



Commission for
Communications Regulation

Proposed 3.6 GHz Band Spectrum Award

Non-confidential responses received to
ComReg Document 16/22 - Draft Information
Memorandum

Submissions to ComReg Document 16/22

Reference: ComReg 16/35

Date: 11/05/2016

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1 **Imagine**

Imagine comments on ComReg
Consultation:- Proposed 3.6 GHz Band
Spectrum Award
Draft Information Memorandum

20th April , 2016

Imagine welcomes the opportunity to respond to ComReg Consultation: - Proposed 3.6 GHz Band Spectrum Award, Draft Information Memorandum.

Imagine has considered carefully the information laid out in the Draft Information Memorandum and at this time has no additional comments, observations or recommendations to make beyond those it has made in previous responses to consultations on this topic.

2 Three Ireland

3.6 GHz Proposed Spectrum Award, Draft Information Memorandum

**Comments on Document
16/22 from Three Ireland**



Three.ie

Introduction

Three Ireland is pleased to comment on ComReg's Draft Information Memorandum (DIM) for the proposed auction of spectrum in the 3.6GHz band. We note ComReg's statement in paragraph 1.5 that the Draft Information Memorandum has been prepared substantially while ComReg has been awaiting comments on document 15/140, and the expectation is that ComReg may not have taken all of those comments fully into account yet. ComReg has not yet published its response to the comments received, so it is unclear to what extent they have been taken into account in the drafting of the DIM. Three's comments covered, among other things, the relative attribution of value and minimum price between different geographic areas; licence duration; and licence conditions. Three reserves its position regarding these points until ComReg has published its response.

Specific Comments

Quality of Service Conditions

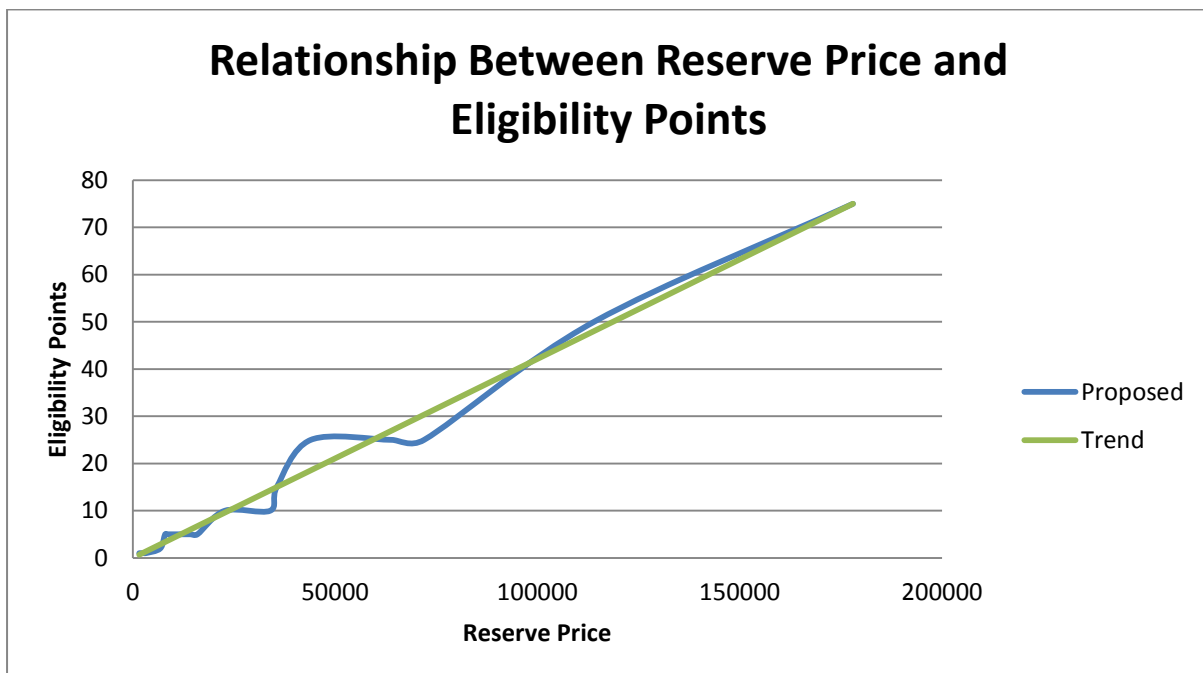
In paragraph 2.39 of the DIM, and in section 5.2 of the Draft licence, ComReg specifies that Quality of Service obligations will include a minimum voice call standard. The definition of a voice call is not static, but is whatever ComReg considers to be a substitute for traditional voice calls at any point in time. This clarification is given in the footnote. Three reiterates its view that this licence condition must be applied in a non-discriminatory way. At present it seems that the single most significant factor that distinguishes the calls that would be covered by this obligation from the calls that would not is the use of E.164 numbers from the National Numbering Scheme. We request that ComReg clarifies this.

Refund or Adjustment of Licence Fees

Paragraph 2.75 describes the process by which Upfront Fees will be refunded in the event that the commencement of lots is delayed. We note that the use of Final Primary Round prices gives at best only an approximation of Upfront Fee attributable to any particular Lot; however the Upfront Fees will be significant for any bidder. Given that there is some uncertainty regarding the duration of any delay, interest should be applied to the refunds at an appropriate rate. Three suggests that the discount rate applied in deriving the Minimum Fee is the appropriate interest rate.

Apportionment of Eligibility Points per Lot

In Table 8, ComReg sets out the proposed number of Eligibility Points that will apply to each Lot. While it is understood that there might need to be some rounding in order to give whole numbers, it is to be expected that there would be a constant relationship between the eligibility points in each geographical area and the expected relative value of those lots (as defined by the reserve price). As can be seen in the plot below, the number of eligibility points proposed seems to follow no particular rule, with some lots having a higher than trend value, and some lower. ComReg should explain the logic that was used to determine the eligibility points for each Lot.



Auction Tools

We note that in paragraph 3.154 ComReg states its intention to provide interested bidders with a copy of the Winner and Price Determination software in advance of the auction. We would request ComReg to clarify early whether it is expected that this software can be run on standard PCs or whether a higher specification will be required.

Deposits

In several sections of the DIM, ComReg mentions the possibility that it may give notice and require bidders to increase their standing deposit. In relation to the Supplementary Round, ComReg states in paragraph 3.172 that:

“ComReg may give notice to one or more Assignment Bidders that they need to increase their Deposit to ensure that the difference between the Bidder’s Deposit and its Base Price must be at least the amount of its highest Assignment Bid. (See Section 4.3.8)”

In paragraph 4.207, the DIM states:

“At the end of an Assignment Round, and prior to the notification to Assignment Bidders of the outcome of the Assignment Round, ComReg may give notice to one or more Assignment Bidders that they need to increase their Deposit to ensure that the difference between the Bidder’s Deposit and its Base Price must be at least the amount of its highest Assignment Bid.”

We would ask ComReg to clarify that the intention here (if a deposit call is made) is to ensure that the standing deposit is as large as the Base Price plus the amount of the highest bid. The language above does not work in a situation where the standing deposit is lower than the Base Price. If ComReg’s intention is something different, then we would ask that this is further explained.

Bidder Exclusion

In the event that a bidder is excluded from the auction, the minimum that other bidders would require is transparency regarding this fact, otherwise they would receive misleading information through the bidding portal regarding aggregate demand and common value. Further, it would seem wholly inappropriate to allow the auction to continue while including the bids of an excluded bidder if those bids could affect the auction outcome.

Scheduling

ComReg’s proposed scheduling seems appropriate. A longer than normal period should be left between revealing the result of the application round and the first bidding round.

Random Selection

Although it might seem unlikely to occur in practice, the proposal to use random selection for winner determination is not appropriate (paragraph 4.148). ComReg should develop an alternative method for determining the winning bids and prices in this case. In addition, ComReg should notify all affected bidders if the situation arises where the Winner and Price Determination algorithm does not produce a unique set of winning bids.

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3 Vodafone



Vodafone Response to Comreg document :

Proposed 3.6 GHz Band Spectrum Award

Reference: ComReg 16/22

Vodafone welcome the opportunity to respond to Comreg's document 16/22 "Proposed 3.6 GHz Band Spectrum Award"

We recognise that ComReg are presenting this proposal after a comprehensive consultation process (Comreg 15/70 and Comreg 15/140 as well as additional technical documents).

Technology Neutral and Service Neutral Auction:

The points we made in our previous submission still stand, we are in favour of the band plan proposed for this spectrum and also in favour of a Technology Neutral and Service Neutral auction.

Stability of licence process -

Comreg have chosen a CCA auction format. Combined with the proposed regional assignments this will produce a complex auction.

In order to allow us to prepare fully we ask that the auction format and rules are kept stable for as long a time as possible before the auction date, and that the timings shown in the Indicative Timeline shown in Table 9 are not compressed.

Assignments Process

This auction covers two technology bands (3GPP TDD Band 42 (3400 – 3600 MHz) and Band 43 (3600 – 3800 MHz)). The timescales for equipment availability may differ in each of these bands. The effect of this is uncertain but it may be desirable for some operator to have one part of their overall assignment of 3.6 GHz spectrum in each of the bands 42 and 43. This could be catered for by allowing the outcome of the Negotiation Phase (section 3.174 and 4.223) to include a non-contiguous assignment for an operator if that operator should agree it with others, understanding that if this is not agreed we will revert to the Provisional Frequency Plan.

Other Frequency Bands.

In our previously submission on 15/70 and in our submission on Spectrum Strategy we raised our concerns that 3.6 GHz spectrum is being auctioned in advance of 2.6 GHz. In particular in Section 7.64 of Comreg 15/131 ([Draft Radio Spectrum Management Strategy 2016 to 2018 Consultation on ComReg's radio spectrum management strategy](#)) Comreg raised the possibility that holdings in 3.6 GHz may be taken in to account in a future 2.6 GHz auction.

Potential purchasers of 3.6 GHz may be reluctant to bid for this spectrum to provide wide area fixed service if it would lower an operator's ability to bid for the 'mainstream' mobile band 2.6 GHz. The very different propagation and different technologies available in these bands mean they are not substitutable.

At the same time mobile operators may be forced to bid for the 3.6 GHz band (squeezing out FWALA operators) if they need capacity and do not have a clear picture of when 2.6 GHz spectrum will be available.

Both of these effects distort the market for 3.6 GHz and should be addressed by Comreg in advance of the 3.6 GHz auction. Comreg can achieve this by both announcing a clear timescale for 2.6 GHz auction before the actual auction of 3.6 GHz spectrum and by making clear any planned cap covering both 2.6 GHz and 3.6 GHz in a future auction.