

UK Broadband's Response to Ofcom's consultation on proposals to make regulations under section 122 of the Wireless Telegraphy Act 2006

In this consultation, Ofcom is proposing to bring the transfer of rights for mobile services in the 3600 to 3800 MHz band under the Wireless Telegraphy (Mobile Spectrum Trading) Regulations 2011. UK Broadband ("UKB") welcomes the opportunity to comment on Ofcom's proposals.

As we set out in our response to Ofcom's recent consultation on improving consumer access to mobile services in 3.6 – 3.8 GHz, we believe it would be premature and without justification to make this change to the regulations at this time.

In the event that Ofcom determines (as has been proposed) to make the remaining 116 MHz of spectrum in the 3.6 – 3.8 GHz band available for future mobile services through an award, then we believe it would be appropriate to bring UK Broadband's spectrum under the Mobile Trading Regulations in advance of such an award. However, Ofcom has not yet made a determination that it intends to proceed with an award of this spectrum and it has given no indication of the likely timing of such an award. Based on previous experience of spectrum awards, and on all of the complicating factors in this band (such as dealing with existing users in the band and determining an appropriate auction design), any such auction is likely to be some years away.

In the meantime, the extent to which this spectrum is currently useable for mobile services is limited by the following factors:

- 1) Although the GSA reports¹ that some devices are available in Bands 42 and 43, consumer mobile handsets are not yet widely available. Currently industry estimates are that standard mobile handsets will not include Band 43 until 2018 at the earliest.
- 2) Unlike the 3.4 – 3.6 GHz band, the 3.6 – 3.8 GHz band is not yet harmonized for mobile use throughout Europe. At the ITU-R/WRC level, mobile has a secondary allocation in Region 1 (which includes Europe), with the primary services being fixed/fixed-satellite. As described in details in Ofcom's recent consultation², there are therefore restrictions on the use of this band in the UK to avoid interference

¹ <http://gsacom.com/gambod/>

² Improving consumer access to mobile services at 3.6 – 3.8 GHz, published 6th October, 2016

with other users, primarily satellite earth stations. This has a material impact on the ability to use the band for mobile services on a nationwide or large regional basis.

- 3) UKB's licence contains a transmit (EIRP) power limit of 53 dBm/MHz. This equates to 60 dBm / 5 MHz and is thus lower than the power limit currently specified in the 3.4 GHz licence (65 dBm/ 5 MHz). A mobile operator would therefore have to invest in an additional, denser layer of cells to achieve coverage with the 3.6 GHz spectrum.

In its recent consultation on competition issues relating to the award of 2.3 and 3.4 GHz spectrum, Ofcom states that it believes the 3.6 GHz spectrum band will become "useable" from 2018 onwards³.

Until mobile handsets are widely available, and some or all of the FSS co-existence issues have been resolved, there is no possibility for a trade of this spectrum to distort the market or affect downstream competition. It would therefore be premature to bring UKB's 3.6 GHz spectrum under the Mobile Trading Regulations at this time.

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³ Award of the 2.3 and 3.4 GHz spectrum bands – Competition issues and auction regulations, Figure 4.2