Ofcom’s spectrum sharing proposals

- How a mobile spectrum loan process might work in practice

UK Spectrum Policy Forum – Cluster 2 workshop

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1. **Licensed access to three new bands** on a shared basis for local area and medium power base stations:
   - **2.3 GHz (10MHz)**;
   - **1800 MHz (2 x 3.3 MHz)**
   - **3.8 – 4.2 GHz (400 MHz)**.
   - Licences to be based on cost recovery principles and issued on a per location first come first served basis.
   - These would be indefinite duration, tradable, low power small area licences or individual medium power base station licences.

2. **Licensed access to existing spectrum bands assigned on a national basis to MNOs** in locations where spectrum is not in use or planned to be in use within 3 years.

Ofcom indicated that licences may be available from H2/2019 following a Statement in Q2/2019.

The consultation proposals are at:

Summary of Ofcom’s proposals for opening existing MNO spectrum bands to new users

Spectrum licenced on a national basis to MNOs is in scope (i.e. 800 / 900 / 1400 / 1800 / 2100 / 2600 / 3400 MHz).

Key points are:

• Licences will be for a single location or area;
• Not restricted to the same technology as the incumbent licensee;
• The licence would be time limited and for a proposed fixed duration of a minimum of three years, with longer periods available only for those that have reached a specific agreement with the incumbent;
• Can be traded outright to another party;
• Requires licensees to notify any customers of the time limits on the authorisation; and
• A cost-based one-off fee of £950 per licence.

Ofcom envisages that the licences could deliver a diverse range of services from local mobile connectivity solutions such as in valleys or tunnels; automation in discrete settings for example factories; private networks in remote secure locations such as an oil refinery; or improving broadband connectivity in hard to reach local communities.
At the heart of this process is working with the incumbent licensee(s) to facilitate third party access which does not interfere with the existing licensee and provide a central point of contact to ensure all requests are considered.

The incumbent operator’s rights to deploy, even after a new user is issued with a licence, will not be affected. In practice Ofcom expects parties to agree coordination terms between themselves in line with their licence obligations to avoid interference. Ofcom believes that the measures outlined above should be sufficient to avoid any harmful interference from occurring. However, where there are disputes between parties, and no contractual agreement exists, Ofcom will deal with these on a case by case basis.

Local Access licence will be authorised for a time limited period. Ofcom proposed this to be for a minimum period of three years, with the option of longer periods if agreement is reached with the incumbent licensee(s). A shorter duration Ofcom said it believes would not provide a sufficient case for investment.

Ofcom proposed to include their standard revocation notice period of five years for spectrum management purposes. Ofcom acknowledged that this will only come into effect for those licensees who have an agreed licence duration of over five years.
BT supports Ofcom’s objectives to improve connectivity and, to the extent that spectrum access is actually the barrier, by enabling shared access to spectrum by new users.

BT has proposed a more market based approach to spectrum sharing compared to Ofcom’s proposals:

- Where sharing gives rise to opportunity costs (i.e. MNO future use is impacted) or other costs arise (e.g. coordination of frequencies) MNOs should be compensated.
- Spectrum leasing is not currently allowed in mobile spectrum and so commercial arrangements for shared use would currently need to be in the form of more complicated spectrum trades.
- We have proposed as a pragmatic solution a “certificate” scheme where Ofcom would issue new users with licences that reflect any commercial agreements reached with an MNO.
- Commercial arrangements involving a deeper relationship with MNOs are likely to be more beneficial to all parties and could allow longer-term agreements to be reached in contrast to the 3 year duration that Ofcom has proposed.

*For full details of BT’s position see https://www.ofcom.org.uk/__data/assets/pdf_file/0020/143093/bt.pdf*