

**PUBLIC TENDER FOR THE ALLOCATION OF A RIGHT TO USE FREQUENCIES,  
ON A NATIONAL BASIS, FOR THE PROVISION OF THE PUBLICALLY  
AVAILABLE LAND MOBILE SERVICE**

**- TENDER SPECIFICATIONS -**

**CHAPTER 0  
INTRODUCTION**

**A. Objective**

The present Tender Specifications, drawn up and approved in accordance with paragraph 1 of article 2 of the Regulation of the Public Tender for the allocation of a right to use frequencies, on a national basis, for the provision of the publically available Land Mobile Service (LMS), - Regulation of ICP-ANACOM no XX/2008 of xx xx (hereinafter referred to as the Tender Regulation) - is intended to shape the respective applications.

The objective of the tender is the allocation of a right to use frequencies, on a national basis, for the provision of the publically available Land Mobile Service (LMS), using 2x1.25MHz of shared spectrum in the (455.80625-457.45 MHz/465.80625-467.45 MHz) frequency bands, which allocation is not subject to the use, by the winning tenderer, of a specific technology, provided that co-existence with other electronic communications services and systems is guaranteed.

The use of frequencies is governed by the provisions of Law no 5/2004 of 10 February and Decree Law no 151-A/2000 of 20 July.

The allocation of the frequency usage right is governed by Law no 5/2004 of 10 February, the Tender Regulation, by the present Tender Specifications and by other legislation applicable to the communications sector.

The allocated frequency usage right is governed by the provisions of Law no 5/2004 of 10 February, of the present Regulation and of the present Tender specifications.

## **B. Procedures**

1. The request for the allocation of the frequency usage right must be accompanied by the documents and items as required in article 9 of the Tender Regulation, which are specified in the present tender specifications.
2. The application shall be addressed to the Chairman of the Board of Directors of ICP-ANACOM, which request shall comprise the identification of the competitor, the reference to the tender regulation, as well as the date and signature of the tenderer.
3. The documents and items accompanying the application request shall be presented as follows:
  - a) In sealed volumes in order that the non-violation of the contents is guaranteed, which volumes shall be numbered by reference to their total number and duly identified in accordance with the structure demanded in the tender specifications, thereby giving distinction to the identification of the tenderer, the technical plan, the economic-financial plan, the wholesale offer of access to the network of the tenderer, where offered, and the plan for the development of the information society;
  - b) The original documents in respect of the chapter of identification of the tenderer shall be sequentially numbered on all pages, which shall be initialled by one of the legal representatives of the tenderer and contain the indication that the document is an original copy;

- c) A copy of all documents referred to in the previous paragraph shall be submitted and shall be duly identified as such;
- d) The items in respect of the chapters of the technical plan and the chapter of the economic-financial plan, the wholesale offer of access to the network of the tenderer and the plan for the development of the information society shall be contained in plain folders, with sequential numbering of pages per chapter, which shall be initialled on the first page of each folder by one of the representatives of the tenderer and provide indication that the document is an original copy.
- e) Five copies of the items in respect of the chapters of the technical plan and the chapter of the economic-financial plan, the wholesale offer of access to the network of the tenderer and the plan for the development of the information society shall be presented on non re-recordable CD-ROM, with the respective files in PDF format (Adobe Acrobat), which shall maintain the same sequential numbering of pages by chapter;
- f) Geographical maps referring to radio coverage are exempt from the provisions of points d) and e), which maps shall respect the requisites of submission set out in the technical plan, including an original, initialled by one of the representatives of the tenderer, as well as a duly identified copy;
- g) The parameterisation of access to the files referred to in point e) shall ensure that their content may in no way be altered or another recording made, and ensure that access may be achieved only by means of permission through the use of a password, which should be provided to the Committee by way of a declaration in a sealed envelope;
- h) The content of said files may further be encrypted, in which case the tenderers shall supply the keys or certificates necessary for their consultation under the terms set out in the previous point;

- i) The envelopes with the declarations referred to in points g) and h) shall be duly identified and enclosed in the envelope which contains the tender application.
- 4. All documents accompanying the application must be written in Portuguese or, otherwise be accompanied by a duly legalised translation regarding which the tenderer states that, for all purposes, it is agreed that, the latter shall prevail over the original.
- 5. Other items may be submitted besides those required, in order to contribute to a better explanation thereof.
- 6. The items presented must be written in a clear and concise manner and, in particular, with references explicitly identifying the pagination to which they refer.
- 7. The application requests and accompanying items shall be delivered in the public attendance service of the headquarters of CP-ANACOM, at Avenida José Malhoa 12, 1099-017 Lisbon, in return for proof of delivery, on working days, between 9am and 4pm.

### **C. Assessment of Criteria**

The assessment of applications is based on the criteria set out in article 13 of the Tender Regulation.

Where it is determined that there are grounds for excluding an application proposal, such proposal will not be assessed in terms of the assessment criteria.

Assessment will not be made of the information presented by tendering entities in sections which are not covered by the corresponding chapters of the present Tender Specifications.

The table with the criteria, sub-criteria and indicators is hereby announced, as well as their applicable weightings:

**a) Contribution to conditions of effective competition (42%)**

Criterion	Sub-Criteria	Indicator	Tender Specifications Section
<b>1. Provision of own infrastructure (13%)</b>	1.1. Operating conditions (30%)		CHAPTER II (PT) 3.2. Conditions for provision of own infrastructure
	1.2. Percentage of sites and containers to share (70%)		
<b>2. Policies for the promotion of number portability (27%)</b>			CHAPTER III (PEF) A. 2.1.2. Policies for the promotion of portability
<b>3. Network access for MVNOs (60%)</b>	3.1. Permission to access the Full-MVNO Model (50%)	Conditions of remuneration for network access	CHAPTER IV Wholesale access to the network mobile of the applicant
		Conditions of exclusivity	
		Maximum accepted duration of contracts	
		Penalties for contract termination	
		Deadline for provision of access after signing the contract	
	3.2. Permission to access the MVNO Light Model and services provided (50%)	Permission and flexibility	
		Network services available	
		Outsourcing services provided/ Other services	
		Conditions of remuneration for network access	
		Conditions of exclusivity	
		Penalties for contract termination	
		Maximum accepted duration of contracts	
		Deadline for provision of access after signing the contract	
		Levels of quality of services (non-discrimination and implementation periods of tariff alterations)	

**b) Contribution to the development of new and innovative projects for the information society (31%)**

Criterion	Sub-Criterion	Indicator	Tender Specifications Section
Contribution to the development of new and innovative projects for the information society			Chapter V

**c) Quality of technical plan including the promotion of interoperability (19%)**

Criterion	Sub-Criterion	Sub-Sub-Criterion	Indicator	Tender Specifications Section
1. Quality of technical assumptions (20%)	1.1. Technology of access and support network (14%)			Section 1, of Chapter II Technical Plan
	1.2. Efficiency of spectrum use	1.2.1 Optimisation of the spectrum (33%)	Principles of planning for the optimisation of spectrum use	Section 2.1.1 of Chapter II Technical Plan
			Technical solutions to optimise the spectrum in geographical areas with high traffic levels	
			Solutions to be adopted to achieve coverage in indoor environments, including buildings and tunnels	
			The method used for cellular reuse (of frequencies and / or codes if applicable)	
			Traffic model used and associated parameters	
		1.2.2 Spectral compatibility (53%)		Section 2.1.2 of Chapter II Technical Plan

**c) Quality of technical plan including the promotion of interoperability (19%) (CONT.)**

Criterion	Sub-Criterion	Sub-Sub-Criterion	Indicator	Tender Specifications Section
<b>2. Quality of network planning (80%)</b>	2.1. Degree of access network coverage and its evolution (38%)		Dimensioning of coverage	Section 2.2.1 of Chapter II Technical Plan
			Population covered (in outside environments)	Section 2.2.2 of Chapter II Technical Plan
	2.2 Management of infrastructure (18%)		Sharing of infrastructure	Section 3.1 of Chapter II Technical Plan
			Measures to minimise environmental impact	Section 3.3 of Chapter II Technical Plan
			Measures to minimise exposure to electromagnetic radiation	Section 3.4 of Chapter II Technical Plan
	2.3. Network performance (15%)		Degree of availability of the global network	Section 5.1 of Chapter II Technical Plan
			Supervision and control of quality of service	Section 5.2 of Chapter II Technical Plan
	2.4. Network Security (10%)	2.4.1. Communications security (37%)		Section 4, Chapter II of the Technical Plan
		2.4.2. Security of premises (the control centres and base stations) (46%)		
		2.4.3. Security and information and protection of personal data (17%)		



**c) Quality of technical plan including the promotion of interoperability (19%) (CONT.)**

Criterion	Sub-Criterion	Sub-Sub-Criterion	Indicator	Tender Specifications Section
<b>2. Quality of network planning (80%)</b>	2.5. Plan of interconnection and interoperability (17%)	2.5.1 Interoperability of services (37%)		CHAPTER II (PT) 6. Plan of interconnection and interoperability
		2.5.2 Services of network interconnection (11%)		
		2.5.3 Prices of interconnection services (52%)		
	2.6. Efficiency in numbering management (2%)	2.6.1 Existence of mobile terminals with pre-activated E.164 numbers at points of sale (35%)		CHAPTER II (PT) 7. Efficiency in numbering management
		2.6.2. Indication of ratio (to remain throughout the activity) between the volume of numbers in use by end customers and the volume of numbers whose usage rights are granted by ANACOM (50%)		
		2.6.3. The time periods involved in the reuse of numbers deactivated after quarantine (15%)		

**d) Quality of the economic-financial plan (8%)**

Criterion	Sub Criteria	Indicator	Tender Specifications Section
<b>1. Quality of business plan</b>	1.1. Characterisation of the current situation of the national market (30%)		CHAPTER III (PEF). A.1.1. Characterisation of the current situation of the national market
	1.2. Market Forecasts (14%)		A.1.2. Market Forecasts
	1.3. Strategic and marketing plan (46%)	Quality of target market definition	A.1.3. Determination of the target market
		Quality of business strategy	A.2.1.1. Offers to be provided A.2.2. Distribution channels and customer support services
		Quality of the analysis of the critical factors for success	A.2.4. Critical factors for success
	1.4. Special offers (3%)		A.2.1.1. Offers to be provided
<b>2. Quality of project risk and feasibility analysis (7%)</b>			B. Financial-Economic Project

## **CHAPTER I**

### **IDENTIFICATION OF TENDERER**

1. The identification of the tendering entities, the assessment of whether or not the requirements and conditions governing access to the right to use frequencies have been fulfilled, as well as whether the rules and obligations of the tender have been adhered to, is according to the submission by the tenderers of the documents referred to in points a) to h) and m) of paragraph 1 of article 9 of the Tender Regulation.
2. In addition to the documents requested and required under the Tender Regulation, the competitor may submit any other items which contribute to better reasoning and assessment of the application, which items may be included in this chapter or in those related to the technical and economic-financial plans and the plan for the development of the information society.

## **CHAPTER II**

### **TECHNICAL PLAN**

It is intended that the level of information available to the evaluators is identical for all applicants; therefore the tenderers shall present a range of reasoned and detailed information with respect to the technical plan of the operation to be implemented, taking into account the 15 year period corresponding to the term of the authorising title.

The Technical Plan must follow the structure set out in these Tender Specifications, while additional information may also be submitted where deemed necessary.

#### **1. Technologies of the access and support networks**

Tenderers should identify the architecture of the network which they intend to implement, including the description, in terms of access and support, of the interfaces and network nodes. They should set out the functioning of the system, in the context of the overall structure and topology of the network, including among others:

- 1.1.** Identification of interfaces and protocols between blocks, with explicit reference to applicable standards;
- 1.2.** Characterisation, in accordance with the applicable standards of each functional block;
- 1.3.** Characterisation of the radioelectric parameters of emission and reception of the access network including, among others, bandwidth, access mode, duplex mode, power, out-of-band emissions (including ACLR - Adjacent Channel Leakage Ratio), spurious emissions, sensitivity and selectivity of the adjacent channel, identifying harmonised standards where applicable;

**1.4.** Diagram of the proposed network, referencing among others:

1.4.1. Control Centre(s)

1.4.2. Base Stations;

1.4.3. Transport Network, including the transmission capacity needed for the interconnection of Base Stations with Control Centres.

Tenderers should indicate whether the transport network is their own or belonging to third parties, identifying which segments are to be sub-contracted in the latter case, and where possible, to which entities.

**2. Network Planning**

The tendering entities should support the planning of the network based on the following points:

**2.1. Efficiency of spectrum use**

**2.1.1. Optimisation of the spectrum**

This plan should include the general criteria for the optimisation of the spectrum indicating in particular:

2.1.1.1. Principles of planning for the optimisation of the spectrum used, indicating relevant aspects, such as cellular hierarchies, power control and traffic management, where applicable;

2.1.1.2. Technical solutions to optimise the spectrum in geographical areas with high traffic levels;

2.1.1.3. Indication of the solution to be adopted to obtain coverage in interior environments, including inside buildings and tunnels.

2.1.1.4. Detailed method used for cell reuse (the frequency and / or codes if applicable);

2.1.1.5. Detailed description of the traffic model used and associated parameters;

## **2.1.2. Spectral compatibility**

The tendering entities should conduct a study of compatibility with existing radiocommunications systems/services operating in adjacent bands and should indicate the specific measures which they propose to implement in order to safeguard against harmful interference. The following adjacent systems/services should be taken into account in the study:

- ✓ Land Mobile Service:
  - Private networks;
  - Network of Mobile Service with Shared Resources (SMRP);
- ✓ SCPP System - Private Radio Paging;
- ✓ Analogue (PAL/G) and Digital (DVB) Broadcasting Service;

The radioelectric parameters associated with the radio systems mentioned above may be obtained from the radio interfaces published as part of the R&TTE directive at <http://www.anacom.pt/template12.jsp?categoryId=32117>.

The compatibility study should include the following:

- Characteristics of affected systems, explaining at a minimum:
  - Sensitivity;
  - Protection relationships;
  - Selectivity;
  - Desensitisation;
  - Rejection of intermodulation.

- Scenarios used;
- Protection distances, types of filtering required and guard bands, if necessary.

## **2.2. Degree of coverage of the access network and its evolution**

It is intended that the tendering entities provide detail and give their reasoning for the following aspects with respect to radio coverage. It should be noted that the planning of the network should consider that along the border with Spain a maximum of 20 dBuV / m should be guaranteed in 50% locations, 10% average time at 25 kHz 10 meters above the ground.

## **2.2.1. Dimensioning of coverage**

- 2.2.1.1. Reference levels (power or electric field) for purposes of determining coverage in exterior and interior environments and associated parameters, e.g. services, likelihood of coverage and planning margins considered;
- 2.2.1.2. Methodology used for calculation of coverage, propagation models and calculation algorithms considered, with reference to the recommendations of ITU-R, ETSI or other applicable models. Indication should be given, if applicable, of the calibration of propagation models and measures for assessment in the Portuguese territory;
- 2.2.1.3. Configurations and types of antennas used, including diagrams of typical radiation;
- 2.2.1.4. Dimensioning of typical base station coverage for indoor and outdoor environments including, at a minimum, Urban, Suburban and Rural resources for each type of service. Capacity/traffic requirements should be taken into account by type of services and per user;
- 2.2.1.5. Minimum number of base stations which the tendering entity proposes to install and the timetable envisaged for their entry into operation at the end of the 1st, 3rd, 5th and 15th year from the date of title issue;
- 2.2.1.6. Description of maps on an appropriate scale (corresponding to at least 1:1'000'000) of the evolution of coverage in external and internal environments, at a minimum, at the end of the 1st, 3rd, 5th and 15th year from the date of title issue, recording the location of base stations;
- 2.2.1.7. Listing of base stations of the end of the 1st, 3rd, 5th and 15th year from the date of title issue, indicating the geographical coordinates, radiated power (e.i.r.p.), number of sectors, azimuths, tilt, height of the antennas (above ground) and strength of the pilot signal (where applicable).

## **2.2.2. Coverage indicators**



The tendering entities should ensure the following minimum requirements of coverage for the voice service, according to the following deadlines, counted from the issue date of the allocation of the frequency usage right:

- 20% of the national population at the end of the first year;
- 40% of the national population at the end of the third year;
- 60% of the national population at the end of the fifth year;
- 90% of the national population at the end of the fifteenth year.

To this purpose, tenderers shall submit detailed information on the percentages of population coverage (thousands of inhabitants, based on the results of the Census 2001 of *Instituto Nacional de Estatística* (Statistics Portugal))<sup>1</sup> to be achieved, the phases and respective transmission speeds and associated services, distinguishing the end of the 1st, 3rd, 5th and 15th year from the issue date of the title.

Failure to present the indicators of coverage in accordance with these requirements shall be considered as grounds for excluding the application under point b) of paragraph 3 of article 12 of the Tender Regulation.

### **3. Infrastructure Management**

#### **3.1. Sharing of infrastructure**

Tenderers must explain their overall policy in terms of shared infrastructure of the access network already in operation, in particular regarding:

1. Sharing of infrastructure in operation - the number of sites should be quantified, together with the type of infrastructure involved compared to

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<sup>1</sup> An explanation should be given of the type of population distribution used in the area covered

the total of network sites (in the first 5 years from the issue date of the title), and also indicate any protocols already agreed .

3.1.1. Operationalisation - with respect to infrastructure sharing (including radio or non-radio components) the tenderer should focus, in particular, on aspects of compatibility of its system with other systems as well as those relating to its installation and operation.

### **3.2. Conditions for provision of own infrastructure**

If tenderers propose to share their radio access network with other providers of wireless electronic communications (including future providers of BWA), they shall specify the respective operational conditions, particularly in terms of prices, deadlines, and types of infrastructure involved (including containers) and the percentage of sites and containers where sharing will be possible.

### **3.3. Measures to minimise environmental impact**

Tenderers should describe other measures which they intend to adopt with the aim of minimising the impact on the environment and, in particular, the visual impact of the outside facilities.

### **3.4. Measures to minimise human exposure to electromagnetic radiation**

Tenderers must identify the mechanisms which they intend to adopt with respect to safety and protection against the effects of human exposure to electromagnetic radiation.

Additionally, the tendering entities shall estimate the levels of radiation to which the population will be exposed in the areas of greatest exposure.

## **4. Network Security**

- 4.1. Proposals should detail how the tenderers propose to guarantee the security of communications and supporting information systems, including the organisational arrangements, structure of responsibilities, procedures, documentation, audits and tests to be implemented in this respect. Reference should be made to applicable technical standards.
- 4.2. The proposals shall also detail the security plans of facilities, specifically for the control centres and base stations, covering among other things: control of access, control of temperature and humidity environmental conditions, intrusion, fire, floods, storms, earthquakes, electromagnetic discharges, power supply failure, energy independence, emergency power supply systems, alarms systems and infrastructure sharing.
- 4.3. The proposals shall also detail the measures to ensure the protection of personal data and user privacy, including the inviolability of communications and respective data traffic.

## **5. Network Performance**

### **5.1 Network Performance Parameters**

Tenderers must specify, and detail for each functional block, the minimum parameters of Network Performance which they propose to operate including, among others, the degree of availability and Mean Time Between Failures, taking into account the redundancy used.

### **5.2 Plan of supervision and control of quality of service**

The tendering entities shall detail the methods which they intend to use to supervise and control the quality of service offered, such as:

- 5.2.1 Set of indicators and methods for gauging the level of user satisfaction;
- 5.2.2 Frequency of measurements;
- 5.2.3 Organisation, qualification and location of network Planning, Operation and Maintenance teams;
- 5.2.4 Action strategy for Planning, Operation and Maintenance in light of the network behaviour;
- 5.2.5 Technical resources in support of the Planning, Operation and Maintenance teams.

## **6. Interconnection and interoperability plan**

Details should be given of how the tenderers propose to ensure, in a way that is consistent with their development plan, compliance with the requirements specific to an open network offer, ensuring interconnection with other public networks and interoperability of services, specifying in particular, the following:

- 6.1.** Arrangements for network interconnection and service interoperability (referring in particular to the rules on access to virtual cards and non-geographic numbers in the various numbering ranges of other operators, including the remuneration conditions for the parties involved), with an indication of possible restrictions and their appropriate justification;
- 6.2.** Description of interconnection services to be provided, including the general conditions of supply, particularly origination prices, call termination and billing and collection on behalf of other operators (including those for the services referenced in 6.1), and respective technical and operational characteristics.

## **7. Efficiency in the management of numbering**

Proposals should indicate how the tenderers propose to make use of numbering/addressing resources in general and the National Numbering Plan in particular, referring in particular to the requirements forecast for E.164 type numbering and how efficient management is to be ensured, including:

- Possible existence of pre-activation of the numbers in the terminals and their respective weight (percentage) with respect to the totality of numbers whose usage rights are allocated by ICP-ANACOM;
- Ratio (to remain in place throughout the activity) which it is proposed to guarantee between the volume of numbers in use by end customers and the total volume of number usage rights as and when allocated by ICP-ANACOM;
- Times associated with the reuse of numbers deactivated after quarantine.

## **CHAPTER III**

### **ECONOMIC - FINANCIAL PLAN**

With the intention that the assessors have identical levels of information for all applicants, the tenderers must submit a set of reasoned and detailed information concerning the economic-financial plan of the project, taking into consideration the 15 year period corresponding to the term of the authorising title.

The economic and financial plan must follow the structure set forth in the present Tender Specifications, while any additional information deemed necessary by its promoters may also be submitted.

The statistical data to be used, particularly that relating to population, territory and housing, must be that published by *Instituto Nacional de Estatística* (Statistics Portugal).

#### ***A. Business Plan***

##### **1. Market analysis**

Tenderers must submit a market study that is the basis of the entire economic-financial assessment, including, in particular, the methodology employed and sources consulted, and covering the following aspects:

##### **1. 1. Characterisation of the current situation of the national market**

It is intended that in this point consideration is given to the overall market of mobile services in terms of the following aspects:

#### **1.1.1. Analysis of quantitative aspects**

Quantification of the market in terms of the number of users/subscribers and associated traffic/consumption, from a geographical, demographic and economic perspective, considering the majority of the offers available.

#### **1.1.2. Qualitative aspects**

Qualitative analysis including market segmentation.

#### **1.1.3. Analysis of market participants**

Analysis of current market participants, characterising them in respect of their performance, identifying their strengths and weaknesses, and focusing, in particular, on the possible existence of substitute products on the supply side.

Opportunity and threat analysis of mobile services market.

### **1.2. Market Forecasts**

It is intended that - depending on the scenarios considered and adapted to the national reality - the analysis of the evolution of the overall market for mobile services be carried out in the evaluation of the project, including the number of users/subscribers and associated average traffic/consumption.

### **1.3. Determination of the target market**

The analysis of the market where the company intends to operate must be presented, including:

#### **1.3.1. Target segments**

Specification and characterisation of each target segment of the project.

### **1.3.2. Market share to be achieved**

Presentation, taking into account the national reality, of the share of the total market that the tenderer forecasts, detailed by segment, and giving an indication of the time-frame.

For the purposes of this item the market for mobile services is to be considered.

### **1.3.3. Evolution scenarios**

Presentation of scenarios of evolution for the target market, giving explicit indication of the assumptions.

Indication for each year of the project, of the number and type of users/subscribers, according to the identified target segments and average traffic/consumption generated by user/subscriber, with breakdown by type of service.

## **2. Commercial Strategy**

Tenderers must submit a description of the marketing strategy and policies which they intend to implement and their timetables, by target segment and including:

### **2.1. Commercial Offer**

At this point the composition and conditions of the commercial offer must be presented, covering:



### **2.1.1. Offers to be provided**

Tenderers must detail and characterise the services/packages that they propose to provide and the manner of their provision, highlighting innovative offers in comparison to those existing in the market or which reflect the current trends of convergence, providing users with new options for communications, information, entertainment etc. in order to meet the needs of potential customers.

In this context, the characteristics should be listed that could differentiate the proposed offer from other existing offers, particularly with regard to pricing policies, discounts and availability/substitutability of equipment.

If applicable, detailed reference should be made to the offers targeted at people with disabilities and people with special needs in general, including customers with low incomes, as well as the value associated with these deals.

### **2.1.2. Policies promoting number portability**

Tenderers should explain the role attributed in retail offering (basic element of commercialisation or complementary/on demand). Tenderers must also provide estimates of the prices of implementation of portability at the retail level (indicating that the service is free or, otherwise indicating its value).

## **2.2. Distribution channels and customer support services**

Characterisation of own or other marketing / distribution network.

Details of the system used for service sales, including the customer service scheme, after sales assistance, billing and complaint processing.

Indication, where applicable, of the levels of quality of the support service to be implemented and the resources to be provided which are suitable and accessible for people with special needs.

### **2.3. Schedule of Activities**

Presentation of the main activities to be developed, emphasising those that are critical to the implementation of the project. To this purpose, consideration must be given, specifically, to the phases of planning/installation, integration/test, start up (operation) and development, based on the unit of monthly measurement for the first two (three) and annual measurement for the last

Tenderers should also indicate the period or date forecast for the commencement of commercial operation of the services.

### **2.4. Critical factors for success**

Tenderers should set out the critical factors for the success of the business plan, with value given to the presentation of reasoned analysis of the potential impact of such factors.

## ***B. Financial-Economic Project***

The Financial-Economic Project, prepared in accordance with current legislation, must be made for 15 years, considering the Euro (thousands) as the monetary unit.

The analysis should focus on the activity of the tendering company associated with the object of the present tender, demonstrating the viability of the business.

Notwithstanding, the activity associated with the object of this tender must be contextualised in the overall activity and strategy of tenderer.

The tenderer shall explain the assumptions used in the preparation of the financial-economic project, providing the detail needed for the proper understanding of all information submitted.

Value will be given to the presentation of reasoned sensitivity analyses, combining the various critical parameters of the project.

The structure of the project shall include the following:

#### **1. Investment Plan**

Tenderers shall quantify and present the investment which they intend to make over the period of analysis, showing separately, in particular, where applicable, investment relating to Base Stations, Control Centres, Transmission Resources, Systems for the legal Interception of Communications, Measurement Apparatus, Systems for billing and customer management, Terminal equipment, Training, Research and development.

Reinvestment arising from the end of the useful life of equipment during the period in question should be considered.

Where the tenderers plan to use a third party to ensure the set of functions inherent to the above resources, or parts thereof, they shall, as appropriate, in response to point 3 of this section specify the respective operational costs in place of investment costs.

#### **2. Revenue Plan**

Tenderers must submit the evolution of annual revenues, considering the market segments and business strategy which they define and, if applicable, those arising from the provision of MVNO access to its mobile network.

### **3. Operation Costs Plan**

Tenderers must specify in detail the operating costs and their evolution, for the entire project, highlighting the main categories, including:

- Use of the radio spectrum;
- Provision of external services;
- Depreciation, which should reflect the average life of each of piece of equipment, or set of equipment, buildings and rate of depreciation;
- Staff costs, indicating the average number of staff per year;
- Financial costs.

### **4. Statement of forecast results**

### **5. Cash flow statement**

Tenderers should detail the project of the Financing Plan, explaining, in particular, the loan schemes (amounts, dates, methods of interest).

### **6. Balance forecast**

### **7. Evaluation of the project**

Tenderers must demonstrate the viability of the project, detailing the following:

#### **7.1. Net Present Value (NPV)**

Indication should be made of the discount rate used and the assumptions which determined it.

#### **7.2. Internal Rate of Return (IRR)**

### **7.3. Capital pay-back period**

## **CHAPTER IV**

### **Wholesale access to the network mobile of the applicant**

For the purposes of article 14 of the Tender Regulation and of the present Tender Specifications, the provision of access to the mobile network to MVNOs should be understood as meaning the possibility of mobile virtual network operators (MVNOs) which do not have rights to use frequencies or their own infrastructure associated with the wireless access network, being supported over the wireless resources provided by the tendering operator, in order to devise and place their own retail offers on the market offers, being free to differentiate them from the offers of the tenderer on the support network and to enable these entities to have direct customers and assume exclusive responsibility for their users end relationships.

Proposals should detail the basic assumptions of the offers made available in accordance with the provisions of the Tender Specifications and in particular including:

- MVNO models provided and their respective development (including information on ownership and activation of SIM cards, on a pre-paid and post-paid basis, control of credits, online tariffs, card and numbering management and on the possibility of transition from one model to another);
- Services available in the various models (including detailed information on the network services and other services provided at the request of MVNOs through outsourcing such as services billing and customer support services,

services of tariff change implementation, technical support services, management of portability, management of interconnection and roaming);

- Technical conditions of network access, particularly in terms of priorities of access to the network by terminals of the MVNOs;
- Information on the levels of quality associated with the provision of network services and other services provided through outsourcing by reference to the internal provision of these services and indicating, in particular, the period of implementation of tariff changes requested by MVNOs;
- Remuneration conditions of access to the network and calculation assumptions (including detailed and reasoned information on the values of the margins of network access wholesale prices over retail prices);
- The existence of conditions of the exclusivity in the provision of network access to MVNOs (including information on periods, if applicable);
- The maximum duration allowed for contracts in this area and information on the period of access provision after the signing of such contracts, including the period (by reference to the total duration of contracts) from which it is possible for MVNOs to terminate the contracts without penalties.

## **Chapter V**

### **DEVELOPMENT OF INFORMATION SOCIETY**

The transition to an economy and society that is based on knowledge, through the application of measures and implementation of projects in the field of the information society and R&D, aimed at accelerating the process of structural reform and the promotion of competitiveness and innovation, whether through investment in people and combating social exclusion, or through the sustainability of current economic outlook, requires the adoption of new structures and interactions.

The information and knowledge society as an opportunity to reinvent the organisation of the State, directed at citizens and at the strengthening of economic competitiveness, focusing on the sector of Information and Communication Technologies (ICT), requires the involvement of all of society, and companies in particular, with awareness of the importance of investment and the use of ICT as a guarantee of competitiveness in national and international markets.

For this purpose widespread access to and use of ICT by the population, particularly of computers and the Internet is, undeniably, a basic condition for the construction and development of this goal through:

- The qualification of citizens such that they can seek out electronic communications services and take advantage of the information society;
- The creation of competitive services, characterised by affordable supply, stimulating demand;
- The increased value of investments in content and services which maximise the value added by the various economic sectors;
- The integration of projects in the implementation of development policies;

- Contribution to the optimisation of productive processes and the effectiveness of production factors (capital, labour, information, knowledge and others);
- Contribution to the motivation of workers and the recognition of their knowledge and skills in increasing productivity.

Therefore, in order to give substance to the contribution that the holder of the right to use frequencies for the provision of the land mobile service in the 450-470 MHz band undertakes to provide for the development of information society, the tenderers are required to submit:

1. A duly reasoned proposal identifying separately the proposed projects that have the above assumptions as their objective, in particular to contribute to a sustainable information society which levers technological and economic development and, simultaneously, respects and strengthens the social, cultural and environmental balance;
2. The projects to be pursued in the national territory must be fully supported, financially quantifiable, specifying the totals involved and, in each case, the investments made annually, the recipients, the timetables and rate of implementation. If the tenderer intends to allocate funds to projects which already exist or are under development by the government or public entities, with particular emphasis on the development of accessibility policies, these must be properly identified and characterised, with specification of the amounts and the rate of execution, while in their entirety they may not represent more than 50% of the total value that can be committed under the compensation for the Information Society;



3. The projects should be pursued by the entity authorised by the present tender or, where developed by third parties, under the responsibility of the first party who shall be ultimately responsible for their implementation, except with the necessary adjustments permitted in the preceding paragraph;
4. The rate of project implementation should not be lower in the first five years, counted from the first year of the award of an the authorisation title, than 15% per annum;
5. The projects and the funding allocated thereto shall be auditable by ICP-ANACOM, or by an entity mandated for such purpose;
6. After the first 5 years, in the event that circumstances change whereby there are reasonable grounds for a review of the projects, the entity that will monitor their implementation will consider the new proposals, whereby there may not be any change in the total and partial values tied to the concession title for the Information Society. The decision of this body is binding on the authorised operator.
7. The investments embodied in expenditure, which serve the stated aims and which do not result directly from that attributable to operation costs, including those of the promotion, dissemination and implementation of the activities for which the operator was authorised through this tender, are conditions of acceptability.

Lisbon, 30 July 2008.