



Joe Sonke
Office of Communications

(Sent by email to : joe.sonke@ofcom.org.uk)

8 February 2007

Dear Mr Sonke

BT's response to Public Discussion Document on "Award of available spectrum : 10 GHz, 28 GHz, 32 GHz and 40 GHz: Spectrum packaging and auction design"

In response to the public discussion document on the above subject, published by Ofcom on 11 January 2007, I am please to provide the following observations and comments.

General

BT notes the changes to the spectrum packaging arrangements now proposed following the earlier public consultation exercise. We support the new packaging arrangements that Ofcom is now proposing, including the addition of the 40GHz band. In light of the new spectrum packaging proposed we are in agreement that the revised auction arrangements would be superior to those that had originally been proposed.

Spectrum packages and technical conditions

As mentioned in our previous response, we would appreciate more details about the precise locations at which the MOD use of the 10GHz band is prevalent since the information provided so far is insufficient for us to determine the likelihood of interference occurring and hence the quality of service that would be expected. Similarly, we would wish to better understand the risk of interference from radio amateurs in this band and what Ofcom is doing to monitor and enforce the "non-interference" basis of that use and to quantify the risks.

Auction method

BT agrees that in principle the auction method that Ofcom is proposing seems appropriate. This is because of the reasons that Ofcom has explained, in particular the need to avoid aggregation problems where a buyer could be left with stranded lots. We do however request that Ofcom should provide several different worked examples of how in detail the auction would work and the rules that would apply, particularly for the "best and final offers" stage of the auction and the calculation of the "base price" using the quasi second price rule.

Yours sincerely,

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