

On announcing a contest for obtaining a license for the use of radio frequency spectrum for digital terrestrial TV network provision

The Georgian National Communications Commission (later on “the Commission”) states that transition from analogue terrestrial TV broadcasting to digital terrestrial TV broadcasting is a large-scale reform of State significance that is an international obligation of the member States of the International Telecommunication Union (ITU) including Georgia, within the framework of Geneva Agreement GE06 of 2006. By signing the agreement the Government of Georgia defined main directions of the State policy for transition to digital terrestrial TV broadcasting. Based on these directions, action plan and relevant recommendations for transition from analogue terrestrial TV broadcasting to digital terrestrial TV broadcasting were developed and approved on 10th February 2014 by the decree #206 of the Government of Georgia.

On 20th February 2014 the Parliament of Georgia adopted the law of Georgia “on Amendments to the Law of Georgia on Electronic Communications” which came into force on 27th February 2014 (registration code 320110000.05.001.017341). Paragraph 7 of article 2 of this law defines the obligations of the Commission to announce a contest until 1 April 2014 with the purpose to issue licenses for the use of radio frequency spectrum in order to provide digital terrestrial TV broadcasting. Paragraph 9 of article 2 of the same law defines that the Commission, while announcing a contest with the purpose to issue licenses for the use of radio frequency spectrum in order to provide digital terrestrial TV broadcasting, should follow the action plan approved on 10th February 2014 by the decree #206 of the Government of Georgia on “action plan and relevant recommendations for transition from analogue terrestrial TV broadcasting to digital terrestrial TV broadcasting”.

The Commission notes that in the framework of technical assistance program of the European Bank for Reconstruction and Development (EBRD), with the support of experts, the following has been implemented:

- a) Planning of frequency resources (within the range of 470-694 MHz) necessary for formation of nationwide digital terrestrial TV broadcasting networks (later on “multiplex platform”) of different functions and technical specifications;
- b) The document of detailed technical specifications of set-top-boxes was developed on the basis of recognized international standards;

c) "Rules of Operation" for digital broadcast networks has been developed;

d) For the support of potential investors and participants of the contest, auxiliary documentation was developed. The documentation includes approximate plan of nationwide digital terrestrial broadcasting network (not less than common analogue network of public broadcasting), estimated model of cost calculation and qualitative indicators and parameters of networks and services, which is represented in the action plan approved on 10th February 2014 by the decree #206 (the above documentation is available on the web-page of the Ministry of Economy and Sustainable Development of Georgia accessible at <http://www.economy.ge/ge/media/news/cifrul-miwiszeda-satelevizio-mauwyeblobaze-gadasvlis-samoqmedo-gegma-da-rekomendaciebi>, as well as the official web-page of the Commission http://www.gncc.ge/index.php?lang_id=GEO&sec_id=50712&info_id=115066).

The Commission states that according to paragraph 7 of article 47 of the law of Georgia "on Electronic Communications", the right for the use of radio frequency spectrum to provide digital terrestrial TV network shall be obtained on the basis of a license, by an open competitive contest in accordance with article 51¹ of this law. According to paragraph 1 of article 50¹ of the same law, the license for the use of radio frequency spectrum to provide digital terrestrial TV network, is issued as a result of announcing of winner of an open competitive contest, in case of availability of free radio frequency resources, based either on the Commission's initiative or on the basis of application of an interested person.

Based on the above mentioned, the Commission states that the action plan approved on 10th February 2014 by the decree #206 of the Government of Georgia (which from its part is based on the planning of radio frequency for digital terrestrial TV broadcasting networks within the framework of technical assistance programs of the European Bank for Reconstruction and Development (EBRD)), defines the free frequency resources within the range of 470-694 MHz, which will be available from 17th June 2015 for formation of five digital terrestrial TV broadcasting networks. Therefore it is possible to announce a contest for 5 licenses for the use of radio frequency spectrum in order to provide digital terrestrial TV broadcasting.

Article 52¹ of the Law of Georgia on Electronic Communications defines procedures of announcing and carrying out a contest for obtaining the right for the use of radio frequency spectrum to provide digital terrestrial TV network and identifying the winner. According to the same article, paragraph 2, subparagraph c, the initial price for the use of scarce resources is defined by the Commission in each specific case taking into account international practice, on the basis of conclusions of respected international organizations;

The Commission notes that within the framework of technical assistance program of the European Bank for Reconstruction and Development (EBRD), on 3rd February 2014 the Commission addressed the European Bank for Reconstruction and Development (EBRD) with the request of presenting relevant conclusion, taking into account international practice, about initial price for the use of free frequency resources within the range of 470-694 MHz presented in the contest according to article 52¹, paragraph 2, subparagraph c of the law of Georgia "on Electronic Communications". Within the framework of the abovementioned project, on 20th February 2014 the European Bank for

Reconstruction and Development (EBRD) submitted to the Commission a recommendation "Advice to GNCC on spectrum charging for digital broadcasting switchover". The recommendation states that the initial price to obtain the license for the use of scarce resources to provide digital terrestrial TV broadcasting is advisable to define as a price amounting zero. The recommendation notes that this conclusion is based on international practice.

The Commission notes that according to article 52¹, paragraph 2, subparagraph c) of the law of Georgia "on Electronic Communications" it is necessary to determine the initial price for the use of scarce resources. According to the best international practices and according to the conclusion developed within the framework of technical assistance programs of the European Bank for Reconstruction and Development (EBRD) and presented to the Commission, initial price for the use of scarce resources presented in the contest is advisable to amount zero. The basis of imposition of the lowest initial price for the use of scarce resources presented in the contest is promotion of freedom of expression and media pluralism. The cost of distribution of the broadcasting TV content should not be high and this cost should not be increased by a high price for the use of scarce resources paid to obtain frequency resources. On the other hand, by imposing an initial price for the use of scarce resources close to zero, the Commission will give the possibility to the market to determine real market value of scarce resources which will be presented in the contest.

On the basis of the above legal requirement and recommendations of the respected international organization – the European Bank for Reconstruction and Development (EBRD), the Commission considers appropriate to define the initial price for the use of scarce resources to provide digital terrestrial TV broadcasting, submitted to the contest, as amount close to zero, but no more than the amount defined in the law of Georgia "on license and access fees" article 6, paragraph 14, subparagraph d) – 1000 GEL.

Based on the above, according to the law of Georgia "on Amendments to the Law of Georgia on Electronic Communications" (registration code 320110000.05.001.017341) article 2, paragraphs 7 and 9, and the Law of Georgia on Electronic Communications, article 47, paragraph 7, articles 50¹ and 52¹ and taking into account the action plan approved on 10th February 2014 by the decree #206 of the Government of Georgia on "action plan and relevant recommendations for transition from analogue terrestrial TV broadcasting to digital terrestrial TV broadcasting" and recommendations („Advice to GNCC on spectrum charging for digital broadcasting switchover") developed on 20th February 2014 within the framework of the technical assistance programs of the European Bank for Reconstruction and Development (EBRD), the Commission unanimously

Decided:

1. To announce the contest for obtaining five licenses - #MUX-A, #MUX-B, #MUX-C, #MUX-D and #MUX-E - for the use of radio frequency spectrum in order to provide digital terrestrial TV broadcasting;
2. To define the deadline for the submission of the contest applications as May 2, 2014, 19:00;
3. To submit the contest applications to the following address: 50/18 Ketevan Tsamebuli ave. / Bochorma st., 0144 Tbilisi;

4. That the contest applications must be received by the Administration Department of the Commission (I.Kharebava);
5. That sending the contest applications and attached documents by post to the Commission is prohibited;
6. That participation in the contest by the following is excluded:
 - a) an administrative body, an official of an administrative body and other civil servant;
 - b) a political party;
 - c) legal entity the shares of which directly or indirectly are owned by the State or a person defined in subparagraphs a) and b) of this paragraph.
7. To receive and publish the written questions and answers regarding the contest until 25th April 2014, 19:00;
8. To define the preliminary session date as May 7, 2014, 13:00;
9. To define the oral hearing date as June 9, 2014, 13:00;
10. To define the contest date as June 10, 2014, 13:00;
11. To approve the rules and conditions (later on "the contest conditions") for obtaining the licenses – #MUX-A, #MUX-B, #MUX-C, #MUX-D and #MUX-E – for the use of radio frequency spectrum in order to provide digital terrestrial TV broadcasting;
12. To recognize the contest conditions approved by the above decision as an integral part of the decision;
13. That the initial price for the use of scarce resources determined by each license, defined in paragraph 1 of this decision, should be 1000.00 (one thousand) GEL;
14. To assign the Commission Administration Department to ensure publicity of the above decision and publish the official text of the decision and its English translation on the web page of the Commission (www.gncc.ge). In case of non-compliance of the official text of the decision and its English translation the preference is given to the official text;
15. To assign the press secretary of the Commission (Kh.Kurashvili) to disseminate the information about the announcement of the contest through mass media;
16. That the decision shall enter into force from the date of publication of the decision on the official web site of the Commission (www.gncc.ge);
17. That the decision may be appealed in the Administrative Cases Panel of Tbilisi City Court (address: 6 Agmashenebeli Alley 12 Km, Tbilisi) within a period of one month.

18. That the supervision of the implementation of the above decision should be assigned jointly to radiofrequency management, strategic development, legal and administrative departments of the Commission (S.Shavgulidze, T.Tkeshelashvili, K.Kurashvili, I.Kharebava).

GNCC Acting Chairman

Akaki Sikharulidze

GNCC Member

Sophio Britanchuk

GNCC Member

Irakli Moseshvili

“Approved” by

The resolution N176/10 of the Georgian National Communications Commission
on March 31, 2014

Procedure and terms for conducting contest for granting radio frequency license for the
provision of Digital Terrestrial TV Network
(later on „contest terms“)

Article #1. Contest Application Form, attached documents (later on „bid“) and procedure to offer bids

1. The bidders shall apply to the commission with the contest application form which is attached with the bid;
2. Contest application form should include:
 - a) for a physical person: name, surname, place and date of birth, registration information, address, citizenship;
 - b) for a legal entity: legal name, legal form, legal address (company seat), registration information from a registry of entrepreneurial or not for profit organizations registry, name and surname of a person (the persons) granted representation authority, complete information on ownership, also information on shareholders who own 5% or more shares; also evidence that shareholder holding less than 5% of shares is not an administrative body, official of the administrative body or other public servant or Political party;
3. Any bidder can offer bids for up to 10 possible combinations (lots):

Possible Bid	Description
A+0	This lot means that the bid covers only №MUX- A License;
A+1	This lot means that the bid covers№MUX-A license plus 1 further License out of licenses №MUX-C,№MUX-D and№MUX-E;
A+2	This lot means that the bid covers№MUX-A license plus 2 further License out of licenses №MUX-C,№MUX-D and№MUX-E;
B+0	This lot means that the bid covers only №MUX- B License;
B+1	This lot means that the bid covers№MUX-B license plus 1 further License out of licenses №MUX-C,№MUX-D and№MUX-E;
B+2	This lot means that the bid covers№MUX-B license plus 2 further License out of

	licenses №MUX-C, №MUX-D and №MUX-E;
A+B+0	This lot means that the bid covers №MUX- A License and №MUX- B License;
A+B+1	This lot means that the bid covers №MUX- A License and №MUX- B License plus 1 further License out of licenses №MUX-C, №MUX-D and №MUX-E;
A+B+2	This lot means that the bid covers №MUX- A License and №MUX- B License plus 2 further License out of licenses №MUX-C, №MUX-D and №MUX-E;
A+B+3	This lot means that the bid covers all five licenses i.e. №MUX-A, №MUX-B, №MUX-C, №MUX-D and №MUX-E Licenses.

4. Bidder is authorized to offer bids for all 10 possible lots; Though each bidder is authorized to offer bids for all possible lots (10) formed from five licenses, the license can be won only for one of them;

5. Contest Application Form and the bid offered by a bidder must be presented in Georgian language; Bidder must separately attach all bids, in sealed form, to the Application Form;

6. Bidder is authorized to offer only one bid for each lot;

7. Each offered bid must include all documents defined in paragraph 10 of this Article;

8. Bidder is authorized to include original documents with one of the bids and copies of the documents with the other bids;

9. Documents included in the bid must be Continuously numbered, binded and signed by an authorized representative;

10. Bids must contain the following documents:

a) Approved Bid Facing Sheet (see Annex 1) that covers the following:

a.a) Name of the Bidder;

a.b) Indication of the specific lot (out of 10 possible lots formed by 5 licences) covered by the offered bid;

a.c) Maximum amount (in Lari) offered by the bidder for the right to use the scarce resources of a specific bid;

a.d) Maximum monthly fee (price cap) offered by the bidder to broadcasters for the distribution of nationwide FTA (also Free to view) content within digital terrestrial TV broadcasting network of №MUX- A multiplex platform defined as 1Mbit/sec value per month excluding VAT (if the bid includes №MUX- A license);

a.e) Maximum monthly fee (price cap) offered by the bidder to broadcasters for the distribution of nationwide FTA (also Free to view) content within digital terrestrial TV broadcasting network of

NºMUX- B multiplex platform defined as 1Mbit/sec value per month excluding VAT (if the bid includes NºMUX- B license);

a.f) Number of MoUs signed with the active national FTA broadcaster(s);

a.g) Number of MoUs signed with the active other broadcaster(s);

b) Statement from the entrepreneurial or not for profit organizations registry; in case of physical persons – copy of appropriate ID document;

c) Notarized document certifying authorization of bidder's representative;

d) MoU(s) (that indicates broadcaster's willingness to distribute its content via FTA or FTV) signed with the broadcasters;

e) Technical proposal for construction of digital terrestrial network that must cover:

e.a) Detailed plan for network construction that must be defined as monthly schedule (from August 1, 2014 till June 17, 2015) of activities for the construction of NºMUX-A and/or NºMUX-B multiplexes. The plan should also cover location of main transmission stations, date of network commissioning and starting operation and deadlines for setting up of additional gap-filler sites. In case of winning, based on presented information GNCC will conduct continual and systematic monitoring of the network;

e.b) Information on network model and approximate locations (geographical coordinates) of main transmission stations; in case bidder plans to use transmission station location that differs from the location (exceeding 100 m radius from the defined coordinates) indicated in paragraph 2 of Article 4, bidder is obliged to offer network plan elaborated based on the alternative coordinates. This plan will be evaluated by GNCC before the oral hearing. Regarding the offered plan the GNCC is allowed to make one of following possible decisions during the oral hearing:

e.b.a) accept the offered plan. In such case if the bidder wins the Contest, offered alternative geographic coordinates (or any other technical parameters) will become contest terms for the bidder;

e.b.b) deny the offered plan and take actions defined in paragraph 6 of the Article 2 in relation to this bidder;

e.c) information on planned distribution network model;

e.d) information on planned estimated capital (CAPEX) and operational (OPEX) expenses of construction of transmission and distribution networks;

f) Financial plan for the planned activities, information on sources of funding, and appropriate proof of the sources of funding. The presented documentation should give the possibility to GNCC to ensure the financial feasibility of bidder;

g) Document confirming the payment of the appropriate amount of defined license levy (1000 GEL) for the right to use scarce resources indicated in the bid. This amount must be paid to the state budget

of Georgia (to get information on details of bank account of State budget the bidder is authorized to contact financial department of GNCC +995 32 239 40 29);

h) Bank guarantee for the amount of 500,000.00 (five hundred thousand) GEL, or its equivalent in foreign currency, valid till June 17, 2015.

Article 2. The rule of contest and grounds for disqualification

1. Costs of a bidder related to the contest application and the bid(s) submitted to the Commission will not be reimbursed;

2. After expiration of the date of the contest application submission, modification or clarification of the contest application and bid(s) by the initiative of a bidder is prohibited, except the cases defined in paragraph 3 of this article;

3. At the preliminary session the contest applications and the attached bid(s) are opened, published, scanned in presence of applicants and are uploaded on the Commission's official web page (www.gncc.ge). The above documentation shall be publicly available the same working day. In case attached documents are submitted in an incomplete form, the Commission shall set an additional term of 5 (five) days to ensure compliance of documentation;

4. The contest applications and attached documentation will be publicly available during 20 days before the public hearing;

5. In case if an applicant fails to submit full documentation within a period defined by paragraph 3 of this article, the Commission shall make a decision to refuse consideration of an application and refuse the participation of an applicant in the contest;

6. The Commission shall take a decision at the oral hearing to disqualify a bidder if:

a) the contest application is submitted by an unauthorized person;

b) the contest application is submitted by a person defined in paragraph 6 of the decision #176/10 received by the Commission on 31st March 2014;

c) one of the submitted documents does not comply with the contest requirements;

d) the presented information is false; in this case a bank guarantee submitted by a bidder will not be returned to an applicant;

e) a network plan with alternative geographical coordinates is presented, but is not accepted by the Commission;

7. The contest will be held at a public hearing;

8. The winner of the contest will be identified according to the Article 3. Evaluation Methodology of Bids, Evaluation Criteria and Evaluation Rules of this document;
9. The Commission takes a decision on identifying the winner(s) of the contest and publishes the decision. A copy of the Commission's decision on the contest results shall be sent to all participants of the contest. The Commission's decision is disseminated through mass media and is published on the Commission's web-site (www.gncc.ge);
10. A bidder shall have the right to refuse to participate in the contest at any stage of the contest (before the Commission's decision on identifying the winner(s) of the contest);
11. If a bidder refuses to participate in the contest until the deadline of the contest application submission, the bid will be returned upon request.
12. If a bidder refuses to participate in the contest after the deadline of the contest application submission, but before the Commission reveals the contest winner, the contest application and the bid will not be returned.
13. Bidder, which will not win the contest or refuses to participate in the contest before the Commission reveals the contest winner, will receive back the bank guarantee within 10 days from the date the Commission reveals the contest winner or the contest is canceled.
14. The license shall be issued to the contest winner within 5 (five) working days from the date of payment of the initial price for the use of scarce resources. In case of offering more than an initial price for the use of scarce resources defined in this contest document, the sum shall be paid within a period of 1 (one) year from the date of the license issuance according to a schedule defined by the Commission decision on identifying the winner of the contest.
15. In case if the winner of the contest will not pay the initial price for the use of scarce resources within the period defined by the Commission decision on identifying the winner(s) of the contest, the Commission shall take a decision on refusal of issuing the license and cancellation of the Commission decision on identifying the winner;
16. The bank guarantee submitted by the contest winner is subject to withdrawal if:
 - a) the contest winner has not paid the initial price for the use of scarce resources according to the rule defined in paragraph 14 of this article and accordingly the Commission will have made a decision on refusal of issuing the license and cancellation of the Commission decision on identifying the winner;
 - b) the contest winner did not fulfill terms of the bid and other conditions defined by the license until 17th June 2015;
 - c) the bidder submitted false information.
17. In the license issued to the contest winner, mandatory technical requirements defined in paragraph 4 of this document and other license conditions, as well as the bid submitted by a bidder is considered as license conditions and are mandatory for fulfillment.

18. The Commission shall immediately announce the new contest the moment one of the following actual circumstances are determined:

- a) if the contest is cancelled (no bids were submitted, no winner was revealed for any lot);
- b) if no contest winner was revealed for the licenses #MUX-A or #MUX-B;
- c) if the license was not issued to the contest winner on the basis of paragraph 15 of this article.

Article 3. Evaluation Methodology of Bids, Evaluation Criteria and Evaluation Rules

1. Evaluation Methodology of Bids

- a) Each bid offered by each bidder is evaluated individually. Also, each bid, offered by each bidder, which jointly forms a combination with other bid, shall be evaluated as a combination;
- b) Combination is defined as the unity of separate bids for options A+X and B+X placed by two different bidders, which together does not exceed the total number of 5 multiplexes. For example: two different bids A+1 and B+2 offered by different bidders is a combination, but bids A+2 and B+2 is not a combination; Bids offered by the same bidder are not considered as a combination and they are evaluated individually. For example: bids offered by the same bidder for options A+1 and B+2 are not considered as a combination and they are evaluated individually.
- d) The winner(s) of the open contest can be one or two bidder (s);
- e) The winner shall be the bid (bidder) that will be awarded the maximum number of points during the individual evaluation process and/or the bids (bidders) that will be awarded the maximum number of points as a combination during the combinatorial evaluation;
- f) if the first highest number of points is assigned to the individual bid and the second highest number of points is assigned to the combination which includes the bid that received first highest number of points, than the winners will be the bids(bidders) forming the given combination.
- g) If individual bid will be awarded the same number of total points as the combination of bids, the bids that form combination shall be given a priority;
- h) If two individual bids or two combinations of bids will be awarded the same number of total points, the bid that will be awarded a higher number of points for R criteria shall be given a priority;

i) In case these two individual bids or these two combinations of bids will be awarded the same number of points for R criteria as well, then the bid that will be awarded a higher number of points for K criteria shall be given a priority;

j) In case these two individual bids or these two combinations of bids will be awarded the same number of points for all criteria, the bid (or in case of combination - bids) that was (were) offered and registered in the commission earlier (time) shall be given a priority;

k) if within the open competitive contest there is only one bid offered by only one bidder then commission evaluates compliance of this bid to the contest terms defined in this document and whether total amount offered by the bidder for the right to use all frequencies included in this specific bid is paid. If all conditions are met then commission announces the bidder as winner without applying procedure defined in this paragraph;

l) if within the open competitive contest there are only two bids, which jointly form a combination, offered by two bidders then commission evaluates compliance of these bids to the contest terms defined in this document and whether total amount offered by the bidders for the right to use all frequencies included in this specific bids is paid. If all conditions are met then commission announces the bidder as winner without applying procedure defined in this paragraph.

2. Evaluation Criteria

Each bid offered by each bidder individually as well as combinatorially (if the combination is formed) is evaluated based on the following criteria:

a) Amount offered for the right to use the scarce resources (K) –maximum 12 points;

b) Maximum monthly fee (price cap) offered by the bidder to broadcasters for the nationwide, FTA (also Free to view) distribution of the content within N^oMUX-A and/or N^oMUX-B (R) – maximum 78 points, where:

b.a) Maximum monthly fee (price cap) offered by the bidder to broadcasters for the nationwide FTA, (also Free to view) distribution of the content within the N^oMUX-A (R_a) – maximum 39 points;

b.b) Maximum monthly fee (price cap) offered by the bidder to broadcasters for the nationwide FTA, (also Free to view) distribution of the content within the N^oMUX-B (R_b) – maximum 39 points;

c) Number of memorandum of understandings (MoUs) signed with the active broadcaster(s) (M) – maximum 10 points, where:

c.a) number of MoUs signed with the active national FTA broadcaster(s) (M_a) – maximum 6 points;

c.b) number of MoUs signed with the other active broadcaster(s) (M_b) – maximum 4 points.

3. Methodology for Individual and Combinatorial Evaluation of Bids is defined in Annex 2.

Article 4. Mandatory technical requirements and other specific terms of license

1. Mandatory technical requirements

a) Standards and Network technology

a.a) DTT network must be set up based on the DVB-T2 technology standard (EN 302 755) and H.264 (MPEG 4) Data compression standard (ISO/IEC 14496);

a.b) DTT platform must be planned and set up based on DVB-T2 COFDM parameters, which yields at least 33.1 Mbit/s net rate;

a.c) Within the networks defined by licenses of N^oMUX A and N^oMUX B data transmission must be of the following quality: 8 Mbit/s net bit rate (at least 7Mb/s for video) for HD service and 2.15 Mb/s (at least 1.7Mbit/s for video) net bit rate for SD service (at least 1.7Mbit/s for video). The above mentioned bit rate is defined as one week average bit rate within statistical multiplexing and includes video, audio, and subtitling data transmission.

b) Service level Availability (SLA)

In case of service interruption, the error is defined according to the ETSI TR 101 290 standard. Service availability for the main sites defined by the paragraph b.e) of the given article, within the license terms of N^oMUX A and N^oMUX B, must be ensured according to the following categories: Category 1 - 99.75 %, Category 2 - 99.5 %, Category 3 - 99.35 %, Category 4 - 98.5 % and must be calculated as one year average.

b.a) "unavailability" must be defined as time duration between the error detection by the monitoring system of the network operators and its elimination;

b.b) errors which do not exceed 15 second duration must be disregarded; b.c) time of service level availability is calculated separately based on the data of the individual channel and individual main transmitter site;

b.c) time of service level availability is calculated separately based on the data of the individual channel and individual main transmitter site;

b.d) Service level availability calculation formula is following:

$$K = 100 \times (1 - X/8,760)$$

where;

K – represents actual availability defined in %;

X – represents "unavailability" time duration (hours a year);

8,760 - represents total number of hours in a year.

b.e) Table 1. Populated areas the majority of territories of which are covered by the signals of sites categorized under the specific "SLA categories". (Sites intended for shadow areas will be assigned a category according to the site covering the majority of the territory of the given populated area).

Site category	Site location/city	Ranking	Capital/Region/Autonomous region
Category 1	Tbilisi	population exceeding 50,000	Tbilisi
	Kutaisi		Imereti
	Batumi		Ajara
	Rustavi		Kvemo Kartli
	Zugdidi		Samegrelo/Zemo Svaneti
Category 2	Poti	Population between (20,000-50,000]	Samegrelo/Zemo Svaneti
	Gori		Shida Kartli
	Samtredia		Imereti
	Khashuri		Shida Kartli
	Tskhinvali		Shida Kartli
	Sokhumi		Abkhazia
	Gagra		Abkhazia
	Ochamchire		Abkhazia
	Senaki		Samegrelo/Zemo svaneti
	Zestaponi		Imereti
	Telavi		Kakheti
	Ozurgeti		Guria
	Marneuli		Kvemo kartli
Category 3	Kaspi	Population between (10,000-20,000]	Shida kartli
	TchiaturaTchiatura		Imereti
	Akhaltsikhe		Samtskhe-javakheti
	Kobuleti		Ajara
	Tskaltubo		Imereti
	Borjomi		Samtskhe-javakheti
	Tkibuli		Imereti
	Sagarejo		Kakheti
	Gardabani		Kvemo kartli
	Gudauta		Abkhazia
	Khoni		Imereti
	Gurjaani		Kakheti
	Category 4		Bolnisi
Akhalkalaki		Samtskhe-javakheti	
Kvareli		Kakheti	
Tsalenjikha		Samegrelo/Zemo svaneti	
Akhmeta		Khakheti	
Lanchkhuti		Guria	

Dedoplistskaro	Khakheti
Mtskheta	Mtskheta-mtianeti
Dusheti	Mtskheta-mtianeti
Kareli	Shida kartli
Sachkhere	Imereti
Lagodekhi	Kakheti
Abasha	Samegrelo/Zemo svaneti
Ninotsminda	Samtskhe-javakheti
Tsnori	Kakheti
Martvili	Samegrelo/Zemo svaneti
Khobi	Samegrelo/Zemo svaneti
Terjola	Imereti
Vale	Samtskhe-javakheti
Jvari	Samegrelo/Zemo svaneti
Baghdati	Imereti
Vani	Imereti
Tetri tskaro	Kvemo kartli
Dmanisi	Kvemo kartli
Gali	Abkhazia
Tkvarcheli	Abkhazia
Akhali atoni	Abkhazia
Oni	Racha-Lechkhumi/Kvemo svaneti
Ambrolauri	Racha-Lechkhumi/Kvemo svaneti
Signaghi	Kakheti
Tsageri	Racha-Lechkhumi/Kvemo svaneti
Tsalka	Kvemo kartli

c) Technical parameters for the main transmission stations and transmission stations intended for the coverage of shadow areas

c.a) Licensee is obliged to locate the transmission stations according to the geographical coordinates defined by the license terms (namely according to the "tele-radio-centre" sites), or locate the transmission stations in the 100 meter radius from the predefined coordinates, maintaining the antenna suspension height above sea level (deviation $\pm 5m$).

(Note: In case the bidder plans to use alternative (from those predefined in the license terms and exceeding 100 meter radius) geographical coordinates for the transmission stations, then the bidder is obliged to provide the relevant network plan to the commission which will be evaluated before the oral hearing takes place.

c.b) As far as the license terms do not include the technical parameters (RF resources, geographical coordinates, suspension height, ERP, and other technical parameters) of gap-filler sites, bidder is obliged to address commission in each case of additional site (gap-filler sites for shadow areas)

planning and the commission will define the relevant RF resources and technical parameters for the given site.

d) Distribution Network

In regard to N^oMUX-A and N^oMUX-B it is recommended to use Fiber Optic and/or microwave link (considering the existing limitations on lower band (under 10MHz) frequencies). Satellite link can be used for a redundant distribution network.

e) Electronic program guide (EPG) and relevant information

For DTT network provisioning, all licensees (UHF mux operators) are obliged to cross-carry (exchange) all EPG and service information (7 day TV program information of broadcasters) and include these information in their multiplex platforms. At least 0.8 Mbit/s net bit rate, within each multiplex platform, has to be dedicated to the program specific service information (EPG, PSI/SI).

f) Rules of Operation

Licensee is obliged to abide to the operation rules defined by the "Georgia Digital Switchover Action Plan and Relevant Recommendations" document approved by the decree N206 of the Georgian government on February 10, 2014, which is accessible at the official web-page of Ministry of Economy and Sustainable Development of Georgia <http://www.economy.ge/ge/media/news/cifrul-miwiszeda-satelevizio-mauwyeblobaze-gadasvlis-samoqmedo-gegma-da-rekomendaciebi> and at the official web-page of Georgian National Telecommunications Commission http://www.gncc.ge/index.php?lang_id=GEO&sec_id=50712&info_id=115066.

g) Conditional Access System and Cards

g.a) licensees shall choose the conditional access (CA) system which will be used within the DTT in Georgia. Simulcrypt shall be used to facilitate the interoperability of multiple CA systems. The CA system must have the capability of chip-set pairing.

g.b) Licensees must agree on one card CA system which means that there must be a universal card for all CA systems. The given card must ensure the reception of all the services carried over the Georgian digital terrestrial broadcasting network.

h) Receivers i.e “Set-top-boxes”

In case the licensee decides to import and/or supply the receivers to the viewers, the given licensee is obliged to provide certified equipment which is in compliance with the “ Set-Top-Box specification document” developed and approved within the “ Georgia Digital Switchover Action Plan and Relevant Recommendations” document approved by the decree N206 of the Georgian government on February 10, 2014. The document is accessible at the official web-page of Ministry of Economy and Sustainable Development of Georgia <http://www.economy.ge/ge/media/news/cifrul-miwiszeda-satelevizio-mauwyeblobaze-gadasvli-samoqmedo-gegma-da-rekomendaciebi>, and at the official web-page of Georgian National Communications Commission http://www.gncc.ge/index.php?lang_id=GEO&sec_id=50712&info_id=115066.

2. Specific terms and conditions (obligations) of the license

2.1 Specific terms and conditions for №MUX-A license

a) Within the №MUX-A license terms, from June 17, 2015 (after ASO), throughout the license validity period (10 years), until June 17, 2025 RF resources will be available for the main sites which are listed in the table 2. Also, the RF resources assigned for the network testing, which are listed in the table 2, will become available immediately following the award.

b) Table 2. Available RF resources and relevant technical parameters within the license terms of №MUX-A:

№	digital broadcasting zone defined by the GEO-06	area	ERP [kW]	Geographical coordinates		Antenna parameters				RF resources available for network testing		RF resources available after June 17, 2015 (ASO)		
				Northern longitude(N)	Eastern latitude (E)	Suspension height ±5 (M)	Directional/non-directional (D/ND)	Polarization H/V	Channel	Central Frequency(MHz)	bandwidth (MHz)	Channel	Central frequency (MHz)	Bandwidth (MHz)
1	GE0250	Jvari	0,3	42°43´31.32´´	42°3´23.81´´	25	ND	H	52	722	8	40	626	8
2	GE0250	Tsalenjikha	0,8	42°37´00.03´´	42°3´45.23´´	20	ND	H	52	722	8	28	530	8
3	GE0250	Zugdidi	2,3	42°30´7.8´´	41°53´9.44´´	60	ND	H	52	722	8	26	514	8
4	GE0252	Batumi	5	41°41´37.62´´	41°42´55.29´´	46	D	H	58	770	8	30	546	8
5	GE0252	Ozurgeti	0,3	41°54´49.42´´	41°59´34.7´´	25	ND	H	58	770	8	29	538	8
6	GE0252	Poti	2,6	42°11´16.3´´	41°42´3.09´´	120	ND	H	58	770	8	43	650	8
7	GE0252	Keda	0,5	41°35´54.82´´	41°55´22.87´´	25	ND	H	58	770	8	29	538	8
8	GE0253	Ambrolauri	0,3	42°30´50.09´´	43°9´51.79´´	20	ND	H	58	770	8	25	506	8

9	GE0253	Tsageri	0,5	42°38'57.94''	42°45'25.95''	30	ND	H	58	770	8	46	674	8
10	GE0253	Tchiatura	0,6	42°17'16.09''	43°15'39.85''	70	ND	H	58	770	8	39	618	8
11	GE0253	Chkhorotsku	0,3	42°31'45.91''	42°6'11.39''	35	ND	H	58	770	8	46	674	8
12	GE0253	Chokhatauri	0,3	41°59'38.13''	42°13'49.45''	30	ND	H	58	770	8	39	618	8
13	GE0253	Kutaisi	5	42°16'48.9''	42°44'11.45''	100	ND	H	58	770	8	47	682	8
14	GE0253	Lentekhi	0,8	42°46'31.1''	42°45'53.46''	12	ND	H	58	770	8	39	618	8
15	GE0253	Mestia	0,4	43°2'7.74''	42°47'39.63''	18	ND	H	58	770	8	47	682	8
16	GE0253	Oni	0,3	42°34'46.13''	43°25'44.68''	25	ND	H	58	770	8	39	618	8
17	GE0253	Sachkhere	0,6	42°20'55.58''	43°24'15.55''	20	ND	H	58	770	8	26	514	8
18	GE0253	Tkibuli	0,3	42°22'26.89''	43°2'20.06''	40	ND	H	58	770	8	46	674	8
19	GE0255	Abastumani	0,1	41°45'11.07''	42°49'28.16''	30	ND	H	53	730	8	29	538	8
20	GE0255	Akhalkalaki	5	41°20'51.9''	43°25'33.95''	60	ND	H	53	730	8	29	538	8
21	GE0255	Akhaltsikhe	4,1	41°37'48.48''	42°57'25.07''	60	ND	H	53	730	8	30	546	8
22	GE0255	Aspindza	0,2	41°34'5.58''	43°12'10.14''	30	ND	H	53	730	8	29	538	8
23	GE0255	Khulo	0,6	41°38'23.27''	42°20'34.27''	25	ND	H	53	730	8	30	546	8
24	GE0255	Ninotsminda	0,1	41°16'1.36''	43°35'19.02''	30	ND	H	53	730	8	29	538	8
25	GE0255	Shuakhevi	0,3	41°38'57.48''	42°11'23.82''	22	ND	H	53	730	8	43	650	8
26	GE0256	Bakuriani	0,1	41°44'8.56''	43°33'13.34''	25	ND	H	53	730	8	30	546	8
27	GE0256	Bekami	0,5	42°0'8.35''	43°33'39.3''	32	ND	H	53	730	8	42	642	8
28	GE0256	Borjomi	1	41°49'26.5''	43°23'0.58''	20	ND	H	53	730	8	40	626	8
29	GE0256	Dusheti	0,4	42°0'7.12''	44°39'23.75''	30	ND	H	53	730	8	30	546	8
30	GE0256	Gori	4,4	42°1'56.1''	44°2'50.99''	166	ND	H	53	730	8	43	650	8
31	GE0257	Kazbegi	0,6	42°37'31.34''	44°36'42.95''	20	ND	H	53	730	8	39	618	8
32	GE0258	Bolnisi	1,6	41°28'0.76''	44°32'17.39''	30	ND	H	51	714	8	31	554	8
33	GE0258	Dmanisi	3,1	41°22'39.82''	44°12'52.63''	60	D	H	51	714	8	41	634	8
34	GE0258	Tsalka	0,5	41°38'5.98''	44°14'19.11''	50	ND	H	51	714	8	31	554	8
35	GE0259	Kvareli	4,5	41°54'23.19''	45°49'41.44''	25	ND	H	57	762	8	40	626	8
36	GE0259	Sagarejo	0,2	41°43'40.7''	45°17'17''	25	ND	H	48	690	8	40	626	8
37	GE0259	Tbilisi	5	41°41'44.75''	44°47'6.44''	120	ND	H	48	690	8	46	674	8
38	GE0259	Tianeti	0,3	42°6'7.3''	44°56'54.7''	20	ND	H	57	762	8	40	626	8
39	GE0259	Tsivi	0,6	41°52'13.23''	45°24'35.45''	12	ND	H	57	762	8	42	642	8
40	GE0261	Dedoplistskaro	4	41°28'0.81''	46°8'10.82''	90	D	H	29	538	8	25	506	8
41	GE0261	Lagodekhi	0,3	41°48'42.61''	46°10'16.87''	25	ND	H	29	538	8	29	538	8
42	GE0261	Signagi	0,7	41°37'15''	45°53'27.7''	25	ND	H	29	538	8	25	506	8
43*	GE0249	Sokhumi										22	482	8
44*	GE0249	Gudauta										24	498	8
45*	GE0249	Gagra										27	522	8
46*	GE0250	Gali										37	602	8
47*	GE0250	Ochamchire										35	586	8
48*	GE0250	Tkvarcheli										39	618	8
49*	GE0256	Tskhinvali										46	674	8
50*	GE0257	Java										46	674	8

Note 1: technical parameters such as ERP, geographical coordinates and antenna parameters for the territories defined under the “Law of Georgia on Occupied Territories”, also additional time period for the completion of license obligations will be defined by the commission, for the winner, after the appropriate conditions take effect.

Note 2: above-mentioned transmission stations could be located in the range of 100 meter radius from the predefined coordinates, maintaining the antenna suspension height above sea level (deviation $\pm 5m$);

Note 3: Radiation pattern of the directional antenna must comply with the following indicators/values:

Batumi: 210°/2 dB, 220°/2.5 dB, 230°/3 dB, 240°/3 dB, 250°/3 dB, 260°/2.5 dB, 270°/2 dB, 280°/2.7 dB, 290°/3.3 dB, 300°/4.3 dB, 310°/2.9 dB, 320°/1.5 dB.

Dmanisi: 140°/1.2 dB, 150°/2.6 dB, 160°/3.2 dB, 170°/4.4 dB, 180°/4.3 dB, 190°/2.9 dB, 200°/1.9 dB, 210°/0.7dB.

Dedoplistskaro: 20°/0.5 dB, 30°/1.3 dB, 40°/1.3 dB, 50°/2 dB, 60°/3.5 dB, 70°/5.3 dB, 80°/4.7 dB, 90°/2 dB.

c) ensure the formation of network capable of transmitting versatile local content according to the local sub-zones and head-end location areas of №MUX-A listed in table 3, by using the main sites listed in the Table 2.

	Local sub-zone	Digital broadcasting zone defined by theGE0-06	Location area for the main sites	location area for the head-end
1.	Tbilisi broadcasting zone	GE0259	Tbilisi	(01) Tbilisi
2.	Telavi local sub-zone	GE0259	Kvareli	(02) Telavi
		GE0259	Tsivi	
		GE0261	Lagodekhi	
3.	Signagi local sub-zone	GE0261	Dedoplistskaro	(03) Signagi
		GE0261	Signagi	
4.	Sagarejo local sub-zone	GE0259	Sagarejo	(04) Sagarejo
5.	Gori local sub-zone	GE0256	Bekami	(05) Gori
		GE0256	Gori	
6.	Dusheti local sub-zone	GE0256	Dusheti	(06) Dusheti
		GE0259	Tianeti	
7.	Kazbegi local sub-zone	GE0257	Kazbegi	(07) Kazbegi
8.	Borjomi local sub-zone	GE0256	Bakuriani	(08) Borjomi
		GE0256	Borjomi	
9.	Bolnisi local sub-zone	GE0258	Bolnisi	(09) Bolnisi
		GE0258	Dmanisi	
		GE0258	Tsalka	
10	Akhaltzikhe local sub-zone	GE0255	Abastumani	(10) Akhaltzikhe
		GE0255	Akhalkalaki	
		GE0255	Akhaltzikhe	
		GE0255	Aspindza	
		GE0255	Ninotsminda	

11.	Kutaisi local sub-zone	GE0253	Kutaisi	(11) Kutaisi
12.	Tchiatura local sub-zone	GE0253	Tchiatura	(12) Tchiatura
		GE0253	Sachkhere	
13.	Ambrolauri local sub-zone	GE0253	Ambrolauri	(13) Ambrolauri
		GE0253	Oni	
		GE0253	Tkibuli	
14.	Tsageri local sub-zone	GE0253	Tsageri	(14) Tsageri
		GE0253	Lentekhi	
		GE0253	Mestia	
15.	Ozurgeti local sub-zone	GE0252	Ozurgeti	(15) Ozurgeti
		GE0253	Chokhatauri	
16.	Zugdidi local sub-zone	GE0250	Zugdidi	(16) Zugdidi
17.	Tsalenjikha local sub-zone	GE0250	Jvari	(17) Tsalenjikha
		GE0250	Tsalenjikha	
		GE0253	Chkhorotsku	
18.	Poti local sub-zone	GE0252	Poti	(18) Poti
19.	Shuakhevi local sub-zone	GE0252	Keda	(19) Shuakhevi
		GE0255	Khulo	
		GE0255	Shuakhevi	
20.	Batumi local sub-zone	GE0252	Batumi	(20) Batumi
21.	Sokhumi local sub-zone	GE0249	Sokhumi	(21) Sokhumi
		GE0249	Gudauta	
		GE0249	Gagra	
		GE0250	Gali	
		GE0250	Ochamchire	
		GE0250	Tkvarcheli	
22.	Tskhinvali local sub-zone	GE0256	Tskhinvali	(22) Tskhinvali
		GE0257	Java	

* Note : for the territories defined under the "Law of Georgia on Occupied Territories" , an additional time period for the completion of license obligations will be defined by the commission, after the appropriate conditions take effect.

d) №MUX-A licensee is obliged:

d.a) to ensure the use of RF resources in accordance with the parameters indicated in the Table 2;

d.b) to ensure the formation of network capable of transmitting versatile local content for the sub-zones listed in table 3, by using the main sites listed in the Table 2. The given network must be completed by June 17, 2015;

d.c) to ensure the network commissioning by June 17, 2015; Also, to ensure the access to the network (carriage over the network) and signal transmission of broadcasters willing to place their content in the given network by June 30, 2015;

d.d) to ensure the coverage of shadow areas and signal transmission at least to the same territories which are covered by the analogue signal of public broadcaster by January 1, 2016;

d.e) to ensure the formation of network, following the definition of ERP, geographical coordinates and antenna parameters by the commission and just after the appropriate conditions for territories defined under the "Law of Georgia on Occupied Territories take effect";

d.f) To apply to the commission in case of each additional site planning for the shadow areas, and the commission will define the relevant RF resources and technical parameters, and the modification of the terms and conditions of the license;

d.g) to use Fiber Optic and/or microwave link for the distribution network. Satellite link can be used for a redundant distribution network;

d.h) to use the existing resources for the FTA and/or Free to View (of the authorized/licensed broadcasters according to the Georgian legislation) content distribution.

(Note: in case of the lack of access (carriage) demand, the licensee shall have right to use the free capacity, within the multiplex platform, to offer pay TV services (transit broadcasting) to the viewers; though it implies that in case of access demand, licensee shall be obliged to provide unconditional access and FTA content distribution of the licensee/authorized entity according to Georgian legislation;

d.i) to submit the service offer, broadcasting signal delivery coordinates and technical parameters of EPG (Electronic program guide) delivery to the commission and to publish it on its web-page, 4 weeks prior to the network commissioning. The above-mentioned service offer must define 1 Mbit/s monthly distribution price (price shall include all expenses for the 24 hour continuous service provision (transmission) per month, excluding the price of signal delivery from broadcasters studio to the head-end) of FTA and Free to View services for each local broadcasting sub-zone;

d.j) to ensure, in compliance with the Georgian legislation, a non-discriminatory access of the licensed/authorized entities to the available free resources, providing homogeneous conditions and cost-oriented tariffs, not exceeding the price cap submitted within the contest bid;

d.k) to comply with cost-orientation and non-discriminatory principles which when calculating the tariffs for local broadcasting sub-zones. Under the above-mentioned principles the sum of 1 Mbit/s monthly tariffs of service/content distribution defined for each local broadcasting sub-zone must not exceed the monthly price cap for nationwide 1 Mbit/s distribution submitted within the contest bid;

d.l) to create a special web-page containing the information about the network coverage according to the postal addresses. Ensure online customer service availability, as well as hotline services for the customers;

d.m) to ensure the fulfillment of DTT must-carry obligation after the relative legislative changes take effect;

e) In order to ensure electromagnetic compatibility, commission has right to adjust the technical parameters of the radio frequencies (television channels), within the license validity period, and the licensee is obliged to match the technical parameters of the network with the adjusted parameters provided by the commission.

2.2 Specific terms and conditions of license for №MUX-B

a) Within the №MUX-B license terms from June 17, 2015 (after ASO), throughout the license validity period (10 years), until June 17, 2025 RF resources for the main 42 sites listed in the Table 4 are available;

b) Table 4. Available RF resources and relevant technical parameters in regard to the license of №MUX- B:

№	Digital Broadcasting zone	Area	ERP [kW]	Geographical coordinates		Antenna parameters			RF resources available after June 17, 2015 (ASO)		
				Northern longitude (N)	Eastern latitude (E)	Suspension height ± 5 (M)	((Directional/non-directional) (D/ND))	Polarization H/V	Channel	Central frequency (MHz)	bandwidth (MHz)
1	GE0250	Jvari	0,3	42°43'31.32''	42°3'23.81''	25	ND	H	36	514	8
2	GE0250	Tsalenjikha	0,8	42°37'0.03''	42°3'45.23''	20	ND	H	36	594	8
3	GE0250	Zugdidi	2,3	42°30'7.8''	41°53'9.44''	60	ND	H	36	594	8
4	GE0252	Batumi	5	41°41'37.62''	41°42'55.29''	46	D	H	36	594	8
5	GE0252	Ozurgeti	0,3	41°54'49.42''	41°59'34.7''	25	ND	H	36	594	8
6	GE0252	Poti	2,6	42°11'16.3''	41°42'3.09''	120	ND	H	40	626	8
7	GE0252	Keda	0,5	41°35'54.82''	41°55'22.87''	25	ND	H	36	594	8
8	GE0253	Ambrolauri	0,3	42°30'50.09''	43°9'51.79''	20	ND	H	21	474	8
9	GE0253	Tsageri	0,5	42°38'57.94''	42°45'25.95''	30	ND	H	21	474	8
10	GE0253	Tchiatura	0,6	42°17'16.09''	43°15'39.85''	70	ND	H	21	474	8
11	GE0253	Chkhorotsku	0,3	42°31'45.91''	42°6'11.39''	35	ND	H	21	474	8

12	GE0253	Chokhatauri	0,3	41°59'38.13''	42°13'49.45''	30	ND	H	21	474	8
13	GE0253	Kutaisi	5	42°16'48.9''	42°44'11.45''	100	ND	H	21	474	8
14	GE0253	Lentekhi	0,8	42°46'31.1''	42°45'53.46''	12	ND	H	21	474	8
15	GE0253	Mestia	0,4	43°2'7.74''	42°47'39.63''	18	ND	H	21	474	8
16	GE0253	Oni	0,3	42°34'46.13''	43°25'44.68''	25	ND	H	21	474	8
17	GE0253	Sachkhere	0,6	42°20'55.58''	43°24'15.55''	20	ND	H	21	474	8
18	GE0253	Tkibuli	0,3	42°22'26.89''	43°2'20.06''	40	ND	H	21	474	8
19	GE0255	Abastumani	0,1	41°45'11.07''	42°49'28.16''	30	ND	H	21	474	8
20	GE0255	Akhalkalaki	5	41°20'51.9''	43°25'33.95''	60	ND	H	21	474	8
21	GE0255	Akhaltzikhe	4,1	41°37'48.48''	42°57'25.07''	60	ND	H	21	474	8
22	GE0255	Aspindza	0,2	41°34'5.58''	43°12'10.14''	30	ND	H	21	474	8
23	GE0255	ხულო	0,6	41°38'23.27''	42°20'34.27''	25	ND	H	21	474	8
24	GE0255	Ninotsminda	0,1	41°16'1.36''	43°35'19.02''	30	ND	H	21	474	8
25	GE0255	Shuakhevi	0,3	41°38'57.48''	42°11'23.82''	22	ND	H	21	474	8
26	GE0256	Bakuriani	0,1	41°44'8.56''	43°33'13.34''	25	ND	H	21	474	8
27	GE0256	Bekami	0,5	42°0'8.35''	43°33'39.3''	32	ND	H	21	474	8
28	GE0256	Borjomi	1	41°49'26.5''	43°23'0.58''	20	ND	H	21	474	8
29	GE0256	Dusheti	0,4	42°0'7.12''	44°39'23.75''	30	ND	H	21	474	8
30	GE0256	Gori	4,4	42°1'56.1''	44°2'50.99''	166	ND	H	21	474	8
31	GE0257	Kazbegi	0,6	42°37'31.34''	44°36'42.95''	20	ND	H	27	522	8
32	GE0258	Bolnisi	1,6	41°28'0.76''	44°32'17.39''	30	ND	H	27	522	8
33	GE0258	Dmanisi	3,1	41°22'39.82''	44°12'52.63''	60	D	H	27	522	8
34	GE0258	Tsalka	0,5	41°38'5.98''	44°14'19.11''	50	ND	H	27	522	8
35	GE0259	Kvareli	4,5	41°54'23.19''	45°49'41.44''	25	ND	H	21	474	8
36	GE0259	Sagarejo	0,2	41°43'40.7''	45°17'17''	25	ND	H	21	474	8
37	GE0259	Tbilisi	5	41°41'44.75''	44°47'6.44''	120	ND	H	21	474	8
38	GE0259	Tianeti	0,3	42°6'7.3''	44°56'54.7''	20	ND	H	21	474	8
39	GE0259	Tsivi	0,6	41°52'13.23''	45°24'35.45''	12	ND	H	21	474	8
40	GE0261	Dedoplistskaro	4	41°28'0.81''	46°8'10.82''	90	D	H	47	682	8
41	GE0261	Lagodekhi	0,3	41°48'42.61''	46°10'16.87''	25	ND	H	47	682	8
42	GE0261	Signagi	0,7	41°37'15''	45°53'27.7''	25	ND	H	47	682	8
43*	GE0249	Sokhumi							31	554	8
44*	GE0249	Gudauta							31	554	8
45*	GE0249	Gagra							31	554	8
46*	GE0250	Gali							47	682	8
47*	GE0250	Ochamchire							47	682	8
48*	GE0250	Tkvarcheli							47	682	8
49*	GE0256	Tskhinvali							27	522	8
50*	GE0257	Java							27	522	8

* Note : for the territories defined under the “Law of Georgia on Occupied Territories” , an additional time period for the completion of license obligations will be defined by the commission, after the appropriate conditions take effect.

Note 2: above-mentioned transmission stations could be located in 100 meter radius from the indicated coordinates, maintaining the antenna suspension height above sea level (deviation $\pm 5m$);

Note 3: Radiation pattern of the directional antenna must comply with the following indicators/values:

Batumi: 210°/2 dB, 220°/2.5 dB, 230°/3 dB, 240°/3 dB, 250°/3 dB, 260°/2.5 dB, 270°/2 dB, 280°/2.7 dB, 290°/3.3 dB, 300°/4.3 dB, 310°/2.9 dB, 320°/1.5 dB.

Dmanisi: 140°/1.2 dB, 150°/2.6 dB, 160°/3.2 dB, 170°/4.4 dB, 180°/4.3 dB, 190°/2.9 dB, 200°/1.9 dB, 210°/0.7dB.

Dedoplistskaro: 20°/0.5 dB, 30°/1.3 dB, 40°/1.3 dB, 50°/2 dB, 60°/3.5 dB, 70°/5.3 dB, 80°/4.7 dB, 90°/2 dB.

c) licensee of N^oMUX- B is obliged:

c.a) to ensure the use of RF resources (indicated in the table 4) in accordance with the parameters indicated in the Table 4;

c.b) by June 17, 2015 to ensure the formation of network capable of transmitting identical broadcasting content to the whole territory, using the main transmission stations;

c.c) to ensure the network commissioning by June 17, 2015; Also, to ensure the access to the network (carriage over the network) and signal transmission of broadcasters willing to place their content in the given network, by July 17, 2015;

c.d) to ensure the coverage of shadow areas and signal transmission at least to the same territories which are covered by the analogue signal of public broadcaster by January 1, 2016;

c.e) to ensure the formation of network, following the definition of ERP, geographical coordinates and antenna parameters by the commission and just after the appropriate conditions for territories defined under the “Law of Georgia on Occupied Territories” take effect;

c.f) To apply to the commission in case of each additional site planning for the shadow areas, and the commission will define the relevant RF resources and technical parameters, and the modification of the terms and conditions of the license;

c.g) to use Fiber Optic and/or microwave link for the distribution network. Satellite link can be used for a redundant distribution network;

c.h) to use the existing resources for the FTA and/or Free to View (of the authorized/licensed broadcasters according to the Georgian legislation) content distribution.

(Note: in case of the lack of access (carriage) demand, the licensee shall have right to use the free capacity, within the multiplex platform, to offer pay TV services (transit broadcasting) to the viewers; though it implies that in case of access demand, licensee shall be obliged to provide access and FTA content distribution;

c.i) to submit the service offer, broadcasting signal delivery coordinates and technical parameters of EPG (Electronic program guide) delivery to the commission and to publish it on its web-page, 4 weeks prior to the network commissioning. The above-mentioned service offer must define 1 Mbit/s monthly distribution price (price shall include all expenses for the 24 hour continuous service provision (transmission) per month, excluding the price of signal delivery from broadcasters studio to the head-end) of FTA and Free to View services for each local broadcasting sub-zone.

c.j) to ensure, in compliance with the Georgian legislation, a non-discriminatory access of the licensed/authorized entities to the available free resources, providing homogeneous conditions and cost-oriented tariffs, not exceeding the price cap submitted within the contest bid;

c.k) to create special web-page containing the information about the coverage according to the postal addresses. Ensure online customer service availability, as well as hotline services for the customers;

c.l) to ensure the fulfillment of DTT must-carry obligation after the relative legislative changes take effect;

c.m) to ensure the fulfillment of DTT must-carry obligation after the relative legislative changes take effect;

d) In order to ensure electromagnetic compatibility, commission has right to adjust the technical parameters of the radio frequency (television channels), within the license validity period, and the licensee is obliged to match the technical parameters of the network with the adjusted parameters provided by the commission.

2.3 Specific terms and conditions of license for №MUX-C, №MUX-D and №MUX

a) Within the №MUX-B license terms from June 17, 2015 (after ASO), throughout the license validity period (10 years), until June 17, 2025 RF resources for the main sites listed in the Table 5 will be available;

b) Table 5. Available RF resources and relevant technical parameters for the license of № MUX-C, № MUX-D and № MUX-E :

№	Digital Broadcasting zone	Area	ERP [kW]	Geographical coordinates		Antenna parameters			MUX-C			MUX-D			MUX-E		
				Northern longitude(N)	Eastern latitude (E)	Suspension height ±5 (M)	((Directional/non-directional) (D/ND)	Polarization H/V	Channel	Central frequency(MHz)	Bandwidth (MHz)	Channel	Central frequency (MHz)	Bandwidth (MHz)	Channel	Central frequency (MHz)	Bandwidth (MHz)
1	2	3	4	5	6	7	8	9	25	26	27	28	29	30	31	32	33
1	GE0250	Jvari	0,3	42°43'31.32''	42°3'23.81''	25	ND	H	38	610	8	30	546	8	33	570	8
2	GE0250	Tsalenjikha	0,8	42°37'00.03''	42°3'45.23''	20	ND	H	38	610	8	30	546	8	33	570	8
3	GE0250	Zugdidi	2,3	42°30'7.8''	41°53'9.44''	60	ND	H	38	610	8	30	546	8	33	570	8
4	GE0252	Batumi	5	41°41'37.62''	41°42'55.29''	46	D	H	38	610	8	27	522	8	33	570	8
5	GE0252	Ozurgeti	0,3	41°54'49.42''	41°59'34.7''	25	ND	H	38	610	8	27	522	8	33	570	8
6	GE0252	Poti	2,6	42°11'16.3''	41°42'3.09''	120	ND	H	38	610	8	27	522	8	33	570	8

7	GE0252	Keda	0,5	41°35'54.82''	41°55'22.87''	25	ND	H	38	610	8	27	522	8	33	570	8
8	GE0253	Ambrolauri	0,3	42°30'50.09''	43°9'51.79''	20	ND	H	44	658	8	32	562	8	41	634	8
9	GE0253	Tsageri	0,5	42°38'57.94''	42°45'25.95''	30	ND	H	44	658	8	32	562	8	41	634	8
10	GE0253	Tchiatura	0,6	42°17'16.09''	43°15'39.85''	70	ND	H	44	658	8	32	562	8	41	634	8
11	GE0253	Chkhorotsku	0,3	42°31'45.91''	42°6'11.39''	35	ND	H	44	658	8	32	562	8	41	634	8
12	GE0253	Chokhatauri	0,3	41°59'38.13''	42°13'49.45''	30	ND	H	44	658	8	32	562	8	41	634	8
13	GE0253	Kutaisi	5	42°16'48.9''	42°44'11.45''	100	ND	H	44	658	8	32	562	8	41	634	8
14	GE0253	Lentekhi	0,8	42°46'31.1''	42°45'53.46''	12	ND	H	44	658	8	32	562	8	41	634	8
15	GE0253	Mestia	0,4	43°2'7.74''	42°47'39.63''	18	ND	H	44	658	8	32	562	8	41	634	8
16	GE0253	Oni	0,3	42°34'46.13''	43°25'44.68''	25	ND	H	44	658	8	32	562	8	41	634	8
17	GE0253	Sachkhere	0,6	42°20'55.58''	43°24'15.55''	20	ND	H	44	658	8	32	562	8	41	634	8
18	GE0253	Tkibuli	0,3	42°22'26.89''	43°2'20.06''	40	ND	H	44	658	8	32	562	8	41	634	8
19	GE0255	Abastumani	0,1	41°45'11.07''	42°49'28.16''	30	ND	H	38	610	8	32	562	8	41	634	8
20	GE0255	Akhalkalaki	5	41°20'51.9''	43°25'33.95''	60	ND	H	38	610	8	32	562	8	41	634	8
21	GE0255	Akhaltzikhe	4,1	41°37'48.48''	42°57'25.07''	60	ND	H	38	610	8	32	562	8	41	634	8
22	GE0255	Aspindza	0,2	41°34'5.58''	43°12'10.14''	30	ND	H	38	610	8	32	562	8	41	634	8
23	GE0255	Khulo	0,6	41°38'23.27''	42°20'34.27''	25	ND	H	38	610	8	32	562	8	41	634	8
24	GE0255	Ninotsminda	0,1	41°16'1.36''	43°35'19.02''	30	ND	H	38	610	8	32	562	8	41	634	8
25	GE0255	Shuakhevi	0,3	41°38'57.48''	42°11'23.82''	22	ND	H	38	610	8	32	562	8	41	634	8
26	GE0256	Bakuriani	0,1	41°44'8.56''	43°33'13.34''	25	ND	H	38	610	8	28	530	8	26	514	8
27	GE0256	Bekami	0,5	42°0'8.35''	43°33'39.3''	32	ND	H	38	610	8	28	530	8	26	514	8
28	GE0256	Borjomi	1	41°49'26.5''	43°23'0.58''	20	ND	H	38	610	8	28	530	8	26	514	8
29	GE0256	Dusheti	0,4	42°0'7.12''	44°39'23.75''	30	ND	H	38	610	8	28	530	8	26	514	8
30	GE0256	Gori	4,4	42°1'56.1''	44°2'50.99''	166	ND	H	38	610	8	28	530	8	26	514	8
31	GE0257	Kazbegi	0,6	42°37'31.34''	44°36'42.95''	20	ND	H	44	658	8	36	594	8	41	634	8
32	GE0258	Bolnisi	1,6	41°28'0.76''	44°32'17.39''	30	ND	H	44	658	8	36	594	8	33	570	8
33	GE0258	Dmanisi	3,1	41°22'39.82''	44°12'52.63''	60	D	H	44	658	8	36	594	8	33	570	8
34	GE0258	Tsalka	0,5	41°38'5.98''	44°14'19.11''	50	ND	H	44	658	8	36	594	8	33	570	8
35	GE0259	Kvareli	4,5	41°54'23.19''	45°49'41.44''	25	ND	H	38	610	8	28	530	8	26	514	8
36	GE0259	Sagarejo	0,2	41°43'40.7''	45°17'17''	25	ND	H	38	610	8	28	530	8	26	514	8
37	GE0259	Tbilisi	5	41°41'44.75''	44°47'6.44''	120	ND	H	38	610	8	28	530	8	26	514	8
38	GE0259	Tianeti	0,3	42°6'7.3''	44°56'54.7''	20	ND	H	38	610	8	28	530	8	26	514	8
39	GE0259	Tsivi	0,6	41°52'13.23''	45°24'35.45''	12	ND	H	38	610	8	28	530	8	26	514	8
40	GE0261	Dedoplistskaro	4	41°28'0.81''	46°8'10.82''	90	D	H	45	666	8	43	650	8	22	482	8
41	GE0261	Lagodekhi	0,3	41°48'42.61''	46°10'16.87''	25	ND	H	45	666	8	43	650	8	22	482	8
42	GE0261	Signagi	0,7	41°37'15''	45°53'27.7''	25	ND	H	45	666	8	43	650	8	22	482	8
43*	GE0249	Sokhumi							34	578	8	41	634	8	48	690	8
44*	GE0249	Gudauta							34	578	8	41	634	8	48	690	8
45*	GE0249	Gagra							34	578	8	41	634	8	48	690	8
46*	GE0250	Gali							45	666	8	42	642	8	40	626	8
47*	GE0250	Ochamchire							45	666	8	42	642	8	40	626	8
48*	GE0250	Tkvarcheli							45	666	8	42	642	8	40	626	8

49°	GE0256	Tskhinvali							29	538	8	25	506	8	37	602	8
50°	GE0257	Java							29	538	8	25	506	8	37	602	8

* Note : for the territories defined under the "Law of Georgia on Occupied Territories" , an additional time period for the completion of license obligations will be defined by the commission, after the appropriate conditions take effect.

Note 2: above-mentioned transmission stations could be located in 100 meter radius from the indicated coordinates, maintaining the antenna suspension height indicated from sea level (deviation $\pm 5m$);

Note 3: Radiation pattern of the directional antenna must comply with the following indicators/values:

Batumi: 210°/2 dB, 220°/2.5 dB, 230°/3 dB, 240°/3 dB, 250°/3 dB, 260°/2.5 dB, 270°/2 dB, 280°/2.7 dB, 290°/3.3 dB, 300°/4.3 dB, 310°/2.9 dB, 320°/1.5 dB.

Dmanisi: 140°/1.2 dB, 150°/2.6 dB, 160°/3.2 dB, 170°/4.4 dB, 180°/4.3 dB, 190°/2.9 dB, 200°/1.9 dB, 210°/0.7dB.

Dedoplistskaro: 20°/0.5 dB, 30°/1.3 dB, 40°/1.3 dB, 50°/2 dB, 60°/3.5 dB, 70°/5.3 dB, 80°/4.7 dB, 90°/2 dB.

c) № MUX-C, № MUX-D and № MUX-E licensee is obliged:

c.a) to ensure the use of RF resources, indicated in the table 5, in accordance with the parameters indicated in the same table;

c.b) by June 17, 2015 to ensure the formation of network capable of transmitting identical broadcasting content to the whole territory, using at least 21 main transmission stations;

c.c) to ensure the formation of network, following the definition of ERP, geographical coordinates and antenna parameters by the commission and just after the appropriate conditions for territories defined under the "Law of Georgia on Occupied Territories take effect";

c.d) To apply to the commission in case of each additional site planning for the shadow areas, and the commission will define the relevant RF resources and technical parameters, and the modification of the terms and conditions of the license;

c.e) to use the existing resources for the FTA and/or Free to View (of the authorized/licensed broadcasters according to the Georgian legislation) and/or for pay TV service (transit broadcasting) distribution;

d) In order to ensure electromagnetic compatibility, commission has right to adjust the technical parameters of the radio frequency (television channels), within the license validity period, and the licensee is obliged to match the technical parameters of the network with the adjusted parameters provided by the commission.

Bid Facing Sheet

Name of bidder: _____

This bid is for the following lot (tick exactly one box):

<input type="checkbox"/> A+0	<input type="checkbox"/> B+0	<input type="checkbox"/> A+B+0
<input type="checkbox"/> A+1	<input type="checkbox"/> B+1	<input type="checkbox"/> A+B+1
<input type="checkbox"/> A+2	<input type="checkbox"/> B+2	<input type="checkbox"/> A+B+2
		<input type="checkbox"/> A+B+3

If I/we will win in the open competitive contest the above mentioned lot,

- 1) I/we will pay to the state budget of the Republic of Georgia the amount of _____ Lari
- 2) I/we will charge from broadcasters for carrying a nationwide Free-to-Air programme on multiplex platform A not more than _____ Lari per 1 Mbps bandwidth and month excl. VAT (leave empty if the above mentioned lot does not include license A) and
- 3) I/we will charge from broadcasters for carrying a nationwide Free-to-Air programme on multiplex platform B not more than _____ Lari per 1 Mbps bandwidth and month excl. VAT (leave empty if the above mentioned lot does not include license B).

Memorandum of understanding signed with

- a) _____ national broadcasters
- b) _____ local broadcasters
- c) _____ satellite/other broadcasters

Date: _____ Signature: _____
(of authorized representative)

Note: Bid Facing Sheet completion instruction

a) Maximum amount (Lari) offered by the bidder for the right to use the scarce resources has to cover total amount of all frequency resources corresponding to all licenses within a specific bid;

b) if bidder is willing to pay only initial price (the initial price for the right to use the scarce resources is defined for the frequency resources available within each license and equals to 1000 GEL) for the right to use the scarce resources defined by the commission, the bidder should indicate amount of money corresponding to the number of licenses available within the selected lot. For example: if the bidder offers bid for A+B+2 option and is willing to pay only initial price for the right to use the scarce resources defined by the commission, the bidder should indicate 4000 GEL, since this bid includes frequency resources of 4 licenses.

c) Maximum monthly fee (price cap) offered by the bidder to broadcasters for the distribution of nationwide FTA, (also Free to view) content on digital terrestrial TV broadcasting network within №MUX-A and/or №MUX-B (multiplex platforms) must be calculated with the consideration of all

expenses of the bidder that includes price for the 24 hour continuous service provision (transmission) per month, excluding the price of signal delivery from broadcasters studio to the head-end.

d) Although the multiplex platform defined under N°MUX-A license must have the capability of transmitting the various content on a local level to the geographical zones defined by the commission, and also license holder will have an obligation to define and publish content distribution fee for each specific zone, bidder submitting a bid for N°MUX-A, must indicate maximum monthly fee (price cap) for the nationwide (jointly for all local zones) distribution of FTA (also Free to view) content within this multiplex per month, as 1Mbit/sec value, excluding VAT;

e) If the bidder, in its offered bid, has not indicated an interest for either the multiplex platform N°MUX-A or N°MUX-B, then corresponding paragraphs of the bidding form (mentioned above) shall not be filled in;

f) FTA and/or satellite license holder which at the same time has authorization (distributes the same broadcasting content) is considered to be one entity. For example if the bidder submits MoU with an entity indicated as a FTA broadcaster this bidder has no right to submit an additional MoU with the same entity indicated as a satellite broadcaster or authorized entity;

g) In case more than one bidder offers the MoU with the one and the same broadcaster(s), no points shall be assigned to such agreements.

Methodology for Individual and Combinatorial Evaluation of Bids

Definition of Terms

		Definition of symbols used in individual and combinatorial bid evaluation formulas
	S_i	Total amount offered by the bidder for the right to use all frequencies included in the specific bid
	N	Number of multiplexes within the individual bid or combination of bids
		Relevant weight of specific individual bid (10 possible bids formed by 5 licenses)
	P_i	Adjusted price for the right to use the scarce resources calculated for one multiplex and defined by the formula: $P_i = (S_i / N) * w$
	$P_{com/i}$	Adjusted price for the right to use the scarce resources, in the combination of bids, offered by the different bidders, calculated to one multiplex and defined by the formula: $P_{com/i} =$ where S_i and S_j are amounts offered by different bidders for specific two bids that form combination
	W	Weight of each combinatorial bid (8 possible combinations)
	P_{max}	Maximum amount between the adjusted prices of individual bids P_i as well as between corrected prices $P_{com/i}$ calculated for the combinatorial evaluation
	C_{ia}	Content distribution (within the Lot A) fee offered by the bidder
	C_{mina}	Minimum amount between the content distribution (within the Lot A) fees (C_{ia}) offered by the bidders
	C_{ib}	Content distribution (within the Lot B) fee offered by the bidder
	C_{minb}	Minimum amount between the content distribution (within the Lot B) fees (C_{ib}) offered by the bidders
	B_i	Number of MoUs signed with the active national FTA broadcaster(s) offered by bidder within the specific individual bid
	B_{max}	Defines maximum number of active national FTA broadcasters and equals to 3

	O_i	Number of MoUs signed with the other active broadcaster(s) offered by bidder within the specific individual bid
	O_{max}	Defines maximum number of MoUs between the MoUs of individual bids (O_i) as well as between the calculated number of MoUs () for the combinatorial evaluation
	i	Defines number of individual and combined bids and varies 1,N

Evaluation Methodology

	Criterion		Maximum points	Individual evaluation of bids		Combinatorial evaluation of bids
				Calculation formula	Comment	Calculation formula
1)	K	Amount offered for the right to use the scarce resources	12	$K = (P_i / P_{max}) \times 12$		$K = (P_{com/i} / P_{max}) \times 12$
2)	R	Maximum monthly fee (price cap) offered by the bidder to broadcasters for the nationwide, FTA (also Free to view) distribution if the content	78	$R = R_a + R_b$	If the offered bid does not include A or B multiplex platform, then the calculation formula for the individual evaluation is following:	$R = R_a + R_b$
2.1	R_a	Maximum monthly fee (price cap) offered by the bidder to broadcasters for the nationwide FTA, (also Free to view) distribution of the content within the Lot A	39	$R_a = (C_{mina} / C_{ia})^3 \times 39$	For bids that do not include B $R = R_a / 39 \times 78$	$R_a = (C_{mina} / C_{ia})^3 \times 39$
2.2	R_b	Maximum monthly fee (price cap) offered by the bidder to broadcasters for the nationwide FTA, (also Free to view)	39	$R_b = (C_{minb} / C_{ib})^3 \times 39$	For bids that do not include A $R = R_b / 39 \times 78$	$R_b = (C_{minb} / C_{ib})^3 \times 39$

		distribution of the content within the Lot B				
3)	M	MoUs (memorandum of understanding) signed with the active broadcaster(s)	10	$M = M_a + M_b$		$M = M_a + M_b$
3.1	M_a	MoUs signed with the active national FTA broadcaster(s)	6	$M_a = (B_i / B_{max}) \times 6$		$M_a = \quad \times 6$
3.2	M_b	MoUs signed with the other active broadcaster(s)	4	$M_b = (O_i / O_{max}) \times 4$		$M_b = \quad \times 4$
	T	Maximum number of points	100	$T = K + R + M$		$T = K + R + M$

The total number of points for each bid consists of the sum of the points of each criterion, namely: $T = K + R + M$

The maximum number of points (T) for each bid can equal to maximum 100 points.

Note: The numerical values of each criteria and sum of points are rounded to the ten decimal places.

1. Individual evaluation of bids in regard to criterion K

Calculation formula for criterion – K

a)K- by this criterion each bid can be granted maximum 12 points;

b)K – criterion is calculated using the following formula:

$$K = (P_i / p_{max}) \times 12$$

where:

P_i –Adjusted price for the right to use of scarce resources calculated for one multiplex and defined by the formula:

$$P_i = (S_i / N) * w$$

S_i –Total amount offered by the bidder for the right to use the all frequencies included in the specific bid;

N–Number of multiplexes within the specific bid;

w–Relevant weight of specific bid indicated in percentage:

A	110,0%
B	100,0%
A+1	95,0%
B+1	90,0%
A+2	83,3%
B+2	80,0%
A+B	84,0%
A+B+1	77,3%
A+B+2	70,0%
A+B+3	62,4%

Note: in weight calculation the numerical values are rounded to the tenth.

P_{max} -Maximum amount between the corrected prices of individual bids P_i as well as between the corrected prices $P_{com/i}$ calculated for the combination of bids.

2. Combinatorial evaluation of bids in regard to criterion K

Calculation formula for criterion – K

- a)K– by this criterion bids offered by the two separate entities (which form a combination) can be granted maximum 12 points;
- b)K– criterion for the combinatorial evaluation is calculated using the following formula:

$$K = (P_{com/i} / P_{max}) \times 12$$

where:

$P_{com/i}$ – Adjusted price for the right to use the scarce resources, in the combination of bids, offered by the different bidders and calculated to one multiplex that is defined by the formula:

$$P_{com/i} = \frac{SS_{ii}(aa) + SS_{ii}(bb)}{N \cdot W}$$

$SS_{ii}(aa)$ and $SS_{ii}(bb)$ are amounts offered by different bidders for a specific two bids that form combination;
 W – the weight of each combination indicated in percentage;

A+0 and B+0				126,0%
B+1 and A+1				111,0%
A+0 and B+1	or	B+0 and A+1		116,0%
A+0 and B+2	or	B+0 and A+2		105,0%
A+1 and B+2	or	B+1 and A+2		103,2%

Note: in weight calculation numerical values are rounded to the tenth.

N – number of multiplexes within the combination;

P_{max} – Maximum amount between the corrected prices of individual bids P_{ias} as well as between the corrected prices $P_{com/i}$ calculated for the combinatorial evaluation.

3. Individual and combinatorial evaluation of bids in regard to criterion R

a) R – by this criterion each bid can be granted maximum 78 points;

b) Total number of points for criterion R is defined as the sum of points of sub-criteria R_a and R_b and is calculated using the following formula:

$$R = R_a + R_b$$

c) R_a – in this sub-criterion the bid (individual as well as combination) can be assessed with maximum 39 points and is calculated using the following formula:

$$R_a = (C_{\min a} / C_{ia}) \cdot 39$$

where:

C_{ia} – Content distribution (within the Lot A) fee offered by the bidder;

$C_{\min a}$ – Minimum amount between the content distribution (within the Lot A) fees (C_{ia}) offered by the bidders.

d) R_b – in this sub-criterion the bid (individual as well as combination) can be assessed with maximum 39 points and is calculated using the following formula:

$$R_b = (C_{\min b} / C_{ib}) \cdot 39$$

where:

C_{ib} – Content distribution (within the Lot B) fee offered by the bidder;

$C_{\min b}$ – Minimum amount between the content distribution (within the Lot B) fees (C_{ib}) offered by the bidders.

Note: in case offered bid does not include A or B multiplex, then the individual evaluation for criteria R, for the given bid, is defined by the following formula:

a) If the offered bid does not include B multiplex platform then:

$$R = R_a / 39 \cdot 78$$

b) If the offered bid does not include A multiplex platform then:

$$R = R_b / 39 \cdot 78$$

4. Individual evaluation of bids in regard to criterion M

a)M- by this criterion each bid can be granted maximum 10 points;

b)M- a criterion is the sum of sub-criteria M_a and M_b and is calculated using the following formula:

$$M = M_a + M_b$$

Calculation formula for sub-criteria M_a

M_a – by this sub-criterion each bid can be granted maximum 6 points and is calculated using the following formula

$$M_a = (B_i / B_{max}) \times 6$$

where:

B_i – number of MoUs signed with the active national FTA broadcaster(s) offered by bidder within the specific individual bid;

B_{max} – defines maximum number of active national FTAs and equals to 3.

Calculation formula for sub-criterion M_b

a) M_b – by this sub-criterion each bid can be granted maximum 4 points and is calculated using the following formula:

$$M_b = (O_i / O_{max}) \times 4$$

where:

O_i – number of MoUs signed with other active broadcaster(s) offered by bidder within the specific individual bid;

O_{max} – maximum number of MoUs between the MoUs of individual bids(O_i)as well as between the calculated number of MoUs (O_{0ii}(aa) +

O_{0ii}(5))

a)M- by this criterion bids offered by the two separate bidders (which form a combination) can be granted maximum 10 points;

b) M – criterion is the sum of sub-criteria M_a and M_b and is calculated using the following formula:

$$M = M_a + M_b$$

Calculation formula for sub-criterion M_a

a) M_a –by this sub-criterion bid combination can be granted maximum 6 points and is calculated using the following formula:

$$M_a = \frac{BB_{ii}(aa) - BB_{ii}(bb)}{BB_{max}(aa)} \times 6$$

where:

$BB_{ii}(aa)$ and $BB_{ii}(bb)$ – number of MoUs with active national FTAs offered by different bidders for a specific two bids that form combination;
 $BB_{max}(aa)$ – defines maximum number of active national FTAs and equals to 3.

Calculation formula for sub-criterion M_b

a) M_b –by this sub-criterion bid combination can be granted maximum 4 points and is calculated using the following formula:

$$M_b = \frac{OO_{ii}(aa) - OO_{ii}(bb)}{OO_{max}(aa)} \times 4$$

where:

$OO_{ii}(aa)$ and $OO_{ii}(bb)$ – number of MoUs with other active broadcasters offered by different bidders for a specific two bids that form combination;

OO_{max} – maximum number of MoUs between the MoUs of individual bids (O_i) as well as between the calculated number of MoUs ($OO_{ii}(aa) + OO_{ii}(bb)$) for the combinatorial evaluation.

6. Methodology to calculate weights of individual bids and combinations of bids (w & W)

w- (Weight of specific individual bid in percentage) is calculated according to the following approach:

If the bid includes frequency resources of both FTA multiplexes (A and B), then the sum of multiplex weights within the bid is divided by the number of multiplexes within the bid and is multiplied by the competition rate (competition rate is used only for bids where license for frequency resources of both FTA multiplexes (A and B) is considered).

Each Multiplex Weight					
MUX A	MUX B	Pay-TV MUX 1	Pay-TV MUX 2	Pay-TV MUX 3	Competition Rate
110%	100%	80%	60%	40%	0,8

A	110,0%	1,1
B	100,0%	1
A+1	95,0%	0,95
B+1	90,0%	0,9
A+2	83,3%	0,833
B+2	80,0%	0,8
A+B	84,0%	0,84
A+B+1	77,3%	0,773
A+B+2	70,0%	0,7
A+B+3	62,4%	0,624

For example: calculation of weight for A+B+3 individual bid:

$$(1,1 + 1 + 0,8 + 0,6 + 0,4) / 5 * 0,8$$

Note: result in percentage is rounded to the tenth, but rate result is rounded to the thousandth

W – (Weight of each combination indicated in percentage) is calculated according to the following approach:

The sum of each multiplex weight within the combination is divided by the number of multiplexes within the combination and is multiplied by the competition rate.

Each Multiplex Weight				
MUX A	MUX B	Pay-TV MUX 1	Pay-TV MUX 2	Competition Rate
110%	100%	80%	60%	1.2

A+0 and B+0				126,0%	1,26
A+1 and B+1				111,0%	1,11
A+0 and B+1	or	B+0 and	A+1	116,0%	1,16
A+0 and B+2	or	B+0 and	A+2	105,0%	1,05
A+1 and B+2	or	B+1 and	A+2	103,2%	1,032

For example: calculation of weight for A+1 and B+2, combinatorial bid:
 $(1,1 + 1 + 0,8 + 0,8 + 0,6) / 5 * 1,1$

Note: result in percentage is rounded to the tenth, but rate result is rounded to the thousandth.