

Multi Band Spectrum Award – Results of the Main Stage

Information Notice

Reference: ComReg 22/105

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1 Results of the Multi Band Spectrum Award (MBSA2) Main Stage

1.1 Introduction

- 1. ComReg has now concluded the Main Stage¹ of the MBSA2 Award Process.²
- 2. The Main Stage has determined the winners and prices for the 470 MHz of spectrum made available across four valuable spectrum bands (700 MHz, 2.1 GHz, 2.3 GHz and 2.6 GHz Bands). These bands are suitable for providing 5G and widespread mobile coverage, along with increasing the capacity of mobile and fixed networks. The award of spectrum rights, which would last for circa 19 years, increases the spectrum available for fixed and mobile services by 46%.

1.2 Results of the MBSA2 Main Stage

- 3. There are **four Winning Bidders: Eir, Imagine, Three and Vodafone,**³ with winning bids and prices outlined in Table 1 below. Key points include:
 - Eir, Three and Vodafone all won two lots in the 700 MHz band, bidding for which ended after just one Primary Bid Round. There was no material competition for this lot category. Three has thus preserved its position as the largest holder of the critical sub-1 GHz spectrum⁴ in the State.
 - The 700 MHz band is a vital EU pioneer frequency band for 5G.⁵ The coverage obligations attaching to the 700 MHz band award require, among

Details of the Main Stage can be found in the Information Memorandum for the Award Process (ComReg Document 21/40).

Bidding as Meteor Mobile Communications Limited, Imagine Communications Ireland Limited, Three Ireland (Hutchison) Limited and Vodafone Ireland Limited, respectively.

⁵ See European Commission, "Shaping Europe's Digital Future", available at https://digital-strategy.ec.europa.eu/en/faqs/5g-questions-and-answers.

Document 20/122 and D11/20, "Multi Band Spectrum Award - Response to Consultation and Decision - The 700 MHz Duplex, 2.1 GHz, 2.3 GHz and 2.6 GHz Bands", published 18 December 2020, available at www.comreg.ie. The stay on ComReg proceeding with the implementation of the Main Stage (i.e. the Auction) that had been ordered by the High Court was varied: see Document 22/92, "Multi Band Spectrum Award – Court of Appeal varies the High Court stay order thereby allowing ComReg to run the auction", published 9 November 2022, available at www.comreg.ie.

Sub-1 GHz spectrum bands are very important for expanding 5G coverage in all urban/suburban/rural deployment scenarios, ensuring service continuity across different geographies, enhancing service quality in indoor environments, and helping to close the digital divide. Three continues to hold spectrum rights of use in one extra block of valuable sub-1 GHz spectrum compared to the other MNOs.

other things, the provision of a 30 megabits per second⁶ service to 95% of the population, 90% of motorways, and 80% of primary roads. This **complements the Government's Digital Connectivity Strategy**, published on 8 December 2022, which targets all populated areas of the State being covered by 5G no later than 2030.⁷

- There was significant competition for the 2.3 GHz, 2.6 GHz FDD⁸ and 2.6 GHz TDD⁹ bands where the Auction continued for fifty Primary Bid Rounds. The Auction rules provided strong incentives to compete for additional spectrum and Bidders made extensive use of the Auction features which allowed for switching and competition across these substitutable bands. All but 5 MHz of spectrum rights in the 2.6 GHz band were acquired.
- The results of this award should prove very good for competition and consumers. The award would significantly increase available spectrum, while facilitating operators in making long-term investment decisions essential for the widespread rollout of 5G services in Ireland. Ireland is currently one of only three EU Member States¹⁰ yet to assign long-term rights of use in the key 700 MHz Band.¹¹
- In addition, the award could raise circa €448 million for the State, subject to the determination of the proceedings (see further section 1.3 below).

Megabits per second are units of measurement for network bandwidth and throughput. They are used to show how fast a network or internet connection is. Each Mbit/s represents the capacity to transfer 1 million bits each second, or roughly one small photo per second. It may also be expressed as Mbps or Mb/s.

⁷ See <u>Gov.ie</u>, "*Digital Connectivity Strategy*", published 8 December 2022, available at <u>www.gov.ie/en/publication/</u>.

Frequency-division duplexing ("FDD") is a method for establishing a full-duplex communications link that uses two different radio frequencies for transmitter and receiver operation. FDD operation normally assigns the transmitter and receiver to different communication channels.

In time-division duplexing ("TDD"), time rather than frequency is used to separate the transmission and reception of the signals, and thus a single frequency is assigned to a user for both directions.

¹⁰ The others being Bulgaria and Poland.

¹¹ ComReg made its Decision in December 2020, see ComReg Document 20/122.

1.3 Next Steps

4. ComReg will now advance to the Assignment Stage¹² where the specific frequency assignments for each band will be determined. ComReg will make a further announcement in due course.

5. Further to the Order of the Court of Appeal of 8 November 2022 (see Background in Section 2 below), ComReg will not notify the Winning Bidders of their entitlement to apply for licences (as provided for in paragraph 3.259 of the Information Memorandum (Document 21/40) ("IM")) or take any subsequent steps set out in the IM pending the determination of the substantive proceedings by the High Court or further order.

¹² See Section 3.6 and 4.3 of the IM Document 21/40.

Table 1: Results of the Main Stage of the Multi Band Spectrum Award

Band and Time Slice(Time Slice 1 to 2027 - Time Slice 2 from 2027)		Imagine Communications Ireland Ltd	(Eir) Meteor Mobile Communications Ltd	Three Ireland (Hutchison) Ltd	Vodafone Ireland Ltd
700 MHz Duplex	Time Slice 1 and 2	-	2 x 10 MHz	2 x 10 MHz	2 x 10 MHz
2.1 GHz Band	Time Slice 1	-	2 x 5 MHz	2 x 20 MHz	2 x 20 MHz
	Time Slice 2	-	2 x 20 MHz	2 x 20 MHz	2 x 20 MHz
2.3 GHz Band	Time Slice 1	40 MHz	60 MHz	-	-
	Time Slice 2	40 MHz	60 MHz	-	-
2.6 GHz FDD	Time Slice 1	-	-	2 x 35 MHz	2 x 35 MHz
	Time Slice 2	-	-	2 x 35 MHz	2 x 35 MHz
2.6 GHz TDD	Time Slice 1	15 MHz	-	-	30 MHz
	Time Slice 2	15 MHz	-	-	30 MHz
Base Prices		€ 12,370,000	€ 56,761,000	€ 48,508,000	€ 48,091,000
Total Spectrum Usage Fees ¹³		€ 9,085,325	€ 83,484,262	€ 91,901,689	€ 97,895,239
Total Prices		€ 21,455,325	€ 140,245,262	€140,409,689	€145,986,239
Total		€ 448,096,515 ¹⁴			

¹³ Spectrum Usage Fees will be indexed to CPI and paid annually over the duration of licence. Figures presented do not assume any adjustment and are presented as indicative.

¹⁴ Additional Prices (if any) will be determined following the Assignment Stage where the specific frequency assignments for each band will be determined.

2 Background

6. On 18 December 2020, ComReg decided to hold a multi-band spectrum award to assign long-term rights of use across four complementary and substitutable spectrum bands all of which are suitable for mobile and wireless broadband ("WBB") services. These spectrum bands are the 700 MHz, 2.1 GHz, 2.3 GHz and 2.6 GHz bands, which are harmonised at European level for the provision of WBB and 5G in particular.

- 7. On 20 January 2021, ComReg published an Information Notice (Document 21/04R) notifying interested parties of an appeal against its Decision by Three Ireland.
- 8. On 22 July 2022, ComReg published an Information Notice (Document 22/62), which noted, among other things, that on 21 July 2022, in the High Court made an Order granting a stay on the implementation of the Main Stage (i.e., the Auction) of the Multi Band Spectrum Award¹⁵ pending the delivery of judgment in the substantive proceedings¹⁶ ("Stay").
- 9. On 25 July 2022, ComReg lodged an Appeal¹⁷ against the Stay and, subsequently, Three Ireland also submitted a cross-appeal on certain aspects of the Stay.
- 10. The Appeal was heard on 19, 25 October and 8 November 2022.
- 11. On 8 November 2022, the Court of Appeal made an Order varying the Stay allowing the Auction to proceed up to the point of, and preventing ComReg from, notifying the Winning Bidders of their entitlement to apply for licences (as provided for in paragraph 3.259 of the IM) or taking any subsequent steps set out in the IM pending the determination of the substantive proceedings by the High Court or further order.
- 12. ComReg published an Information Notice (Document 22/92) on 9 November 2022 advising of the above.

¹⁵ Ibid.

¹⁶ Which judgment was reserved on 23 November 2021 under High Court Record Number 2021/9 MCA.

¹⁷ Court of Appeal Record Number 2022/189.