



**BELGIAN INSTITUTE FOR POSTAL SERVICES AND
TELECOMMUNICATIONS**

B I P T

AUCTION OF USAGE RIGHTS FOR THE 800 MHZ BAND

AUCTION RULES

Belgian Institute for Postal Services and Telecommunications

BIPT - Ellipse Building - Building C - Boulevard du Roi Albert II 35 - 1030 Brussels

Tel. 02 226 88 88

Fax 02 226 88 77

<http://www.bipt.be>

INTRODUCTORY COMMENTS

This document is made available on the understanding that it provides a description of the auction rules and procedures that will be used for the auction of usage rights for the 800 MHz band. It expands on the information provided in Chapter 4 of the Information Memorandum, a document regarding the auction of usage rights for the 800 MHz band that the Belgian Institute for Postal Services and Telecommunications (“BIPT”) published on the auction website: www.auction2013.be. The terms and expressions used in this document are defined in Annex 1 when they are not defined in the text.

This document is provided as guidance for potential candidates. Potential candidates should refer to the Act of 13 June 2005 on electronic communications (“ECA”) and to the Royal Decree of 6 June 2013 on radio access to the 790-862 MHz frequency band (“Royal Decree on 800 MHz”). This document supplements the Royal Decree on 800 MHz for those rules of the auction itself that are not specified by the Royal Decree on 800 MHz. For information regarding the terms and conditions that apply to each usage right or licence, including the special coverage conditions that apply to Lot 3, and for information regarding the obligations on bidders not to be part of the same group and to refrain from conduct or agreements that damage competition, please refer to the Royal Decree on 800 MHz and to the Information Memorandum.

In the event of inconsistency regarding the rules of the auction (i.e. the rules and procedures associated with the submission of bids, waivers and withdrawals from round one of the auction through to the conclusion of the final round of the auction) between this document, the Information Memorandum, and the Royal Decree on 800 MHz, the following order of priority shall apply:

1. Royal Decree on 800 MHz
2. This document
3. The Information Memorandum

The ECA and the Royal Decree on 800 MHz, as well as any other Belgian or European legislation relevant in this matter, prevail over the contents of this document and the Information Memorandum.

All information contained in this document is subject to updating, modification, and amendment. Any amendments will be published under the same terms as the publication of this document.

CONTENTS

Chapter 1 - Overview of the Auction	4
Chapter 2 - Bidding Procedure	6
2.1. SCHEDULING OF ROUNDS	6
2.2. THE FIRST ROUND.....	6
2.3. SUBSEQUENT ROUNDS	7
2.4. FINAL ROUND.....	7
2.5. PRICE INCREMENTS.....	7
2.6. WAIVERS	8
2.7. WITHDRAWAL FROM THE AUCTION	8
2.8. INFORMATION PROVIDED TO BIDDERS	8
2.9. DEPOSITS.....	9
2.10. PAYMENTS	9
2.11. ORDERLY CONDUCT	10
Chapter 3 - Electronic Auction System	11
3.1. OVERVIEW OF THE SYSTEM	11
3.2. HARDWARE AND SOFTWARE REQUIREMENTS	11
3.3. SECURITY AND AUDIT	11
3.4. BACK-UP PROCEDURES.....	11
Annex 1 - Glossary	13
Annex 2 - Worked Example.....	15
PRIOR TO AUCTION START	15
ROUND 1.....	15
ROUND 2.....	16
ROUND 3.....	17
ROUND 4.....	18
ROUND 5.....	19
ROUND 6.....	20
ROUND 7	21
ROUND 8 (FINAL ROUND).....	22

Chapter 1 - Overview of the Auction

The auction format selected for the 800 MHz award is a Simultaneous Multiple-Round Ascending (“SMRA”) auction. The SMRA format is “simultaneous” because it assigns all lots together in a single process. The SMRA format is a “multiple-round ascending” auction because it offers bidders the opportunity to place bids, in response to ascending prices, over successive rounds.

Table 1.1 provides an overview of the lots available for award in the auction. There are three lots. Each lot consists of a block of 10 MHz duplex that corresponds to specific frequency ranges in the 800 MHz band. Each lot will be converted into a usage right (also referred to as a licence) upon award to a winning bidder in the auction. Each usage right is normally valid for an initial period of twenty years from its notification. Following that first period, the BIPT may renew a usage right in periods of a maximum of five years. For information about the terms and conditions that apply to each usage right or licence, including the special coverage conditions that apply to Lot 3, please refer to the Royal Decree on 800 MHz and to the Information Memorandum.

The minimum price for a lot is 120 million euros. This amount has been determined according to Article 30 of the ECA. The minimum price will be the prevailing price for each lot in the first round of the auction, as further explained below.

A winning bidder for a usage right in the 800 MHz band that is not a 2.6 GHz operator may also acquire the frequency block defined in Article 4, § 1, 3° of the Royal Decree of 22 December 2010 on radio access for the 2500-2690 MHz band (“2.6 GHz Royal Decree. ”). If several winning bidders of usage rights in the 800 MHz band all wish to acquire the 2.6 GHz block, this block would be offered in the order of priority reported in Table 1.1.

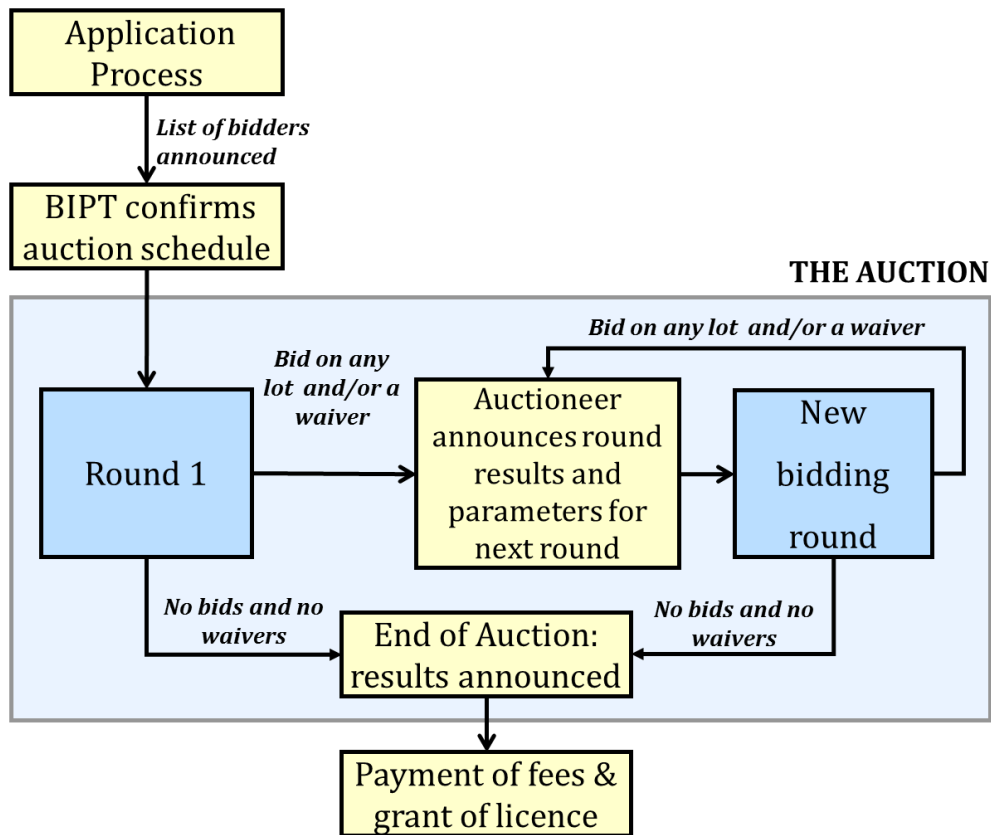
Table 1.1
Overview of Lots available in the Auction

Lot	Base Station Reception	Base Station Transmission	Maximum Initial Duration	Minimum Price (euros)	Order of Priority for Vacant 2.6 GHz Spectrum
Lot 1	832-842 MHz	791-801 MHz	20 years	120,000,000	1 st priority
Lot 2	842-852 MHz	801-811 MHz	20 years	120,000,000	2 nd priority
Lot 3	852-862 MHz	811-821 MHz	20 years	120,000,000	3 rd priority

Following the application process and prior to the start of the auction, the BIPT communicates to each bidder the list of all bidders that will take part in the auction, as described in the Information Memorandum. In the context of the auction, the BIPT is also referred to as the “Auctioneer” and bidders are also referred to as “candidates”. It is expected that the first round of the auction will take place approximately 3 weeks after the notification of eligible candidates. The BIPT will provide the auction schedule prior to the start of the auction; however, the BIPT has complete discretion to change the schedule.

Figure 1.1 provides an overview of the auction process. The auction may consist of one or more rounds. It will continue until there is a round in which no new bids are placed and no waivers are used. A detailed description of the bidding process is provided in Chapter 2 of this document. This is supported by an illustrative example presented in Annex 2.

Figure 1.1
Overview of Auction Process



The auction will be implemented using an electronic auction system. Some preliminary information about this system is provided in Chapter 3. Further information will be provided in the Bidder Manual, which will be made available to bidders prior to the auction.

Chapter 2 - Bidding Procedure

Bidding for the three 800 MHz lots will be conducted using a check box procedure. In each round, the Auctioneer, acting via the electronic auction system, will announce a price for each available lot (referred to as the “prevailing price” for that round). A bidder places a “bid” by checking a single box associated with one lot and its prevailing price, and submitting this bid via the electronic auction system. A bidder cannot select a price other than the prevailing price. When a bidder submits a bid, it makes an unconditional and irrevocable offer to purchase that lot at the prevailing price. Once submitted, a bid (or any other decision) cannot be changed or revoked. If a bid is selected as a provisional winning bid, the bidder remains bound by its bid until another bidder places a bid for that lot at a higher prevailing price.

The detailed rules that govern the bidding procedure are described in this chapter.

2.1. Scheduling of Rounds

The Auctioneer has complete discretion over the scheduling of rounds. There is no minimum or maximum number of rounds that may be scheduled each day. There is no minimum or maximum duration for each round. Nevertheless, it is the intention of the Auctioneer to schedule rounds in a manner that supports the smooth running and the practical organisation of the auction.

To assist bidders in their planning for the auction, the following parameters provide a guide to the Auctioneer’s current intentions regarding the scheduling of rounds:

- Rounds will be scheduled between 9 a.m. and 5 p.m. on Belgium business days only. The last round of the day will start prior to 5 p.m. but may end after that time.
- The Auctioneer anticipates running between 4 and 8 rounds on each day.
- Each round will normally be at least 20 minutes in duration and is normally not expected to be longer than 2 hours in duration.
- There will be a minimum time gap of 20 minutes between rounds.
- Prior to 9 a.m. on a bidding day, the Auctioneer will announce an indicative schedule for that day’s rounds. The start of any particular round may be delayed, but no round will be scheduled earlier than in a previously published schedule.

2.2. The First Round

During Round 1, all bidders are eligible to place a bid on any one of the three available lots at the prevailing price, which is the minimum price (120 million euros). Bidders may instead use a waiver (see section 2.6 for further details) or actively withdraw from the auction (see section 2.7 for further details). A bidder may not place a bid on more than one lot.

At the end of Round 1, for each lot that received at least one bid, the Auctioneer determines a “provisional winning bidder” who holds a “provisional winning bid” for that lot. The Auctioneer also determines the prevailing price for each lot in the next round:

- If there is only one bid on a lot, that bid will be selected as the provisional winning bid, the bidder that placed the bid will be the provisional winning bidder and the prevailing price of the lot will be increased in the next round.
- If there are two or more bids on a lot, the provisional winning bid will be selected at random from amongst these bids, the bidder that placed the bid will be the provisional winning bidder, and the prevailing price of the lot will be increased in the next round.

Each bidder that placed a bid for the lot will have an equal chance of being selected as the provisional winning bidder.

The status of “provisional winning bidder” on a particular lot is maintained unless and until another bidder places a bid for that lot in a subsequent round at a higher prevailing price. When the prevailing price for a lot is increased, it is increased by one “price increment” for that lot, as explained further in section 2.5.

At the end of Round 1, if there are no bids on a lot, there will be no provisional winning bid and thus no provisional winning bidder for that lot, and the price for that lot will be unchanged in the next round.

The Auctioneer may exclude a bidder from the auction for specific violations as explained in the Royal Decree on 800 MHz. A bidder that is excluded from the auction cannot participate further in the auction; such a bidder cannot place a bid, cannot use a waiver, and cannot actively withdraw.

2.3. Subsequent Rounds

From Round 2 onwards, a bidder that does not have a provisional winning bid, has not withdrawn from the auction, and has not been excluded from the auction:

- may place a bid on any one of the three lots; or
- may use a waiver; or
- may actively withdraw from the auction.

A bidder that is a provisional winning bidder can only maintain its provisional winning bid at the prevailing price at which it was made. Such a bidder made an unconditional and irrevocable offer to purchase that lot at that prevailing price and the bidder is bound by its bid until another bidder places a bid for that lot at a higher prevailing price. A provisional winning bidder on a lot cannot place a bid for that same lot at the higher prevailing price. A provisional winning bidder cannot place a bid on another lot, use a waiver, or withdraw from the auction.

If one or more bids are placed on a lot in a round, the price of the lot will be increased in the next round; otherwise, the price will remain unchanged.

2.4. Final Round

The final round will be a round in which no new bids are placed and no waivers are used. In the final round, the provisional winning bids will be declared the winning bids and the provisional winning bidders will be declared the winning bidders.

If, in a round, there are three bidders that have not withdrawn or been excluded from the auction, and at the end of that round each bidder is a provisional winning bidder, the Auctioneer may close the auction even if one or more of these bidders placed a bid in that round. As provisional winning bidders cannot place a bid, use a waiver, or withdraw, a further round would be redundant in this case. For the sake of simplicity, this situation is not reflected in figure 1.1.

2.5. Price Increments

When applicable, the amount, by which the prevailing price for a lot is increased, is determined by the Auctioneer after each round and before the next round begins. The amount by which the prevailing price is increased for a lot is referred to as the “price increment” for that lot. For each lot, this amount will not be less than 3% of the prevailing price for that lot or more than 10% of the prevailing price for that lot. All prevailing prices will be rounded to the nearest 1,000 euros, subject to not breaching these parameters.

The Auctioneer has complete discretion to determine price increments within these parameters. In deciding the price increment for a lot, the Auctioneer may take into account any or all of following factors:

- The number of bids, for that lot or across all lots;
- The prevailing price of the lot relative to the price in Round 1 (i.e. the minimum price).

For example, the Auctioneer may decide to reduce the price increment in response to rising prices and/or a fall in in the number of bids across all lots.

The Auctioneer may apply a different price increment for each lot in the same round.

2.6. Waivers

Each bidder is allowed a maximum of two waivers during the auction. In any round, a bidder may use a waiver if (a) it does not have a provisional winning bid, (b) it has at least one remaining waiver, (c) it has not withdrawn from the auction, and (d) it has not been excluded from the auction. A bidder that uses a waiver maintains its eligibility to place a bid in the next round. A bidder that uses a waiver sees its number of remaining waivers decrease by one.

A waiver may be deployed actively or passively:

- *Active use of waiver:* A bidder may select to use a waiver in the electronic auction system.
- *Passive use of waiver:* The electronic auction system automatically places a waiver on behalf of a bidder that (a) does not have a provisional winning bid, (b) does not place a bid, (c) has at least one remaining waiver, (d) has not withdrawn from the auction, (e) has not been excluded from the auction, and (f) does not actively use a waiver. In case the bidder has no waivers remaining, the bidder is deemed to have withdrawn from the auction (see section 2.7 below for further details on passive withdrawal).

A provisional winning bidder cannot use a waiver.

2.7. Withdrawal from the Auction

In any round, a bidder that has not been excluded from the auction and does not have a provisional winning bid may withdraw from the auction. Withdrawal can be done actively or passively:

- *Active withdrawal:* A bidder that does not have a provisional winning bid may select to withdraw from the auction in the electronic auction system.
- *Passive withdrawal:* A bidder that has not been excluded from the auction and that (a) does not have a provisional winning bid, (b) does not place a bid, and (c) does not have any waivers left, is deemed to have withdrawn from the auction.

Once a bidder has withdrawn from the auction, it is not allowed to place bids in subsequent rounds. A withdrawal is final and irrevocable. Any bidder that withdraws without having placed a bid in any of the rounds will forfeit its deposit.

2.8. Information provided to Bidders

Prior to the start of the auction, all bidders will be provided with the following information:

- A list of the identities of all bidders;
- Information required to access the electronic auction system and to verify their identity (see chapter 3 for further details); and

- A provisional schedule for the first day of bidding, including start and end times for each round.

After the end of a round and prior to the start of the next round, the Auctioneer will announce via the electronic auction system information about the activity in the completed round and parameters for the next round to remaining bidders. "Remaining bidders" are bidders that, as of the start of the completed round, had not withdrawn or been excluded from the auction.

The following information is provided to remaining bidders:

- For each lot:
 - the amount of the provisional winning bid (if any);
 - the identity of the provisional winning bidder (if any); and
 - the prevailing price of the lot in the next round.
- The identities of bidders that have used a waiver (if any).
- The identities of bidders that have withdrawn from the auction (if any).
- The identities of bidders that have been excluded from the auction (if any).
- The start time and end time for the next round.

For a given lot, no information is provided on the number of bids that were placed but not selected as a provisional winning bid or the identities of bidders that placed such bids.

Each remaining bidder is also provided with information about its own status in the auction, including a confirmation of the most recent bid (or use of waiver or withdrawal from the auction) and the number of remaining waivers.

After the final round, all bidders will be provided with the following information:

- For each lot:
 - The amount of the winning bid (if any)
 - The identity of the winning bidder (if any)
- The identity of the bidders that have withdrawn from the auction (if any)
- The identity of the bidders that have been excluded from the auction (if any)

2.9. Deposits

Article 17 of the Royal Decree on 800 MHz requires bidders to pay a deposit in an amount of 5 million euros with their application. Article 28 of the Royal Decree on 800 MHz specifies the requirements for raised deposits during the auction. It is the responsibility of bidders to provide proof of deposits to the BIPT before placing a bid that requires a raised deposit. Bidders may raise their deposits well in advance of reaching deposit thresholds. If a bidder does not have sufficient deposit to place a bid on a lot, such a bid will be denied by the electronic auction system.

The Auctioneer may, in its entire and sole discretion, adjust the scheduling of rounds in any manner that it deems appropriate so as to provide time for bidders to raise their deposits.

2.10. Payments

BIPT will notify each winning bidder of the balance to be paid into BIPT's account, at the same time as its usage rights.

Winning bidders will be responsible for the amount of the winning bid in addition to other fees described in the Royal Decree on 800 MHz and the Information Memorandum.

2.11. Orderly Conduct

Article 35 of the Royal Decree on 800 MHz gives the Auctioneer broad powers to intervene in the auction to ensure the smooth running and the practical organisation of the procedure for granting usage rights. The Auctioneer may take any measure required to that effect.

For example, if exceptional circumstances arise, the Auctioneer has the discretion to:

- postpone the end of a round in progress or the release of results of a round;
- pause the auction;
- cancel a round that is either underway or that has finished but for which round results have not yet been released, and reschedule that round;
- void one or more rounds (in which case any bids, waivers, or withdrawals from those rounds are void as well), and resume the auction from an earlier round;
- void all bids received in the auction, and either suspend the auction or restart the auction; and/or
- take any other steps or measures in running the auction that are appropriate and proportionate to the exceptional circumstances that have arisen and that further the objectives of the award process.

When the Auctioneer cancels or voids a round, any activity from that round including any bids, waivers or withdrawals placed will be deemed not to have taken place. The Auctioneer will determine whether a situation of exceptional circumstances has arisen, in accordance with its powers under the Royal Decree on 800 MHz.

Chapter 3 - Electronic Auction System

3.1. Overview of the System

The auction will be conducted through an electronic auction system, allowing bidders to place bids securely over the public Internet. A bidder manual with detailed information about the system, including software and hardware requirements, login instructions, and instructions on how to use the bidder interface, including placing bids, using waivers, reviewing round results and reading messages from the Auctioneer, will be provided to bidders. Bidders will also have the opportunity to attend a training session and to participate in a practice auction using the electronic auction system prior to the actual auction.

The bidder interface of the electronic auction system will provide real-time information about the status and progress of the auction, including a schedule of the rounds, bid submission forms, and reports with results of rounds. There is also a two-way messaging system that may be used by the Auctioneer to send messages to all bidders or to individual bidders, or by bidders to contact the Auctioneer.

3.2. Hardware and Software Requirements

Bidders will be able to connect to the electronic auction system through the public Internet using a supported web browser (e.g. the most recent version of Internet Explorer or Firefox). In order to access the system, bidders should ensure that they have a good quality and reliable Internet connection and use a computer with a supported web browser. We anticipate that no other specialised hardware or software will be required in order to participate in the auction.

3.3. Security and Audit

Appropriate security procedures will be utilised to ensure the integrity of the system and maintain the confidentiality of bids. Bidders will be provided with unique means of logging into the auction system that will verify their identity. When logged into the system, bidders are responsible for monitoring their computer and ensuring that only authorised inputs are entered into the system.

All actions taken by the Auctioneer and bidders using the electronic action system are logged and may be accessed after the auction for audit purposes. Such actions include but are not limited to: valid and failed login attempts; connectivity to the auction server; messages; and bid decisions. By participating in the auction, bidders consent to the logging of all activity in the electronic auction system.

3.4. Back-up Procedures

Bidders are recommended to have back-up bidding facilities in place, including alternative computers and Internet connections, to ensure that they can access the electronic auction system reliably. The Auctioneer is not able to provide specific advice on this matter, as this depends on the systems in use by any particular bidder. Bidders should perform their own reviews of their bidding facilities prior to the start of the auction.

Bidders may not place bids through means other than the electronic auction system except in exceptional circumstances and only then with the explicit permission of the Auctioneer. In particular, the Auctioneer must be satisfied that a bidder was unable to access the electronic auction system owing to circumstances beyond its reasonable control before granting permission for bids to be placed through other means.

Bidders may contact the Auctioneer by telephone, using designated telephone numbers, to report technical problems. For the avoidance of doubt, the messaging system within the electronic auction system should NOT be used for communicating information about new bids.

Contact details for the Auctioneer and guidelines on the submission of bids in exceptional circumstances will be made available to bidders in advance of the auction. The Auctioneer may take steps to verify the authenticity of any communications from a bidder using one-time passwords provided to the bidder prior to the start of, or during, the auction, or by other means as considered necessary by the Auctioneer.

Annex 1 - Glossary

For the purposes of this document, the following terms shall have the following meanings:

Auction	The auction procedure, as defined by the Royal Decree on 800 MHz
Auctioneer	See BIPT
BIPT	The Belgian Institute for Postal Services and Telecommunications. In the context of the auction of usage rights for the 800 MHz band, the BIPT is also referred to as the "Auctioneer"
Bid	A bid on a lot is a commitment to purchase the lot at the prevailing price
Bidder	A bidder is a candidate that has submitted a successful application in accordance with the Royal Decree on 800 MHz
Candidate	A candidate applying for an 800 MHz licence, that has submitted an application in accordance with the provisions of the Royal Decree on 800 MHz
ECA	Act of 13 June 2005 on electronic communications
Electronic Auction System	Platform that allows bidders to place bids securely over the public Internet and that provides real-time information about the status and progress of the auction
Lot(s)	There are three lots in the auction, as described in section 2.1 of the Information Memorandum
Minimum price	The prevailing price that applies to each lot in the first round, i.e. 120 million euros
Prevailing price	The price for a lot at which bidders can place a bid for that lot in any given round
Price increment	The amount by which the prevailing price is increased from one round to the next
Provisional Winning Bid	The bid selected as the highest bid on a given lot after a round (see "Provisional Winning Bidder" for further explanation)
Provisional Winning Bidder	The bidder that has placed the highest bid on a given lot. The provisional winning bidder will be selected at random in case two or more bidders place bids on the same lot in the same round
Royal Decree on 800 MHz	Royal Decree of 6 June 2013 on radio access to the 790-862 MHz frequency band
Waiver	A bidder that is not a provisional winning bidder, that has not withdrawn, and that has not been excluded from the auction may use a waiver to preserve eligibility to bid in subsequent rounds
Round	A period of time, established at the discretion of the Auctioneer, during which a bidder may place a bid, use a waiver, or withdraw from the auction
Winning Bid	Provisional winning bids from the final round are declared winning bids
Winning Bidder	A bidder that has a winning bid for a lot in the final round

Withdraw	A bidder that withdraws from the auction forfeits the right to place any further bids in the auction. Only bidders that are not provisional winning bidders in a round can withdraw from the auction in that round
----------	--

Annex 2 - Worked Example

In this chapter, we provide an illustrative example to demonstrate how key aspects of the auction rules work.

Prior to Auction Start

The identities of all bidders will be announced prior to the start of the auction. For this example, we assume that four bidders have applied and qualified for the auction. We label them as Bidder A, Bidder B, Bidder C and Bidder D.

Round 1

At the start of Round 1, there are no provisional winning bids. Each bidder has the following options: place a bid for one of the three lots at the prevailing price for that lot, actively use a waiver, or actively withdraw from the auction. If a bidder fails to select one of these options, it would be deemed to have used a waiver (passive use of a waiver).

Table A.2.1 shows the options for each bidder in Round 1 as well as the decisions made by the four bidders in this example. For each lot, the prevailing price is the minimum price. Bidder A and Bidder C both place a bid for Lot 1 while Bidder B and Bidder D both place a bid for Lot 2. No bidder places a bid for Lot 3, uses a waiver, or withdraws from the auction.¹

Table A.2.1
Bid Options and Decisions for Round 1

	Bid for Lot 1 @ €120.0m	Bid for Lot 2 @ €120.0m	Bid for Lot 3 @ €120.0m	Use a Waiver	Withdraw
Bidder A	✓				
Bidder B		✓			
Bidder C	✓				
Bidder D		✓			

As two bidders placed a bid for Lot 1, the provisional winning bid for this lot will be selected at random from these bids by the electronic auction system. The same approach is used to select the provisional winning bid for Lot 2.

Table A.2.2 shows the results for Round 1 and the prevailing prices in the next round. Bidder A is selected as the provisional winning bidder for Lot 1 and Bidder D is selected as the provisional winning bidder for Lot 2. The prevailing price has been increased for Lot 1 and for Lot 2 (both by 5% in this example), while the prevailing price for Lot 3 is unchanged (stays at the minimum price) as this lot did not receive any bids.

¹ Note that if a bidder withdraws from the auction in Round 1 (or in any subsequent round if they have not previously placed a bid), the deposit shall be forfeited.

**Table A.2.2
Results for Round 1**

	Lot 1	Lot 2	Lot 3
Provisional Winning Bidder	Bidder A	Bidder D	None
Provisional Winning Bid	€120.0m	€120.0m	None
Price in Round 2	€126.0m	€126.0m	€120.0m
Additional Information	No bidder has used a waiver No bidder has withdrawn No bidder has been excluded		

The information shown in Table A.2.2 is the information that bidders receive at the end of Round 1. In addition, each bidder receives confirmation of its own bid, confirmation of whether it holds the status of a provisional winning bidder, and confirmation of the number of waivers that it has left.

Round 2

At the start of Round 2, there are two provisional winning bidders: Bidder A is the provisional winning bidder for Lot 1 and Bidder D is the provisional winning bidder for Lot 2. Bidder A and Bidder D therefore cannot place a bid in Round 2, or use a waiver, or withdraw from the auction.

Bidder B and Bidder C are presented with the following options: place a bid for one of the three lots at the prevailing price for that lot, actively use a waiver, or actively withdraw from the auction.

Table A.2.3 shows the options for each bidder in Round 2 and the decisions made in this example. Bidder B again places a bid for Lot 2 and Bidder C again places a bid for Lot 1 at the prevailing prices for these lots.

**Table A.2.3
Bid Options and Decisions for Round 2**

	Bid for Lot 1 @ €126.0m	Bid for Lot 2 @ €126.0m	Bid for Lot 3 @ €120.0m	Use a Waiver	Withdraw
Bidder A					
Bidder B		✓			
Bidder C	✓				
Bidder D					

Table A.2.4 shows the results for Round 2. At the end of Round 2, Bidder B is selected as the provisional winning bidder for Lot 1 and Bidder C is selected as the provisional winning bidder for Lot 2. The prevailing prices in the next round will again be increased for Lot 1 and Lot 2 (by

5% in this example), while the prevailing price for Lot 3 stays at the minimum price as no bids were placed on Lot 3.

**Table A.2.4
Results for Round 2**

	Lot 1	Lot 2	Lot 3
Provisional Winning Bidder	Bidder B	Bidder C	None
Provisional Winning Bid	€126.0m	€126.0m	None
Price in Round 3	€132.3m	€132.3m	€120.0m
Additional Information	No bidder has used a waiver No bidder has withdrawn No bidder has been excluded		

Round 3

At the start of Round 3, there are two provisional winning bidders: Bidder B is the provisional winning bidder for Lot 1 and Bidder C is the provisional winning bidder for Lot 2. Bidder B and Bidder C therefore cannot place a bid in Round 3, or use a waiver, or withdraw from the auction.

Bidder A and Bidder D are presented with the following options: place a bid for one of the three lots at the prevailing price for that lot, actively use a waiver, or actively withdraw from the auction.

Table A.2.5 shows the options for each bidder in Round 3 as well as the decisions made in this example. Bidder A places a bid for Lot 1 as it did previously. Bidder D also places a bid for Lot 1.

**Table A.2.5
Bid Options and Decisions for Bidding Round 3**

	Bid for Lot 1 @ €132.3m	Bid for Lot 2 @ €132.3m	Bid for Lot 3 @ €120.0m	Use a Waiver	Withdraw
Bidder A	✓				
Bidder B					
Bidder C					
Bidder D	✓				

Table A.2.6 shows the results for Round 3. Bidder D is selected at random as the provisional winning bidder for Lot 1. Bidder C remains the provisional winning bidder for Lot 2.

As Lot 1 is the only lot that received bids in this round, it is the only lot for which the prevailing price will increase in the next round (5% in this example).

**Table A.2.6
Results for Round 3**

	Lot 1	Lot 2	Lot 3
Provisional Winning Bidder	Bidder D	Bidder C	None
Provisional Winning Bid	€132.3m	€126.0m	None
Price in Round 4	€138.915m	€132.3m	€120.0m
Additional Information	No bidder has used a waiver No bidder has withdrawn No bidder has been excluded		

Round 4

At the start of Round 4, there are two provisional winning bidders: Bidder D is the provisional winning bidder for Lot 1 and Bidder C is the provisional winning bidder for Lot 2. Bidder C and Bidder D therefore cannot place a bid in Round 4, or use a waiver, or withdraw from the auction.

Bidder A and Bidder B are each presented with the following options: place a bid for one of the three lots at the prevailing price for that lot, actively use a waiver, or actively withdraw from the auction.

Table A.2.7 shows the options for each bidder in Round 4 as well as the decisions made in this example. Bidder A places a bid for Lot 3. Bidder B does not exercise one of the three options (no submission is made via the electronic auction system) in this round and is therefore deemed to have used a waiver (passive use of a waiver).

**Table A.2.7
Bid Options and Decisions for Round 4**

	Bid for Lot 1 @ €138.915m	Bid for Lot 2 @ 132.3m	Bid for Lot 3 @ €120.0m	Use a Waiver	Withdraw
Bidder A			✓		
Bidder B				✓(*)	
Bidder C					
Bidder D					

* Bidder B passively uses a waiver.

Table A.2.8 shows the results for Round 4. Bidder A is now the provisional winning bidder for Lot 3. The other two provisional winning bidders are unchanged. The prevailing price for Lot 3 is increased for the first time (5% in this example) and the prevailing prices for the other two lots remain unchanged. As Bidder B used one of its two waivers, it has one waiver left.

**Table A.2.8
Results for Round 4**

	Lot 1	Lot 2	Lot 3
Provisional Winning Bidder	Bidder D	Bidder C	Bidder A
Provisional Winning Bid	€132.3m	€126.0m	€120.0m
Price in Round 5	€138.915m	€132.3m	€126.0m
Additional Information	Bidder B has used a waiver No bidder has withdrawn No bidder has been excluded		

Round 5

In Round 5, the provisional winning bidders are as follows: Bidder D is the provisional winning bidder for Lot 1, Bidder C is the provisional winning bidder for Lot 2, and Bidder A is the provisional winning bidder for Lot 3. Bidder A, Bidder C and Bidder D therefore cannot place a bid in Round 5, or use a waiver, or withdraw from the auction.

Bidder B is presented with the following options: place a bid for one of the three lots at the prevailing price for that lot, actively use a waiver, or actively withdraw from the auction.

Table A.2.9 shows the options for each bidder in Round 5 as well as the decisions made in this example. Bidder B places a bid for Lot 3.

**Table A.2.9
Bid Options and Decisions for Round 5**

	Bid for Lot 1 @ €138.915m	Bid for Lot 2 @ €132.3m	Bid for Lot 3 @ €126.0m	Use a Waiver	Withdraw
Bidder A					
Bidder B			✓		
Bidder C					
Bidder D					

Table A.2.10 shows the results for Round 5. Bidder D is the provisional winning bidder for Lot 1, Bidder C is the provisional winning bidder for Lot 2, and Bidder B is the provisional winning bidder for Lot 3.

As only Lot 3 received a bid in Round 5, the prevailing price for Lot 3 alone is increased (5% in this example), while the prevailing prices for Lots 1 and 2 remain unchanged.

**Table A.2.10
Results for Round 5**

	Lot 1	Lot 2	Lot 3
Provisional Winning Bidder	Bidder D	Bidder C	Bidder B
Provisional Winning Bid	€132.3m	€126.0m	€126.0m
Price in Round 6	€138.915m	€132.3m	€132.3m
Additional Information	No bidder has used a waiver No bidder has withdrawn No bidder has been excluded		

Round 6

In Round 6, the provisional winning bidders are as follows: Bidder D is the provisional winning bidder for Lot 1, Bidder C is the provisional winning bidder for Lot 2, and Bidder B is the provisional winning bidder for Lot 3. Bidder B, Bidder C and Bidder D therefore cannot place a bid in Round 6, or can use a waiver, or withdraw from the auction.

Bidder A is presented with the following options: place a bid for one of the three lots at the prevailing price for that lot, actively use a waiver, or actively withdraw from the auction.

Table A.2.11 shows the options for each bidder in Round 6 as well as the decisions made in this example. Bidder A actively uses a waiver via the electronic auction system.

**Table A.2.2
Bid Options and Decisions for Round 6**

	Bid for Lot 1 @ €138.915m	Bid for Lot 2 @ €132.3m	Bid for Lot 3 @ €132.3	Use a Waiver	Withdraw
Bidder A				✓	
Bidder B					
Bidder C					
Bidder D					

Table A.2.12 shows the results for Round 6. As no bids were placed in Round 6, the provisional winning bidders remain unchanged. The prevailing prices for the three lots also remain unchanged. As Bidder A used one of its two waivers, it has one waiver left.

**Table A.2.3
Results for Round 6**

	Lot 1	Lot 2	Lot 3
Provisional Winning Bidder	Bidder D	Bidder C	Bidder B
Provisional Winning Bid	€132.3m	€126.0m	€126.0m
Price in Round 7	€138.915m	€132.3m	€132.3m
Additional Information	Bidder A has used a waiver No bidder has withdrawn No bidder has been excluded		

Round 7

In Round 7, the three provisional winning bidders are the same as in the previous round. Bidder D is the provisional winning bidder for Lot 1, Bidder C is the provisional winning bidder for Lot 2, and Bidder B is the provisional winning bidder for Lot 3. Bidder B, Bidder C and Bidder D therefore cannot place a bid in Round 7, or use a waiver, or withdraw from the auction.

Bidder A is presented with the following options: place a bid for one of the three lots at the prevailing price for that lot, actively use a waiver, or actively withdraw from the auction.

Table A.2.13 shows the options for each bidder in Round 7 as well as the decisions made in this example. Bidder A does not exercise one of the three options (no submission is made via the electronic auction system) in this round and is therefore deemed to have used its last remaining waiver (passive use of a waiver).

**Table A.2.4
Bid Options and Decisions for Round 7**

	Bid for Lot 1 @ €138.915m	Bid for Lot 2 @ €132.3m	Bid for Lot 3 @ €132.3	Use a Waiver	Withdraw
Bidder A				✓(*)	
Bidder B					
Bidder C					
Bidder D					

* Bidder A passively uses a waiver.

Table A.2.14 shows the results for Round 7. As no bids were placed in Round 7, the provisional winning bidders remain unchanged. The prevailing prices for the three lots also remain unchanged. Finally, as Bidder A used its last remaining waiver, it has no waivers left for subsequent rounds.

**Table A.2.14
Results for Round 7**

	Lot 1	Lot 2	Lot 3
Provisional Winning Bidder	Bidder D	Bidder C	Bidder B
Provisional Winning Bid	€132.3m	€126.0m	€126.0m
Price in Round 8	€138.915m	€132.3m	€132.3m
Additional Information	Bidder A has used a waiver No bidder has withdrawn No bidder has been excluded		

Round 8 (Final Round)

In Round 8, the three provisional winning bidders are the same as in the previous round: Bidder D is the provisional winning bidder for Lot 1, Bidder C is the provisional winning bidder for Lot 2, and Bidder B is the provisional winning bidder for Lot 3. Bidder B, Bidder C and Bidder D therefore cannot place a bid in Round 8, or use a waiver, or withdraw from the auction.

Bidder A is presented with the following options: place a bid for one of the three lots at the prevailing price for that lot or actively withdraw from the auction. As Bidder A has no remaining waivers, it is not presented with the option to actively use a waiver.

Table A.2.15 shows the options for each bidder in Round 8 as well as the decisions made in this example. Bidder A does not exercise one of the two options (no submission is made via the electronic auction system) in this round and is therefore deemed to have withdrawn from the auction (passive withdrawal).

**Table A.2.5
Bid Options and Decisions for Round 8**

	Bid for Lot 1 @ €138.915m	Bid for Lot 2 @ €132.3m	Bid for Lot 3 @ €132.3	Use a Waiver	Withdraw
Bidder A					✓(*)
Bidder B					
Bidder C					
Bidder D					

* Bidder A passively withdraws.

Table A.2.16 shows the results for Round 8. As no bids were placed in Round 8, the provisional winning bidders remain unchanged. Also, as no bids and no waivers were received in Round 8, the auction ends after 8 rounds.

**Table A.2.16
Results for Round 8 (Final Round)**

	Lot 1	Lot 2	Lot 3
Winning Bidder*	Bidder D	Bidder C	Bidder B
Winning Bid	€132.3m	€126.0m	€126.0m
Price in Round 9	N/A	N/A	N/A
Additional Information	No bidder has used a waiver Bidder A has withdrawn No bidder has been excluded		

* Subject to payment.

The winners of the three lots are the provisional winning bidders in the final round: Bidder D is awarded Lot 1 at a price of €132.3m, Bidder C is awarded Lot 2 at a price of €126m, and Bidder B is awarded Lot 3 at a price of €126m.

The information displayed in Table A.2.16 is released to all bidders at the end of the auction.