

# LICENCE FOR USE OF FREQUENCIES FOR THIRD GENERATION MOBILE COMMUNICATIONS SYSTEM (3G)

Pursuant to Section 6-2 of the Act of 4 July 2003 No. 83 relating to electronic communication (the Act), the Ministry of Transport and Communications of [XX] has established the following licence:

**Undertaking: XX [name], organisation number: xxx xxx xxx (hereinafter “the Licensee”)**, is granted the right to use frequencies as specified in Item 14 of this licence, to install, own and operate a public electronic communications network subject to the terms and limitations set forth below.

## 1. SCOPE OF THE LICENCE

[XX] is granted a licence to:

- Use the frequency bands 1964,9-1979,7 MHz, 2154,9-2169,7 and 1900-1905 MHz, to establish a public electronic communications network based on third generation mobile technology.
- The frequency licence is subject to terms and conditions that follow from the regulations in force at any time. The regulatory framework shall be regarded as part of the terms and conditions of the licence.
- The licence to use the frequencies comprises Norwegian land territory with the exception of Svalbard, Jan Mayen and Norwegian dependencies.

## 2. ENTRY INTO FORCE AND DURATION

The frequency licence shall enter into force from [January 1<sup>st</sup>, 2008].

The frequency licence will be in force until [January 1<sup>st</sup>, 2020].

No later than two years before the frequency licence expires, the Licensee shall raise the question of prolongation/termination of the licence. The decision concerning prolongation/termination must be made no later than one year before the expiry of the licence period.

## 3. FEES

The Licensee is obliged to pay an annual fee for the assigned frequencies, cf. Section 12-2 of the Act and annual tax resolutions made by the Storting (Norwegian Parliament). The fee is payable on an annual basis and falls due on 1 August for as long as the frequencies are at the disposal of the Licensee. The first payment is for the year [2008] and is due on 1 August [2008]. The frequency fee for 2007 was, for your information, NOK 20 million, and for 2008 the frequency fee is 22 million according to the National budget for 2007-2008. The Storting yearly determines the frequency fee as part of the Fiscal Budget Resolution.

#### **4. CO-LOCATION AND FACILITY SHARING**

Pursuant to section 4-4 of the Act, the Licensee may be given the right to co-location. In a transitional period, until market analyses have been carried out and new decisions on the basis of the Act or regulation given with authority from the Act have been effectuated, the Licensee will have the right to claim co-location based on the Public Network Regulation section 4-7 cf. the Act section 13-2.

#### **5. POPULATION COVERAGE AND ROLL-OUT RATE**

The Licensee is instructed to offer 3G-services on the basis of its own network in the residencies of 40 % of the total population of Norway within 6 years after the frequency licence was awarded. The minimum capacity shall be 128 kbit/s in the frequency band stipulated in Item 14 of the frequency licence.

#### **6. COMPLIANCE: INFORMATION REGARDING ROLL-OUT**

The Norwegian Post and Telecommunications Authority supervises that the licensee complies with the frequency licence. The Norwegian Post and Telecommunications Authority may, if appropriate, designate others to carry out the supervision in limited areas and/or for specific purposes in order to ensure compliance with the license.

The Licensee is required to cooperate during the supervision, including allowing the supervisory personnel unlimited access, as well as provide information and documentation deemed necessary to carry out the supervision.

Documentation on coverage must be submitted to the Norwegian Post and Telecommunications Authority in a separate report with appurtenant appendixes within [XX] each year. The report must be prepared in accordance with the specifications in Items 6.1-6.5 of the licence below.

The first five years after the award of the licence (years 2008-2012) the Licensee must submit a report on the terms in Items 6.1 and 6.2. Within [XX], the Licensee must submit a report including all Items from 6.1 to 6.6.

##### **6.1 Coverage obligations**

The Licensee is obliged to provide information about:

- The number of persons covered
- The number of km<sup>2</sup> covered

##### **6.2 Actual coverage of the network**

The Licensee is obliged to provide information about:

- The number of base stations in operation and their geographical location
- The number of cells in operation

### **6.3 Detailed map**

Coverage maps which in detail describe the geographic coverage based on a generally accepted computer program for calculation of radio coverage.

### **6.4 Calculation method**

Detailed explanation of the method of calculation and the specific calculations carried out, including which numbers the calculation is based on and why these numbers have been used.

### **6.5 Technical specifications**

Technical specifications for the radio transmitting devices in use.

## **7. USE OF OTHER OPERATOR'S NETWORK (NATIONAL ROAMING)**

Pursuant to Section 4-1 of the Act and regulation given with authority from the Act, The Licensee is granted access to GSM 900 and DCS 1800 public electronic communications networks without a requirement concerning own 2G coverage. In a transitional period, until market analysis have been carried out and new decisions on the basis of the Act or regulation given with authority from the Act have been effectuated, the Licensee will have the right to claim access without requirements for own coverage based on the Public Network Regulation section 4-6 cf. the Act section 13-2.

## **8. POSITIONING OF DISTRESS CALLS**

Pursuant to Section 2-6 of the Act, the Licensee is obliged to ensure that telephone numbers and necessary information to locate distress calls are provided together with all calls to emergency agencies

## **9. STATUTORY ACCESS TO INFORMATION**

Pursuant to Section 2-8 of the Act, the Licensee shall facilitate statutory access to information.

## **10. TERMINATION**

The Licensee may unilaterally terminate the licence before the expiry of the licence period two years after the notification of termination of the licence has been received by the Ministry of Transport and Communications. A valid notification must provide documentation demonstrating that the termination has been announced to the general public.

The termination becomes binding three weeks after it has been received by the Ministry of Transport and Communications.

In case the Licensee does not offer public electronic communications services, the Licensee may terminate the licence with effect immediately upon payment of a fee corresponding to 50% of the fee set forth under Item 3 of the licence. This payment will be in addition to ordinary payment of fee for the same year that the licence terminates.

## **11. ORGANISATION OF THE ACTIVITY, CHANGE OF OWNERSHIP AND TRANSFERS**

The Licensee must carry out the activities under this licence either himself or through affiliates of the Licensee, cf. Act 13 of June 1997 number 44 on public limited companies section 1-3 (Affiliates). The Licensee can not let a third party carry out the activities under this frequency licence without the consent of the Ministry of Transport and Communications unless otherwise stated in the frequency licence. Regardless of whether the Licensee carries out the activities under this license himself or through Affiliates, the Licensee is responsible for the activities carried out in accordance with the current provisions of the licence.

The Licensee shall inform the Ministry of Transport and Communications and the Norwegian Post and Telecommunications Authority of any material changes to the company's ownership or organisation.

Complete or partial transfer of the right to use frequencies in accordance with the licence may in accordance with section 6-5 of the Act be undertaken with the consent of the Ministry of Transport and Communications. Such transfers also comprise indirect transfers, including shares or other ownership interests in the Licensee or the company that owns the Licensee, that result in changes of the controlling interest according to second paragraph of section 1-3 of Act 13 of June 1997 of the Licensee. Negative control is not included.

Property, equipment, rights, etc. required to comply with the terms and conditions of the frequency licence, can not be transferred to others than Affiliates or third parties which are not owners of frequency licences for electronic communication network in Norway, unless the Ministry of Transport and Communications has given its consent. The Licensee has the right to share infrastructure with other providers of electronic communication networks, whether by means of jointly owned or controlled infrastructure or otherwise, without consent from the Ministry of Transport and Communications. Sharing infrastructure must be in accordance with further guidelines established by the Norwegian Post and Telecommunications Authority.

The Licensee can not hold more than one licence as referred to in Item 1 of the licence. If the Licensee in some form or other joins or merges with another company or group of companies which possesses a licence for 3G in Norway too, the licences shall be regarded as having been amalgamated into one licence from the date when the union or merger is implemented. The relinquished licence will revert to the State without any entitlement to compensation from the State. The remaining licence will be continued in accordance with the terms and conditions of both licences viewed as a whole.

## **12. AMENDMENT OF THE TERMS AND CONDITIONS OF THE LICENCE**

If important public interest considerations so dictate or it should become necessary in consideration of changed international commitments, the Ministry of Transport and Communications may amend the terms and conditions of the licence to the detriment of the Licensee.

Conditions regarding the use of frequencies may be amended to the detriment of the Licensee, if such amendment is necessary subsequent to Norway's obligations under public international law. Conditions may also be amended subsequent to the Norwegian Post and Telecommunications Authority's future decisions to adhere to international harmonised frequency plans.

Any amendment to the terms and conditions of the licence does not entitle the Licensee or others to compensation from the State.

## **13. SANCTIONS**

The Norwegian Post and Telecommunications Authority may impose sanctions under Chapter 10 of the Act.

The Licensee may be penalised under Section 12-4 of the Act or regulations established on the basis of the Act.

The Ministry of Transport and Communications may, according to section 10-8, first paragraph of the Act, revoke the licence before the expiry of the licence period.

## **14. FREQUENCIES**

### **14.1 Background**

The frequency bands 1920-1980 MHz/2110-2170 MHz and 1900-1920 MHz have been reserved for 3G in Norway. The Norwegian Post and Telecommunications Authority has reserved a frequency block of approx. 2x15 MHz in the paired band and a frequency block of 5 MHz in the unpaired band for each of the four licences. These frequency blocks are allocated as national frequency blocks where the frequency users themselves administer the use of frequencies within the framework stated in statutes and regulations as well as terms stipulated in the licences.

In the interest of achieving efficient use of the frequency resources, the frequency bands have been planned with narrow guard bands against adjacent services and without guard bands between the various operators of the same service. The technical standards for 3G limit which frequencies can be used as the centre frequency. The centre frequency limitations as well as the need for bands have made it necessary to also reduce three of the blocks in the paired band to 2x14.8 MHz, while the fourth block is 2x15 MHz.

It cannot be ruled out that frequency use in accordance with statutes and regulations as well as the terms stipulated in the frequency permits will result in interference. This applies especially to situations in which different types of radio transmitting devices are in the same location.

## 14.2 The use of frequencies

The frequencies must be used for third generation mobile communications systems. The use of the frequencies must be in accordance with the following standards: UMTS/IMT-2000 technology. The frequencies must not be used for other purposes than those covered by this licence without permission from the Norwegian Post and Telecommunications Authority.

Use of frequencies that results in a need for coordination of frequencies vis-à-vis other countries requires permission from the Norwegian Post and Telecommunications Authority.

The holder of the licence is responsible for ensuring that the use of the frequencies does not significantly reduce the quality of, disturb or repeatedly interrupt radio services operated in accordance with statutes and regulations as well as licences issued by the telecommunications authorities.

## 14.3 Allocation of frequency blocks

Allocation of frequency blocks for the third generation mobile communication licensees in Norway:

Block no.	Licensees	FDD uplink (MHz)	FDD downlink (MHz)	TDD (MHz)	FDD-block size
1	Netcom GSM AS	1920,3 - 1935,3	2110,3 - 2125,3	1915 - 1920	2x15,0 MHz
2	Hi3G Access Norway AS	1935,3 - 1950,1	2125,3 - 2140,1	1910 - 1915	2x14,8 MHz
3	Telenor ASA	1950,1 - 1964,9	2140,1 - 2154,9	1905 - 1910	2x14,8 MHz
4	Vacant 2007	1964,9 - 1979,7	2154,9 - 2169,7	1900 - 1905	2x14,8 MHz

Oslo, [XX] 2007