Response

Key points

- It seems that Ofcom’s procedures and processes are more beneficial toward large companies rather than the smaller innovative ones.

- It would be to the benefit of UK plc to see a spectrum management solution that encourages innovation and some, even if limited, shelter for innovators – this might be a kind of spectrum-use patent, or other patent analogy.

- We believe that auctions should not be the exclusive mechanism used to allocate spectrum resources. Even where spectrum is auctioned Ofcom should retain powers and use its discretion to ensure that the spectrum is used in line with Ofcom’s strategic objectives, not parked awaiting a “vibrant” spectrum trading market.

Policy on release of spectrum

Policy on release of spectrum

Question 4.1 Do you see scope for using simpler auction formats in the future than used in the UK in the past?

Yes – a resource for a defined period for a price has to be the key principle

The recent 3.4 GHz SMRA auction allowed reduced bids beyond a point where bidders had already withdrawn without reinstating them in the process.

Question 4.2 Do you agree future auctioned licences be for a minimum fixed term with a rolling extension?

Yes – but the rolling extension has to be valued up front (ex ante) as a proportion of the, as yet, unknown auction price

Question 4.3 If licences with minimum fixed terms followed by rolling terms are introduced, do you agree that AIP should be payable during the rolling term of a licence?

No – the payments should be visible as a part of the auction process as stated at 4.2 The object is to determine “ex ante” the terms and conditions and bid not to restate the value “ex post”.

Question 4.4 What should Ofcom do to ensure that bidders are well informed and well prepared to participate in an auction?

Time – not less than 4 months from start auction process to auction start

Info - where the technical definitions and terms of the proposed licence have changed from previously available data the changes should be illustrated and the new terms restated as a variation from the old

Assumptions clearly stated with clearly stated provision for potential bidders that don’t fit the assumptions – for example: The intent to offer technology neutral spectrum but with a 3G mask (as in the 3G extension band) clearly assumes that 3G is an appropriate if not the most appropriate use of the spectrum. Other technical solutions may be incompatible with a 3G mask and they should not be disadvantaged. If there is no resolution then there is clearly a conflict between the “Market Forces (MF)” and “Command & Control (C2)” zones; Ofcom will have to choose between C2 and MF. If they choose C2 they must find more spectrum; should they choose MF then they must remove the technology definition.

Question 4.5 Do you agree these are relevant consideration which Ofcom should take into account in devising its programme of spectrum awards?

Yes

Question 4.6 Do you believe that the proposed award programme is appropriate?

Yes – but we would like to re-iterate the points about: time, information and neutrality stated in 4.4

Part of VHF Band III (174 - 230 MHz)

Question 5.1 Do you agree with these proposals for the award of Band III?

No response

Part of 410 - 425 MHz (410 - 415 MHz paired with 420 - 425 MHz)
Question 5.2 Do you agree Ofcom should award a national licence on a technology and service neutral basis by auction or is there another option for award that is more likely to meet users’ requirements?

We favour this, on a technology neutral basis.

Question 5.3 Do you think that spectrum in the band should be allocated for emergency services and business radio use?

No response.

470 - 854 MHz Broadcast Dividend

Question 5.4 Do you believe it is appropriate wait until after the RRC in 2006 before developing policy proposals?

No response.

872 - 876 MHz paired with 917 - 921 MHz

Question 5.5 Do you agree Ofcom should award a UK licence on a technology and service neutral basis by auction?

Yes.

L-Band (1452 - 1492 MHz)

Question 5.6 Do you think Ofcom’s proposal is appropriate?

No response

1781.7 - 1785 MHz & 1876.7 - 1880 MHz (GSM/DECT Guard Bands)

Question 5.7 Is the award of a small number of concurrent UK low power licences (on the basis described) the right approach?

Yes.

Question 5.8 What, in your opinion is the optimum number of low power licences?

We would prefer the number of licenses to be as large as possible.
1790 - 1798 MHz

Question 5.9 Do you believe the release of this band is a priority?

Yes.

2010 – 2025 MHz

Question 5.10 Is a technology neutral UK licence or licences the right approach?

Yes with the caveat below about removing the LE status – as stated in the response to 4.4 that means it should be neutral and not tied to a 3G mask. If it is imperative to define a mask then now should be the time to offer the first chance for a pan-European WiMAX band and define the mask as such.

The value of this band is in its pan-European status and not the 15 MHz

This band was designated for Licence Exempt status albeit for self-co-ordinating 3G systems. The loss of this LE spectrum will impede innovation and illustrate further the difficulty of finding routes to providing full commercial trial of new services where range and throughput are important.

Question 5.11 Do you think it useful to run the awards for 2010 – 2025 MHz and 2290 – 2302 MHz bands at the same time to facilitate the option of creating potential FDD pairings? How important do you think this is, compared to say the risk of extra complexity?

Running the awards in parallel would offer freedom of choice for 3G FDD systems. Given the size of the 3G extension band one might consider that they are not short of actual and potential spectrum.

Ofcom should consider whether parallel auctioning would remove the opportunities for “other” operators dismissed in the Mason-Analysys-Dot.Econ report.

The issue at stake is one of message not technical complexity.

Question 5.12 Do you have any comments on how the auctions might be linked?

No

2290 – 2302 MHz

Question 5.13 Is a technology neutral UK licence or licences the right approach?
Yes

Question 5.14 Do you think it useful to run the awards for 2010 – 2025 MHz and 2290 – 2302 MHz bands at the same time to facilitate the option of creating potential FDD pairings? How important do you think this is, compared to say the risk of extra complexity?

Running the awards in parallel would offer freedom of choice for 3G FDD systems. Given the size of the 3G extension band one might consider that they are not short of actual and potential spectrum.

Ofcom should consider whether parallel auctioning would remove the opportunities for “other” operators dismissed in the Mason- Analysys-Dot.Econ report.

The issue at stake is one of message not technical complexity.

Question 5.15 Do you have any comments on how the auctions might be linked?

No

2500 – 2690 MHz
Question 5.16 Is a technology neutral award the right approach for the award of 2500 – 2690 MHz?

Yes

Nevertheless Ofcom must give due weight to the expectations raised by their forebears about the use and availability of this spectrum and the part it has played in setting the price of the first tranche of 3G spectrum. If the commitments an undertakings given sit with a neutral technology award that would be the most inclusive approach.

Equally the well rehearsed issues that GSM gained ground as a de facto world standard because of the joined-up European spectrum policy should not be lost.

If this spectrum cannot be designated as technology neutral then equivalent spectrum will be required for alternative solutions and this should offer the same attributes of range and capacity. This will be difficult with so little spectrum being made available in the 2 GHz bands.
Question 5.17 Do you consider an auction in 2006/7 appropriate?

If the issues above (5.16) are resolved.

Question 5.18 Do you have any views on the relevance of encouraging new entry through the auction design, and if so how this might be effected?

Yes a view but no detail knowledge of auction design. It is desirable to open up the process but the mechanism to do so is not clear.

Question 5.19 What do you consider is the right approach to packaging this spectrum?

If, after due consideration, this spectrum can be offered on a technology neutral basis it should be split into bands that allow pairing for FDD use and equally do not preclude TDD usage. The spectral mask should not be linked to 3G.

**3.6 – 4.2 GHz (3695-3875 MHz paired with 4015 – 4195 MHz)**

Question 6.1 Do you agree that the band should be open for further terrestrial applications once Ofcom has clarified and regularised current usage in the band?

Yes