 3 from the auction, our best option would be to accept Bidder 1's bid for (0,2) together with Bidder 2's bid for (2,0), creating a total value of 28. The opportunity cost of accepting Bidder 3's bid is therefore given by  $28 - 15 = 13$ .

If we eliminate both winners, the best option is to give both A lots and both B lots to Bidder 4. This generates a total bid value of 24, so the joint opportunity costs of the two bidders is 24.

This means that individual opportunity costs are 10 for Bidder 2 and 13 for Bidder 3 respectively, and 24 for both bidders together.

If Bidder 2 had bid less than 10 for (1,1), it would clearly have been better to take Bidder 1's bid of 10 for (1,1) instead.

If Bidder 3 had bid less than 13 for (1,1), it would have been better to take Bidder 1's bid for (0,2)@12, and Bidder 2's bid for (2,0)@16 instead.

So base prices cannot be lower than individual opportunity costs.

Setting base prices at individual opportunity cost is not sufficient in this case, however, as the bidders would not cover their joint opportunity cost. Together, they need to pay an additional 1 over and above the sum of their individual opportunity costs.

Any set of prices for Bidder 2 and 3 that ensures Bidder 2 pays at least 10, Bidder 3 pays at least 13 and Bidders 2 and 3 pay 24 jointly minimises the sum of base prices. The pricing rule splits the additional cost above the sum of individual opportunity costs equally. So Bidder 2's base price is 10.5 and Bidder 3's base price is 13.5.

#### F.2.2.4 End of the principal stage

134. Once APEK has determined the winning bids and the base prices, the outcome of the principal stage will be announced to bidders.

135. Each bidder will be informed about the lots it has won and the base price that applies to its own winning bid, as well as:

- the identity of all winning bidders;
- the number of lots won in each category by each winning bidder; and
- whether the assignment stage requires the use of a bidding process, and if so the timing of the assignment round (see below).

136. Bidders will not be informed of the base prices that other winning bidders will be required to pay.

### F.2.3 The assignment stage

137. The purpose of the assignment stage is to determine how the available frequencies in each of the frequency bands are to be assigned to the winners of frequency-generic lots in lot categories A1, A2, A3, B, C, T2, E and F. Table F 3: Assignment round categories and placement of unallocated provides an overview of the categories associated with each frequency band. The lowest block (BA01) in 800 MHz frequency band will not be assigned as a lot category A2 in accordance with Rule 147.

138. It is possible that some or all lots in some frequency bands may be unallocated at the end of the principal stage. Any unallocated lots will be placed contiguously as described below in Table F 3: Assignment round categories and placement of unallocated lots.

Frequency band	Associated lot categories	Placement of unallocated lot
800 MHz: 791-821 MHz paired with 832-862 MHz	A1, A2 and A3	lower (from BA01 forward)
900 MHz: 880-915 MHz paired with 925-960 MHz	B	lower (from BB01 forward)
1800 MHz: 1710-1760 MHz paired with 1805-1855 MHz	C	upper (from BC15 backward)
2100 MHz: 2010-2025 MHz	T2	lower (from BT01 forward)
2600 MHz FDD: 2500-2570 MHz paired with 2620-2690 MHz	E	upper (from BE14 backward)
2600 MHz TDD: 2570-2620 MHz	F	upper (from BF10 or BF09 backward)

Table F 3: Assignment round categories and placement of unallocated lots

#### F.2.3.1 Need for a bidding process

139. If there is only one winning bidder in a frequency band following the principal stage, then no bidding process is required for that frequency band. In this case, the single winner will be assigned frequencies in accordance with the rules on the placement of unallocated lots as set out above.

140. If there is more than one winner of frequency-generic lots in at least one of the frequency bands following the principal stage, the assignment stage requires a bidding process

141. The bidding process in the assignment stage involves a single round of bidding (the assignment round) in which bidders submit sealed bids for their preferred frequency assignments in each of the frequency bands in which there is more than one winner of frequency-generic lots.

#### F.2.3.2 Schedule for the assignment round

142. The start time and duration of the assignment round will be announced by APEK after the completion of the principal stage.

143. There will be at least one clear business day between the supplementary round and the start of the assignment round.
144. APEK has discretion over the time and duration of the assignment round. However, APEK anticipates that the assignment round will take place between 08.30 and 18.00 hours on a single business day, and last for at least 2 hours.
145. A single extension right will be available to all bidders in the assignment round. The extension period will not be longer than 30 minutes.

#### F.2.3.3 Bid options for the assignment round

146. Winning a certain number of lots in the principal stage entails both a right and an obligation to purchase one of the corresponding frequency assignment options presented to that bidder in the assignment round.
147. Bidders are invited to submit bids for specific frequency assignment options as determined by APEK. For each frequency band included in the assignment stage bidding process, APEK will establish an exhaustive list of assignment options that split the available spectrum into blocks of contiguous frequencies consistent with the following conditions:
  - the number of lots in each option presented to a bidder equals the number of lots that the bidder won in the principal stage in each band;
  - any option for assigning frequencies to a particular bidder is consistent with all other winners in the same frequency band receiving contiguous spectrum;
  - the winner of the A2 lot is not assigned frequencies at the bottom of the 800 MHz band, unless the total amount of 800 MHz spectrum won by that bidder exceeds 2 x 10 MHz; and
  - any unsold lots are allocated as a contiguous block and placed as set out in Table F 3: Assignment round categories and placement of unallocated.
148. All assignment bids are submitted simultaneously, but they are evaluated separately for each frequency band.

#### F.2.3.4 Bid submission in the assignment round

149. When the assignment round is in progress, participating bidders may submit assignment bids for each of the assignment options presented to them using the EAS.
150. The interface of the EAS will provide a bid form that lists all frequency assignment options available to the bidder in each of the frequency bands for which a bidding process is required, and allows the bidder to specify a bid amount for each of the assignment options presented to them.
151. The amount of each assignment bid is discretionary. Assignment bids must be in whole EUR. The minimum bid for each frequency assignment option is zero. There is no upper limit. Note that all bidders eligible to participate in the assignment round are guaranteed to win the amount of spectrum in each frequency band that they won in the principal stage. Bids will only affect which of the possible frequency assignment options will be implemented, and any additional prices to be paid. Bids for different assignment options with the same bid amount indicate that the bidder is indifferent between these options. It is recommended (but not obligatory) that bidders submit a bid of zero EUR for their least favoured option(s) in every category where they are eligible to bid.
152. Assignment bid submission is made in the following way:
  - First, the bidder must specify the bid amounts it wishes to submit for each of its assignment options in the input fields provided on the bid form presented by the EAS.
  - Second, the bidder must send the assignment bids to the auction server so that they can be checked for validity against the auction rules.

- If any of the assignment bids are not compliant with the auction rules, the bidder will be redirected to the bid form so that it can modify the bids. Otherwise the EAS will present the bidder with a summary statement of the bids and allow the bidder to either confirm the bids or return to the bid form to revise its bids.
- The bidder will need to confirm this summary of bids in order to complete the assignment bid submission. Only confirmed assignment bids will be registered by the EAS and considered to have been made

153. A bidder is deemed not to have submitted assignment bids until such time as confirmation of a valid set of bids is received by the EAS. Receipt of such confirmation will be communicated to the bidder through the EAS. It is the responsibility of the bidder to check receipt of the assignment bids confirmation by the EAS, and to alert APEK if problems are suspected to have prevented successful confirmation

154. The EAS will generate automatic bids of zero for all assignment options for which bidders did not specify a bid amount. If a bidder fails to submit a bid form in the available time, then it will be deemed to have made a bid of zero for every frequency assignment option in every frequency band where it was eligible to bid.

#### F.2.3.5 Validity of assignment bids

155. Each valid bid in the assignment round must satisfy the following:

- the bid is for a valid assignment option in accordance with the conditions set out in Rule 147; and
- the bid amount is at least zero and specified in whole EUR.

156. The EAS is designed to block submission of invalid bids.

157. Each bid submitted in accordance with the auction rules as part of a valid bid form represents a valid bid. A valid bid constitutes a binding commitment to pay an amount up to the bid amount for the specific frequencies assignment (the additional price) in addition to the bidder's base price.

158. An assignment bid identified as valid under Rule 155 remains valid unless it is voided in line with the provisions in Rule 29.

#### F.2.3.6 Winner determination in the assignment round

159. Following the close of the assignment bid round, APEK will proceed to determine the winning assignment bids.

160. For each applicable frequency band, the winning assignment bids are the combination of valid assignment bids of greatest total value amongst all valid assignment bids submitted, subject to the conditions that:

- exactly one bid is accepted from each bidder;
- each bidder is assigned the amount of spectrum in each frequency band that it has won in the principal stage;
- each bidder receives contiguous frequencies per frequency band;
- the frequency assignments included in the winning assignment bids do not overlap; and
- any unsold lots are contiguous and placed in line with the provisions in Table F 3: Assignment round categories and placement of unallocated lots.

161. The combination of bids that meets the conditions in Rule 160 will be determined algorithmically.

162. Each bidder will have one winning assignment bid in each frequency band in which they have won lots in the principal stage. The winning assignment bid may be an automatically

generated bid of zero for an assignment option on which the bidder has not submitted an assignment bid.

163. If more than one combination of assignment bids meeting the conditions in Rule 160 have equal highest value, one of those combinations will be selected by the EAS at random.

#### F.2.3.7 Determining additional prices

164. No additional price will be due for the assignment of frequencies in a frequency band where no bidding process is required.

165. For each frequency band where a bidding process was required, additional prices will be determined.

166. The opportunity cost for a subset of winners is the amount of the winning assignment bids of the winners in the subset less the difference between the total of all winning assignment bids in the winning combination and the value of bids determined in the same manner but for the case in which the bid amounts for all of the bids submitted by the winners in the subset were set to zero EUR (i.e. the case in which the winners in the subset are assumed to be indifferent with respect to all assignment options).

167. Additional prices are determined in each frequency band jointly for all winners in a single calculation. A unique set of additional prices is found by applying the following conditions:

- **First condition:** the additional prices are required to be positive or zero, and no greater than the amount of the winning bid.
- **Second condition:** the set of additional prices must be sufficiently high such that the sum of additional prices to be paid by each possible subset of winners must be at least their joint opportunity cost. If there is only one set of additional prices that satisfies the first two conditions, this determines the additional prices for that frequency band.
- **Third condition:** If there are multiple sets of additional prices that fulfil the first and second condition, the set(s) of additional prices that minimise(s) the sum of additional prices across winning bidders is selected. If there is only one set of additional prices satisfying these three conditions, this determines the additional prices for that frequency band.
- **Fourth condition:** If there are multiple sets of additional prices that satisfy the first three conditions, the set of additional prices that minimises the sum of squares of differences between the additional prices for each winner and the individual opportunity cost for that frequency band for that winner is selected.

168. These conditions characterise a unique additional price for each winning bidder in each frequency band that is no more than their winning assignment bid. Finally, if these additional prices are not amounts in whole EUR, they are rounded up to the nearest whole EUR.

#### F.2.3.8 End of the assignment stage

169. Once APEK has determined the winning bids and the additional prices, the outcome of the assignment stage will be announced to bidders. The following information will be released:

- Each bidder will be informed about the specific frequency ranges assigned in each of the bands in which it has won lots in the principal stage. This information will not be released to other bidders.
- Each winning bidder in each of the bands will be told the additional price that applies to their own winning bid. This information will not be released to other bidders.

#### **F.2.4 End of the auction**

170. The auction ends with the completion of the assignment stage. At this point, the following information will be released to all bidders:

- the identity of the winning bidders;
- the frequency ranges awarded to each winning bidder; and
- the awarding price to be paid by each winning bidder, including a breakdown of the base price and any additional prices.

#### **4 Deadline and Manner of Submitting Applications**

The applications must be delivered to the Agency's address by 17 February 2014 at 10 AM in the local time at the Agency's headquarters at the latest. The applicants must submit their applications personally to the Agency's mailroom on the first floor at **Agencija za pošto in elektronske komunikacije Republike Slovenije, Stegne 7, SI-1000 Ljubljana**, any workday between 8:30 AM and 2 PM, or by 10 AM on the deadline date. Because this is an anonymous public tender, the applicant shall receive a code for their application upon submission, which it shall confirm with its signature. Each application shall be handled under that code at the public opening of applications. The application may be submitted by the legal representative of the applicant or a person authorized by the legal representative of the applicant, and in this case they must present their authorization and a personal ID. The same holds if the applicant is a natural person.

Detailed information is available in the tender documentation.

#### **5 Public Opening**

The public opening of the applications shall take place in the conference room at the Agency's headquarters: Stegne 7, 1000 Ljubljana, 17 February 2014, at 14:00 in the local time at the Agency's headquarters.

Detailed information regarding the public opening is available in the tender documentation.

#### **6 Tender Documentation**

The bidder taking part in the public tender must submit a complete application prepared in accordance with the Decision on Initiating a Public Auction and the tender documentation.

The tender documentation provides more detailed information about this public tender and individual Articles of this decision.

The tender documentation is published on the Agency's website [www.apek.si](http://www.apek.si). Interested parties can also personally obtain tender documentation in hard copy at the Agency headquarters during regular hours.

#### **7 Changes or Supplements to the Decision on Initiating a Public Tender and the Tender Documentation**

The Agency may alter the Decision on Initiating a Public Tender, and if so must, in line with the extent of the changes, also extend the deadline for submitting applications. All interested applicants must be equally and transparently informed about any changes. The Agency shall publish a potential new decision in the Official Gazette of the Republic of Slovenia at least 7 days

before the deadline set for submitting applications (paragraph 6 of Article 38 of ZEKom-1), as well as on the Agency's website [www.apek.si](http://www.apek.si).

The Agency reserves the right to change or supplement the tender documentation. In such an event, the tender documentation is altered or supplemented by the publication of the change or supplement on the Agency's website, by 10 February 2014 at the latest. In the event of a change or supplement to the tender documentation, the applicant must take such supplement into account in its entirety when preparing its application.

## **6 Annulment of the Public Tender**

The Agency reserves the right at any point up to the issue of a DARF on the basis of this public tender to annul the public tender. A Decision on the Annulment of the Public Tender is published in the Official Gazette of the Republic of Slovenia.

## **9 Additional Information and Contact Persons**

If an interested party requires any explanations regarding the tender documentation, the procedure of the public tender, or the subject of the public tender, they must request so in writing and in Slovenian. They should address their written request to the Agency (Agencija za pošto in elektronske komunikacije RS, Stegne 7, 1000 Ljubljana) with the caption "**Pojasnila v zvezi z javnim razpisom za dodelitev radijskih frekvenc za zagotavljanje javnih komunikacijskih storitev**" (Explanations regarding the public tender for the assignment of radio frequencies for the provision of public communications services), or by email to: [info.box@apek.si](mailto:info.box@apek.si). The tender documentation further defined the aforementioned in Chapter B. Explanations to the Tender Documentation

Meta Pavšek Taškov is the contact person for additional information on requesting and issuing additional information.

## **10 Deadline for Issuing Decisions on the Assignment of Radio Frequencies**

In accordance with the deadline determined in the provisions of Article 49 of ZEKom-1, the Agency shall issue DARFs upon the precondition that the individual winning bidder settles its fee for the efficient use of a limited natural resource and the potential share of administrative costs. The Agency shall issue individual DARFs no more than 15 days from the payment of the fee for the efficient use of a limited natural resource and potential outstanding amounts of the share of administrative costs.

Franc Dolenc

Director