



Notice of Ofcom's proposal to
make regulations to revise the fees
payable for 900 MHz and
1800 MHz licences

Consultation

Publication date: 1 August 2014

Closing Date for Responses: 26 September 2014

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Section 1

Notice

Notice of proposals

- 1.1 This notice is given in accordance with section 122(4) and (5) of the Wireless Telegraphy Act 2006 (the “**2006 Act**”) and covers a proposal to make a statutory instrument.
- 1.2 This proposed statutory instrument sets out how we would give effect to Ofcom’s proposals to revise the fees for licences in the 900 MHz and 1800 MHz bands set out in Ofcom’s consultation document entitled “Annual licence fees for 900 MHz and 1800MHz spectrum. Further consultation” (the “**ALF Further Consultation**”), which is published simultaneously to this Notice, if our final decisions following the overall consultation process were in line with our current proposals.

Proposed regulations

- 1.3 Ofcom has the power under sections 12 and 122(7) of the 2006 Act to make regulations to prescribe sums payable in respect of wireless telegraphy licences.
- 1.4 Ofcom proposes to make regulations to prescribe the sums payable in respect of the licences for the use of 900 MHz and 1800 MHz spectrum.
- 1.5 A draft of the proposed regulations is set out at Annex 5 and their general effect is set out at Section 2 of this document.

Comments or representations

- 1.6 Comments or representations with respect to the proposed regulations are invited by **Friday 26 September 2014**. Comments should be sent to:

Robert Emson
Ofcom
Riverside House
2a Southwark Bridge Road
London SE1 9HA

E-mail:Robert.emson@ofcom.org.uk

- 1.7 Tel: 020 7783 4375
- 1.8 Following completion of the overall consultation process, Ofcom intends to make the final regulations as soon as practicable.
- 1.9 Hard copies of this notice and the proposed regulations can be obtained from:

Robert Emson
Ofcom
Riverside House
2a Southwark Bridge Road
London SE1 9HA

E-mail: Robert.emson@ofcom.org.uk
Tel: 020 7783 4375

- 1.10 Electronic copies are also available and this notice has been placed on Ofcom's website <http://www.ofcom.org.uk>.

Section 2

General effect of the proposed Wireless Telegraphy (Licence Charges for the 900 MHz frequency band and the 1800 MHz frequency band) Regulations 2014

The legislative framework

- 2.1 Under section 12 of the Wireless Telegraphy Act 2006 (the “**2006 Act**”), Ofcom may make regulations to prescribe sums payable in respect of wireless telegraphy licences. When doing so, section 122(7) of the 2006 Act enables Ofcom to make different provisions for different cases and to make incidental provisions.
- 2.2 On 20 December 2010, the Secretary of the State made directions pursuant to section 5 of the 2006 Act, which among other things require Ofcom to revise the sums prescribed by regulations under section 12 of the 2006 Act for 900 MHz and 1800 MHz licences so that they reflect the full market value of the frequencies in those bands, having particular regard to the sums bid for 800 MHz and 2.6 GHz licences in the UK 4G auction.
- 2.3 The directions are contained in The Wireless Telegraphy Act 2006 (Directions to Ofcom) Order 2010 (S.I. 2010/3024) (the “**Direction**”).
- 2.4 The sums which are currently payable for 900 MHz and 1800 MHz licences are set out in the Wireless Telegraphy (Licence Charges) Regulations 2011 (SI 2011/1128) (the “**Fees Regulations**”). In particular, these are the sums prescribed in Schedule 2 to the Fees Regulations for the “Public Wireless Networks” licences, which are as follows:
 - **£142,560** for each 2 x 200 kHz national channel in the band **880.0-960.0 MHz**, payable at payment intervals of 12 months; and
 - **£110,880** for each 2 x 200 kHz national channel in the band **1710.0-1880.0 MHz**, payable at payment intervals of 12 months.
- 2.5 Ofcom published its initial proposals to implement the Direction in October 2013 (the “**October 2013 consultation**”)¹ and gave stakeholders a further opportunity to comment on specific issues in April 2014 (on the methodology to derive a discount rate consistent with CPI inflation² and on further European spectrum auctions that have concluded since October 2013³). In light of stakeholders’ responses, Ofcom has

¹ See <http://stakeholders.ofcom.org.uk/consultations/900-1800-mhz-fees/>.

² See the consultation document of 17 April 2014 entitled “*Annual licence fees for 900 MHz and 1800 MHz: methodology to derive a discount rate consistent with CPI inflation*”, here: <http://stakeholders.ofcom.org.uk/consultations/900-1800-mhz-fees-cpi/>

³ See the document of 16 April 2014 entitled “*Update on European auctions since Ofcom’s consultation on Annual licence fees for 900 MHz and 1800 MHz spectrum*”, here: http://stakeholders.ofcom.org.uk/binaries/consultations/900-1800-mhz-fees/update/2014-05_ALF_Update_Note_on_Austria.pdf

revised its proposals on how to revise the fees payable for 900 MHz and 1800 MHz licences to implement the Direction. Ofcom's consultation (the "**ALF Further Consultation**") is published today and available at www.ofcom.org.uk.

- 2.6 Therefore, Ofcom is now giving notice of its proposal to make the Wireless Telegraphy (Licence Charges for the 900 MHz frequency band and the 1800 MHz frequency band) Regulations 2014 (the "**Proposed Regulations**"), which would give effect to Ofcom's proposals, as set out in the ALF Further Consultation.
- 2.7 A draft of the regulations is set out at Annex 5.

The general effect of the proposed regulations

- 2.8 The Proposed Regulations will revoke the provisions in the Fees Regulations prescribing the sums which are currently payable for 900 MHz and 1800 MHz licences and set out the revised level for such licences.

Extent of application of the proposed regulations (reg. 1)

- 2.9 The Proposed Regulations will apply in the United Kingdom, but would not extend to the Channel Islands or to the Isle of Man. For the avoidance of doubt, the Proposed Regulations will not modify the sums prescribed for the licences belonging to the "*Public Wireless Networks*" licence class which relate to the use of spectrum in Guernsey, Jersey and the Isle of Man⁴.

Entry into force of the proposed regulations (reg. 1)

- 2.10 The Proposed Regulations will come into force as soon as practical after making the final regulations. The final regulations will be made after Ofcom has concluded its wider consultation process on the fees and made final decisions as to the level of fees payable. For illustrative purposes, in the draft regulations we have assumed that the final regulations will come into force in January 2015.

Definitions (reg. 2)

- 2.11 Regulation 2 defines the meaning of a number of terms which are relevant to understand the other provisions in the Proposed Regulations.

Relevant spectrum and licences

- 2.12 In particular, the definitions of "licence", "licensee", "900 MHz frequency band" and "1800 MHz frequency band" are relevant to define the scope of the Proposed Regulations, which will prescribe the fees payable by the holders of each licence belonging to the "**Public Wireless Networks**" licence class for the use of the radio frequencies within the **880.0—960.0 MHz** band (the 900 MHz spectrum) and/or the **1710.0—1880.0 MHz** band (the 1800 MHz spectrum). For the avoidance of doubt, other users of the spectrum included within such bands would not be required to pay the fees prescribed in the Proposed Regulations.

⁴ The "*Public Wireless Networks (2G and 3G Cellular Operator – Guernsey)*", the "*Public Wireless Networks (2G and 3G Cellular Operator – Jersey)*" and the "*Public Wireless Networks (2G and 3G Cellular Operator – Isle of Man)*" licences.

Common effective date

- 2.13 Under our revised proposals, the final regulations will set out a specific date for the “**common effective date**”, which will be a date following the entry into force of the final regulations. For illustrative purposes, we have assumed a common effective date of 31 January 2015. The common effective date is a date that we propose to use to calculate the fees payable by each individual licensee on its first payment date following the common effective date. As, under the Fees Regulations, the licensees currently pay their respective fees on different dates reflecting the date of the issue of the licence, the use of a common effective date will ensure that all of the licensees will pay a rate that reflects the market value of the corresponding spectrum from the same point in time. In other words, in the first year following the common effective date, we propose to calculate the fee payable in respect of the use of the frequencies licensed to each individual licensee as if each licensee had to start paying the relevant fees at the new rate from the common effective date (even though their respective payment dates will remain the same as they currently are for the first payment following the entry into force of the final regulations).
- 2.14 According to Ofcom’s proposals, from the first anniversary of the common effective date (e.g. from 31 January 2016 in our example), the licensees would be given a “**common actual payment date**”, which would fall on each subsequent anniversary of the common effective date. For the avoidance of doubt, although we use the term “common actual payment date” in the ALF Further Consultation, we think there is no need to define it in the Proposed Regulations because its meaning is linked to the definition of “common effective date” (being each anniversary of such date).

The amendment of the 2011 Fees Regulations (reg. 3)

- 2.15 Regulation 3 will amend the Fees Regulations to remove the sums and payment intervals that are currently prescribed in Schedule 2 under the “*Public Wireless Networks*” licence class as the licence fees for using the relevant spectrum.
- 2.16 As explained above, Regulation 3 will not amend the fees payable for the other “*Public Wireless Networks*” licence classes that relates to Guernsey, Jersey and the Isle of Man.
- 2.17 Any outstanding payment of the fees due under the Fees Regulations at the entry into force of the final regulations (including any payment by instalments) will continue to be due.

The fee payable for 900 MHz spectrum on the first payment date (reg. 4)

- 2.18 Regulation 4 prescribes the fee payable on **31 July 2015** by the holders of a “*Public Wireless Networks*” licence for 900 MHz spectrum for each 2 x 200 kHz national channel in the 880.0-960.0 MHz band.

Relevant frequencies and pricing unit

- 2.19 As explained above, Regulation 4 concerns the frequencies within the 900 MHz spectrum, which include the bands that are currently licensed to Telefónica UK Limited (“**Telefónica**”) and Vodafone Limited (“**Vodafone**”).
- 2.20 In particular, those licensed to Telefónica are:
- 885.1 – 890.1 MHz and 930.1 – 935.1 MHz;

- 894.7 – 902.3 MHz and 939.7 – 947.3 MHz; and
- 910.1 – 914.9 MHz and 955.1 – 959.9 MHz.

2.21 The frequencies currently licensed to Vodafone are:

- 880.1 – 885.1 MHz and 925.1 – 930.1 MHz;
- 890.1 – 894.7 MHz and 935.1 – 939.7 MHz; and
- 902.3 – 910.1 MHz and 947.3 – 955.1 MHz.

2.22 The pricing unit of a **2 x 200 kHz national channel** is consistent with the one which is currently used in the Fees Regulations. For clarity, 1 MHz is equal to 1,000 kHz. Therefore, there are 5 channels of 200 kHz of spectrum in each MHz.

Payment date (31 July 2015)

2.23 Regulation 4 provides that the date for the first payment in respect of 900 MHz licences following the common effective date will be 31 July 2015, which is the same date as the current payment date for Vodafone and Telefónica under the Fees Regulations.

Calculation of the fee

2.24 The fees payable for the first payment following the common effective date, which will be specified in the final regulations, will be calculated according to the following formula:

$$S = (A - B_a) / 2 + (B_m \times m)$$

where:

“**S**” is the amount in pounds sterling payable for each 2 x 200 kHz channel on the first payment date following the common effective date;

“**A**” is the new annual fee adjusted for inflation using the latest consumer price index available before making the final regulations;

“**B_a**” is the current annual fee, which is **£142,560** for 900 MHz spectrum. Therefore, the element $(A - B_a) / 2$ represents half of the increase between the current and the new ALF annual rates, which is in line with Ofcom’s proposal to allow for a phase-in period;

“**B_m**” is the current “monthly fee” for 900 MHz spectrum, which is calculated by dividing the current annual fee by 12 (i.e. **£11,880**); and

“**m**” is the number of months between the first payment date for each licensee following the common effective date and the first anniversary of the common effective date.

2.25 The figures set out in the Proposed Regulations have been calculated according to the formula above on the basis of Ofcom’s proposal of setting the new ALFs for 900

MHz spectrum at **£1.57m** per MHz (equivalent to **£628,000** per each 2 x 200 kHz national channel) and assuming, for illustrative purposes, a common effective date of 31 January 2015 (meaning that “**m**” would be 6 months, i.e. from August to January included). For the inflation adjustment relating to element “A” of the formula, we have, for illustrative purposes only used the latest available CPI at the time of this notice⁵, which is the one published by the Statistics Board on 15 July 2014 in relation to June 2014 (equal to **128.3**)⁶ This is divided by the CPI published by the Statistics Board for March 2013 of **125.6**.

2.26 The sum prescribed in the final regulations will reflect Ofcom’s decisions on the revised value for 900 MHz spectrum and the common effective date.

The fees payable for 1800 MHz spectrum on the first payment date (reg. 5(1))

2.27 Regulation 5 will prescribe the fee payable on the first payment date following the common effective date by the holders of a “*Public Wireless Networks*” licence for 1800 MHz spectrum for each 2 x 200 kHz national channel in the 1710.0-1880.0 MHz band.

2.28 In particular, Regulation 5(1) will prescribe the fee payable for the frequencies included within these bands:

- the 1710.1 –1781.7 MHz band, with the exception of the 5 MHz included within the 1731.7 – 1736.7 MHz band; and
- the 1805.1–1876.7 MHz band with the exception of the 5 MHz included within the 1826.7 – 1831.7 MHz band.

2.29 As explained below, Regulation 5(2) will prescribe the fee payable for the 5 MHz included within the 1731.7 – 1736.7 MHz band and the 5 MHz included within the 1826.7 – 1831.7 MHz band, which will be both used as paired frequencies by EE Limited (“**EE**”) until 30 September 2015 and by Hutchison 3G UK Limited (“**H3G**”) from 1 October 2015 onwards.

Relevant frequencies and pricing unit

2.30 In particular, Regulation 5(1) concerns the following frequencies bands:

- the 1710.1 – 1715.9 MHz and 1805.1 – 1810.9 MHz bands, which are currently licensed to Telefónica;
- the 1715.9 – 1721.7 MHz and 1810.9 – 1816.7 MHz bands, which are currently licensed to Vodafone;
- the 1721.7 – 1731.7 MHz and 1816.7 – 1826.7 MHz bands, which are currently licensed to H3G; and

⁵ In the final regulations we expect to replace this with the latest available CPI at the time the regulations are made. This is likely to have a higher value than the CPI for June 2014.

⁶ See the Statistical Bulletin of 15 July 2014, related to June 2014:

http://www.ons.gov.uk/ons/dcp171778_370711.pdf

In order to calculate “A”, we have multiplied our proposed “base level” of ALF for each 2 x 200 kHz national channel of 900 MHz spectrum by 128.3/125.6. The result of this calculation is **£641,500**.

- the 1736.7 – 1781.7 MHz and 1831.7 – 1876.7 MHz bands, which are currently licensed to EE.

2.31 The pricing unit of a 2 x 200 kHz national channel is consistent with the one which is currently used in the Fees Regulations (see paragraph 2.22 above).

Payment dates (28 February 2015, 31 July 2015 or 31 October 2015)

2.32 The dates in the table set out in Regulation 5(1) reflect the current payment dates of the individual licensees to which the relevant frequencies are currently licensed. These are:

- 28 February for EE;
- 31 July for Telefónica and Vodafone; and
- 31 October for H3G.

Calculation of the fee

2.33 The fees payable under Regulation 5(1) on the first payment date following the common effective date, which will be specified in the final regulations, will be calculated according to the same formula explained above for 900 MHz spectrum, with the following adjustments:

“ **B_a** ” is the current annual fee for 1800 MHz spectrum, which is **£110,880**.

“ **B_m** ” is the current “monthly fee” for 1800 MHz spectrum, which is calculated by dividing the current annual fee by 12 (i.e. **£9,240**).

2.34 Given that both Vodafone and Telefónica currently have the same payment date (31 of July), the sum prescribed under Regulation 5(1) for the first year adjustment in respect of the frequencies which are currently licensed to these two licensees will be the same. The sum prescribed for the first year adjustment in respect of the frequencies which are currently licensed to EE and H3G will be different because the current payment date of each individual licensee determines one element of the formula (“ **m** ”, i.e. the number of months between the first payment date for each individual licensee following the common effective date and the first anniversary of the common effective date). For the avoidance of doubt, the new ALF rate will be the same for all the licensees.

2.35 The figures set out in the Proposed Regulations have been calculated according to the formula above on the basis of Ofcom’s proposal of setting the new ALF for 1800 MHz spectrum at **£0.96m** per MHz (equivalent to **£384,000** per each 2 x 200 kHz national channel) and assuming, for illustrative purposes, a common effective date of 31 January 2015.

2.36 The sum prescribed in the final regulations will reflect Ofcom’s decisions on the revised value for 1800 MHz spectrum and the common effective date.

The fees payable on the first payment date for the 1731.7 – 1736.7 MHz and 1826.7 – 1831.7 MHz bands (reg. 5(2))

- 2.37 As explained above, Regulation 5(2) of the Proposed Regulations will prescribe the fee payable for the frequencies within the 1731.7 – 1736.7 MHz band and the 1826.7 – 1831.7 MHz band.
- 2.38 In relation to these frequencies, we propose to make two adjustments for the first payment following the common effective date: one for the fee payable on 28 February 2015 (which is EE's current payment date) and the other one for the fee payable on 31 October 2015 (which is H3G's current payment date).
- 2.39 The figures set out in Regulation 5(2) reflect the fact that EE is authorised to use the relevant frequencies until 30 September 2015 and H3G is authorised to use them from 1 October 2015 onwards. These figures have been calculated on the basis of Ofcom's proposal of setting the new ALF for 1800 MHz spectrum at **£0.96m** per MHz (equivalent to **£384,000** per each 2 x 200 kHz national channel) and assuming, for illustrative purposes, a common effective date of 31 January 2015.
- 2.40 The sums prescribed in the final regulations will reflect Ofcom's decisions on the revised value for 1800 MHz spectrum and the common effective date.

The fee payable for 900 MHz spectrum on each subsequent payment date (reg. 6)

- 2.41 Regulation 6 prescribes the fees payable on the **first anniversary of the common effective date** and each subsequent anniversary by the holders of a "Public Wireless Networks" licence for 900 MHz spectrum for each 2 x 200 kHz national channel in the 880.0-960.0 MHz band.
- 2.42 As explained in the ALF Further Consultation, we propose that these fees will be derived by means of the formula set out in regulation 6, which adjusts the "base level" of ALF by inflation. The "base level" of ALF reflects Ofcom's estimate of the market value for 900 MHz spectrum at the time of the UK 4G auction. The "base date" for the purpose of the inflation adjustment is **March 2013**, this being the month in which the UK 4G auction was completed.
- 2.43 According to the formula specified in regulation 6, the fee payable on each anniversary of the common effective date will be derived by multiplying the base level of ALF by the ratio between the latest available inflation index at the date falling one month before the date when the fee is due and the corresponding inflation index related to March 2013.
- 2.44 The formula uses the **consumer prices index** ("CPI") as the relevant indicator of inflation, which is the index that is currently proposed by Ofcom. The relevant figures for CPI will be published by the Statistics Board.
- 2.45 The CPI published by the Statistics Board for March 2013 is **125.6**⁷. The other relevant CPI figure which goes into the formula to determine the amount of the fee payable each year is the **latest available CPI** at the date falling one month before the date when the fee is due. Inflation data related to each month is usually published

⁷ See the Statistical Bulletin of 16 April 2013, related to March 2013:
<http://www.ons.gov.uk/ons/rel/cpi/consumer-price-indices/march-2013/index.html>

between the 15th and the 20th of the following month. Therefore, the latest available CPI should normally relate to the second to last month before the date when the fee is due (i.e., 2 months before the date when the fee is due). This mechanism for the inflation adjustment should give sufficient time to allow Ofcom to notify licensees of the sum due approximately one month before each payment date.

- 2.46 For instance, if the common effective date is 31 January 2015, the first time when the licensees will start paying on the same date will be on 31 January 2016 and the inflation adjustment for the fee payable on that date will be based on the ratio between the CPI related to November 2015 (i.e. 2 months before the payment date) and the CPI related to March 2013 (i.e. the time of the UK 4G auction). The CPI related to November 2015 should be published by the Statistics Board in the second half of December 2015. The same mechanism for the inflation adjustment will apply to any subsequent payment.
- 2.47 The Regulations will specify the base level of ALF for 900 MHz spectrum as decided by Ofcom in its final statement in light of stakeholders' responses. For the purpose of the Proposed Regulations, this is equal to Ofcom's proposal of setting such base level at **£1.57m** per MHz (equivalent to **£628,000** per each 2 x 200 kHz national channel).

The fee payable for 1800 MHz spectrum on each subsequent payment date (reg. 7)

- 2.48 Regulation 7 prescribes the fees payable on the first anniversary of the common effective date and each subsequent anniversary by the holders of a "*Public Wireless Networks*" licence for 1800 MHz spectrum for each 2 x 200 kHz national channel in the 1710.0-1880.0MHz MHz band.
- 2.49 These fees will be calculated according to the same formula used for 900 MHz spectrum, where the "base level" of ALFs reflects Ofcom's estimate of the market value for 1800 MHz spectrum at the time of the UK 4G auction. The indexation mechanism to ensure that ALFs will remain constant in real terms is the same as the one proposed for 900 MHz spectrum.
- 2.50 The Regulations will specify the base level of ALF for 1800 MHz spectrum as decided by Ofcom in its final statement in light of stakeholders' responses. For the purpose of the Proposed Regulations, this is equal to Ofcom's proposal of setting such base level at **£0.96m** per MHz (equivalent to **£384,000** per each 2 x 200 kHz national channel).

Payment by instalments (reg. 8)

- 2.51 Regulation 8 will retain the current option of paying by **10 monthly instalments**, in line with regulation 4 of the 2011 Fees Regulations.

Amendment of the Wireless Telegraphy (Mobile Spectrum Trading) Regulations 2011

- 2.52 Regulation 6 of the Wireless Telegraphy (Mobile Spectrum Trading) Regulations 2011 (the "**Mobile Trading Regulations**"), which specifies the circumstances in which a transfer of rights and obligations arising under a wireless telegraphy licence is not authorised, includes where:

- any sum payable under the Fees Regulations in respect of that licence is owing to Ofcom because it has not been paid by the time it became due (Reg.6(b)); or
- any instalment payment is to be paid to Ofcom under regulation 4(8)(b) of the Fee Regulations in respect of that licence (Reg. 6(c)).

2.53 We note that, after making the final regulations, we will need to amend Regulation 6 of the Mobile Trading Regulations in order to add a reference to any sum payable under the final regulations as well as any instalment payment to be paid to Ofcom under the final regulations. We will consult on Ofcom's proposal to make such amendments in due course.

Annex 1

Responding to this consultation

How to respond

- A1.1 Ofcom invites written views and comments on the issues raised in this document, to be made **by 5pm on Friday 26 September 2014**.
- A1.2 Ofcom strongly prefers to receive responses using the online web form at <http://stakeholders.ofcom.org.uk/consultations/notice-proposal-fees/> as this helps us to process the responses quickly and efficiently. We would also be grateful if you could assist us by completing a response cover sheet (see Annex 3), to indicate whether or not there are confidentiality issues. This response coversheet is incorporated into the online web form questionnaire.
- A1.3 For larger consultation responses - particularly those with supporting charts, tables or other data - please email robert.emson@ofcom.org.uk attaching your response in Microsoft Word format, together with a consultation response coversheet.
- A1.4 Responses may alternatively be posted or faxed to the address below, marked with the title of the consultation.

Robert Emson
Ofcom
Riverside House
2a Southwark Bridge Road
London SE1 9HA

- A1.5 Note that we do not need a hard copy in addition to an electronic version. Ofcom will acknowledge receipt of responses if they are submitted using the online web form but not otherwise.
- A1.6 It would be helpful if your response could include a direct answer to the question asked in this document, which is highlighted at Annex 4. It would also help if you can explain why you hold your views and how Ofcom's proposals would impact on you.

Further information

- A1.7 If you want to discuss the issues and questions raised in this consultation, or need advice on the appropriate form of response, please contact Robert Emson on 020 7783 4375.

Confidentiality

- A1.8 We believe it is important for everyone interested in an issue to see the views expressed by consultation respondents. We will therefore usually publish all responses on our website, www.ofcom.org.uk, ideally on receipt. If you think your response should be kept confidential, can you please specify what part or whether

all of your response should be kept confidential, and specify why. Please also place such parts in a separate annex.

- A1.9 If someone asks us to keep part or all of a response confidential, we will treat this request seriously and will try to respect this. But sometimes we will need to publish all responses, including those that are marked as confidential, in order to meet legal obligations.
- A1.10 Please also note that copyright and all other intellectual property in responses will be assumed to be licensed to Ofcom to use. Ofcom's approach on intellectual property rights is explained further on its website at <http://www.ofcom.org.uk/about/accoun/disclaimer/>

Ofcom's consultation processes

- A1.11 Ofcom seeks to ensure that responding to a consultation is easy as possible. For more information please see our consultation principles in Annex 2.
- A1.12 If you have any comments or suggestions on how Ofcom conducts its consultations, please call our consultation helpdesk on 020 7981 3003 or e-mail us at consult@ofcom.org.uk . We would particularly welcome thoughts on how Ofcom could more effectively seek the views of those groups or individuals, such as small businesses or particular types of residential consumers, who are less likely to give their opinions through a formal consultation.
- A1.13 If you would like to discuss these issues or Ofcom's consultation processes more generally you can alternatively contact Graham Howell, Secretary to the Corporation, who is Ofcom's consultation champion:

Graham Howell
Ofcom
Sutherland House
149 St. Vincent Street
Glasgow G2 5NW

Tel: 020 79823601

Email Graham.Howell@ofcom.org.uk

Annex 2

Ofcom's consultation principles

A2.1 Ofcom has published the following seven principles that it will follow for each public written consultation:

Before the consultation

A2.2 Where possible, we will hold informal talks with people and organisations before announcing a big consultation to find out whether we are thinking in the right direction. If we do not have enough time to do this, we will hold an open meeting to explain our proposals shortly after announcing the consultation.

During the consultation

A2.3 We will be clear about who we are consulting, why, on what questions and for how long.

A2.4 We will make the consultation document as short and simple as possible with a summary of no more than two pages. We will try to make it as easy as possible to give us a written response. If the consultation is complicated, we may provide a shortened version for smaller organisations or individuals who would otherwise not be able to spare the time to share their views.

A2.5 We will normally allow ten weeks for responses to consultations on issues of general interest.

A2.6 There will be a person within Ofcom who will be in charge of making sure we follow our own guidelines and reach out to the largest number of people and organizations interested in the outcome of our decisions. This individual (who we call the consultation champion) will also be the main person to contact with views on the way we run our consultations.

A2.7 If we are not able to follow one of these principles, we will explain why. This may be because a particular issue is urgent. If we need to reduce the amount of time we have set aside for a consultation, we will let those concerned know beforehand that this is a 'red flag consultation' which needs their urgent attention.

After the consultation

A2.8 We will look at each response carefully and with an open mind. We will give reasons for our decisions and will give an account of how the views of those concerned helped shape those decisions.

Annex 3

Consultation response cover sheet

- A3.1 In the interests of transparency and good regulatory practice, we will publish all consultation responses in full on our website, www.ofcom.org.uk.
- A3.2 We have produced a coversheet for responses (see below) and would be very grateful if you could send one with your response (this is incorporated into the online web form if you respond in this way). This will speed up our processing of responses, and help to maintain confidentiality where appropriate.
- A3.3 The quality of consultation can be enhanced by publishing responses before the consultation period closes. In particular, this can help those individuals and organisations with limited resources or familiarity with the issues to respond in a more informed way. Therefore Ofcom would encourage respondents to complete their coversheet in a way that allows Ofcom to publish their responses upon receipt, rather than waiting until the consultation period has ended.
- A3.4 We strongly prefer to receive responses via the online web form which incorporates the coversheet. If you are responding via email, post or fax you can download an electronic copy of this coversheet in Word or RTF format from the 'Consultations' section of our website at www.ofcom.org.uk/consult/.
- A3.5 Please put any parts of your response you consider should be kept confidential in a separate annex to your response and include your reasons why this part of your response should not be published. This can include information such as your personal background and experience. If you want your name, address, other contact details, or job title to remain confidential, please provide them in your cover sheet only, so that we don't have to edit your response.

Cover sheet for response to an Ofcom consultation

BASIC DETAILS

Consultation title:

To (Ofcom contact):

Name of respondent:

Representing (self or organisation/s):

Address (if not received by email):

CONFIDENTIALITY

Please tick below what part of your response you consider is confidential, giving your reasons why

Nothing	<input type="checkbox"/>	Name/contact details/job title	<input type="checkbox"/>
Whole response	<input type="checkbox"/>	Organisation	<input type="checkbox"/>
Part of the response	<input type="checkbox"/>	If there is no separate annex, which parts?	

If you want part of your response, your name or your organisation not to be published, can Ofcom still publish a reference to the contents of your response (including, for any confidential parts, a general summary that does not disclose the specific information or enable you to be identified)?

DECLARATION

I confirm that the correspondence supplied with this cover sheet is a formal consultation response that Ofcom can publish. However, in supplying this response, I understand that Ofcom may need to publish all responses, including those which are marked as confidential, in order to meet legal obligations. If I have sent my response by email, Ofcom can disregard any standard e-mail text about not disclosing email contents and attachments.

Ofcom seeks to publish responses on receipt. If your response is non-confidential (in whole or in part), and you would prefer us to publish your response only once the consultation has ended, please tick here.

Name

Signed (if hard copy)

Annex 4

Consultation question

Do you have any comments on the proposed statutory instrument set out in this notice?

Annex 5

Draft Wireless Telegraphy (Licence Charges for the 900 MHz frequency band and the 1800 MHz frequency band) Regulations 2014

ELECTRONIC COMMUNICATIONS

The Wireless Telegraphy (Licence Charges for the 900 MHz frequency band and the 1800 MHz frequency band) Regulations 2014

Made - - - - [date to be specified in the final regulations]

Coming into force - - [date to be specified in the final regulations]

The Office of Communications (“OFCOM”) make the following Regulations in exercise of the powers conferred by sections 12, 13(2) and 122(7) of the Wireless Telegraphy Act 2006⁽¹⁾ (the “Act”).

Before making these Regulations, OFCOM have given notice of their proposal to do so in accordance with section 122(4)(a) of the Act, published notice of their proposal in accordance with section 122(4)(b) of the Act, and have considered the representations made to them before the time specified in the notice in accordance with section 122(4)(c) of the Act.

Citation and commencement

1.— (1) These Regulations may be cited as the Wireless Telegraphy (Licence Charges for the 900 MHz frequency band and the 1800 MHz frequency band) Regulations 2014 and shall come into force on [specific date to be inserted – see explanation in the Notice].

(2) These Regulations shall not extend to the Channel Islands and the Isle of Man.

Interpretation

2. In these Regulations—

“common effective date” means [specific date to be inserted – e.g. 31 January 2015 – see explanation in the Notice];

“licence” means a wireless telegraphy licence;

⁽¹⁾ 2006 c. 36.

“licensee” means a person who is the holder of a licence of the “Public Wireless Networks” licence class authorising use of frequencies within the 900 MHz frequency band or frequencies within the 1800 MHz frequency band;

“OFCOM” means the Office of Communications;

“MHz” means megahertz;

“900 MHz frequency band” means the frequencies 880.0—960.0 MHz; and

“1800 MHz frequency band” means the frequencies 1710.0—1880.0 MHz.

Amendment of the Wireless Telegraphy (Licence Charges) Regulations 2011

3.—(1) The Wireless Telegraphy (Licence Charges) Regulations 2011⁽²⁾ shall be amended in accordance with paragraph (2).

(2) In Schedule 2 (licence charges and payment intervals), under the heading “**Public Wireless Networks**”, omit the following entries—

Public Wireless Networks	(a) £142,560 for each 2 x 200 kHz national channel in the band 880.0—960.0 MHz	12 months
	(b) £110,880 for each 2 x 200 kHz national channel in the band 1710.0—1880.0 MHz	12 months

Licence charges payable in respect of the 900 MHz frequency band on 31 July 2015

4. Subject to regulation 8, on 31 July 2015 each licensee of the 900 MHz frequency band shall pay to OFCOM a total sum which comprises £[320,750 – see explanation in the Notice] for each authorisation under its licence of use of a 2 x 200 kHz national channel in the 900 MHz frequency band.

Licence charges payable in respect of the 1800 MHz frequency band in 2015

5.—(1) Subject to regulation 8, on the date specified in Column 3 of the table below, each licensee of the 1800 MHz frequency band shall pay to OFCOM a total sum which comprises the corresponding amount in pounds sterling set out in Column 2 of the table for each authorisation under its licence of use of a 2 x 200 kHz national channel in the corresponding bands listed in Column 1 of the table.

<i>Column (1)</i> <i>Frequencies (MHz)</i>	<i>Column (2)</i> <i>Sum (£)</i>	<i>Column (3)</i> <i>Date</i>
1710.1 – 1715.9 MHz and 1805.1 – 1810.9 MHz	[£196,127 – see explanation in the Notice]	31 July 2015
1715.9 – 1721.7 MHz and 1810.9 – 1816.7 MHz	[£196,127 – see explanation in the Notice]	31 July 2015
1721.7 – 1731.7 MHz and 1816.7 – 1826.7 MHz	[£168,407 – see explanation in the Notice]	31 October 2015

⁽²⁾ S.I. 2011/1128.

1736.7 – 1781.7 MHz and 1831.7 – 1876.7 MHz	[£242,327 – see explanation in the Notice]	28 February 2015
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(2) Subject to regulation 8, each licensee of the bands 1731.7 – 1736.7 MHz and 1826.7 – 1831.7 MHz shall pay to OFCOM—

(a) on 28 February 2015, a total sum which comprises £ [£179,436 – see explanation in the Notice] for each authorisation under its licence of use of a 2 x 200 kHz national channel in such bands; and

(b) on 31 October 2015, a total sum which comprises £ [£62,892 – see explanation in the Notice] for each authorisation under its licence of use of a 2 x 200 kHz national channel in such bands.

Licence charges payable for the 900 MHz frequency band for each subsequent payment

6.—(1) Subject to regulation 8, on [insert date for the 1st anniversary of the CED, e.g. 31 January 2016 – see explanation in the Notice] and on each anniversary of that date, each licensee of the 900 MHz frequency band shall pay to OFCOM a total sum (the “prescribed sum”) which comprises the amount in pounds sterling calculated in accordance with the formula set out in paragraph 2, rounded to the nearest pound sterling, for each authorisation under its licence of use of a 2 × 200 kHz national channel in such band.

(2) The formula to calculate the prescribed sum set out in paragraph (1) above is—

$$S = [628,000 – see explanation in the Notice] \times (P_t \div P_0)$$

where—

“S” means the prescribed sum;

“CPI” means the all items consumer prices index published by the Statistics Board;

“P_t” means the latest available CPI at the date falling one month before the date when the charges are due; and

“P₀” means the CPI related to March 2013, which is 125.6.

Licence charges payable for the 1800 MHz frequency band for each subsequent payment

7.— (1) Subject to regulation 8, on [insert date for the 1st anniversary of the CED – e.g. 31 January 2016 - see explanation in the Notice] and on each anniversary of that date, the licensee of the 1800 MHz frequency band shall pay to OFCOM a total sum (the “prescribed sum”) which comprises the amount in pounds sterling calculated in accordance with the formula set out in paragraph 2, rounded to the nearest pound sterling, for each authorisation under its licence of use of a 2 × 200 kHz national channel in such band.

(2) The formula to calculate the prescribed sum set out in paragraph (1) above is—

$$S = [384,000 – see explanation in the Notice] \times (P_t \div P_0)$$

where—

“S” means the prescribed sum;

“CPI” means the all items consumer prices index published by the Statistics Board;

“P_t” means the latest available CPI at the date falling one month before the date when the charges are due; and

“P₀” means the CPI related to March 2013, which is 125.6.

Payment by instalments

8.—(1) If OFCOM receives notice from a licensee of the licensee’s intention to make payment in ten equal instalments, the licensee—

(a) shall not be required to make payment at the prescribed time other than in accordance with this paragraph; and

(b) shall make payment of the sum in ten equal instalment payments with the first instalment to be paid to OFCOM on the day which shall be the day as the prescribed sum was to be paid to OFCOM and each subsequent instalment to be paid on the same day in each of the nine consecutive months thereafter (or in a month in which there is no such day, on the last day of the month).

(2) Where at any time the licensee fails to make payment in accordance with paragraph (1), the total of the outstanding instalment payments shall become immediately due for payment.