

## **Spectrum Lease Determination**

Proposed leases of spectrum rights in the 3.6 GHz band from each of Meteor Mobile Communications Limited, Three Ireland (Hutchinson) Limited, and Vodafone Ireland Limited to Imagine Communications Ireland Limited

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#### **Additional Information**

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## 1 Introduction and background

1.1 The procedures and guidelines for transfers and leases of spectrum rights of use for electronic communications services ("ECS") in the RSPP¹ and 700 MHz² bands in Ireland are set out in Commission for Communications Regulation ("ComReg") Document 14/11R.³

- 1.2 On 29 April 2020, Imagine Communications Ireland Limited ("Imagine")<sup>4</sup> submitted to ComReg three separate notifications regarding its proposals to lease spectrum rights in the 3.6 GHz band from each of Meteor Mobile Communications Limited (trading as "eir") ("Meteor")<sup>5</sup>, Three Ireland (Hutchison) Limited (trading as "3") ("3IRL")<sup>6</sup> and Vodafone Ireland Limited (trading as "Vodafone") ("Vodafone")<sup>7</sup> (together the "Notifying Parties") (together the "Original Leases").
- 1.3 On 19 June 2020, ComReg published Document 20/518 in which it relevantly stated:
  - "9. Having considered the information provided by the notifying parties, in accordance with Document 14/11R, the Commission has formed the opinion that the result of the leases will not distort competition and has determined that the leases may be put into effect for a period of three months from the 22 June 2020.
  - 10. In accordance with Document 14/11R, the Commission will publish a non-confidential version of its written determination on its website within two months from the date of publication of this Information Notice."
- 1.4 On 25 August 2020, ComReg published a non-confidential version of its written determination on its website (Document 20/77) in which it outlined how the Original Leases would not be likely distort competition and determined that the Original

<sup>&</sup>lt;sup>1</sup> The EU Radio Spectrum Policy Programme Decision (Decision No 243/2012/EU) ("RSPP Decision") requires EU Member States to allow the transfer or leasing of spectrum rights of use in the 800 MHz, 900 MHz, 1800 MHz, 2100 MHz, 2.6 GHz and 3.6 GHz bands (the "RSPP Bands").

<sup>&</sup>lt;sup>2</sup> Decision (EU) 2017/899 of 17 May 2017 on the use of the 470-790 MHz frequency band in the Union requires EU Member States to allow the transfer or leasing of spectrum rights of use in the 700 MHz (694-790 MHz) band.

<sup>&</sup>lt;sup>3</sup> ComReg Document 14/11R, 'Spectrum Transfer and Lease Framework in Ireland - Procedures and Guidelines, and Notification Form(s)', revised 12 October 2017.

<sup>&</sup>lt;sup>4</sup> Imagine Communications Ireland Limited provides fixed wireless ECS.

<sup>&</sup>lt;sup>5</sup> Meteor Mobile Communications Limited provides mobile ECS.

<sup>&</sup>lt;sup>6</sup> Three Ireland (Hutchison) Limited provides mobile ECS.

<sup>&</sup>lt;sup>7</sup> Vodafone Ireland Limited provides fixed and mobile ECS.

<sup>&</sup>lt;sup>8</sup> ComReg Document 20/51, 'Spectrum Lease Determination: Lease of spectrum rights in the 3.6 GHz band from each of Meteor Mobile Communications Limited, Three Ireland (Hutchinson) Limited, and Vodafone Ireland Limited to Imagine Communications Ireland Limited', published 19 June 2020.

Leases may be put into effect for a period of 3 months.

1.5 The Original Proposed Leases expired on 21 September 2020 and Imagine has submitted to ComReg three separate further notifications to lease spectrum rights in the 3.6 GHz band from each of Meteor, 3IRL and Vodafone (together the "Proposed Leases").

- 1.6 On 29 September 2020, ComReg published Document 20/89<sup>9</sup>, being a notice on the Proposed Leases and which set out:
  - the relevant technical details of the lease notification and other relevant material; and
  - the process by which interested parties could make submissions on the Proposed Leases and next steps.
- 1.7 ComReg did not receive any submissions in response to Document 20/89<sup>10</sup>.
- 1.8 This document sets out ComReg's written determination on the Proposed Lease of spectrum rights of use by Imagine from each of Meteor, 3IRL and Vodafone, having regard to the procedures and guidelines set out in Document 14/11R in particular.

#### Spectrum lease by Imagine Communications Ireland Limited from Dense Air Limited

- 1.9 On 6 August 2020, Imagine Communications Ireland Limited ("Imagine") submitted to ComReg a notification regarding its proposal to lease spectrum rights in the 3.6 GHz band from Dense Air Limited ("Dense Air"). On 19 August 2020, ComReg published Document 20/75<sup>11</sup> regarding that proposed lease and invited views from interested parties.
- 1.10 On 22 September 2020, ComReg published a non-confidential version of its written determination on the proposed lease of spectrum rights in the 3.6 GHz band from Dense Air Limited to Imagine Communications Ireland Limited (Document 20/87<sup>12</sup>) in which it outlined how that proposed lease would not be likely distort competition

<sup>&</sup>lt;sup>9</sup> ComReg Document 20/75 – Spectrum Lease Notification: Proposed Lease of spectrum rights in the 3.6 GHz Band from Dense Air to Imagine Communications - published 19 August 2020.

<sup>&</sup>lt;sup>10</sup> ComReg Document 20/21 - *Covid-19 Temporary Spectrum Management Measures* – published 27 March 2020.

<sup>&</sup>lt;sup>11</sup> ComReg Document 20/75 – Spectrum Lease Notification: Proposed lease of spectrum rights in the 3.6 GHz band from Dense Air Limited to Imagine Communications Ireland Limited – published 19 August 2020.

<sup>&</sup>lt;sup>12</sup> ComReg Document 20/87 – Spectrum Lease Determination: Proposed lease of spectrum rights in the 3.6 GHz band from Dense Air Limited to Imagine Communications Ireland Limited – published 22 September 2020.

and determined that the lease may be put into effect for a period of 6 months.

#### **Further Temporary Electronic Communication Services licensing framework**

1.11 On 29 September 2020, ComReg also published Document 20/88 and Decision 08/20<sup>13</sup>, wherein ComReg set out its decision regarding the Further Temporary Electronic Communication Services licensing framework which allows mobile network operators ("MNOs") to apply for licences up to 6-month duration. In Document 20/88, ComReg notes that Imagine and the MNOs<sup>14</sup> submitted a proposal to ComReg to lease spectrum rights in the 3.6 GHz band to Imagine for a period of six months. ComReg observes that the 6-month duration would align with the duration of the temporary spectrum licensing framework as set out in Chapter 4 of Document 20/88.

# 1.1 Background – key aspects of framework for spectrum leases in Ireland

- 1.12 In October 2017, ComReg published its response ("Document 17/82")¹ to the public consultation ("Document 17/47")² on its proposed framework for spectrum leases in Ireland ("Spectrum Lease Framework"). ComReg also updated its spectrum transfer procedures to reflect its decisions on the Spectrum Lease Framework in the RSPP and 700 MHz bands ("Document 14/11R).
- 1.13 While the draft Wireless Telegraphy (Transfer of Spectrum Rights of Use) (Amendment) Regulations have yet to be made, there is no impediment to the Proposed Leases in the 3.6 GHz Band.<sup>15</sup>
- 1.14 In addition to Document 14/11R and S.I. No. 532 of 2016, ComReg would highlight Regulation 19 of the Framework Regulations<sup>16</sup>, Regulation 9(11) of the Authorisation Regulations<sup>17</sup> and Article 5 of the RSPP Decision.
- 1.15 Readers are also referred to Annex 2 of Document 19/124 for a general overview of

<sup>&</sup>lt;sup>13</sup> ComReg Document 20/88 and Decision D08/20 – COVID-19: Further temporary spectrum management measures - Response to consultation and Decision on a further licensing framework for spectrum rights in the 700 MHz, 2.1 GHz and 2.6 GHz Bands – published 29 September 2020.

<sup>&</sup>lt;sup>14</sup> Meteor Mobile Communications Limited (trading as "eir"), Three Ireland (Hutchison) Limited (trading as "3") and Vodafone Ireland Limited (trading as "Vodafone").

<sup>&</sup>lt;sup>15</sup> See, in particular, the Wireless Telegraphy (3.6 GHz Band Licences) Regulations 2016 (S.I. No. 532 of 2016) at <a href="http://www.irishstatutebook.ie/eli/2016/si/532/made/en/print#">http://www.irishstatutebook.ie/eli/2016/si/532/made/en/print#</a>

<sup>&</sup>lt;sup>16</sup> European Communities (Electronic Communications Networks and Services) (Framework) Regulations 2011 (S.I. No. 333 of 2011).

<sup>&</sup>lt;sup>17</sup> European Communities (Electronic Communications Networks and Services) (Authorisation) Regulations 2011 (S.I. No. 335 of 2011)

the legislative framework relevant to ComReg's spectrum management function.

# 1.2 Background - 3.6 GHz Band, 3.6 GHz Band Award and Transition

#### 3.6 GHz Band

- 1.16 The 3.6 GHz band comprises the frequency range 3 400 3 800 MHz and in Ireland a total of 350 MHz is assigned to licensees for the purposes of providing ECS. 18
- 1.17 The 3.6 GHz band is one of the three "Pioneer 5G candidate bands" in Europe 19 and it is harmonised in Europe by way of European Commission decisions (EU) 2019/235 and 2008/411/EC.<sup>20</sup>
- 1.18 3.6 GHz Band rights of use in Ireland are service- and technology neutral, and use cases include mobile broadband, fixed wireless broadband and small cells.

#### 3.6 GHz Band Award<sup>21</sup>

- 1.19 On 22 May 2017, ComReg announced the results of its 3.6 GHz Band Award ("Award") which resulted in five Winning Bidders, across over nine regions (four rural and five urban), together "Regions") and assigned on a contiguous basis.<sup>22</sup>
- 1.20 The 9 licence regions are shown in Figure 2 in the Annex.

#### 3.6 GHz Band Transition

- 1.21 Prior to the Award, the 3.6 GHz Band was used to provide fixed wireless broadband services (and phone services in some cases) to 21,665 existing customers, predominantly in rural areas. In those areas, the existing operators may have been the only available provider of broadband services, such as to homes and schools.
- 1.22 In order to ensure continued services for those existing customers who were at risk of losing their service while Winning Bidders prepared for the deployment of their

https://www.comreg.ie/industry/radio-spectrum/spectrum-awards/3-6ghz-band-spectrum-award/

<sup>&</sup>lt;sup>18</sup> The remainder comprises a 10 MHz guard band (between 3 400-3 410 MHz) and spectrum used by State Services.

<sup>19</sup> https://rspg-spectrum.eu/wp-content/uploads/2013/05/RPSG16-032-Opinion 5G.pdf

<sup>&</sup>lt;sup>20</sup> Commission Implementing Decision (EU) 2019/235 of 24 January 2019 on amending Decision 2008/411/EC as regards an update of relevant technical conditions applicable to the 3400-3800 MHz frequency band (notified under document C(2019) 262) (Text with EEA relevance.) C/2019/262

<sup>&</sup>lt;sup>21</sup> For more information, please see:

<sup>&</sup>lt;sup>22</sup> Full details of the results are set out in Document 17/38 and corresponding Media Release.

services (e.g. trials), ComReg developed a Transition licensing framework - which it consulted upon extensively with interested parties and implemented by way of the rules of the Award - which all participants to the Award agreed to be bound by.<sup>23</sup> Essentially, this Transition licensing framework allows existing operators to continue to provide services to their customers until such time that Winning Bidders were ready to roll-out commercial services.

- 1.23 Relevantly, as Imagine was both a Fixed Wireless Access Local Area licensee and a Winning Bidder in the Award, Imagine was eligible to apply for, and currently holds, a 3.6 GHz Band Transition Protected Licence ("TPL")<sup>24</sup>, to facilitate the completion of its Transition Activities as provided for under Section 3.8 of the IM.
- 1.24 Further details on 3.6 GHz Band Transition activities is available on ComReg's website.<sup>25</sup>

#### 1.3 Structure of document

- 1.25 The remainder of this document is structured as follows:
  - Chapter 2 sets out ComReg's assessment of the Proposed Leases and determination.
  - Annex 1 sets out information on Imagines' spectrum holdings

<sup>&</sup>lt;sup>23</sup> These rules are contained in the 3.6 GHz Band Spectrum Award Information Memorandum (Document 16/71) ("IM").

<sup>&</sup>lt;sup>24</sup> See Section 2.6 of <a href="https://www.comreg.ie/publication/3-6-ghz-band-spectrum-award-information-memorandum/">https://www.comreg.ie/publication/3-6-ghz-band-spectrum-award-information-memorandum/</a>

<sup>&</sup>lt;sup>25</sup> See: https://www.comreg.ie/industry/radio-spectrum/spectrum-awards/3-6-ghz-band-transition/

### 2 Determination

1.26 This chapter outlines ComReg's determination and is structured as follows:

- 1. A brief description of the notifying parties;
- 2. Overall current spectrum holdings of the notifying parties;
- 3. Imagine's existing 3.6 GHz Band spectrum holdings;
- 4. Proposed Leases;
- 5. Imagine's post-lease 3.6 GHz band spectrum holdings; and
- Assessment.

#### 2.1 The Notifying Parties

#### 2.1.1 Business activities of the notifying parties

- 1.27 Imagine is the largest Wireless Internet Service Provider ("WISP") with circa or 2.1%<sup>26</sup> of fixed broadband subscribers as at Q2 2020. Imagine does not provide mobile telecommunications services.
- 1.28 Vodafone is a mobile network operator ("MNO") with circa 2.6 million mobile subscribers (38.4% market share by subscriptions). Vodafone also provides fixed line and mobile broadband services and has 293,000 fixed broadband subscribers (19.6% market share by subscriptions).<sup>27</sup>
- 1.29 Meteor is a MNO and a wholly-owned subsidiary of Eircom Group which has circa 1.2 million mobile subscribers (17.2% market share by subscriptions). Eircom Group also provides fixed line and mobile broadband services and has circa 459,000 fixed broadband subscribers (30.7% market share by subscriptions)<sup>28</sup>.
- 1.30 **3IRL** is a MNO with circa 2.4 million mobile subscribers (35.3% market share by subscriptions).<sup>29</sup> 3IRL does not provide fixed line broadband services.

<sup>&</sup>lt;sup>26</sup> ComReg Document 20/82(R) – ComReg Quarterly Data, Q2 2020 – Published 15 September 2020

<sup>&</sup>lt;sup>27</sup> ComReg Document 20/82(R) – ComReg Quarterly Data, Q2 2020 – Published 15 September 2020.

<sup>&</sup>lt;sup>28</sup> ComReg Document 20/82(R) – ComReg Quarterly Data, Q2 2020 – Published 15 September 2020.

<sup>&</sup>lt;sup>29</sup> ComReg Document 20/82(R) – ComReg Quarterly Data, Q2 2020 – Published 15 September 2020.

#### 2.1.2 Existing overall spectrum holdings of the notifying parties

1.31 The existing spectrum holdings, capable of use for the provision of public wireless ECS, of the notifying parties are shown in **Table 1** below.<sup>30</sup>

Table 1: Spectrum holdings of notifying parties capable of use for the provision of public wireless ECS

Band	3IRL	Vodafone	Meteor	lmagine
800 MHz	20 MHz	20 MHz	20 MHz	-
900 MHz	30 MHz	20 MHz	20 MHz	-
Total sub- 1 GHz	50 MHz	40 MHz	40 MHz	-
1800 MHz	70 MHz	50 MHz	30 MHz	-
3.6 GHz <sup>31</sup>	100 MHz nationally	85 MHz in rural regions and 105 MHz in the cities	80 MHz in rural regions and 85 MHz in the cities	60 MHz in each of the rural regions
2.1 GHz FDD	60 MHz	30 MHz	30 MHz	
Total supra- 1 GHz	230 MHz	185 MHz	145 MHz	60 MHz
Total	280 MHz	225 MHz	185 MHz	60 MHz

#### 2.2 Imagine's existing 3.6 GHz Band spectrum holdings

- 1.32 Imagine's existing 3.6 GHz Band spectrum holdings consist firstly of 60 MHz (in the frequency range 3560 to 3620 MHz) in each of four rural licence regions (i.e. Borders, Midlands and West; South West; East and South East) held under its 3.6 GHz Band Liberalised Use Licence ("LU Licence"),
- 1.33 Imagine also holds rights in various parts of the band in 144 Transition Service Areas

<sup>&</sup>lt;sup>30</sup> This excludes temporary spectrum rights, such as those TPL, those issued under ComReg's Covid-19 Temporary Spectrum Management Measures or pre-existing leases.

<sup>&</sup>lt;sup>31</sup> Note that these numbers are the maximum assigned to the licensee in any given region.

("TSAs") under its TPL.

1.34 These TSAs correspond to local service areas in which Imagine previously operated under the 3.6 GHz Band FWALA licensing scheme prior to the Award. At the start of Transition immediately after the Award, all TSAs had a 20 km radius boundary around a defined centre point. As Transition has progressed, the area of some TSAs has been reduced to reflect completion of Transition Activities which affect only part of a TSA and to facilitate ongoing Transition Activities in the remainder of the TSA.

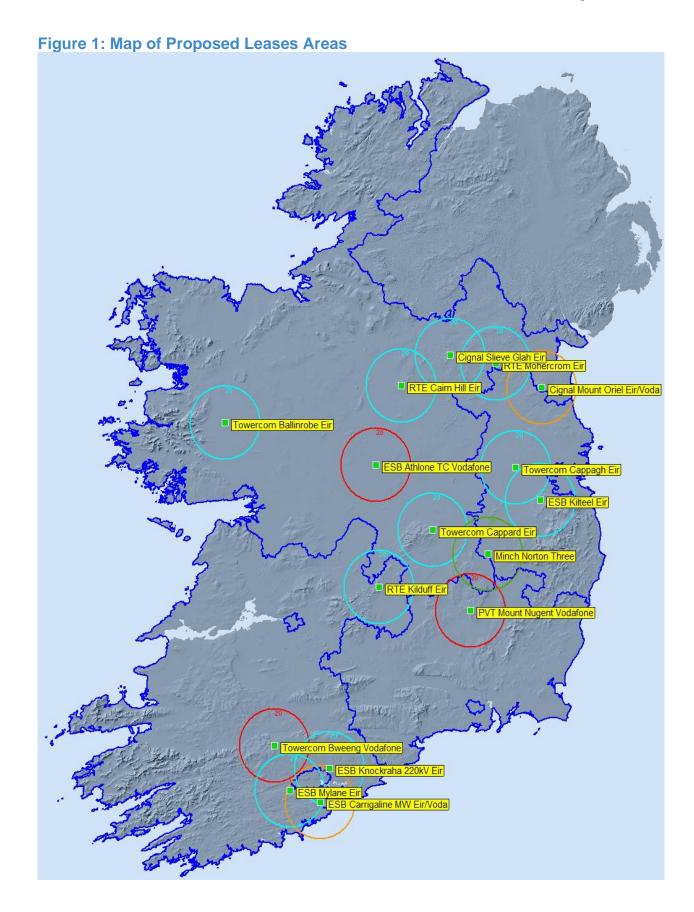
- 1.35 In addition to having a defined geographic area, TSAs are assigned frequency ranges which derive from the previous channel plan for 3.6 GHz Band FWALA licensing from before the Award, which included a number or paired and unpaired channels. In many cases, the frequency ranges of Imagines' TSAs have reduced as Transition has progressed.
- 1.36 Further details of Imagine's TPL holdings, including the locations of same, are set out in the **Annex**.
- 1.37 In addition, Imagine is currently leasing spectrum in 3.6 GHz Band from Dense Air ("Existing Lease") at 5 locations ("Existing Lease Areas" or "ELAs") for a period of 6 months, see ComReg Document 20/87. At a high level, Imagine is currently leasing 20 MHz at five locations from Dense Air<sup>32</sup>.

<sup>&</sup>lt;sup>32</sup> For further information see ComReg Document 20/87.

#### 2.3 The Proposed Leases

1.38 Details of the Proposed Leases are set out in Annexes 1 to 6 of Document 20/89 and readers are referred to same.

- 1.39 At a high level, the Proposed Leases entail Imagine leasing:
  - 20 MHz of 3IRL's 3.6 GHz Band spectrum at one location (see Annexes 3 and 4 of Document 20/89);
  - 20 MHz of Vodafone's 3.6 GHz Band spectrum at three locations, 40 MHz at one further location; and 60 MHz at another further location (see Annexes 5 and 6 of Document 20/89); and
  - 20 MHz of Meteor's 3.6 GHz Band spectrum rights at twelve locations (see Annexes 1 and 2 of Document 20/89);
- 1.40 ComReg notes the following differences between the terms of the Proposed Leases and the Original Leases:
  - A reduction of 20 MHz of Meteor's spectrum at one location; and
  - An increase of 5 MHz of Meteor's spectrum at one location, this is due to this portion of spectrum been commenced under Meteor's LU licence since the Original Lease.
- 1.41 Each location consists of an area of 20 km radius around an existing Imagine base station ("Proposed Lease Area" or "PLA"). The Proposed Lease Areas are shown at Figure 1 below.
- 1.42 The Proposed Leases are for three months initially, followed by a further three-month period subject to the prior agreement by the relevant parties. In this instance ComReg assesses the Proposed Leases by reference to the entire potential duration of <u>six months</u>.
- 1.43 The Proposed Leases do not entail any amendments to the conditions of the 3.6 GHz Band Liberalised Use Licences of 3IRL, Meteor or Vodafone.



# 2.4 Imagine's 3.6 GHz Band spectrum holdings following Proposed Leases

- 1.44 As noted above, the Proposed Leases would increase Imagine's 3.6 GHz Band spectrum holdings between 20MHz–60MHz in the relevant PLAs.
- 1.45 It is not, however, a straightforward task to assess Imagine's current spectrum holdings in the PLAs because:
  - none of the PLAs are concentric with any of Imagine's TSAs and only one of them is concentric with any of Imagine's ELAs;
  - in many cases PLAs are overlapped by multiple TSAs and/or ELAs in a particular frequency range, but not necessary across their entire areas;
  - TSAs and ELAs in different frequency ranges often overlap different parts of PLAs; and
  - in the frequency range 3560 3620 MHz, where Imagine holds spectrum rights in four rural Regions under its LU Licence, three PLAs<sup>33</sup> are partly overlapped by urban Regions where Imagine does not hold 3.6 GHz Band spectrum rights.
- 1.46 Therefore, if a PLA is not entirely overlapped by one or more TSAs and/or ELAs in a particular frequency range, the question arises as to whether the TSA/ELA frequency range should constitute part of Imagine's current spectrum holdings for that PLA and, in particular, where the geographic overlap may be relatively small (e.g. 20%).
- 1.47 Therefore, ComReg has assessed Imagine's current spectrum holdings in each quadrant<sup>34</sup> of each of the PLAs rather than in the entirety of each PLA which should provide sufficient granularity to capture the contributions of significant TSA overlaps within the PLAs. The average increase in Imagine's spectrum across all site quadrants is 21.5%.

<sup>33</sup> KE008 ESB Kilteel, CK025 ESB Mylane and CK048 ESB Knockraha 220kV.

<sup>&</sup>lt;sup>34</sup> i.e. North East, South East, South West and North West Quadrants

1.48 As a result of Imagine's spectrum holdings under its TPL (which vary across different parts of the State), Imagine's post-lease spectrum holdings in the relevant areas would increase between 20 to 60 MHz as shown in **Table 2**: This results in Post-Lease holdings of a maximum<sup>35</sup> of:

- 105 MHz in 1 PLA;
- 140 MHz in 1 PLA:
- Between 161 MHz and 180 MHz in 9 PLAs;
- Between 181 MHz and 200 MHz in 4 PLAs; and
- 210 MHz in 1 PLR.

#### 2.5 Assessment

- 1.49 By way of background, ComReg recalls that its guidelines for the determination of whether a spectrum transfer or lease would likely distort competition as set out in Chapter 3 Document 14/11R are to be interpreted and applied flexibly having regard to the specific circumstances of each case.<sup>36</sup> For example and other things being equal, a transfer or lease with *prima facie* greater potential to raise competition concerns (such as in terms of quantum of spectrum rights involved, the relative existing spectrum holdings of the notifying and other relevant parties before and following the proposed transfer or lease, and/or the duration of lease etc.), would likely involve a more exhaustive assessment of the matters identified in the guidelines, including a likely corresponding higher burden on the notifying parties in terms of the information required to inform such an assessment.
- 1.50 In the present matter, ComReg would particularly note the quite limited duration of the Proposed Leases (i.e. potential maximum of 6 months), the relative spectrum holdings of the relevant parties (both pre- and post-lease) and the broader context in which the Proposed Leases are occurring (i.e. COVID-19 and the impact of the measures to address same (e.g. tele-working) on electronic communications networks).
- 1.51 In addition, ComReg has, in this particular instance, chosen to assess the likely impact of the Proposed Leases collectively, which is a conservative approach as the potential impacts would necessarily be greater than that of any individual proposed lease.

<sup>&</sup>lt;sup>35</sup> Represented by the quadrant in each PLA with the greatest quantum of spectrum holdings.

<sup>&</sup>lt;sup>36</sup> Paragraph 33 of Document 14/11R.

- 1.52 In light of the above context, ComReg outlines out its assessment below.
- 1.53 **First,** and in the context of market definition, ComReg recalls paragraph 39 of Document 14/11R which states:

"It is not always necessary to reach a firm conclusion on market definition - for example, where it is clear that the proposed spectrum transfer or lease is not likely to raise competition concerns on any reasonable definition of the market."

- 1.54 In the present case, it appears sufficient to consider the Proposed Leases in the narrow context of the relative distributions of holdings in the relevant spectrum band, noting, of course, the potential for other competitive constraints when viewed more broadly, such as in terms of alternative spectrum bands (e.g. fixed wireless access services provided using licence-exempt spectrum) and alternative technologies (e.g. mobile broadband and fixed broadband etc).
- 1.55 Second, and in that context, ComReg does not consider that the post-lease 3.6 GHz Band spectrum holdings of Imagine are likely to distort competition noting, among other things:
  - that Imagine presently holds 60 MHz under its LU Licence out of a total of 350 MHz assigned in rural regions in the 3.6 GHz Band (or circa 17%), noting also the service- and technology-neutral rights in this band;
  - Imagine's existing holdings under its TPL (as detailed in the Annex), whilst being counted according the methodology described herein and accounting for a considerable proportion of Imagine's post-lease spectrum holdings, are nevertheless ultimately temporary as Imagine holds them subject to the Transition Rules and, in particular, the commercial deployment plans of the relevant Winning Bidder/s;
  - the very short-term nature of the Existing Lease; and
  - the very short-term nature of the Proposed Leases themselves (see further below).
- 1.56 The very short-term nature of the Proposed Leases limits the potential for material competitive distortions to arise because, among other things:
  - the Proposed Leases are stated to be for use in providing FWA services to

- Imagine's pre-existing customers only;37 and
- the benefits to Imagine from the Proposed Leases (i.e. additional capacity and better quality of service) are short-lived, thereby reducing the ability and incentive to seek to increase its prices (or reduce its output) on foot of same without concern as to the reactions of its competitors and/or customers.
- Third, ComReg recalls the broader context in which the Proposed Leases are occurring (i.e. COVID-19 and the impact on measures to address same on electronic communications networks)
- 1.58 For the reasons outlined above, ComReg considers that the Proposed Leases would not likely distort competition and determined that the Proposed Leases may be put into effect for a period of six months from 13 October 2020.

<sup>&</sup>lt;sup>37</sup> ComReg 20/89, see pages 5, 4 and 4 of the agreements of Imagine with Eir, Three and Vodafone agreement respectively.

## **Annex 1: Imagine's spectrum holdings**

#### The increase in Imagine's spectrum holdings as a result of the Proposed Leases

A 1.1 The impact of the Proposed Leases on Imagine's spectrum holdings in each of these PLAs is shown in **Table 2** below. In this table, the impact is set out as it relates to each quadrant of each PLAs <sup>38</sup>.

Table 2: Summary of the accumulation of spectrum by Imagine on a PLA basis

Proposed Lease Area	Proposed Lease Arrangement	Freq Range (MHz)	Imagine's Spectrum Holdings before Lease (MHz)		Additional Quantum Holdings during Lease (MHz)  Spectrum				%Increase of Imagine's Spectrum Holdings - Lease Period/Current (within each quadrant)						
			NE	SE	sw	NW	(MHz)	NE	SE	SW	NW	NE	SE	sw	NW
MO007 Towercom Ballinrobe	Meteor/Imagine	3620 - 3640 MHz	130	146	105	145	20	145	161	120	145	+12%	+10%	+14%	+0%
LD001 RTE Cairn Hill	Meteor/Imagine	3620 - 3640 MHz	145	145	145	145	20	165	165	165	165	+14%	+14%	+14%	+14%
CN008 Cignal Slieve Glah	Meteor/Imagine	3620 – 3640 MHz	145	145	145	145	20	165	165	165	165	+14%	+14%	+14%	+14%
CN004 RTE Mohercrom	Meteor/Imagine	3620 – 3640 MHz	85	85	85	85	20	105	105	105	105	+24%	+24%	+24%	+24%
LH004 Cignal	Vodafone/Imagine	3480 - 3500 MHz	100	100	140	145	40	140	140	180	165	+40%	+40%	+29%	+14%
Mount Oriel	Meteor/Imagine	3620 – 3640 MHz	100	100	110				, 110	100		1 40 /0	1070	+23/0	1 1 7 70
KE022 Towercom Cappagh	Meteor/Imagine	3620 – 3640 MHz	162	162	162	120	20	182	182	182	140	+12%	+12%	+12%	+17%
KE008 ESB Kilteel	Meteor/Imagine	3620 - 3640 MHz	155	94	145	165	20	175	114	165	185	+13%	+21%	+14%	+12%

<sup>&</sup>lt;sup>38</sup> ComReg's rationale for this approach is explained below.

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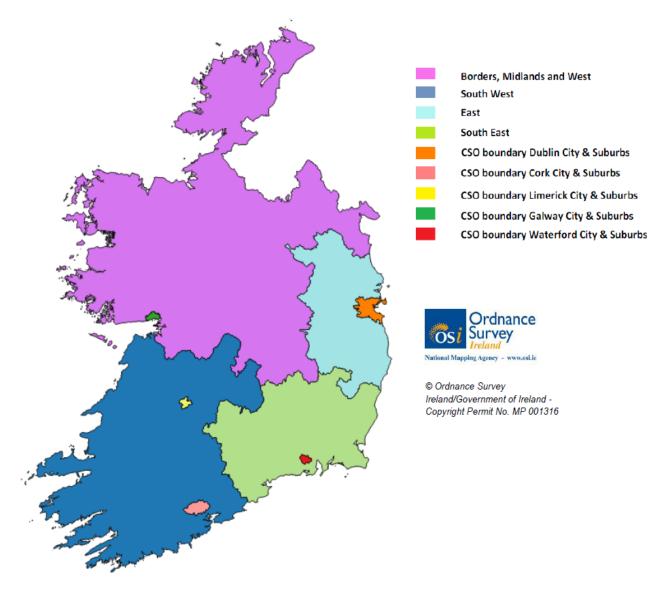
Proposed Lease Area	Proposed Lease Arrangement	Freq Range (MHz)		e's Spectrum efore Lease (N	Lease (MHz) Quantur of Spectrur		Spectrum	m Holdings during Lease (MHz)				%Increase of Imagine's Spectrum Holdings - Lease Period/Current (within each quadrant)				
			NE	SE	SW	NW	(MHz)	NE	SE	SW	NW	NE	SE	SW	NW	
LS010 Towercom Cappard	Meteor/Imagine	3620 - 3640 MHz	145	145	145	60	20	165	165	165	80	+14%	+14%	+14%	+33%	
TY017 RTE Kilduff	Meteor/Imagine	3620 - 3640 MHz	145	145	145	145	20	165	165	165	165	+14%	+14%	+14%	+14%	
CK025 ESB Mylane	Meteor/Imagine	3620 - 3640 MHz	175	175	60	148	20	190	190	80	163	+9%	+9%	+33%	+10%	
CK048 ESB Knockraha 220kV	Meteor/Imagine	3620 - 3640 MHz	165	175	115	175	20	180	190	130	190	+9%	+9%	+13%	+9%	
CK024 ESB	Vodafone/Imagine	3540 - 3560 MHz	175	60	60	175	40	210	100	100	210	+20%	+67%	+67%	+20%	
Carrigaline MW	Meteor/Imagine	3620 - 3640 MHz														
KE006 Minch Norton	Three/Imagine	3700 – 3720 MHz	145	145	145	145	20	165	165	165	165	+14%	+14%	+14%	+14%	
CK042 Towercom Bweeng	Vodafone/Imagine	3520 - 3540 MHz	123	175	123	123	20	139	175	139	139	+13%	+0%	+13%	+13%	
WH001 ESB Athlone TC	Vodafone/Imagine	3480 - 3540 MHz	80	80	80	80	60	140	140	140	140	+75%	+75%	+75%	+75%	
KK001 PVT Mount Nugent	Vodafone/Imagine	3500 - 3540 MHz	135	135	115	115	40	165	165	145	145	+22%	+22%	+26%	+26%	

#### **Imagine's current 3.6 GHz Band spectrum holdings**

#### Imagine's LU Licence Spectrum Holdings

A 1.2 Under the 2017 3.6 GHz Band Spectrum Award<sup>39</sup>, ComReg made 3.6 GHz Band spectrum available in nine Regions of the State as identified in **Figure 2**.





https://www.comreg.ie/industry/radio-spectrum/spectrum-awards/3-6ghz-band-spectrum-award/

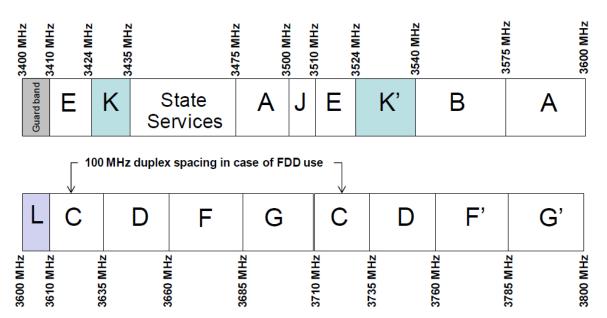
<sup>&</sup>lt;sup>39</sup> For more information, please see:

#### Imagine's TPL Spectrum Holdings

A 1.3 Imagine currently holds rights of use to spectrum in various parts of the 3.6 GHz Band in 144 Transition Service Areas ("TSAs") under its TPL.

- A 1.4 These TSAs correspond to local service areas where Imagine previously operated under the 3.6 GHz Band FWALA licensing scheme prior to the 3.6 GHz Band Award. At the start of Transition immediately after the Award, all TSAs had a 20 km radius boundary around a defined centre point. As Transition has progressed, the area of some TSAs has been reduced to reflect completion of Transition Activities which affect only part of a TSA and to facilitate ongoing Transition Activities in the remainder of the TSA.
- A 1.5 In addition to having a defined geographic area, TSAs are assigned frequency ranges which derive from the previous channel plan for 3.6 GHz Band FWALA licensing from before the Award, which included a number or paired and unpaired channels as shown in **Figure 3**.

Figure 3: Previous FWALA channel arrangements in the 3.6 GHz Band



A 1.6 In many cases, the frequency ranges of Imagine's TSAs have reduced as Transition has progressed and Imagine has vacated parts of the spectrum in those TSAs to make that spectrum available for other Winning Bidders to roll out new services.

A 1.7 Having originally held spectrum rights in 241 TSAs under its TPL, Imagine now has 144 TSAs which are licensed in respect of the frequency ranges identified in **Table 4.** 

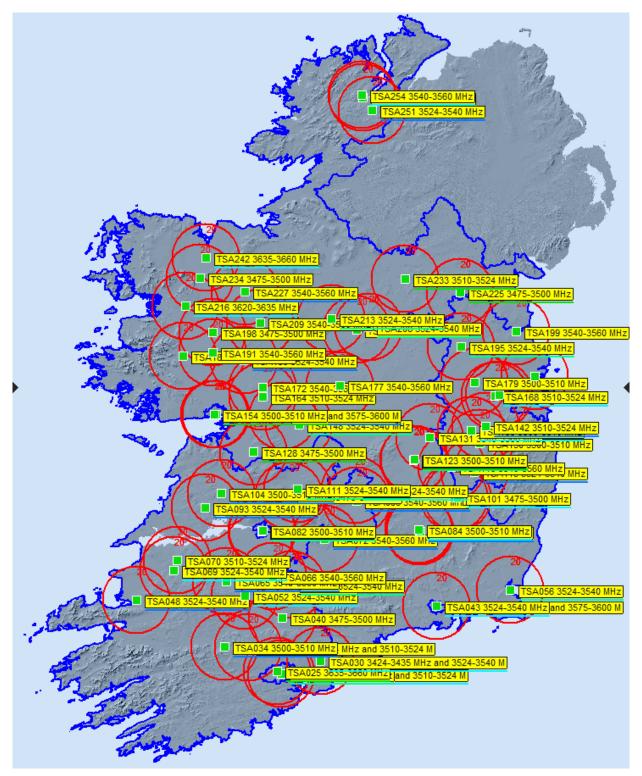
Table 3: No of Imagine TSAs by Frequency Range<sup>40</sup>

Frequency Range/s Licensed in TSA	No. TSAs
3410-3424 MHz and 3510-3524 MHz	3
3424-3435 MHz and 3524-3540 MHz	2
3475-3500 MHz	27
3475-3500 MHz and 3575-3600 MHz	2
3475-3500 MHz and 3580-3600 MHz	1
3500-3510 MHz	24
3510-3524 MHz	22
3524-3540 MHz	23
3540-3560 MHz	31
3540-3575 MHz	2
3620-3635 MHz	2
3635-3660 MHz	5
Total TSAs	144

A 1.8 Together, Imagine's current TSAs cover most of the geographic are of the State as can be seen in **Figure 4**.

<sup>&</sup>lt;sup>40</sup> As of 30 September 2020.





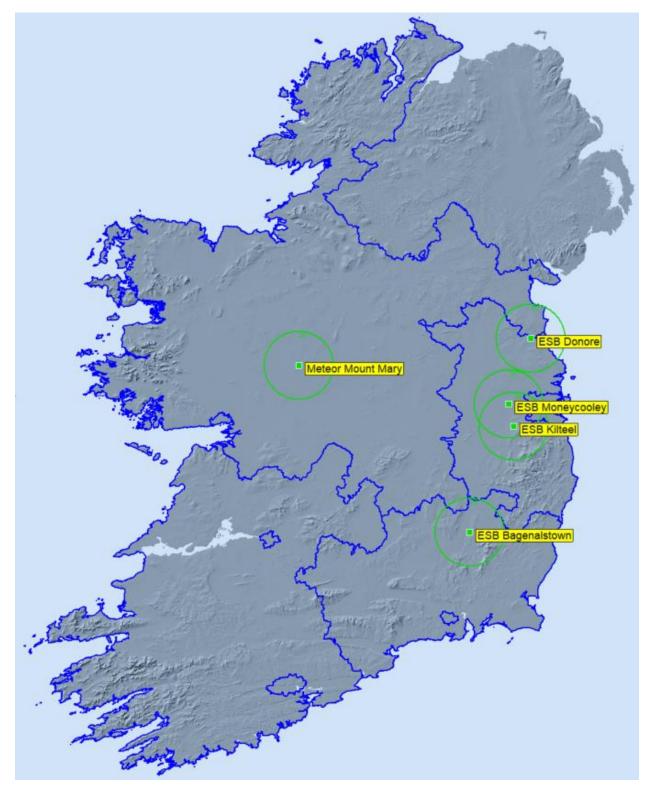
#### Imagine's spectrum holdings under ELAs

A 1.9 Imagine currently leases spectrum rights in the 3.6 GHz Band from Dense Air in five ELAs for a duration of 6-months. The spectrum leased by Imagine in each of these ELAs is shown in Table 4, while the locations of the ELAs are identified on the map in Figure 5.

Table 4: Spectrum currently held by Imagine in its ELAs

Existing Lease Area	Existing Lease Arrangement	Freq Range (MHz)
GY041 Meteor Mount Mary	Dense Air/Imagine	3410 - 3430
LH002 ESB Donore Drogheda	Dense Air/Imagine	3410 - 3430
KE014 ESB Moneycooley	Dense Air/Imagine	3410 - 3430
KE008 ESB Kilteel	Dense Air/Imagine	3410 - 3430
CW006 ESB Bagenalstown	Dense Air/Imagine	3410 - 3430





## Difficulty of assessing Imagine's current spectrum holdings within a PLA

- A 1.10 It is not a simple task to assess the current spectrum holdings in each of the PLAs, given that:
  - (a) none of the PLAs are concentric with any of Imagine's TSAs and only one of them is concentric with any of Imagine's ELAs;
  - (b) in many cases PLAs are overlapped by multiple TSAs and/or ELAs in a particular frequency range, but not necessary across their entire areas;
  - (c) TSAs and ELAs in different frequency ranges often overlap different parts of PLAs; and
  - (d) in the frequency range 3560 3620 MHz, where Imagine holds spectrum rights in four rural Regions under its LU Licence, three PLAs<sup>41</sup> are partly overlapped by urban Regions where Imagine does not hold 3.6 GHz Band spectrum rights.
- A 1.1 If a PLA is not entirely overlapped by TSAs or ELAs in a particular frequency range, the question arises as to whether that frequency range constitutes part of Imagine's current spectrum holdings within that area, in particular if it overlaps only a small portion (e.g. 20%) of that area.
- A 1.2 This problem can be better understood by way of example. The PLA around Ballinrobe<sup>42</sup> is overlapped by Imagine TSAs in five frequency ranges.
- A 1.3 In three of those frequency ranges<sup>43</sup>, most of the geographic area of the PLA is overlapped by Imagine TSAs, as shown in

<sup>&</sup>lt;sup>41</sup> KE008 ESB Kilteel, CK025 ESB Mylane and CK048 ESB Knockraha 220kV.

<sup>&</sup>lt;sup>42</sup> MO007 Towercom Ballinrobe

<sup>&</sup>lt;sup>43</sup> 3475 - 3500 MHz, 3540 - 3560 MHz and 3635 - 3660 MHz

A 1.4 **Figure** 6. In these cases, it might be reasonable to assume that the current spectrum holding within the PLA includes these three frequency ranges.

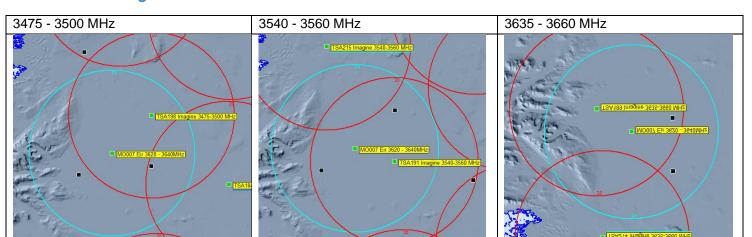
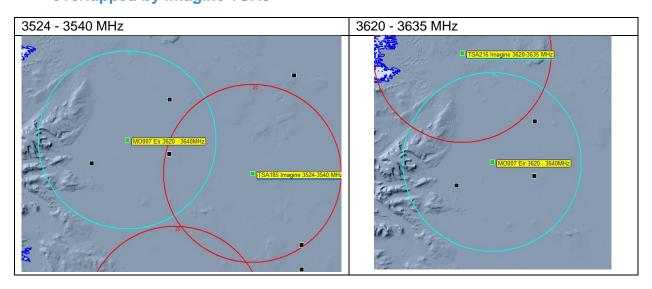


Figure 6: Frequency ranges where Ballinrobe PLA is mostly overlapped by Imagine TSAs<sup>44</sup>

A 1.5 However, in the other two frequency ranges<sup>45</sup>, the area of the PLA overlapped by Imagine TSAs is less than 50%, as shown in **Figure 7**. In these cases, it does not seem reasonable to assume that the current spectrum holding within the entire PLA includes these two frequency ranges, as they only relate to relatively small portions of the PLA. However, the areas overlapped within the PLAs do not appear to be insignificant in terms of geographic extent.

Figure 7: Frequency ranges where Ballinrobe PLA is only partially overlapped by Imagine TSAs



<sup>&</sup>lt;sup>44</sup> Light blue circles represent PLA boundaries, while red circles represent TSA boundaries.

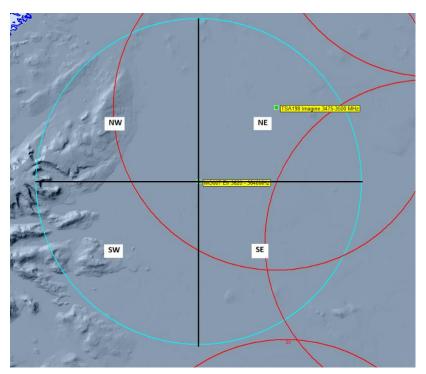
<sup>&</sup>lt;sup>45</sup> 3524 - 3540 MHz and 3620 - 3635 MHz

#### Approach to assessing Imagine's 3.6 GHz Band spectrum holdings

A 1.6 In light of the above, ComReg considers that an approach is required which takes into account that, while Imagine TSAs in a particular frequency range might not overlap a PLA to a significant enough extent that it could reasonably assumed that that frequency range constitutes part of Imagine's overall spectrum holdings associated with the PLA, the overlapped area might nevertheless be significant enough to take into account when assessing Imagine's spectrum holdings.

A 1.7 Therefore, ComReg has assessed Imagine's current spectrum holdings in each quadrant<sup>46</sup> of the PLAs rather than in the entirety of each PLA, as shown in the example in **Figure 8**. ComReg considers this to be a practical approach which gives sufficient granularity to capture the contributions of significant TSA overlaps within the PLAs to Imagine's current spectrum holdings in those areas.

Figure 8: Example Assessment of Imagine's Spectrum Holdings in PLA Quadrants for Frequency Range 3475 - 3500 MHz - Ballinrobe



<sup>&</sup>lt;sup>46</sup> i.e. North East, South East, South West and North West Quadrants

A 1.8 In that regard, ComReg's approach to assessing Imagine's 3.6 GHz Band spectrum holdings within a PLA quadrant is as follows:

- If the area of a quadrant is greater than or equal to 50% overlapped by Imagine TSAs in a particular frequency range, the overlap is considered to be significant and therefore that frequency range is counted as part of Imagine's 3.6 GHz Band spectrum holdings within that quadrant; and
- II. If the area of a quadrant is less than 50% overlapped by Imagine TSAs in a particular frequency range, the overlap is considered as not significant and therefore that frequency range is not counted as part of Imagine's 3.6 GHz Band spectrum holdings within that quadrant.
- A 1.9 Additionally, with regard to the frequency range 3560 3620 MHz, where Imagine holds spectrum rights on a quasi-national basis in four rural Regions, but not in urban Regions, under its LU Licence, that frequency range is only discounted from Imagine's current spectrum holdings within a quadrant where the area of the quadrant is greater than or equal to 50% overlapped by an urban Region, in similar manner to overlapping TSAs as described above.

# Assessment of Imagine's 3.6 GHz Band spectrum holdings during lease period

A 1.10 It should be noted that spectrum to be leased within a PLA may not necessarily entail an increase in Imagine's spectrum holdings by the same quantum in any quadrant of that area during the period of the Proposed Leases. For example, if the quantum of spectrum to be leased in a PLA quadrant is 20 MHz, but 5 MHz within the frequency range of that 20 MHz is already currently assigned to Imagine in a TSA which significantly overlaps that quadrant, then the quantum of spectrum within that quadrant will only increase by 15 MHz due to lease. Indeed, it will be the case that the quantum of spectrum in a PLA quadrant will not increase at all under a lease if the full range to be leased is already currently assigned to Imagine within a TSA which significantly overlaps that quadrant.