
Three's response to Ofcom's Consultation on increasing use of the 27.5 – 30 GHz band

Non-confidential

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Contents.

-
1. **Consultation background 3**
 2. **Ofcom should continue relying on market mechanisms to allocate spectrum 4**

1. Consultation background

On 22 March 2024, Ofcom has published a consultation on proposals related to the 28 GHz band, with the goal of

1. Introducing a new mechanism to enable satellite gateway access to the whole band; and
2. Making available the returned Arqiva spectrum for use by land-based satellite user terminals and point-to-point fixed links.

Spectrum Access licences in the 28 GHz band were originally awarded via auctions in 2000 and 2008. The spectrum was made available on a technology and service-neutral basis but in practice, the main use is for wireless point-to-point fixed services.

Three has access to spectrum in the band through UK Broadband. From Ofcom's perspective, there is clear potential for additional satellite gateway use in this spectrum that could be enabled under existing mechanisms, without significantly constraining future use for fixed links, due to the anticipated limited number of satellite gateways and the current fixed link usage.

In response to Ofcom August 2023 consultation and previous consultations, some satellite operators have indicated that negotiations to establish these commercial arrangements can be costly, time-consuming and in some cases unsuccessful.

In this regard, Ofcom suggests that there is mixed evidence regarding the success of the secondary market in the 28 GHz band, and it is therefore concerned that satellite operators have been unable to gain access to the entire 28 GHz band.

Ofcom indicates that several factors contribute to the poor effectiveness of market mechanisms, including the current mix of national and regional licenses held in this band, differing commercial priorities and approaches among Spectrum Access license holders, and reported high fees for accessing this spectrum.

Under the current proposal, Ofcom plans to directly license satellite gateways to access 28 GHz spectrum that is currently authorised on a national or regional basis to Spectrum Access licensees, subject to consultation processes to avoid material impacts on incumbent licensees. Satellite operators would not need to rely on commercial negotiations to gain access to this spectrum.

Furthermore, Ofcom is proposing to maintain existing fee rates for 28 GHz Spectrum Access Licences, rather than adjust the existing ALFs in light of any gateways.

With regards to the returned spectrum, Ofcom is planning to make the returned spectrum (27.8285-28.0525 MHz and 28.8365-29.0605 MHz) available for other uses as follows:

- ❖ 112 MHz at 28.8365 – 28.9485 GHz for land-based satellite terminal use under existing authorisation of these users; and
- ❖ 2 x 112 MHz at 27.9405 – 28.0525 GHz paired with 28.9485 – 29.0605 GHz for point-to-point fixed links authorised as Ofcom-managed spectrum, licensed on a first-come-first-served basis.

Finally, with regards to spectrum in the frequency ranges 28.1925 – 28.3045 GHz paired with 29.2005 – 29.3125 GHz, currently unallocated in Northern Ireland and London, Ofcom proposes to allow applications for gateway access to the currently unallocated spectrum blocks in the Northern Ireland and London regions.

2. Ofcom should continue relying on market mechanisms to allocate spectrum

Current market mechanisms are effective in allocating spectrum in the 28GHz band.

Several market mechanisms are already available in the 28 GHz band, including spectrum trading, leasing, and, as of last year, annual license fees (ALFs). Current market mechanisms can be effective at ensuring spectrum use is maximised.

Ofcom suggests that several factors contribute to the poor effectiveness of market mechanisms, including the current mix of national and regional licenses held in this band, differing commercial priorities and approaches among Spectrum Access license holders, and reported high fees for accessing this spectrum.

Such evaluation is based on the feedback received from satellite operators in the August 2023 consultation, indicating that negotiations to establish these commercial arrangements can be costly, time-consuming, and in some cases unsuccessful.

Three urges Ofcom to correctly frame the strategic incentive of satellite operators in reporting such difficulties, considering many of them were/are negotiating bilateral agreements with Spectrum Access License holders.

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Relying on market mechanisms ensures spectrum use is allocated in accordance with market dynamics, in a transparent and effective manner.

Ofcom should ensure that the push for regulatory intervention by interested parties is assessed against its market-based policy and overall mandate, which is to allow the market to determine the optimal allocation of spectrum where feasible and ensure spectrum use is maximised for the benefit of end consumers.