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ComReg Media Release

ComReg publishes decision on the release of the 800 MHz, 900 MHz and 1800 MHz spectrum bands

The Commission for Communications Regulation (ComReg) today published its response to consultation and decision for the auction of a number of individual rights of use in the 800 MHz, 900 MHz and 1800 MHz radio spectrum bands.

This auction will offer spectrum rights of use across these three critical bands for the period 2013 to 2030. The spectrum rights of use being auctioned, in particular the 800 MHz and 900 MHz spectrum bands, are highly suitable for advanced mobile services due to their excellent propagation properties which give high quality and wide area coverage plus improved in-building reception.

In total, 280 MHz of sub-2 GHz spectrum (i.e. 140 MHz of paired spectrum) will be made available, more than doubling the currently licensed assignments in these particular bands.

The main features of the auction are as follows:

- It will be a combinatorial clock auction, meaning that it allows bidders to make packaged bids over multiple rounds of bidding within a prescribed timeframe;
- The winners of spectrum will be those who make the highest bids (consistent with the rules of the auction);
- The first phase of the auction will determine the quantity of spectrum that a winning bidder is awarded and the second phase will determine the exact frequencies within the spectrum bands;
- To accommodate the current expiry dates of GSM licence assignments, spectrum rights of use will be auctioned across two time periods, applicable to each of the three bands being auctioned. The first period will run from 1 February 2013 to 12 July 2015 and the second period will run from 13 July 2015 to 12 July 2030.
- To safeguard competition, there will be limits on the maximum amount of spectrum rights of use that any one bidder can acquire, either as a single entity or in combination with other bidders.

To ensure the optimal use of these important spectrum bands, spectrum rights of use in these bands are subject to a minimum price of currently calculated as €20M per lot of 5 MHz of paired sub-1 GHz spectrum, and €10M per lot of 5 MHz of paired 1800 MHz spectrum for a 15 year licence. These minimum prices are based on a conservative lower bound of an internationally benchmarked level. Winning bidders will be required to pay a portion of this amount up-front, with the remainder paid annually over the duration of the licence. The minimum prices will be finalised in advance of the auction to update for any changes to input factors.

ComReg has had considerable interest in this consultation process, which has been demonstrated by the large volume of material received, exceeding 2100 pages of submissions from interested parties.

ComReg would like to thank all who have expressed an interest in this process to date and looks forward to the introduction of new and enhanced consumer services through this spectrum release.

ENDS

Notes to editors:

The 800 MHz band is the frequency range 791-821MHz paired with 832-862 MHz which comprises six paired 5 MHz lots.

The 900 MHz band is the frequency range 880-915 MHz paired with 925-960 MHz which comprises seven paired 5 MHz lots.

The 1800 MHz band is the frequency range 1710-1785 MHz paired with 1805-1880 MHz which comprises fifteen paired 5 MHz lots.

The first stage of the auction determines the generic lots allocated to different bidders and the associated prices in the case where there is excess demand for lots. This stage of the auction will be held provided that demand from bidders exceeds supply of available generic lots. If ComReg receives bids for the exact quantity of spectrum that is available (or bids for less than the quantity of spectrum available), these bidders will acquire spectrum at the minimum price.

The second stage is a single round of bidding during which winning bidders in the first stage may submit one or more bids to be assigned specific frequencies within the bands in which they have won generic lots.

This decision commits ComReg to staging an auction for these spectrum rights of use on the basis set out in the decision document. A further document, an information memorandum, will set out more detailed auction rules and this will be published in due course, as well as the finalised regulations. Allowing for these further steps, ComReg expects to be in a position to hold the auction in a few months' time.

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