

THE UNITED REPUBLIC OF TANZANIA
TANZANIA COMMUNICATIONS REGULATORY AUTHORITY
ISO 9001:2015 CERTIFIED



TCRA Responses to Draft Information Memorandum Consultation Comments

| S/N | Reference section in the IM | Respondent's Comment | TCRA Response |
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| 1. | 5.6.1 & 6.1.2 | Consider review the auction format to a simultaneous multiple round ascending auction or improve the proposed first price sealed bid auction by introducing the second price rule. | The first price sealed bid auction is one of appropriate auction format. It has been opted to allow bidders to know the exact price they will have to pay if they win the auction, and hence eliminate price uncertainty when bidding. |
| 2. | 6.2.1 | Bands should be auctioned sequentially with bidders able to place bids on one band at a time having had the chance to learn the outcome of the previous band auction | The auction has been designed in two sessions. In each session, IMT spectrum bands will be auctioned sequentially i.e. 3500 MHz bids will be opened after conclusion of the 700 MHz band auction, and 2600 MHz band bids will be opened after conclusion of the 2300 MHz band. Section 6.2.1 of the IM will be revised to give more clarity. |
| 3. | 6.2.4 (b) & 6.2.5 (d) | Bidders are supposed to indicate the number of blocks they want as well as their bid price. When bids are arranged in descending order of price, is it the unit price (price per block) that is considered, or the total price? | The unit price (price per block) will be used to arrange bids in descending order. |

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| 4. | 6.2.4 (d) | It is not clear whether there will be a single set of sealed bids covering all bands in a session, or whether there supposed to be separate sealed bid processes for each band in each session | There will be separate sealed bid for each bands. Section 6.2.4 (d) of the IM will be revised to give more clarity. |
| 5. | 2.1.1 | Proposing creating a larger number of smaller blocks, together with a multi-round procedure to allow bidders to pursue to precise amount of spectrum in each band depending on how prices escalate during the auction | Block size has been designed based on IMT requirements. The proposed block sizes will enhance spectral efficiency. However, a winner will have an option to split the won blocks into smaller block sizes during deployment to suit their needs. |
| 6. | 2.3 | To ensure maximum auction participation and bids attraction, the reserve price needs minor reduction | The reserve price has been calculated taking into consideration the Tanzania market situation, spectrum value as a scarce resource and other economic factors. The reserve prices have considered flexibility of using other existing licensed bands to meet coverage obligation. |
| 7. | 2.2 | Clarification is needed on whether the Auction Spectrum Caps set out in the Draft IM shall affect spectrum caps applicable to Mergers and Acquisition scenarios and if so, further details in this regard are needed. | Spectrum Cap specified in the draft IM considers total amount of spectrum in possession by an operator until the date of auction and spectrum to be acquired in this auction. |
| 8. | 3.2 | Clarification is needed on whether the coverage obligation shall be applicable to the total combined spectrum of a specific licensee | The coverage obligation can be met through any technology or any combination of spectrum bands to which the licensee has the right to use. |
| 9. | 3.2.1.1 | TCRA revise its proposed coverage obligations attached to the 700 MHz as follows: Successful Bidder granted Licence for the 700 MHz spectrum must meet the following coverage obligations: - a. By end of year 2030, population coverage for broadband services meeting the specified quality of service level should be equal to 90%; and b. By end of year 2035, population coverage should be equal to 95%. | TCRA has revised the coverage obligation and read as follows: Successful Bidder granted Licence for the 700 MHz spectrum must meet the following coverage obligations: - a. By end of year 2028, population coverage for broadband services meeting the specified quality of service level should be equal to 90%; and b. By end of year 2033, population coverage should be equal to 95%. Section 3.2.1.1 of the IM will be revised to reflect changes above. |

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| 10. | 3.2.3.1 | The IM should specify the names of the regions for 3.2.3.1 (a), specify the detailed list of names of the cities for 3.2.3.1 (b) and regions by name for 3.2.3.1 (c) | TCRA will revise section 3.2.3.1 of the IM to read as follows: Successful Bidder granted Licence for the 3500 MHz spectrum must maintain a geographical presence as follows: - <ul style="list-style-type: none"> a. At least six (6) different administrative regions of the United Republic of Tanzania by 2025; b. All regional headquarters by the end of 2032. |
| 11. | 3.3 | QoS parameters either be limited to fixed services or revised to include appropriate parameters for mobile services (IMT2020). | Comment noted and will be considered during the review of the Electronic and Postal Communications (Quality-of-Service) Regulations. |
| 12. | 1.4 and 5.12.1 | The proposed timeline is extremely rushed and does not allow for the consideration of appropriate feedbacks throughout the auction process duration. | The Authority is of the view that the timeline for auction process was clearly communicated through a Public Notice for intention to auction the IMT multi-band frequency spectrum of 15 th July, 2022 and published draft Information Memorandum document on 15 th August 2022. The public notice provided sufficient information for stakeholders to make informed decision concerning participation in the auction within specified timelines. The auction process is in line with several requests received from existing operators who have shown interest to acquire additional spectrum. |
| 13. | 5.6.1 & 6.1.6 | It's not at all clear from the rules how a bidder could offer different prices, depending on the number of blocks won. | The bidder will be required to indicate bid price willing to pay per block. This implies that unit price will be the same regardless of number of blocks won. For example, if the bidder "A" bids for two blocks in 2600 MHz, will pay the same price for both blocks i.e. 2×Bid price/block To add more clarity on this issue, sections 5.6.1 and 6.1.6 of the IM will be revised. |

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| 14. | 6.2.5 (g) | If a bidder makes an offer for two blocks, but is listed in a position where there is only one block left, are they forced to buy that remaining block at the same unit price they bid for two? | Yes, as detailed in 6.2.5 (g) of the IM. |
| 15. | 5.6.1 & 6.1.6 | It is advised that for any secondary stage, prices are decoupled from the main stage, and indeed, reserve prices may need to be lowered for bands where there is unsold spectrum. | <p>The price is the same for primary and secondary stage of the auction because the value of the resource is the same.</p> <p>Example</p> <p>If bidder "A" who win a block during the primary stage of the auction has also win another block during the secondary stage of the auction, the price for the block won in the secondary stage is the same as the price indicated in the bid form for primary stage of the auction</p> <p>Same reserve price will be used throughout the auction.</p> |
| 16. | 6.2.5 (e) | The proposal to rank bidders by alphabetical order in the event of tied bids is totally arbitrary and discriminatory. Allocating an order to tied bids using a random process would be preferable. | Requirement to submit the bid price in two decimal places is intended to minimize the possibility of having tie. The proposed alphabetical ranking in case of the tie is alternative if having two decimal places fails to break the tie. |
| 17. | 2.1 | It is recommended that TCRA provide a Frequency Allocation Table with detailed information about the spectrum blocks and the name of the operators have been assigned with the spectrum blocks. | Frequency allocation table is available on TCRA website https://www.tcra.go.tz/uploads/texteditor/files/National%20Frequency%20Allocation%20Table%20_1621319682.pdf . However, the details of spectrum blocks assigned to each operator is withheld for confidentiality purposes. |
| 18. | 2.1.4 | According to the draft IM, 1x10MHz frequency of 2600 band (2545 MHz - 2555 MHz) has been assigned. However, the corresponding downlink of 1x10MHz (2665-2675) is still vacant. Could TCRA clarify this absurdity? | This is noted and Figure 3 in the IM will be corrected. |
| 19. | 2.1 | We see that 2600 MHz was planned for both FDD and TDD bands. However, these proposed bands, along with assigned ones, are close to each other in a consecutive order without | The winner of the 2600-2620 MHz (20 MHz TDD) block will be required to operate while ensuring that they don't cause interference to adjacent bands (i.e. the 2620-2635 MHz block and |

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| | | any guard band. Accordingly, it may likely cause interference between carriers using different bands (downlink frequencies interfere with uplinks of their adjacent ones). Therefore, we suggest having at least 5 MHz of guard band between FDD and TDD. The frequency for TDD block should be planned for 40 MHz in the middle, leaving 5 MHz on each end as guard band. | <p>the 2570-2600 MHz (30 MHz TDD) block of spectrum) in areas where they coexist</p> <p>Section 2.1 of the IM will be reviewed to provide more clarity on this.</p> |
| 20. | 2.2 | We would like to be clarified on how TCRA calculate the spectrum cap for each operator/bidder, i.e., whether the spectrum cap would be calculated based on the spectrum blocks granted to successful bidder or by the sum of spectrum. | <p>The spectrum cap in a particular band is calculated as the sum of all spectrum owned by the operator before and after conclusion of the auction.</p> <p>For example, if the operator has 10 MHz of spectrum in the Sub 1 GHz band before auction, they still have a room to acquire 60 MHz of spectrum in that band to reach the 2x35 MHz spectrum cap in the Sub 1 GHz band. In this case, the operator qualifies to bid for the 2x10 MHz spectrum in the 700 MHz band, as after auction they will have a total of 30 MHz spectrum in that band, which is still below the cap.</p> |
| 21. | 3.2 | <p>Could TCRA clarify the coverage obligations for the 3500M Hz band. In particular:</p> <p>(i) What is the minimum coverage obligations for 3500 MHz?</p> <p>(ii) What is the standard and assessment TCRA used for identifying the presence of frequency in "at least six (6) different administrative regions/ all cities/ all regional headquarters" as mentioned in Section 3.2.3.1.a/b/c?</p> <p>(iii) What would be the consequences in case the network operator fails to meet the coverage obligation?</p> <p>(iv) In Annex A, the definitions of "Administrative regions," "Cities," and "Regional headquarters" refer to the document entitled President's Office - Regional Administration and Local Government (PO-RALG/TAMISEMI). We suggest TCRA provide this document for clarification.</p> | <p>Section 3.2.3.1 of the IM will be revised to read as follows:</p> <p>Successful Bidder granted Licence for the 3500 MHz spectrum must maintain a geographical presence as follows: -</p> <p>a. At least six (6) different administrative regions of the United Republic of Tanzania by 2025;</p> <p>b. All regional headquarters by the end of 2032.</p> <p>c. In the case of non-compliance to the coverage obligation TCRA will take enforcement mechanism according laws and regulations.</p> |

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| 22. | 5.3 | <p>As stated in Section 5.3.2, interested bidders may submit questions/comments regarding IM, which expected to be issued in September 5, 2022. The deadline for such submission would be ten days since publication date of the IM, i.e. September 15, 2022 and TCRA would respond within 14 days after that. It is our understanding that:</p> <p>(i) After the official IM is available, bidders may have the opportunity for one follow-up Q&A round.</p> <p>(ii) According to the published timeline, the deadline for TCRA's answer to this round maybe until September 29, which is after the date of submitting Application. It is no longer makes sense for the bidders, Therefore, we recommend TCRA revise the timeline accordingly.</p> | <p>The window for Q&A was closed on 29th September, 2022. Hence, there is no any other opportunity for Q&A.</p> <p>The timelines in Table 1 in Section 1.4 and Table 2 in Section 5.12 of the draft IM shows clearly that start of Application window is 05th September 2022 and closes on 28th September 2022. We recommend you go through the Timetable and familiarize with Auction Process steps and timings.</p> |
| 23. | 6.1 | <p>According to the draft IM: Could TCRA clarify:</p> <p>(i) When will the applicant may register and submit the request for the Secondary stage?</p> <p>(ii) How can the applicant submit the document for the secondary stage?</p> <p>(iii) How many (days) later does the secondary stage take place when the primary stage ends?</p> <p>(iv) Is it true that we must prepare a sealed bid form on the spot or not for the next step?</p> <p>(v) Since there is no deadline for this step, TCRA is requested to amend the payment time for the blocks that declared winning bids at the Secondary Stage. The deadline is 14 days from the Auction date, which is the date for the blocks to be declared winning bids at the Primary Stage.</p> | <p>(i) Primary and Secondary Stages of the auction will take place in the same session on 11th October, 2022 (date of the auction) using same sealed bid form for a particular spectrum band (see Annex C of the IM).</p> <p>(ii) Each band will have its own sealed bid form</p> <p>(iii) For each band, a Sealed Bid Form indicating blocks for primary stage and secondary stage of auction (Optional) shall be filled and submitted on the date of the auction.</p> <p>(iv) When the bidder wins in either primary or secondary stage, the first instalment of the payment shall be made within 14 days from the date of Auction.</p> |
| 24. | | <p>After the Primary stage, an Applicant is declared to have won a block, the next blocks will be given to the 2nd highest bidder. If the 2nd highest bidder wants to buy more than 1 block but at that time there is only 1 block available, do they have the option to buy or not? Or forced to take the remaining block. If TCRA's answer is required, then we would suggest correcting that the Applicant will have an optional to acquire the spectrum in accordance to their investment</p> | <p>In case the second highest bidder want to buy more than one block but only one block remains, he will be obliged to buy the available one (1) block.</p> |

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| | | strategy. | |
| 25. | 6.2 | In a case that there are 2 or more bidders provide with identical bids, how would the order of precedence be determined? | Bidders are required to indicate their bid price in two decimal points to eliminate the possibility for tying. In case this does not suffice, bidders will be awarded in alphabetical order as explained in Section 6.2.5 (e). |
| 26. | Annex C | In Annex C, we understand that the Table in Section 5 is for the purpose of registering for the auction of one (01) band, In the case of multi-band registration, how should we do it? | Bidder who wants to bid for more than one band is required to fill and submit separate sealed bid form (Annex C) for each band. |
| 27. | Annex E | The Bank Guarantee template only mentions that the guarantee remains valid for at least thirty days from the auction date. Please clarify the "auction date" and add the valid period of guarantee in the template "This guarantee shall remain valid from to". | This requirement is clear enough. The Auction date is set on 11 th October, 2022, hence the bank guarantee shall remain valid for at least thirty days from this date. |
| 28. | 5.9 | There are cases where the guarantee is returned in Section 5.9.3. Please indicate the time limit for returning the guarantee in these cases (i.e. How many days after the TCRA's declaration?) | Section 5.9 of the IM will be revised to add timeframe of 7 days for returning the bank guarantee in case the bidder loses during the auction. |
| 29. | Annex A | It is suggested to supplement the definition of "reputable bank" or provide the short list of reputable banks recognized by the Authority under this IM. | Definition of reputable bank will be revised in Annex A to read as follow: Reputable Banks are all Banks registered by the Bank of Tanzania and operating within the United Republic of Tanzania. |
| 30. | 3.2 | The current license payment period is relatively short and can be difficult for applicants. We would like to suggest the following: Section 3.2 - First 50% payment within 60 days from the announcement date of winning bidder. - The next 25% paid within 9 months. - The next 25% paid within 18 months. | The payment plan in Section 3.2 of the draft IM is considerate enough and cannot be modified. |

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| 31. | 5.9 | As revenue of mobile operator is in local currency, we suggest to make payment in TZS equivalent. | The requirement to pay in the indicated currency (USD) is provided in the Electronic and Postal Communications (Licensing) Regulations, 2018. |
| 32. | 5.9 | Please confirm our understandings that: (i) the Bidders are free to choose to either make one-time payment or instalment payment, at their own discretion. | Yes - Bidders are free to choose to either make onetime payment or in instalment as indicated in Section 5.9 of the IM. |
| 33. | 4.4 and 7.1 | Under Section 4.4.1 and 7.1.8 of the Draft IM, participants are required to update the Authority any material change to information provided as a part of the Application Process and their circumstances which affect the information provided in the Application Process. (i) Which change is considered as "material change"? (ii) Which information/circumstance is subject to these articles? (iii) How many days upon the material change of the information/circumstance are the Participants required to update the Authority? | The participants are required to update the Authority on any changes related to the submitted information at most three (3) days before the auction date. Sections 4.4.1 and 7.1.8 of the IM will be revised to provide more clarity on this. |
| 34. | 7.2 | Are Authorised Agents required to be different from those authorised to sign the Application Form or they may be the same people? | Authorised agents may be the same as those authorised to sign the Application Form provided they are authorised as per the Board Resolution and Irrevocable Power of Attorney. |
| 35. | Annex A | For the purpose of consistency in understanding and complying with the timelines under the Draft IM, it is suggested to supplement the definition of each timeline, especially Auction Date/Date of Auction. | Auction Date/Date of Auction are used interchangeably to mean 11 th October 2022 which is the date of auction for all spectrum bands. |
| 36. | 3.7 | For avoidance of doubt, please expressly clarify and define the following terms: (i) "purposes originally permitted" within the phrase "utilizing the radio communication frequencies Spectrum or frequency channels for purposes other than those originally permitted" and | The phrase "utilizing the radio communication frequencies spectrum or frequency channels for purposes other than those originally permitted", and "efficiently or effectively" utilization emanates from Section 72 (3) of the Electronic and Postal Communications Act, Cap 306 of 2010. The section illustrates the circumstances of which the Authority may revoke the Spectrum licence. |

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| | | (ii) "efficiently or effectively" within the phrase "utilizing the radio frequencies efficiently or effectively" of Section 3.7.1 of the Draft IM. | |
| 37. | 4.3.4 | <p>(i) Is it a must for Applicants/Bidders to provide the information of all entities and persons, who have knowledge of the Participants' Confidential Information?</p> <p>(ii) Should that notification document include particular employees of the Applicants/Bidders?</p> <p>(iii) How detailed it is required to be included in such notification document? More particularly, what kind of information of the persons and entities are the Applicants/Bidders required to provide?</p> <p>(iv) Is there any suggested form of the list by TCRA?</p> <p>(v) When and How the Applicants are required to provide/notify the list of persons and entities under Section 4.3.4?</p> <p>(vi) How many days upon the change of the list of the entities required under Section 4.3.4 of the Draft IM are the Applicants required to notify TCRA of such change?</p> | <p>(i) Yes, this is mandatory requirement as clearly stipulated in Section 4.3.4</p> <p>(ii) Details of entities/individuals required to be included are those that will enable TCRA establish identities of those with confidential information as well as nature of confidential information possessed.</p> <p>(iii) Refer to response in (ii) above.</p> <p>(iv) There is no suggested form of submission</p> <p>(v) Applicant is required to provide/notify TCRA the list of persons and entities during submission of the application.</p> <p>(vi) The change of the list of entities should be notified to TCRA at most three (3) days before the auction date.</p> |
| 38. | 5.4 | We would like to have more guideline on "irrevocable power of attorney", i.e. please provide if there is any form or requirement for the irrevocable power of attorney. | <p>Power of Attorney is an instrument granting someone authority to act as agent or attorney in fact for the grantor/principal.</p> <p>Irrevocable Power of Attorney is a Power of Attorney that the principal cannot revoke.</p> <p>You are advised to engage and consult a professional lawyer to prepare the irrevocable Power of Attorney.</p> |
| 39. | 5.5 | Please clarify "information which is materially incomplete or incorrect" under the Section 5.5.3 of the Draft IM. In addition, it is suggested to supplement regulations which enable Applicants to explain, supplement, amend the information before any final decision of TCRA. | The Bidder is required to provide any required information in completeness/comprehensiveness and the provided information has to be accurate/true. |

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| 40. | 5.9 | We suggest TCRA provide clear definition of "Force Majeure" under this IM. | Force Majeure is termed as a superior force that means an event or effect that can be neither anticipated nor controlled, especially an unexpected event that prevent someone from doing or completing something that he or she had agreed or officially planned to do. Force Majeure includes both acts of nature (For example: floods, hurricanes and earthquakes) and acts of people (example: riots, strikes and wars) |
| 41. | 3.3 | Are the Administrative Fees detailed in Section 3.3 of the Draft License payable in conjunction with the Frequency User Licence Fees as contained in the Licensing Regulations? | Administrative Spectrum Fees is defined as Fees which a Successful Bidder must pay annually in respect of spectrum rights of use assigned in the Award Process. This is the fee to be paid in addition to the bid price for the auctioned spectrum. |
| 42. | Annex G | Clause 3.7 of the Draft Licenses provide that upon renewal, the spectrum shall be subjected to payment of Annual usage license fee, does this mean that such fees (as prescribed in the regulations) are not payable within the duration of Licence and shall only be payable upon renewal? | During the licence duration, the licensee will be paying annual license fee according to clause 3.0 of the draft licence. However, upon renewal the annual licence fee shall be as per regulations and license conditions after renewal. |
| 43. | General | Will a successful bidder be provided with a chance to review the license prior to signing / issuance by TCRA? | The time to review the draft license was provided in the Public Consultation Period which has ended on 29 th August 2022. The Successful Bidder will be bound by the terms and conditions of the licence in the IM. |
| 44. | 2.3 | As stated in the Memorandum Information, the Reserve Price is the minimum price that the Authority will accept in the Award Process. We are of the view that the reserve price will make spectrum very expensive. High auction Price may limit MNOs ability to make capital investment that are necessary to put the acquired spectrum to use. High auction price is a major setback to the country's digital economy agenda. | The reserve price has been calculated taking into consideration the Tanzania market situation, spectrum value as a scarce resource and other economic factors. The reserve prices have considered flexibility of using other existing licensed bands to meet coverage obligation. |

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| | | <p>Request the Authority to reduce the reserve price and auction spectrum at affordable price.</p> <p>Affordable spectrum prices will allow MNOs make necessary investment in line with the National ICT Policy objectives.</p> <p>Further it will help improve network coverage and capacity.</p> | |
| 45. | 3.4 | <p>The Authority is proposing that MNOs pay the Spectrum Auction Price based on the Blocks won in full or three instalments as follows:</p> <ul style="list-style-type: none"> i. 50% of the Auction Price within fourteen (14) days from the date of auction, ii. 25% of the Auction Price within six (6) months from the date of auction; and iii. 25% of the Auction Price within twelve (12) months from the date of auction <p>We are proposing to pay as follows:</p> <ul style="list-style-type: none"> i. 33.33% of the Auction Price within thirty (30) days from the date of auction, ii. 33.33% of the Auction Price within twelve (12) months from the date of auction; and iii. 33.33% of the Auction Price within twenty (24) months from the date of auction. | <p>The bidders in the previous auction paid the bid prices in one (1) instalment immediately after the auction. However, consideration has been made in the auction of October 2022, where successfully bidders are allowed to make three (3) instalments of the bid prices for the period of 12 months.</p> <p>TCRA is of the view that payment schedule provided in the draft IM is considerate enough.</p> |
| 46. | 2.3 | <p>The Reserve Auction price is in United States Dollars (USD). As you are aware, our source of revenue is in Tanzania Shilling which makes payment in USD extremely challenging.</p> <p>Request payment to be made in Tanzania Shillings (Local current) at spot exchange rate.</p> | <p>The requirement to pay in the indicated currency (USD) is provided in the Electronic and Postal Communications (Licensing) Regulations, 2018.</p> |

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| 47. | 1.4 | <p>Table 1: Spectrum Auction Process Timetable.</p> <table border="1"> <thead> <tr> <th>Process Step</th> <th>Indicative Timings (subject to change)</th> </tr> </thead> <tbody> <tr> <td>Publication of Draft Information Memorandum and start of Questions and Answers</td> <td>15/08/2022</td> </tr> <tr> <td>Deadline for submission of Comments and Questions</td> <td>29/08/2022</td> </tr> <tr> <td>Deadline for Answers</td> <td>02/09/2022</td> </tr> <tr> <td>Publication of Information Memorandum</td> <td>05/09/2022</td> </tr> <tr> <td>Start of Application Window</td> <td>05/09/2022</td> </tr> <tr> <td>Application Deadline</td> <td>28/09/2022</td> </tr> <tr> <td>Confirmation of Bidders</td> <td>05/10/2022</td> </tr> <tr> <td>Auction Date and Award of Spectrum</td> <td>11/10/2022</td> </tr> <tr> <td>Publication of Results</td> <td>11/10/2022</td> </tr> <tr> <td>Payment Deadline for 1st Instalment</td> <td>25/10/2022</td> </tr> <tr> <td>Grant of Licences</td> <td>28/10/2022</td> </tr> <tr> <td>Payment Deadline for 2nd Instalment</td> <td>25/04/2023</td> </tr> <tr> <td>Payment Deadline for 3rd Instalment</td> <td>25/10/2023</td> </tr> </tbody> </table> <p>i. There is a very small window between deadline for submission of comments and questions and deadline for answers.</p> <p>ii. There is also a very small window between start of application date and application deadline.</p> | Process Step | Indicative Timings (subject to change) | Publication of Draft Information Memorandum and start of Questions and Answers | 15/08/2022 | Deadline for submission of Comments and Questions | 29/08/2022 | Deadline for Answers | 02/09/2022 | Publication of Information Memorandum | 05/09/2022 | Start of Application Window | 05/09/2022 | Application Deadline | 28/09/2022 | Confirmation of Bidders | 05/10/2022 | Auction Date and Award of Spectrum | 11/10/2022 | Publication of Results | 11/10/2022 | Payment Deadline for 1 st Instalment | 25/10/2022 | Grant of Licences | 28/10/2022 | Payment Deadline for 2 nd Instalment | 25/04/2023 | Payment Deadline for 3 rd Instalment | 25/10/2023 | <p>The Authority is of the view that the timeline for auction process was clearly communicated through a Public Notice for intention to auction the IMT multi-band frequency spectrum of 15th July, 2022 and published draft Information Memorandum document on 15th August,2022.</p> <p>The public notice provided sufficient information for stakeholders to make informed decision concerning participation in the auction within specified timelines.</p> <p>The auction process is in line with several requests received from existing operators who have shown interest to acquire additional spectrum.</p> |
| Process Step | Indicative Timings (subject to change) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Publication of Draft Information Memorandum and start of Questions and Answers | 15/08/2022 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Deadline for submission of Comments and Questions | 29/08/2022 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Deadline for Answers | 02/09/2022 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Publication of Information Memorandum | 05/09/2022 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Start of Application Window | 05/09/2022 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Application Deadline | 28/09/2022 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Confirmation of Bidders | 05/10/2022 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Auction Date and Award of Spectrum | 11/10/2022 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Publication of Results | 11/10/2022 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Payment Deadline for 1 st Instalment | 25/10/2022 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Grant of Licences | 28/10/2022 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Payment Deadline for 2 nd Instalment | 25/04/2023 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Payment Deadline for 3 rd Instalment | 25/10/2023 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 48. | 5.12.1 | <p>The timetable proposed within the document provides very limited timelines for bidders to participate and prepare accordingly, and we recommend that a revised lengthier timeframe is produced to ensure that all potential participants have enough time to appreciate and assess the IM and effectively respond to the consultation. In practice and as per what we have observed in other auctions where spectrum was assigned successfully the consultation process took a longer duration than what is proposed in Tanzania. With the example of Nigeria and South Africa provided above there is a minimum of 3 months to 5 months between the publication of the IM and the start of the auction</p> | <p>The Authority is of the view that the timeline for auction process was clearly communicated through a Public Notice for intention to auction the IMT multi-band frequency spectrum of 15th July, 2022 and published draft Information Memorandum document on 15th August 2022.</p> <p>The public notice provided sufficient information for stakeholders to make informed decision concerning participation in the auction within specified timelines.</p> <p>The auction process is in line with several requests received from existing operators who have shown interest to acquire additional spectrum.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| S/N | Reference section in the IM | Respondent's Comment | TCRA Response |
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| 49. | 1.4 | The timetable does not incorporate consultation workshop of the draft IM and the final IM, we request the TCRA to reconsider this and include in the timetable as of engagements avoids disputes that may delay the auction process and helps to boost investor confidence. | The auction design through a single sealed bid format does not require a mock workshop. However, prospective bidders were given time to comments and provide their inputs on draft IM and the same have been responded to all stakeholders within the timeline. |
| 50. | 2.3 | We therefore strongly recommend for the Authority to revisit the reserve price and consider a downward review. This will enable greater participation in the auction, facilitate for easier price discovery, and result in the best auction outcomes. It will also improve the prospects of greater coverage with better network quality. | <p>The reserve price has been calculated taking into consideration the Tanzania market situation, spectrum value as a scarce resource and other economic factors.</p> <p>The reserve prices have considered flexibility of using other existing licensed bands to meet coverage obligation.</p> |
| 51. | 3 | We urge the Authority to review the coverage obligations stated in the IM and allow room for a more practical and less stringent and sustainable network rollout plan to be implemented by winning bidders. | <p>Section 3.2.1.1 of the IM will be revised to read as follows:</p> <p>Successful Bidder granted Licence for the 3500 MHz spectrum must maintain a geographical presence as follows: -</p> <ol style="list-style-type: none"> a. At least six (6) different administrative regions of the United Republic of Tanzania by 2025; b. All regional headquarters by the end of 2032. c. In the case of non-compliance to the coverage obligation TCRA will take enforcement mechanism according laws and regulations. <p>TCRA will revise section 3.2.3.1 of the IM to read as follows:</p> <p>Successful Bidder granted Licence for the 3500 MHz spectrum must maintain a geographical presence as follows: -</p> <ol style="list-style-type: none"> a. At least six (6) different administrative regions of the United Republic of Tanzania by 2025; b. All regional headquarters by the end of 2032. |
| 52. | 3.6.1 | Consider changing Section 3.6.1 to indicate a license duration of 20 years as per international best practice and ATU recommendations. This is also key in incentivising network investments in the market, and this will go a long way in | The authority is in a view that 15 years is reasonable license period, especially with the provision of presumption of renewal in favour of the incumbent licence holder as described in Section 3.6.2 of the IM. |

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| | | supporting the government's current target of achieving 80% connections by 2025. | |
| 53. | 3.6.2 | Provide more details on the license renewal process in Section 3.6.2, as clarity on the license renewal process will provide much-needed regulatory certainty that drives infrastructure investment and innovation. We recommend that the renewal process should start a minimum of 2 or 3 years before license expiry to ensure continuity of service in the interest of protecting consumers. | Currently, the renewal process is guided by Regulation 39 of the Electronic and Postal Communications (Licensing) Regulations, 2018 as amended in 2022. However, this comment is noted for future improvement as far as the expiry of the licence is concerned. |
| 54. | 6 | To avoid the strong potential for inefficient and unwanted outcomes from this spectrum auction, we urge the TCRA to consider adopting the Multiple round auctions instead of the Single Bid Auction First Price. This auction type helps solve the problem of bidder shadow or winners curse by allowing bidders to respond to the bids of other bidders over a series of discrete bidding rounds. | The first price sealed bid auction is one of appropriate auction format. It has been opted to allow bidders to know the exact price they will have to pay if they win the auction, and hence eliminate price uncertainty when bidding. |