

Clarifications on the TRCSL Notice of Assignment (NoA) For Auction of Radio Spectrum in 3500 MHz & 27GHz Bands

Section	TRCSL Reference	Clarification	Comments/Recommendation of TRCSL
1.1 Introduction	The Commission reserves the right to cancel or postpone the Auction, in whole or in part, to safeguard these objectives without providing any reasons. The Commission also has the sole discretion to determine the relative importance of these objectives and to assess whether they have been adequately protected by the Auction process. Furthermore, the Commission may abandon the Auction at any point before the spectrum is awarded if it is deemed necessary, without any obligation to provide justification.	Will the application processing fee and bank guarantees be refunded and cancelled as applicable in such a scenario?	The processing fee will not be refunded. However, the bank guarantees will be released as applicable in such a scenario.
Table 1.1: Frequency Band Details	The arrangement of frequency ranges within the specified bands may be revised at the discretion of the Commission	Will this arrangement be done prior to or subsequent to the conclusion of the auction?	This arrangement will be done prior to the commencement of the auction.
1.1 Introduction	However, the Commission reserves the right to assign the spectrum through alternative methods, should it deem necessary, without providing any explanation.	Is this with reference to allocation of 5G spectrum subsequent to the auction or as an alternate method to the auction process?	This is not relevant to subsequent allocations and is only applicable to this auction.
1.2 Timetable	Timetable	Considering that the timetable is still a draft version as confirmed by the TRCSL, at what point in the proposed timetable will applications for the auction be called for?	Applications for the auction should be submitted at the completion of 23 working days after publishing the Notice of Auction (NoA). Considering the progress in finalizing the NoA, the Telecommunications Regulatory

Clarifications on the TRCSL Notice of Assignment (NoA) For Auction of Radio Spectrum in 3500 MHz & 27GHz Bands

			<p>Commission of Sri Lanka (TRCSL) could estimate T-0 as a date within 15 days of January 2025.</p> <p>The NoA was amended to reflect the timeline in working days, taking into account the government holiday calendar for departments.</p>
1.3 Auction Committee / Advisors to the Commission	<p>If, at any time during the course of this Auction, the performance of any obligation by either party is prevented or delayed due to events beyond their control—such as war, hostility, acts of public enemy, civil commotion, sabotage, acts of State or directions from Statutory Authorities, explosions, pandemics or epidemics, quarantine restrictions, strikes, lockouts (not limited to the Licensee’s establishments and facilities), fires, floods, natural calamities, or any other acts of God (hereinafter referred to as "EVENT")—neither party shall be held liable for any claims or damages arising from such non-performance or delay.</p>	<p>Will the application processing fee and bank guarantees be refunded and cancelled as applicable in such a scenario?</p>	<p>Refunding of any payment or bank guarantees will not be applicable, as the auction will resume once the EVENT has ceased or no longer exists.</p>
1.4 Dispute Settlement and Jurisdiction	<p>Any disputes arising from or related to this Notice of Assignment and the Auction process shall be resolved by the Commission’s determination and such determination of the Commission shall be final.</p>	<p>Does this preclude the recourse to courts if a licensee is unsatisfied by the final decision of the TRCSL?</p>	<p>No, this does not preclude recourse to the courts. Normal national law in the country will be applicable, allowing a licensee to seek judicial review if unsatisfied with the final decision of the TRCSL.</p>

Clarifications on the TRCSL Notice of Assignment (NoA) For Auction of Radio Spectrum in 3500 MHz & 27GHz Bands

2.2 Technology	Spectrum blocks acquired through the Auction may be aggregated as needed to support the technology requirements and shall be deployed using 5G technology within the scope of the service license	Is the spectrum allocated through the auction restricted to 5G use?	The spectrum allocated through the auction is restricted to 5G use. However, re-farming for technologies beyond 5G may be done with the permission or approval of the Commission.
2.4 Spectrum Licence Fees	The successful bidder will be required to obtain an annual frequency license in accordance with Section 22 of the Act. This process will involve payment of Spectrum Licences Fee as specified by the applicable rules and/or regulations applicable at the time of payment of the fee, in addition to the payment of the winning bid price.	<ul style="list-style-type: none"> The existing framework for determining technology factor does not refer to 5G – based on what parameters will the annual fee be computed? 	The annual fee will be computed based on the parameters defined in a Gazette Extraordinary, which will be published before the auction. This Gazette will specify the technology factor in the upfront fee formula, and this will be treated as the base value of the frequency block at the auction.
		<ul style="list-style-type: none"> What taxes will be applied on the winning bid price and annual frequency licence fee? 	All government taxes will be applicable on top of the winning bid price and the annual frequency license fee.

Clarifications on the TRCSL Notice of Assignment (NoA) For Auction of Radio Spectrum in 3500 MHz & 27GHz Bands

<p>2.5 Duration</p>	<p>The validity period for the right to use the spectrum in the 3500 MHz and 27 GHz bands acquired through this auction shall be ten (10) years from the “Effective Date.”</p>	<ul style="list-style-type: none"> • Similar to other spectrum licences, can such 5G spectrum licences be renewed post expiry of the initial 10-year period? If so based on what criteria will the renewal be effected? • Will the licences be automatically renewed subject to a pre-payment? 	<p>Yes, 5G spectrum licenses can be renewed post-expiry of the initial 10-year period. The renewal will be effected based on the licensing conditions and other rules and regulations applicable for frequency assignment at the time of renewal.</p> <p>No, the licenses will not be automatically renewed subject to pre-payment. Renewal will be considered based on an application.</p>
<p>3.1 Eligibility criteria to participate in the Auction</p>	<p>Any licensee holding a Digital Mobile Cellular Communications System License under section 17 of the Act (Cellular Mobile Operators) is eligible for participation in the Auction.</p>	<ul style="list-style-type: none"> • We note that Fixed Operators are not being provided 5G spectrum under the auction. Will 5G spectrum be allocated to Fixed Operators via another method? • Are mobile operators allowed to RAN share 5G spectrum to fixed operators for 5G if such mobile Operators are allocated 5G spectrum via the auction? 	<ul style="list-style-type: none"> • No, 5G spectrum will not be allocated to fixed operators via another method. However, mobile operators are allowed RAN (Radio Access Network) sharing with fixed operators as per the infrastructure sharing regulations. • Yes, mobile operators are allowed to RAN share 5G spectrum with fixed operators for 5G network deployment, if the mobile operators are allocated 5G spectrum via the auction.

Clarifications on the TRCSL Notice of Assignment (NoA) For Auction of Radio Spectrum in 3500 MHz & 27GHz Bands

<p>3.1 Eligibility criteria to participate in the Auction</p>	<p>Eligible entities shall bid for 50 MHz spectrum in the 3500 MHz bundle with 100 MHz in 27.0 GHz, bands (Spectrum Block), subject to the provisions outlined in this Notice.</p>	<ul style="list-style-type: none"> • What is the rationale for bundling spectrum bands? • Do the blocks from each band require to be equal if bundled i.e., if a licensee bids for 200MHz in the 3.5 band can the licensee bid for only 100MHz in the 27GHz band? 	<ul style="list-style-type: none"> • The rationale for bundling spectrum bands is that TRCSL considered both bands in the same auction, as 27 GHz alone would not provide a significant advantage for the winner. By bundling multiple bands, operators can secure a wider bandwidth, enabling higher data speeds and increasing capacity for users in targeted high-demand areas. • No, the blocks from each band do not need to be equal if bundled. However, applicants are eligible to win only 100 MHz in the 3.5 GHz band and 200 MHz in the 27 GHz band.
<p>4.1 Application format and procedure for submission</p>	<p>The Commission reserves the right to summarily disqualify any prequalified bidder at any stage of the auction or after the auction is completed on grounds of non-compliance with eligibility conditions, misrepresentation, non-compliance with Auction Guidelines, non-compliance with any other pre-condition prescribed for participating in the Auction or being awarded the spectrum <i>or any matter that may, in the opinion of the Commission, be contrary to general public interest</i></p>	<p>Considering that the provision relates to disqualification, in the interest of certainty, what would amount to <i>any matter that may, in the opinion of the Commission, be contrary to general public interest?</i></p>	<p>In the context of disqualification, general public interest at the auction stage does not cover broad concerns such as health and safety. However, the Commission may disqualify a bidder if their actions or plans undermine the principles of the auction, as this could ultimately harm consumers, the economy, or the development of Sri Lanka's telecommunications sector.</p>

Clarifications on the TRCSL Notice of Assignment (NoA) For Auction of Radio Spectrum in 3500 MHz & 27GHz Bands

<p>4.1.1 Application Requirements</p>	<p>(iv) Bidders are required to nominate an authorized person, who is empowered to take all decisions connected with this auction on the Bidder's behalf and correspond on behalf of the Applicant with the Commission and the Auctioneer, along with a Power of Attorney empowering her/him for the same. Applicants may authorize one more person, who could act as the alternate authorized person in case of unavailability of the primary authorized person. In case of any duplication of submissions made by the bidder, the submission from the primary authorized person shall be considered as final and binding;</p>	<p>Can the licensee submit a Board Resolution OR a PoA?</p> <p>This is due to the fact that executing a PoA can be a lengthy process and certain Licensees may have internal procedures that require only a Board Resolution for the authorized individual to take take decisions on the Bidder's behalf.</p>	<p>Yes, either a Board Resolution or a Power of Attorney (PoA) will be sufficient.</p>
<p>4.1.3 (b) Prequalification Conditions</p>	<p>During the pre-qualification stage, the Commission may ask applicants to provide additional information or documentation relating to their applications. The Commission shall retain a general power to exclude any applicant, providing any reason for such action.</p>	<p>Will such a disqualified applicant be provided with a right to address the refusal?</p>	<p>Yes, a disqualified applicant will be provided with the reasons for disqualification. Additionally, the licensee can request further clarifications if needed.</p>
<p>5.3.1 Guidelines</p>	<p>Radio Access Network Sharing is permitted from the date of 'Frequency Assignment' in the band acquired through this auction based on the Infrastructure Sharing Regulations as amended from time to time which is available on the TRCSL website.</p>	<ul style="list-style-type: none"> • How would FWA operations occur using 5G and RAN sharing? • If RAN share is permitted can Fixed Operators import 5G CPEs under a RAN sharing agreement? 	<ul style="list-style-type: none"> • FWA (Fixed Wireless Access) operations using 5G can occur through RAN sharing. Mobile operators are allowed to share their RAN with FWA 5G operations, as per the infrastructure sharing regulations.

Clarifications on the TRCSL Notice of Assignment (NoA) For Auction of Radio Spectrum in 3500 MHz & 27GHz Bands

			<ul style="list-style-type: none"> • Yes, fixed operators are permitted to import 5G CPEs (Customer Premises Equipment) under a RAN sharing agreement.
5.4 Spectrum Trading	Spectrum trading is not permitted.	We seek clarity as to what amounts to spectrum trading.	Spectrum trading refers to the re-selling or transferring of a frequency band or part of it to another operator. Operators are not allowed to re-sell the frequency band or any part of it. However, network slicing is permitted, as it involves partitioning the network to offer different services without transferring the spectrum itself.

Clarifications on the TRCSL Notice of Assignment (NoA) For Auction of Radio Spectrum in 3500 MHz & 27GHz Bands

<p>6.1.1 Payment Options and procedure</p>	<p>Option 2: Payment of 5 (five) annual instalments of the bid amount in advance at the beginning of each year, the first instalment of 10% (ten percent) of the bid value becoming payable within 10 days from the date of demand notice.</p>	<p>As per 11.1 Annexure A the value of the Bank Guarantee per Block is 10% of the Reserve Price per Block as follows:</p> <p><u>3.5MHz</u></p> <p>Reserve Price per Block = LKR 2,250,000,000.00</p> <p>Value of Bank Guarantee per Block = LKR 225,000,000.00</p> <p>27GHz</p> <p>Reserve Price per Block = LKR 135,000,000.00</p>	<p>Yes, if a licensee opts for Payment Option 2, the bank guarantee required for the first year will be 10% of the bid value, which could be higher than the 10% of the reserve price. In this case, the licensee no need to top up the bank guarantee since 10% of the bid value need to be paid within 10 days. Each year, additional interest will be charged on the yearly installment, equal to the treasury bill rate per annum, and the BG value should reflect this change.</p>
		<p>Value of Bank Guarantee per Block = LKR 13,500,000.00</p> <p>However if a Licensee opts for Payment Option 2 the bank guarantee required for the first year is 10% of the bid value which could be a higher value that the aforesaid reserve value.</p> <p>Does that mean the Licensee has to top up the Bank Guarantee hitherto submitted with the Application? i.e., the figures listed above?</p>	

Clarifications on the TRCSL Notice of Assignment (NoA) For Auction of Radio Spectrum in 3500 MHz & 27GHz Bands

<p>6.1.1 Payment Options and procedure</p>	<p>Option 2: Payment of 5 (five) annual instalments of the bid amount in advance at the beginning of each year, the first instalment of 10% (ten percent) of the bid value becoming payable within 10 days from the date of demand notice.</p>	<p>We propose that the payment be structured over 10 (ten) annual instalments of the bid amount in advance at the beginning of each year and the first instalment of 10% (ten percent) of the bid value becoming payable within 10 working days from the date of demand notice.</p> <p>Note the bank guarantee value to be maintained at one tenth of the bid value for a period of 12 months from the payment date and to be updated annually until the final payment is made.</p>	<p>It is not possible to accommodate a ten-year annual installment plan.</p>
<p>7.1.1 Issuance of Frequency Assignment Letter and Radio Frequency Licence</p>	<p>A radio frequency licence shall be issued after the payment of annual frequency charges specified in the Gazette extraordinary No. 1,497/23 and additional 20% as per the budgetary proposal in year 2022 with all taxes and Levies applicable at the time of payment.</p>	<p>Considering that the 20% budgetary proposal has not been Gazetted, we seek clarification as to the legal basis for such an imposition.</p>	<p>The legal basis for the imposition of the 20% budgetary proposal will be provided in the Gazette Extraordinary, which will be published before the auction. This will include the additional 20% as per the budgetary proposal from the year 2022.</p>

Clarifications on the TRCSL Notice of Assignment (NoA) For Auction of Radio Spectrum in 3500 MHz & 27GHz Bands

<p>8.1 Roll-out Obligations</p>	<p>Non-availability of the delay in getting permission/clearance from any agency shall not be construed or taken as a reason for non-fulfilment, or delay in compliance of the Roll-out obligations and shall not be taken a valid reason for not carrying out any obligations imposed by the terms of this NoA.</p>	<ul style="list-style-type: none"> • Will the TRCSL assist operators in expediting the permissions from other agencies? • How are arrangements for Right of Way applicable here? • In the unlikely event of further import controls, will exceptions be made for Licensees to import foreign equipment necessary to fulfill roll-out obligations? 	<ul style="list-style-type: none"> • TRCSL will not directly intervene in expediting permissions from other agencies. However, operators can appeal to TRCSL to resolve issues related to technical matters. Operators are encouraged to plan their deployment in advance, based on their past experiences in acquiring permissions from other agencies. • Arrangements for Right of Way (RoW) are applicable as per the relevant regulations and laws governing the installation of infrastructure for telecommunications services. Operators must obtain the necessary approvals from local authorities or other relevant agencies for the use of public or private land for network deployment. TRCSL may facilitate coordination, but the responsibility for obtaining RoW permissions lies with the operators. Operators are
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Clarifications on the TRCSL Notice of Assignment (NoA) For Auction of Radio Spectrum in 3500 MHz & 27GHz Bands

			<p>advised to plan in advance to avoid delays in deployment.</p> <ul style="list-style-type: none"> • In the unlikely event of further import controls, exceptions may be considered for licensees to import foreign equipment necessary to fulfill roll-out obligations. However, this would be subject to the applicable government policies and regulations at the time. Licensees would need to submit requests for such exceptions, which would be evaluated on a case-by-case basis.
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<p>Table 8.2.1: Rollout Commitment Targets</p>	<p>Rollout Commitment Targets</p>	<ul style="list-style-type: none"> • Can an Operator achieve the required cumulative figures during a lesser phase? I.e., rollout 2000 sites in 3 years? If so how will this be recognized by the TRCSL? • What are the implications of breaching roll-out obligations? 	<ul style="list-style-type: none"> • Yes, an operator can achieve the required cumulative figures during a lesser phase, such as rolling out 2,000 sites in 3 years. If this is achieved, TRCSL will recognize it as fulfillment of the rollout targets and will release the related bank guarantees accordingly.
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Clarifications on the TRCSL Notice of Assignment (NoA) For Auction of Radio Spectrum in 3500 MHz & 27GHz Bands

			<ul style="list-style-type: none"> The implications of breaching roll-out obligations include the forfeiture of the bank guarantee (BG) by TRCSL, unless the licensee can prove that the delay was beyond their control, such as in the case of force majeure.
<p>8.3 (e) General rollout obligations for 3500 MHz and 27 GHz bands</p>	<p>If the coverage obligations are achieved by refarming existing allocations or getting allocated a new spectrum in latter stages also considered collectively with new rollout targets as the fulfilment of rollout targets of this allocation.</p>	<ul style="list-style-type: none"> Can existing spectrum be refarmed for 5G without an Operator purchasing 3.5 or 27GHz spectrum for 5G? When can refarming of existing spectrum for 5G be carried out? What are the applicable technology factors, frequency factors for spectrum formula in this case for all these bands? How will the refarming price be determined for existing bands to be converted to 5G? 	<p>Refarming of existing spectrum for 5G is not relevant to this auction.</p>

Clarifications on the TRCSL Notice of Assignment (NoA) For Auction of Radio Spectrum in 3500 MHz & 27GHz Bands

8.4(ii)	Final Acceptance Test Certificate is to be treated as date of meeting the roll-out obligation in case of successful verification of the network rollout for the purpose of compliance of rollout obligations and for calculating liquidated damages, if applicable, in terms of condition No 8.7 mentioned below.	Can TRCSL agree to take Provisional Acceptance Certificate to confirm the rollout targets as PAC is used to put sites on air and capitalize equipment	TRCSL will accept the Provisional Acceptance Certificate (PAC) if the site is on air and providing services to consumers with acceptable Quality of Service (QoS).
8.5 Network Security Baseline	<p>(a) Baseline security controls for mobile network operator: Mobile network operators are recommended to deploying along with references GSMA Mobile Cybersecurity Knowledge Base (MCKB), a comprehensive toolkit to help operators identify, map and mitigate risk. The solution description for each control identifies specific advice that allows the operator to fulfil the control objectives Ref: FS.31 Baseline Security Controls (https://www.gsma.com/solutions-andimpact/technologies/security/gsma_resources/fs-31-gsma-baseline-security-controls/)</p> <p>(b) Product security standard for all mobile equipment suppliers Product security is the responsibility of network equipment suppliers. The Commission suggest that mobile industry recognized standards Network Equipment Security Assurance Scheme (NESAS) and Security Assurance Specification (SCAS), jointly defined by 3GPP and GSMA, as a good reference for equipment security</p>	<ul style="list-style-type: none"> • Is there a minimum compliance level to be achieved with timelines? • Is this requirement imposed only on the deployments done to cater to the utilization of newly auctioned frequencies? What would the case be if existing equipment is being shared (ex: NSA core)? 	<ul style="list-style-type: none"> • A cybersecurity maturity assessment based on MCKB will be conducted by TRCSL two years after the 5G spectrum auctions. • If existing 4G core equipment is being shared to support a Non-Standalone Architecture (NSA), the cybersecurity maturity assessment would still apply

Clarifications on the TRCSL Notice of Assignment (NoA) For Auction of Radio Spectrum in 3500 MHz & 27GHz Bands

	<p>requirements Ref: Network Equipment Security Assurance Scheme (NESAS) (https://www.gsma.com/solutions-and-impact/industryservices/certificationservices/nesas-documents/)</p>	<ul style="list-style-type: none"> • Product security - Responsibility of product security is assigned to the equipment supplier, if so is there a regulatory requirement Licensees to be compliant? • The TRCSL suggest NESAS and SCAS certified equipment. As per our understanding equipment of common vendors have undergone certification. Therefore if a particular Licensee is aligned to an industry accepted minimum base line security standard (MBSS), would this suffice? 	<ul style="list-style-type: none"> • While the primary responsibility for product security lies with the equipment supplier, it is critical for licensees (telecom operators) to ensure compliance with regulatory requirements by using only certified equipment in their networks. This not only aligns with global practices but also supports the overall security and resilience of the telecommunications ecosystem. • If a particular Licensee is aligned with an industry-accepted Minimum Baseline Security Standard (MBSS), this would generally be sufficient, provided that the MBSS is in line with or incorporates the same security principles and requirements as NESAS and SCAS. Typically, the telecom industry aligns with 3GPP standards.
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Clarifications on the TRCSL Notice of Assignment (NoA) For Auction of Radio Spectrum in 3500 MHz & 27GHz Bands

9.1.1 Clock Stage	Clock Stage	<ul style="list-style-type: none">• Will the acquisition price paid by the Operator that comes in second be equal to the winning Operator's price paid?• Will the auctions for both 3.5MHz and 27GHz be carried out on the same day?	<ul style="list-style-type: none">• The price paid by the winner, as well as the other licensee who acquires frequencies through this auction, will be the same and equal to the highest bid value, not the second bid offer.• Yes

Clarifications on the TRCSL Notice of Assignment (NoA) For Auction of Radio Spectrum in 3500 MHz & 27GHz Bands

<p>Table 9.5.1: Block size and Minimum amount of spectrum for bidding</p>	<p>Table 9.5.1: Block size and Minimum amount of spectrum for bidding</p> <table border="1"> <thead> <tr> <th>Band</th> <th>Block Size MHz</th> <th>Available quantity</th> <th>Winning Quantity</th> </tr> </thead> <tbody> <tr> <td>3500 MHz</td> <td>50 MHz (unpaired)</td> <td>Four Blocks</td> <td>Continuous two blocks coupled with 27 GHz Band</td> </tr> <tr> <td>27GHz</td> <td>100 MHz (unpaired)</td> <td>Four Blocks</td> <td>Continuous two blocks coupled with 3500 MHz Band</td> </tr> </tbody> </table>	Band	Block Size MHz	Available quantity	Winning Quantity	3500 MHz	50 MHz (unpaired)	Four Blocks	Continuous two blocks coupled with 27 GHz Band	27GHz	100 MHz (unpaired)	Four Blocks	Continuous two blocks coupled with 3500 MHz Band	<ul style="list-style-type: none"> • How is the minimum amount of spectrum for bidding defined? Is it equal to the Block size mentioned? • A TSP should mandatorily bid for a minimum of 2 blocks of 3500MHz and 2 blocks of 27GHz as it is mentioned as "winning quantity" or is it referring to the cap? 	<ul style="list-style-type: none"> • No, the minimum amount of spectrum for bidding is not equal to the block size mentioned. The assigned spectrum blocks are 100 MHz in the 3.5 GHz band and 200 MHz in the 27 GHz band. • Yes, Condition 9.5.1 means that a Telecommunications Service Provider (TSP) should mandatorily bid for a minimum of 2 blocks of 3500 MHz and 2 blocks of 27 GHz, as these are referred to as the "winning quantity".
Band	Block Size MHz	Available quantity	Winning Quantity												
3500 MHz	50 MHz (unpaired)	Four Blocks	Continuous two blocks coupled with 27 GHz Band												
27GHz	100 MHz (unpaired)	Four Blocks	Continuous two blocks coupled with 3500 MHz Band												
<p>9.8.1 The Clock Stage Overview</p>	<p>If excess demand is positive, the Clock Round price in the band will be equal to the Clock Round Price in the last completed Clock Round plus a strictly positive price increment.</p>	<p>How is this "Strictly Positive price increment" calculated? Is this 5% of the previous clock round or 5% of the base price ?</p>	<p>The "Strictly Positive price increment" is calculated as 5% of the base price, not 5% of the previous clock round.</p>												
<p>9.8.2 Activity Rules</p>	<p>If the aggregate demand or is less than available supply at each clock stage, and the lot quantities shall be assigned to the bidders according to their expressed demand</p>	<ul style="list-style-type: none"> • Is this aggregate demand calculated in each clock round? • If a specific bidder decides not to bid in the latest clock round, will their demand will be taken as 0 and used to aggregate all other bidders demand? 	<ul style="list-style-type: none"> • Yes • If a specific bidder decides not to bid in the latest clock round, their demand will be taken as 0 and used to aggregate the demand of all other bidders. If the excess demand is zero, the auction will proceed to the next round with the 												

Clarifications on the TRCSL Notice of Assignment (NoA) For Auction of Radio Spectrum in 3500 MHz & 27GHz Bands

			incremental value. If the excess demand is negative, the auction will be completed. Please refer to the amendments in the Notice of Auction (NoA) for further details.
9.8.2 Activity Rules	To assign lots that shall remain unsold at the end of the clock stage, a single-round sealedbid auction with second price rule shall be used, with a reserve price that shall equal to the last clock price at which demand exceeds supply.	In the single-round sealed-bid auction, do Licensees have to maintain their demand as per the last clock round where they had expressed demand?	Yes, in the single-round sealed-bid auction, licensees must maintain their demand as per the last clock round where they had expressed demand. The last completed clock round price will be the base value, not the initial base value.
9.8.2 Activity Rules	ii. If demand at the clock price fell below supply, lots shall be assigned to the bidders according to their expressed demand.	Is this assignment according to the demand expressed in the last clock round?	Yes, the assignment is according to the demand expressed in the last clock round. The 100 MHz in the 3.5 GHz band and 200 MHz in the 27 GHz band will be allocated based on the winner's choice at the price of the winning bid.

Clarifications on the TRCSL Notice of Assignment (NoA) For Auction of Radio Spectrum in 3500 MHz & 27GHz Bands

9.8.6 Length of Clock Rounds and Extension Periods	Bidding extension	Under what conditions can a round be extended or rescheduled?	A round can be extended or rescheduled under the following conditions: <ol style="list-style-type: none">1. If the next clock round could not commence before 19:30 hrs.2. If any situation arises beyond the control of TRCSL or licensees.
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Clarifications on the TRCSL Notice of Assignment (NoA) For Auction of Radio Spectrum in 3500 MHz & 27GHz Bands

<p>9.9 Frequency Identification Stage</p>	<p>Assignments will be performed for bidders who have won a 50 MHz spectrum in 3500 MHz band and 100 MHz in 27GHz band. All such bidder(s) will be considered for contiguous spectrum of 100 MHz in 3500 MHz and 200 MHz in 27 GHz band in order of their ranking, subject to availability of sets of contiguous spectrum</p>	<ul style="list-style-type: none"> • How is the spectrum price decided at the end of the clock auction – is it the price of the winning bid, which is then applicable to the runners up in case if they want to buy spectrum or can the second highest can acquire spectrum at a lower price based on their last respective bid? • How is the ranking of winners calculated? • How is the ranking decided when the excess demand is zero and there are two winners after the final clock round? • Will there be another round of bidding to decide the winner to enable the spectrum assignment stage? 	<ul style="list-style-type: none"> • At the end of the clock auction, both the winner and the runners-up will buy frequencies at the same price, which is the price of the winning bid. The second-highest bidder will not acquire spectrum at a lower price based on their last respective bid. • The ranking of winners is calculated as follows: The first-place rank goes to the highest bidder (the winner). The second-place rank is assigned to the next highest bidder (the runner-up). The third place is given to the first dropped licensee. This ranking reflects the order of bids in the auction. • When excess demand is zero and there are two winners after the final clock round, the clock rounds will continue until the excess demand
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Clarifications on the TRCSL Notice of Assignment (NoA) For Auction of Radio Spectrum in 3500 MHz & 27GHz Bands

			<p>becomes negative. This ensures that all demand is satisfied. For better clarity on the process and the ranking in such cases, please refer to the latest version of the Notice of Auction (NoA) available on the TRCSL website.</p> <ul style="list-style-type: none"> • Yes.
<p>11.1 Annexure A: Details of Spectrum put to auction</p>	<p>Reserve price per 50MHz of 3.5GHz is 2.25Billion LKR reserve price per 100MHz of 27GHz is 135 Million LKR</p>	<ul style="list-style-type: none"> • How will the technology factor and frequency factor be calculated? • How is the annual fee calculated? 	<ul style="list-style-type: none"> • The technology factor and frequency factor will be calculated according to the formula outlined in the Gazette Extraordinary. These factors will be specified in the Gazette and applied to determine the relevant fees and values

Clarifications on the TRCSL Notice of Assignment (NoA) For Auction of Radio Spectrum in 3500 MHz & 27GHz Bands

			<p>associated with the spectrum assignment.</p> <ul style="list-style-type: none"> The annual fee is calculated based on the provisions provided in the Gazette Extraordinary.
11.2 Annexure B: Details of Spectrum holding caps	Details of spectrum holding caps	Are the holding caps only limited to the auction or will they be applicable in general commercial operations post the auction?	In this auction, TRCSL considers spectrum caps only for the bands under auction. These caps are not applicable to general commercial operations post-auction.
11.6 Annexure F: Application Format	I hereby certify that the Applicant will accept the changes required to be made to the existing licenses held by it as a precondition to or as a consequence of the assignment of spectrum.	Will licences be provided with due notice of the changes so as to review the same?	Yes, if any license modification is required, the licensee will be provided with due notice to review the changes.
General Comments	Bidding Process	<ul style="list-style-type: none"> What will be the course of action if a bidder wins spectrum in the 3.5G band but not in 27G or vice versa? Is 1 block in 3.5G band coupled with 1 block in 27G band? i.e. for example -Can a bidder bid for 2 blocks in one band and only 1 block in other band (between 3.5G and 27G). 	<ul style="list-style-type: none"> It will not happen, as the auction does not provide the option for a bidder to win spectrum in the 3.5 GHz band but not in the 27 GHz band, or vice versa. The auction is structured in such a way that bidders must acquire spectrum in both bands. No, each winner and runner-up must acquire

Clarifications on the TRCSL Notice of Assignment (NoA) For Auction of Radio Spectrum in 3500 MHz & 27GHz Bands

			two contiguous blocks in each band. A bidder cannot bid for 2 blocks in one band and only 1 block in the other band (between the 3.5 GHz and 27 GHz bands).
General Comments	Bidding Process	<ul style="list-style-type: none"> • What platform or software will be used for the auction? • Is there technical support available during the bidding process? 	<ul style="list-style-type: none"> • There will be no complicated software or platform used for the auction. More information regarding the platform and the auction process will be provided at the pre-bid meeting and the Mock Auction. • Yes, TRCSL will provide all the required technical support during the bidding process.
General Comments	Bidding Process	Are there additional charges for preferred frequency positions within the band? Will this preferred slot be taken into account?	No, there are no additional charges for preferred frequency positions within the band. The preferred slot will not be subject to extra fees.

Clarifications on the TRCSL Notice of Assignment (NoA) For Auction of Radio Spectrum in 3500 MHz & 27GHz Bands

General Comments	Interference	Will the TRCSL take steps to solve any interference problems incurred by an operator if it is an issue that persists at present unknowingly?	TRCSL will make every endeavor and genuine effort to resolve interference issues. However, TRCSL expects all licensees to have already gathered knowledge on technical issues having done test transmissions to identify and address any potential interference beforehand.
General Comments	Terminology	All references to “day(s)” to mean working days	Yes, all references to “day(s)” will mean working days, excluding public holidays applicable for TRCSL.
General Comments	Technology neutrality	TRCSL has advocated technology neutrality. Can part of the 2600MHz spectrum be used to rollout 5G network without any additional cost?	This is not relevant to this auction. However, it is worth noting that the 2600 MHz band has been primarily assigned for Fixed Wireless Access (FWA) 4G deployment and 4G Cellular Mobile Services. Digital mobile operators cannot re-farm other bands allocated for technologies such as 4G for 5G deployment until TRCSL regularizes technology neutrality in the future.

Clarifications on the TRCSL Notice of Assignment (NoA) For Auction of Radio Spectrum in 3500 MHz & 27GHz Bands

General Comments	Annual license fee	TSP has to pay an annual license fee over and above the upfront fee payable on the winning bid price. Is it the current Gazetted fee?	A new Gazette Extraordinary will be published before the auction. The annual license fee is typically 1/10th of the auction's base price, as specified in the Notice of Auction (NoA).
General Comments	Rollout targets	Whether TRCSL is agreeable to remove the rollout target and permit to deploy depending on the market demand?	TRCSL wishes to enforce rollout targets strictly. However, TRCSL may consider appeals on a case-by-case basis, provided there are justifications and evidence of poor demand.
General Comments	Group bidding	Please explain what is Group Bidding Entity?	For a detailed explanation, please refer to the latest version of the Notice of Auction (NoA), where the definition and conditions for group bidding will be clearly outlined.
General Comments	Power consumption of 5G	Power consumption of 5G: Currently, sites are run with general power tariffs, and with 5G, the site's power consumption increases by almost 300%. Therefore, will TRCSL help to get CEB/LECO to provide commercial tariffs for telecom operators towers?	In response to this challenge, TRCSL will initiate discussions with the PUCSL , CEB and LECO to address and resolve the tariff package issues

Clarifications on the TRCSL Notice of Assignment (NoA) For Auction of Radio Spectrum in 3500 MHz & 27GHz Bands

General Comments	5G Handset subsidy	5G capable handsets are still expensive compared to 4G handsets and therefore, users are reluctant to go for the expensive 5G devices. To have a sustainable 5G business model, more users have to adopt the 5G technology. Will TRCSL support for subsidy for 5G enabled devices?	The Telecommunications Regulatory Commission of Sri Lanka (TRCSL) recognizes the importance of user adoption for the sustainability of 5G networks. While TRCSL itself does not directly provide subsidies for devices, it is committed to supporting initiatives within its regulatory framework that encourage the adoption of 5G technology.
General Comments	2G sunset	With the introduction of 5G to the network, operators have to manage 3 different technologies; 2G,4G and 5G. Therefore the cost of operation and network complexity is a major concern. Will TRCSL declare 2G Sunset process and communicate to the public on the 2G sunset timeline?	TRCSL intimate a process to sunset 2G Network and tentatively it will be completed in the end of 2027.
General Comments	Payment structure	Due to the current macro-economic conditions operators are struggling to maintain positive cashflows. Even though investing in 5G is a timely requirement, the huge amount of capital required for the purchase of spectrum and network deployment will have a significant impact to the cashflows of the operators. Can	Such an extended payment period has not been considered. The current payment structure for the spectrum is in line with the requirements and conditions set forth in the auction framework.

Clarifications on the TRCSL Notice of Assignment (NoA) For Auction of Radio Spectrum in 3500 MHz & 27GHz Bands

		TRCSL extend the initial payment period further beyond 5 years?	
General Comments	Pricing factors for bands	Spectrum factor revision for 3.5GHz: Compared to 2.6GHz band, 3.5GHz band spectrum has a lower coverage. Therefore this should be factored and can the TRCSL reduce the spectrum band factor to 0.2 for spectrum above 3GHz range?	It is important to note that the current band factor for the 3.5 GHz band was established after intensive consultations with international experts and with the assistance of the World Bank.
General Comments	Timeline	The timeline given in NOA will be initiated from the given NOA or will there be a finalized NoA updated with feedback given and time lines accordingly?	The timeline specified in the Notice of Award (NOA) will commence from the issuance of the final NOA, which includes any updates based on feedback received from all relevant parties. Initially, a draft or preliminary NOA may be shared for review and feedback, but the official timeline and deadlines will be set once the final NOA is published. This final NOA will incorporate any necessary adjustments or revisions made in response to the feedback and will serve as the authoritative document from which the project timeline

Clarifications on the TRCSL Notice of Assignment (NoA) For Auction of Radio Spectrum in 3500 MHz & 27GHz Bands

			and related milestones will be initiated.
General Comments	Joint bidding	Can two operators jointly bid for the spectrum?	No, joint bidding for spectrum by two operators is typically not allowed under most spectrum auction frameworks. Each operator is usually required to submit an independent bid for the spectrum. This is to ensure fair competition and to prevent collusion or anti-competitive behavior that could undermine the integrity of the auction process.

**Clarifications on the TRCSL Notice of Assignment (NoA) For Auction of Radio Spectrum in 3500
MHz & 27GHz Bands**