

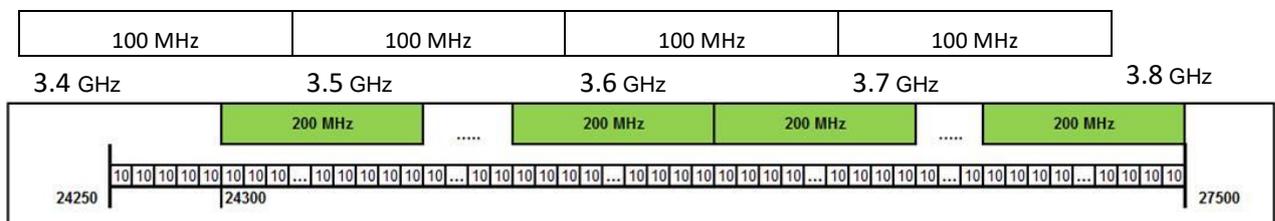
## LETTER OF INTENT on conducting a public tender procedure with public bidding

Pursuant to its initiative and the request received from NEOTEL DOO Skopje no. 0805-207/1 of 15.01.2021, the Agency for Electronic Communications published the letter of intent to conduct a public tender procedure with public bidding for issuing a limited number of authorisations for use of radio frequencies in order to have a public consultation following the published number of authorisations for use of radio frequencies.

### 1. Radio frequency spectrum for which authorisations for use of radio frequency will be issued

Pursuant to the Plan for Allocation and User of Radio Frequencies of Republic of Macedonia (Official Gazette of RNM, no. 60 of 17.03.2021), the following bands: 694-790 MHz, 3400-3800 MHz and 24.25-27.5 GHz are intended for public mobile/fixed communication networks MFCN, including IMT-2020/5G networks. The conditions for use are stipulated in the provisions within Decisions ECC/DEC/(15)01, ECC/DEC/(11)06, ECC/DEC/(18)06, ECC/REC(15)01, ECC/REC(20)01, ECC/REC/(19)01 and the standard MKS EN 301 908.

694-698	698-703	703-708	708-713	713-718	718-723	723-728	728-733	733-736	736-738	738-743	743-748	748-753	753-758	758-763	763-768	768-773	773-778	778-783	783-788	788-791
Guard band	PPDR	Uplink						PPDR	Gap	SDL			PPDR	Downlink						PPDR
4 MHz	5 MHz	30 MHz (6 блока по 5 MHz)						3 MHz	2 MHz	15 MHz (3 блока по 5 MHz)			5 MHz	30 MHz (6 блока по 5 MHz)						3 MHz



Subject matter of the public tender are as follows:

- 2x 30 MHz within the 694-790 MHz frequency band,
- 328.5 MHz within the 3400-3800 MHz frequency band, and
- 800 MHz within the 24.25-27.5 GHz frequency band.

### 2. Number of authorisations for use of radio frequency to be issued

The Agency is planning to award three authorisations for use of radio frequencies within the 700 MHz band, seven authorisations for use of radio frequencies within the 3.x GHz band, and four authorisations for use of radio frequencies within the 26 GHz band, as follows:

<b>700 MHz</b>		
Authorisation	Frequency band	Radio communication service
A1	703-713/758-768 MHz	Terrestrial mobile
A2	713-723/768-778 MHz	Terrestrial mobile
A3	723-733/778-788 MHz	Terrestrial mobile
<b>3.x GHz</b>		
Authorisation	Frequency band	Radio communication service
B1	3.5-3.6 GHz	Terrestrial mobile
B2	3.6-3.7 GHz	Terrestrial mobile
B3	3.7-3.8 GHz	Terrestrial mobile
B41	3.4315-3.460 GHz	Fixed service Region 1
B44	3.4315-3.460 GHz	Fixed service Region 4
B45	3.4315-3.460 GHz	Fixed service Region 5
B46	3.4315-3.460 GHz	Fixed service Region 6
<b>26 GHz</b>		
Authorisation	Frequency band	Radio communication service
C1	24.3-24.5 GHz	Terrestrial mobile
C2	24.5-24.7 GHz	Terrestrial mobile
C3	24.7-24.9 GHz	Terrestrial mobile
C4	24.9-25.1 GHz	Terrestrial mobile

**3. Rationale of the reasons for the announced limited number of authorisations for use of radio frequencies to be issued**

The frequency bands 700 MHz, 3.x GHz and 26 GHz, according to their propagation characteristics, are an important resource for providing electronic communication services to users over a 5G network. Due to the limited available frequency resource of only 2x30 MHz, 368.5 MHz and 2.7 GHz, respectively for the above mentioned bands, it is necessary to limit the number of authorisations. In accordance with the regulatory policy regarding the use of radio frequencies for provision of public mobile electronic communication networks/services, for the purpose of providing conditions for market presence of more than two network operators of public mobile electronic communications network/services, the Agency plans to reserve the A1 and B1 authorisations and assign them to a new network operator.

**4. Terms and conditions under which the radio frequencies will be used**

The validity period of the authorisations for use of radio frequencies type A1, A2, A3, B1, B2, B3, C1, C2, C3 and C4, following the example of other regulatory bodies from European countries, and in accordance with the EEC, will be 15 years with the possibility for extension for another 5 years. The validity period of the authorisation for use of radio frequencies type B41, B44, B45 and B46, as per the request of NEOTEL, will be harmonized with the previously issued approvals, that is, it will be until 20.09.2027. The conditions under which the radio frequencies will be used and the conditions that will be specified in the authorisations are as follows:

- a) Location and coverage area:
- Authorisations type A1, A2, A3, B1, B2, B3, C1, C2, C3, C4 will be for national coverage, that is, for the entire territory of Republic of North Macedonia.
  - Authorisations type B41, C44, C45 and C46 will be for regional coverage, that is, for Region 1 (City of Skopje, Ilinden, Petrovec, Zelenikovo, Studenichani, Sopishte, Chucher Sandevo and Arachinovo), Region 4 (Bitola, Prilep, Demir Hisar, Krushevo, Dolneni, Krivogashtani, Mogila, Novaci and Resen), Region 5 (Ohrid, Struga, Debarca, Vevchani, Kichevo, M.Brod, Drugovo, Zajas, Oslomej, Vraneshtica, Plasnica, Debar and Centar Zupa) and Region 6 (Tetovo, Gostivar, Tearce, Jegunovce, Zhelino, Brvenica, Bogovinje, Vrapchishte, Mavrovo and Rostushe), respectively.
- b) Coverage obligations
- The operators that will receive authorisations for national coverage shall be obliged with the newly issued and existing authorisation for use of radio frequencies to provide the following coverage (according to the National Operational Broadband Plan):
    - By the end of 2023 - at least one city to be covered by 5G signal,
    - By the end of 2025 - the main corridors under the Agreement for establishing a transport community on the basic and comprehensive road network in the country to be covered with uninterrupted 5G signal,
    - By the end of 2027 - all cities in the country to be covered with uninterrupted 5G signal, and
    - By the end of 2029 - every citizen should have the opportunity to access the Internet via 5G with a minimum internet access speed of at least 100 Mbps.
- c) Synchronisation:
- Operators receiving authorisations for national coverage in the 3400-3800 MHz band shall be required to use the preferred ECCREC(20)03 Framework A ("DDDSU") synchronization scheme (authorisation holders may propose another harmonisation scheme). If the operator fails to adapt to a harmonised synchronisation scheme, it shall be obliged to provide protective bandwidth within the assigned frequency block.
  - Operators shall be required to use a preferred common reference clock: GNSS compliant with ECC Reports 216 and 296 (other reference clock may be harmonised). In case of harmful interference, it is mandatory to use the preferred common reference clock in accordance with ECC Reports 216 and 296.
- d) Quality of public electronic communication services
- The quality parameters of the public electronic communication services provided has to be in accordance with the "Rulebook on the quality parameters of public electronic communication services that are realized through a public radio communication network".
- e) Network construction
- The holder of the authorisation must start using the assigned radio frequencies no later than 1 year from the date of commencement of the authorisation validity.
  - In areas where there is little or no coverage, if the authorisation holder plans to build a new site, it will have to consult the other joint venture operators. The operator will also have to provide access to its passive infrastructure based on a reasonable request from other operators.
- f) Technology neutrality

- The authorisation shall be neutral in terms of technology and services, that is, all types of technologies may be used, in accordance with the Plan for allocation of radio frequency bands and the Plan for radio frequency assignments and utilisation.
- g) Transfer of the right to use radio frequencies
  - The right to use the assigned radio frequencies may not be transferred or ceded to another legal or natural person without prior consent of the Agency, for which a written request shall be submitted in accordance with Article 145 of the Law on Electronic Communications.
- h) Annual fee for the use of radio frequencies
  - The holder of the authorisation will be obliged to pay an annual fee to the account of the Agency for Electronic Communications for the use of the assigned radio frequencies for each current year, starting from the date of validity of said authorisation, as per the received invoice.
- i) Modification of an authorisation
  - The authorisation may be amended as per the manner and procedure set forth in Article 146 of the Law on Electronic Communications.
- j) Revocation of an authorisation
  - The authorisation will be revoked if the holder thereof fails to pay on time all installments of the one-time fee or the annual fee for use of radio frequencies, if it has not started using the radio frequencies within one year from the issuance of the authorisation, and in other cases as stipulated in Article 147 of the Law on Electronic Communications.
- k) Termination of authorisation validity
  - The authorisation will cease to be valid after the expiration of the time limit for which it has been issued, if the holder of said authorisation has ceased to exist, if it is in bankruptcy or liquidation procedure, and in other cases as determined in Article 148 of the Law on Electronic Communications.

**5. Amount and manner of payment of the lowest amount of the one-time fee for use of radio frequencies**

In order to determine the amount of the minimum one-time fee, the Agency has used as basis previously implemented procedures for implementation of 3G and 4G, and a comparative analysis with other European countries. The one-time fee paid by each operator when granting the authorisation for use of radio frequencies for 3G was EUR 10 million euros, and for 4G it was EUR 10.3 million. A comparison was made with the one-time fee paid by the operators in European countries that have conducted a procedure for granting approvals for 5G for these bands, taking into account the population in the countries and the purchasing power of the population.

The Agency proposes **the minimum amount of the one-time fee for use of radio frequencies to be as follows:**

Frequency band	Fee EUR/MHz	Payment method	Assigned band	One-time fee EUR
700 MHz A1, A2, A3	262 500	one-time fee	2x10 MHz	5 250 000

3.x GHz B1, B2, B3	29 000	one-time fee	100 MHz	2 900 000
26 GHz C1, C2, C3, C4	1 000	one-time fee	200 MHz	200 000

The one-time fee for authorisations type B41, B44, B45, B46 was calculated taking into account the minimum amount of the one-time fee for the 3.x band, and taking into account the following: the validity period of the authorisations, having in mind that the authorisations are for a fixed service, the width of the assigned radio frequency band, and the regional character of the authorisation. The Agency proposes **the minimum amount of the one-time fee for use of radio frequencies to be as follows:**

Frequency band	Regional coefficient	Payment method	Assigned band	Fee EUR
3.x (B41)	0.27	one-time fee	28.5 MHz	10 800
3.x (B44)	0.135	one-time fee	28.5 MHz	5 400
3.x (B45)	0.135	one-time fee	28.5 MHz	5 400
3.x (B46)	0.162	one-time fee	28.5 MHz	6 300

#### **6. Submitting letters of interest for use of the published radio frequencies**

All interested parties wishing to use the published radio frequencies should submit a letter of interest no later than 13.05.2022 at the archives of the Agency, at the following address:

Agency for Electronic Communications  
Kej Dimitar Vlahov no.21  
1000 Skopje