



Pursuant to Article 37, paragraph 1, item 1), of the Telecommunication Law (*Official Gazette of RS*, nos. 44/03, 36/06 and 50/09 – CC decision), Rules on the Number of Licences for Public Fixed Telecommunications Network and the Period for which the Licence is Issued, Minimum Conditions for Licence Issuance and Minimum Amount of the One-Off Licence Issuance Fee (*Official Gazette of RS*, no. 87/09, hereinafter: MTID Rules) and Rules on procedures for the issuance of licence for public telecommunications networks and public telecommunications services and on register keeping (*Official Gazette of RS*, no. 29/06),

The Republic Telecommunication Agency (hereinafter: Agency) hereby publishes

PUBLIC NOTICE

For participation in the public bidding procedure for the issuance of one licence for public fixed telecommunications networks and services for the territory of the Republic of Serbia

1. The subject of the public bidding is one licence for public fixed telecommunications networks and services for the territory of the Republic of Serbia (hereinafter: Licence), issued pursuant to Arts. 3 to 8 of the MTID Rules.
2. The Licence shall be issued for the period of ten years as of the date of issuance, with the possibility of the extension of the validity thereof for another ten years, pursuant to applicable regulations.
3. Any entity registered for performing telecommunication activity with total revenues exceeding EUR200,000,000.00 in business year 2008 and with more than 1 (one) million subscribers of telecommunication services (and provides due proofs thereof) which purchases the Bidding Documentation, may participate in the public bidding procedure referred to in item 1 herein (hereinafter: Public Bidding).
An entity intending to perform telecommunications activity which deposits EUR10,000,000.00 into the Agency foreign currency deposit account with the National Bank of Serbia or presents an irrevocable first-class bank guarantee payable on first demand in the amount of EUR10,000,000.00 to the Agency, and which purchases the Bidding Documentation, may also participate in the Public Bidding. The bank guarantee may be issued only by an “A” list bank as set by the National Bank of Serbia. In the event the bank guarantee is issued by a bank based abroad, the admissibility of the foreign bank shall be determined according to the data of the international credit rating agencies and verified by the National Bank of Serbia.
4. The minimum (initial) amount of the one-off Licence issuance fee shall be determined according to the highest amount offered in the bids submitted in the Public Bidding procedure.
5. The applicant may submit only one bid in the Public Bidding for the Licence which is the subject of the procedure, and may not be related to other bidders in the Public

Bidding by means of property rights or other management rights, in a way such as to prevent competition in the telecommunication market in the Republic of Serbia.

6. The selection of the best bid in the Public Bidding shall be carried out in two phases. The first phase shall be carried out through the collection of Bids, whereas the second phase shall also include a public auction procedure, in case at least two qualified Bids have been submitted by the participants in the Public Bidding.

A more specific procedure regulating in detail the carrying out of the public auction procedure, which is carried out following the previously completed collection of Bids, shall be an integral part of the Bidding Documentation.

7. The decision on the selection of the best bid shall be based on the amount offered for the one-off licence fee.
8. The application for participation in the Public Bidding for the Licence issuance accompanied by a request to purchase the Bidding Documentation (hereinafter: Application) shall be submitted in Serbian language, from 30 November until 4 December 2009, 15.00 hrs (local time) to the following address: Republic Telecommunication Agency, Visnjiceva 8, 11000 Belgrade, Republic of Serbia, marked: **“Zahtev za otkup konkursne dokumentacije za Licencu”**.

The Application shall be accompanied by the proof of payment of the amount of RSD25,000.00 for the Application processing costs and of the amount of EUR500, or the equivalent in dinars (RSD) at mean exchange rate of the National Bank of Serbia, for purchasing the Bidding Documentation, made into the Agency account, in accordance with the Rules on fees and costs for licence and authorization issuance (*Official Gazette of RS*, no. 58/06) and the decision of the Managing Board of the Agency.

The Bidding Documentation shall also include Instruction to Bidders, as an integral part thereof, specifying in greater detail the manner of Bid submission and the procedure closely regulating the carrying out of the public auction procedure.

9. The Bidder who has not been granted the Licence shall be refunded the paid deposit and/or bank guarantee referred to in item 3, paragraph 2 herein, after the decision on the selection of the best bid has been made, except in cases specified in the Instructions to Bidders.

The deposit, referred to in item 3, paragraph 2 herein, paid by the Bidder who has been granted the Licence shall be included in the one-off licence fee.

10. The Bid shall be submitted until 12 January 2010, 12.00 hrs. (local time) to the following address: Republic Telecommunication Agency, Visnjiceva 8, 11000 Belgrade, Republic of Serbia, marked: **“Ponuda za Licencu – ne otvarati osim u prisustvu Komisije”**.

The public opening of the Bids shall take place on 12 January 2010 at 12.30 hrs. at the Agency premises.

The Bid shall be submitted in one original and five photocopies, in a closed envelope, in Serbian language, with the full name and headquarter of the Bidder indicated thereon. The evidence indicated in the Bidding Documentation, shall be enclosed to the Bid, in Serbian language.

No later than 15 days following the day of the opening of the Bids, the Public Bidding Commission shall make a report on the carried out Public Bidding, containing the proposal: to award the Licence to the best Bidder and/or winner of the public auction, or to suspend the Public Bidding procedure for reasons stipulated under Art. 8, paragraph 2 of the MTID Rules.

11. The decision on the selection of the best Bid and/or the decision on issuing the Licence to the best Bidder and/or the winner of the public auction or the decision to suspend the Public Bidding procedure shall be made by the Agency no later than 10 February 2010, whereas the Licence shall be issued no later than eight days after the

full amount of the one-off licence fee has been paid into the account of the Treasury of the Republic of Serbia.

12. The selected best bidder and/or the winner of the public auction, i.e. the Licence Holder without headquarters in the territory of the Republic of Serbia shall be required to set up a business company in the Republic of Serbia with 100% ownership, to which the Licence shall be transferred.
13. When submitting the Bid, the interested Bidders, who have purchased the Bidding Documentation, shall make a deposit in the amount of EUR10,000.00 into the Agency foreign currency deposit account with the National Bank of Serbia, where the Bidder who has not been granted the Licence shall be refunded the paid deposit after the decision on the selection of the best bid or the decision to suspend the Public Bidding procedure has been made, except in cases specified in the Instructions to Bidders which is an integral part of the Bidding Documentation, while the deposit paid by the Bidder who has been granted the Licence shall be included in the one-off licence fee.
14. For any additional information regarding this Public Notice and Public Bidding, the interested parties may contact the Agency at the following address: Republic Telecommunication Agency, Visnjiceva 8, 11000 Belgrade, by fax at: +381113232-537, or by e-mail at: ratel@ratel.rs.
15. The Agency reserves the right to modify, amend, postpone or terminate the Public Bidding. The Agency shall not be held liable for any damage or expenses to Bidders arising from their participation in the Public Bidding, nor for any postponement, error, delay, inaccuracy or any damage or expenses arising from any decision of the Agency to modify, amend, postpone or terminate the Public Bidding.