

25 October 2022

MLL FOLLOW-UP RESPONSE TO OFCOM CONSULTATION “ENABLING MMWAVE SPECTRUM FOR NEW USES” – Incentive Auctions and Voucher Scheme

Thank you for your time on the 10th October 2022 where we discussed our support of the proposals made by H3G in their consultation responses. We said at the time that we would follow-up with a short letter outlining our position.

- Ofcom has had a long history of supporting market-based solutions to efficient spectrum allocation.
- Investors in the UK will be keenly interested in the degree to which they can rely on the long-term rights they acquire through owning these spectrum licences.
- As outlined in our original response, we believe revocation conflicts with these principles.
- There appeared to be little consensus among the responders on the right approach.
- Our view is that the options set out by Ofcom were heavily weighted towards some flavour of revocation (3 of the 4 options were a variant of revocation).
- The incentive auction and voucher scheme set out by H3G offers a practical variation of option 1 and creates more balance in the range of options that could be considered. It introduces a more fulsome market-based solution to the efficient spectrum allocation objective while retaining investor confidence.
- The incentive auction or voucher scheme would easily resolve the 5-year notice period issue that Ofcom faces with revoking the spectrum. We believe auction design and legal issues will be resolved more quickly than the notice period lead-time.
- Spectrum allocation issues will become more common-place in the future as use-cases expand for different spectrum types. It would serve Ofcom and its objectives well to develop this incentive auction option as a potential solution to apply to these situations in the same way that other regulators around the world have done (the FCC for example).

Thank you for considering our views on this matter, we hope to hear from Ofcom soon about the outcome of this consultation.

Your Sincerely,

Chief Executive Officer