STATUTORY INSTRUMENTS

2025 No. 669

ELECTRONIC COMMUNICATIONS

The Wireless Telegraphy (Licence Award) Regulations 2025

Made - - - -	*10th June 2025*
Coming into force	*30th June 2025*

CONTENTS

PART 1
Introductory

1. Citation, commencement and extent
2. Interpretation

PART 2
Application Stage

3. Applications for the grant of a licence
4. Application

PART 3
Qualification Stage
CHAPTER 1
Qualification

5. Notification of names of applicants and associates
6. Recording of applicant group members
7. Subsequent changes to bidder groups
8. Fitness to hold a licence
9. Qualification to participate in the award process
10. Publication of names of qualified applicants
11. Withdrawal of an application
12. Determination of number of bidders

CHAPTER 2
Additional deposit and eligibility limit for the first principal stage round

13. Additional deposit before the first principal stage round
14. Determination of a bidder's eligibility limit for the first principal stage round

PART 4

Award Process

15. Principal stage, assignment stage and grant stage

PART 5

The Principal Stage

CHAPTER 1

Principal stage rounds

16. Principal stage rounds
17. Principal stage bids
18. Total number of lots of each type

CHAPTER 2

The first principal stage round

19. Notification of information to bidders before the first principal stage round
20. Lot prices for the first principal stage round
21. First principal stage round bids on the auction system
22. Posted demand number after the end of the first round
23. Determination by OFCOM of posted price after the end of the first round
24. Determination by OFCOM of excess demand after the end of the first round

CHAPTER 3

The second and subsequent principal stage rounds

25. Notification of information to bidders before the second (and each subsequent) principal stage round
26. The price range
27. Each bidder must make three sets of bids in the second (and each subsequent) principal stage round
28. The set of bids to be submitted if a bidder wishes to maintain demand for lots at the clock price in the current round
29. The set of bids to be submitted if a bidder wishes to increase demand for lots at the clock price in the current round
30. The set of bids to be submitted if a bidder wishes to decrease demand for lots at the clock price in the current round
31. Failure to specify a target number of lots on the auction system within the time period for bidding in a round

CHAPTER 4

Bid selection process for OFCOM to determine posted demand numbers and excess demand after the end of the second (and each subsequent) principal stage round

32. Creating a ranking list of sets of bids and carrying out a selection process with regard to sets of bids on the list in order to determine each bidder's posted demand number
33. Calculating the price point for all sets of bids where a bidder decreased demand
34. Calculating the price point for all sets of bids where a bidder increased demand
35. Creating a ranking list which contains sets of bids to decrease demand and sets of bids to increase demand
36. Selecting sets of bids from the ranking list
37. Remaking the ranking list after each selection
38. The completion of the selection process
39. Currently selected demand for lots of a particular type
40. Current excess demand for lots of a particular type

41. Criteria for determining if a set of bids to decrease demand is to be removed or accorded reduced status
42. Currently used eligibility points for a bidder
43. Criteria for determining if a set of bids to increase demand is to be removed or accorded reduced status for the 26 GHz lower lot type and 26 GHz upper lot type
44. Criteria for determining if a set of bids to increase demand is to be removed or accorded reduced status for the 40 GHz lot type

CHAPTER 5

Determination by OFCOM of each bidder's posted demand number and determination of the posted price after the second and subsequent principal stage rounds

45. Determination by OFCOM of posted demand numbers
46. Posted demand number in the case of sets of bids to maintain demand
47. Posted demand number in the case of sets of bids to increase demand and sets of bids to decrease demand
48. Determination by OFCOM of posted price

CHAPTER 6

Determination by OFCOM of excess demand after the second and subsequent principal stage

49. Determination of excess demand by OFCOM

CHAPTER 7

Eligibility limits during the principal stage

50. Eligibility rule
51. Eligibility points associated with lots
52. Eligibility limit in the first round
53. Eligibility limit in the second and subsequent rounds
54. Eligibility points used by a bidder

CHAPTER 8

Deposits during the principal stage

55. Deposits during the principal stage
56. Deposit constraint on bidding

CHAPTER 9

Publication of information each day

57. Publication of information at the end of each day during the principal stage

CHAPTER 10

End of principal stage

58. Number of principal stage rounds
59. Determination of the winning principal stage bids
60. Determination of base price
61. Determination of total base price
62. Notification of results to bidders
63. Publication of the results of the principal stage
64. Required final principal stage deposit

PART 6

Assignment stage

CHAPTER 1

Overview

65. No assignment stage if there are no winning principal stage bidders
66. Assignment stage
67. Assignment stage process
68. Bidders
69. Assignment stage bidder definitions

CHAPTER 2

Step one: assignment of 40 GHz lots for the first period and the second period in the first assignment stage round

70. Bidding for numbered 40 GHz lots for the first period and the second period in the first assignment stage round
71. Preparing a 40 GHz lots assignment stage options list for each bidder
72. 40 GHz assignment stage bids
73. Determination of the winning 40 GHz assignment stage bids
74. Determination of 40 GHz lot additional prices

CHAPTER 3

Step one: assignment of 26 GHz lower lots for the first period in the first assignment stage round

75. Bidding for numbered 26 GHz lower lots for the first period in the first assignment stage round
76. Preparing a 26 GHz lower assignment stage options list for each bidder
77. 26 GHz lower assignment stage bids
78. Determination of the winning 26 GHz lower assignment stage bids
79. Determination of 26 GHz lower lot first period additional prices

CHAPTER 4

Step two: assignment of 26 GHz upper lots for the first period in the second assignment stage round

80. Bidding for numbered 26 GHz upper lots for the first period in the second assignment stage round
81. Preparing a 26 GHz upper lot assignment stage options list for each bidder
82. 26 GHz upper assignment stage bids
83. Determination of the winning 26 GHz upper assignment stage bids
84. Determination of 26 GHz upper lot first period additional prices

CHAPTER 5

Step three: assignment of 26 GHz lower lots and 26 GHz upper lots for the second period without bidding

85. Assignment of 26 GHz lower lots and 26 GHz upper lots for the second period without bidding

CHAPTER 6

Step four: assignment of 26 GHz lower lots and 26 GHz upper lots for the second period in the third assignment stage round

86. Assignment of 26 GHz lower lots and 26 GHz upper lots for the second period with bidding
87. Preparing a 26 GHz lot second period assignment stage options list for each bidder
88. 26 GHz lot second period assignment stage bids
89. Determination of the winning 26 GHz lot second period assignment stage bids
90. Determination of 26 GHz lot second period additional prices

CHAPTER 7

Procedure for bidding in the assignment stage

91. Notification to bidders before each assignment stage round
92. Assignment stage form
93. Submission of assignment stage forms to OFCOM
94. Valid assignment stage form
95. Notification that an assignment stage form is not valid
96. Alternative method for submission of assignment stage form
97. Incomplete or defective assignment stage form
98. Required first assignment stage round deposit
99. Required second assignment stage round deposit
100. Required third assignment stage round deposit

CHAPTER 8

Notification of results of lot assignment

101. Notification of results of the assignment stage

PART 7

Grant Stage

CHAPTER 1

Licences available, the determination of licence fees and the particular frequencies

102. Interpretation
103. Determination of licences, licence fees and frequencies associated with particular licences
104. Licences which may be granted under this award process
105. Licence fee payable by a winning bidder for a 40 GHz licence
106. Licence fee payable by a winning bidder for a 26 GHz lower lot first period licence
107. Licence fee payable by a winning bidder for a 26 GHz upper lot first period licence
108. Licence fee payable by a winning bidder for a 26 GHz lot second period licence
109. Particular frequencies to be included in a 40 GHz licence granted to a winning bidder
110. Particular frequencies to be included in a 26 GHz lower lot first period licence granted to a winning bidder
111. Particular frequencies to be included in a 26 GHz upper lot first period licence granted to a winning bidder
112. Particular frequencies to be included in a 26 GHz lot second period licence granted to a winning bidder

CHAPTER 2

Total auction sum

113. Determination of the total auction sum payable by winning bidders to OFCOM
114. Notification of the total auction sum payable by winning bidders to OFCOM
115. Further payment where the amount of a winning bidder's deposit is less than its total auction sum

CHAPTER 3

Grant of licences

116. Entitlement to the grant of licences
117. Grant of licences

CHAPTER 4
Completion of the award process
118. Deposit greater than total auction sum
119. Notification to bidders following the grant of licences
120. Completion of the award process

PART 8
Forfeit of deposit and exclusion

121. Forfeit of deposit and exclusion from award process
122. Bids made by an excluded bidder
123. Events

PART 9
Miscellaneous

124. Alternative method for submission of principal stage bids
125. General power of exclusion
126. Notification to OFCOM
127. Changes to timing or location
128. Changes to round times and use of auction system
129. Rerunning rounds
130. Refunds
131. Deposits

SCHEDULE 1 — Lots
SCHEDULE 2 — Application form and warranty
SCHEDULE 3 — Document for member of applicant's applicant group or bidder group who is not an associate
SCHEDULE 4 — Determination of 40 GHz lot additional prices
SCHEDULE 5 — Determination of 26 GHz lower lot first period additional prices
SCHEDULE 6 — Determination of 26 GHz upper lot first period additional prices
SCHEDULE 7 — Determination of 26 GHz lot second period additional prices

The Office of Communications ("OFCOM"), in exercise of the powers conferred by sections 14(1), (2), (3), (4), (6) and (7) and 122(7) of the Wireless Telegraphy Act 2006(**a**) ("the Act"), make the following Regulations.

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 that notice in accordance with section 122(4)(c) of the Act.

(**a**) 2006 c. 36.

PART 1

Introductory

Citation, commencement and extent

1.—(1) These Regulations may be cited as the Wireless Telegraphy (Licence Award) Regulations 2025 and shall come into force on 30th June 2025.

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

Interpretation

2.—(1) In these Regulations—

"26 GHz double lot winner" has the meaning given in regulation 69(f);

"26 GHz lot second period assignment stage bid" has the meaning given in regulation 86(2);

"26 GHz lot second period assignment stage option" has the meaning given in regulation 86(6);

"26 GHz lot second period assignment stage options list" has the meaning given in regulation 86(6);

"26 GHz lot second period additional price" has the meaning given in regulation 90;

"26 GHz lot second period licence" has the meaning given in regulation 102(d);

"26 GHz lower assignment stage bid" has the meaning given in regulation 75(2);

"26 GHz lower assignment stage option" has the meaning given in regulation 75(5);

"26 GHz lower assignment stage options list" has the meaning given in regulation 75(5);

"26 GHz lower base price" has the meaning given in regulation 60(1);

"26 GHz lower lot first period licence" has the meaning given in regulation 102(b);

"26 GHz lower lot first period additional price" has the meaning given in regulation 79;

"26 GHz lower lot winner" has the meaning given in regulation 69(a);

"26 GHz lower only lot winner" has the meaning given in regulation 69(b);

"26 GHz upper assignment stage bid" shall be construed in accordance with regulation 80(2);

"26 GHz upper assignment stage option" has the meaning given in regulation 80(5);

"26 GHz upper assignment stage options list" has the meaning given in regulation 80(5);

"26 GHz upper base price" has the meaning given in regulation 60(2);

"26 GHz upper lot first period licence" has the meaning given in regulation 102(c);

"26 GHz upper lot first period additional price" has the meaning given in regulation 84;

"26 GHz upper lot winner" has the meaning given in regulation 69(d);

"26 GHz upper only lot winner" has the meaning given in regulation 69(e);

"40 GHz assignment stage bid" shall be construed in accordance with regulation 70(2);

"40 GHz assignment stage option" has the meaning given in regulation 70(5);

"40 GHz assignment stage options list" has the meaning given in regulation 70(5);

"40 GHz base price" has the meaning given in regulation 60(3);

"40 GHz licence" has the meaning given in regulation 102(a);

"40 GHz lot winner" has the meaning given in regulation 69(c);

"40 GHz lot additional price" has the meaning given in regulation 74;

"additional deposit" has the meaning given in regulation 13;

"additional price" means the 40 GHz lot additional price, the 26 GHz lower lot first period additional price, the 26 GHz upper lot first period additional price or the 26 GHz lot second period additional price;

"all or nothing set of bids to decrease demand" shall be construed in accordance with regulation 30;

"applicant" means a body corporate making an application for a licence;

"applicant group" means in relation to an applicant—

(a) that applicant;

(b) each associate of that applicant; and

(c) each person in respect of whom the applicant has delivered to OFCOM a completed document in the form set out in Schedule 3;

"assignment stage" has the meaning given in regulation 15;

"assignment stage bid" means a 40 GHz assignment stage bid, a 26 GHz lot second period assignment stage bid, a 26 GHz lower assignment stage bid or a 26 GHz upper assignment stage bid;

"assignment stage form" shall be construed in accordance with regulation 92;

"assignment stage option" means a 40 GHz assignment stage option, a 26 GHz lot second period assignment stage option, a 26 GHz lower assignment stage option or a 26 GHz upper assignment stage option;

"associate" means, in relation to an applicant or bidder, a person who has a material interest in that applicant or bidder;

"authorised person" means a person specified by an applicant in its application as authorised to bind that applicant for all purposes relating to the award process;

"auction system" means the online system established by OFCOM for bidders to participate in the award process or such other electronic or manual system which OFCOM may substitute;

"bidder" means an applicant which has qualified to bid in the award process and which has not withdrawn from the award process on or before the last day for withdrawal;

"bidder group" shall be construed in accordance with regulation 6(3);

"clock price" has the meaning given in regulation 26;

"confidential information" means, in relation to any applicant or bidder, any information which is not in the public domain and which, if it were made public or disclosed to another applicant (or potential applicant) or bidder or a member of their respective applicant or bidder group, would be likely to affect decisions that such other applicant (or potential applicant) or bidder may make in relation to the award process;

"current eligibility capacity" shall be construed in accordance with regulation 42;

"current excess demand" shall be construed in accordance with regulation 40;

"currently selected demand" shall be construed in accordance with regulation 39;

"currently used eligibility points" shall be construed in accordance with regulation 42;

"deadline", in relation to any requirement imposed on any person by or under these Regulations, means (as the case may require)—

(a) the time;

(b) the date; or

(c) the date, and the time on that date;

by which that requirement must be fulfilled by that person;

"designated areas" means the areas of the United Kingdom described as being high density areas in the OFCOM publication "mmWave Spectrum Access Licences: High Density Areas"(**a**);

"eligibility limit" means, in relation to a bidder, a number of eligibility points which limits the bids that may be made by the bidder in a principal stage round;

"eligibility rule" shall be construed in accordance with regulation 50;

"excess demand" means the number determined by OFCOM in accordance with regulations 24 and 49;

"first period" means the period from the grant of the licence until 30th June 2029;

"financial exposure" shall be construed in accordance with regulation 55(2);

"GHz" means gigahertz;

"grant stage" has the meaning given in regulation 15;

"initial deposit" shall be construed in accordance with regulation 4(3)(b);

"last day for withdrawal" has the meaning given in regulation 11;

"licence" means a wireless telegraphy licence to be granted pursuant to these Regulations to establish or use a wireless telegraphy station or install or use wireless telegraphy apparatus (within designated areas) at frequencies comprised in one or more of the 26 GHz lots or 40 GHz lots to be determined in accordance with the procedure set out in these Regulations;

"material interest" means, whether held directly or indirectly, any interest (construed in accordance with sections 820 to 825 of the Companies Act 2006)(**b**) in—

(a) any share which carries, or any shares which together carry, more than twenty-five per cent of the votes entitled to be cast at a general meeting of the applicant or bidder; or

(b) any share or shares in the case where the consent of the holder of that share or those shares is required for the conduct of any business of the applicant or bidder; or

(c) the right to appoint or remove a majority of the applicant's or bidder's board of directors;

"most recent round" means the principal stage round that has most recently ended;

"notified posted demand number" shall be construed in accordance with regulation 25(c);

"OFCOM" means the Office of Communications;

"OFCOM's bank account" means the bank account nominated by OFCOM for the purposes of the award process, details of which are published on their website;

"opening price" has the meaning given in regulation 26;

"posted demand number" means the number determined for each bidder for each lot type in accordance with regulations 22(2), 46 or 47;

"posted price" in respect of any lot type means the price determined in accordance with regulations 23 or 48;

"pounds" means pounds sterling;

"price level" is a price expressed in whole thousands of pounds;

"principal stage" has the meaning given in regulation 15;

"principal stage bid" shall be construed in accordance with regulation 17;

"principal stage round" shall be construed in accordance with regulation 16;

"ranking list" has the meaning given in regulation 35;

"required final principal stage deposit" shall be construed in accordance with regulation 64;

"required first assignment stage round deposit" has the meaning given in regulation 98;

"required second assignment stage round deposit" has the meaning given in regulation 99;

(**a**) Published by OFCOM on 11th November 2024.
(**b**) 2006 c. 46.

"required third assignment stage round deposit" has the meaning given in regulation 100;

"round" means a period of time specified by OFCOM during which bidders may make bids in accordance with the procedure set out in these Regulations;

"second period" means the period (partially overlapping with the first period) after 1st January 2029 until the date of expiry of the licence;

"set of bids to decrease demand" has the meaning given in regulation 30(13);

"set of bids to increase demand" has the meaning given in regulation 29(3);

"set of bids to maintain demand" has the meaning given in regulation 28(2);

"simple set of bids to decrease demand" shall be construed in accordance with regulation 30;

"target number" shall be construed in accordance with regulation 27(2);

"time period for bidding" means, in relation to any round, the times when the auction system is open for submission of bids;

"total 26 GHz lower base price" has the meaning given in regulation 61(1);

"total 26 GHz upper base price" has the meaning given in regulation 61(2);

"total 40 GHz base price" has the meaning given in regulation 61(3);

"total auction sum" shall be construed in accordance with regulation 113;

"total base price" has the meaning given in regulation 61(4);

"valid 26 GHz lot second period assignment stage bid" shall be construed in accordance with regulation 88(4);

"valid 26 GHz lower assignment stage bid" shall be construed in accordance with regulation 77(4);

"valid 26 GHz upper assignment stage bid" shall be construed in accordance with regulation 82(4);

"valid 40 GHz assignment stage bid" shall be construed in accordance with regulation 72(4);

"valid assignment stage bid" means a valid 26 GHz lower assignment stage bid, a valid 26 GHz upper assignment stage bid, a valid 26 GHz lot second period assignment stage bid and a 40 GHz assignment stage bid;

"valid assignment stage form" shall be construed in accordance with regulation 94;

"winning bidder for 26 GHz lower lots" means a bidder who made bids for 26 GHz lower lots which became winning principal stage bids in accordance with regulations 59;

"winning bidder for 26 GHz upper lots" means a bidder who made bids for 26 GHz upper lots which became winning principal stage bids in accordance with regulations 59;

"winning bidder for 40 GHz lots" means a bidder who made bids for 40 GHz lots which became winning principal stage bids in accordance with regulations 59; and

"winning principal stage bidder" means a bidder which won lots in the principal stage.

(2) A reference in these Regulations to a "a 26 GHz lot", a "26 GHz lower lot", a "26 GHz upper lot", or a "40 GHz lot" shall be construed in accordance with Schedule 1.

(3) A reference in these Regulations to a "lot", "type of lot" or "lot type" shall be construed in accordance with Schedule 1.

(4) A reference in these Regulations to a numbered 26 GHz lot, a numbered 40 GHz lot or a "block" of such lots shall be construed in accordance with Schedule 1.

PART 2

Application Stage

Applications for the grant of a licence

3. Applications for the grant of a licence shall only be made in accordance with the procedure set out in these Regulations.

Application

4.—(1) Only a body corporate may apply to OFCOM for a licence.

(2) A body corporate may only make one application.

(3) To apply for a licence, a body corporate must—

(a) on the day or days specified by OFCOM for receipt of applications, deliver to OFCOM using the delivery method specified by OFCOM, within the times on that day or those days specified by OFCOM—

(i) a document containing the application information required by, and the warranty set out in, Schedule 2, completed in respect of the applicant and signed on its behalf by two authorised persons;

(ii) for each person, not being an associate of the applicant, which the applicant wishes to join its applicant group, a document in the form set out in Schedule 3 which has been—

(aa) completed by the applicant and signed on its behalf by two authorised persons; and

(bb) completed by and signed by or on behalf of the person in respect of whom that document is completed; and

(b) by a deadline specified by OFCOM, pay into OFCOM's bank account, with accompanying information which identifies the applicant, an initial deposit of one million pounds.

(4) OFCOM shall publish the delivery method, the day or days, times and deadline on their website.

(5) The delivery method to be specified and published by OFCOM may require delivery of original signed documents to OFCOM premises or electronic delivery of an electronic version of originally signed documents.

PART 3

Qualification Stage

CHAPTER 1

Qualification

Notification of names of applicants and associates

5.—(1) OFCOM shall give notice to each applicant of—

(a) the name of each other applicant and the names of their associates; and

(b) the deadline by which each applicant must notify OFCOM under paragraph (3).

(2) On receipt of that notice, each applicant must examine the names of the other applicants and their associates and determine whether any member of its applicant group is also an associate of another applicant or is also an applicant.

(3) Where an applicant determines that a member of its applicant group is also an associate of another applicant or is also an applicant, it must notify the other applicant and OFCOM of that fact by the deadline specified by OFCOM.

(4) If it appears to OFCOM from any application or notice that a member of one applicant group is also a member of another applicant group, OFCOM shall give notice to each of the applicants concerned of that fact and specify a deadline by when each applicant concerned must notify OFCOM of any change in circumstances the effect of which is that no member of its applicant group is also a member of another applicant group.

Recording of applicant group members

6.—(1) Where there has been a change in the composition of an applicant's applicant group since the date of the application, that applicant must deliver to OFCOM revised versions of the documents provided under 4(3)(a)(i) and 4(3)(a)(ii) which comply with those provisions following that change.

(2) OFCOM shall record the members of each applicant group, taking account of any changes notified under paragraph (1).

(3) Each applicant group so recorded shall constitute a bidder group.

Subsequent changes to bidder groups

7.—(1) An applicant or bidder may change its bidder group but, in relation to the award process, the applicant or bidder shall be subject to regulations 9(2), 121 and 123 if they apply to any such change.

(2) If a change involves the addition or departure of an associate, the applicant or bidder must notify OFCOM of the change and deliver to OFCOM a revised version of the documents provided under regulation 4(3)(a)(i) which comply with those provisions following the change.

(3) If a change involves the addition of a person who is not an associate of the applicant or bidder to its bidder group, the applicant or bidder must deliver to OFCOM a document in the form set out in Schedule 3 completed by the applicant or bidder and signed on its behalf by two authorised persons and completed by and signed by or on behalf of the person in respect of whom that document is completed.

Fitness to hold a licence

8.—(1) OFCOM shall, for each applicant which has submitted an application in accordance with regulation 4, determine whether that applicant is fit to hold a licence.

(2) In making their determination under paragraph (1), OFCOM shall take into account—

(a) any direction given by the Secretary of State to OFCOM under section 5 of the Communications Act 2003(**a**);

(b) whether the applicant is a fit and proper person to hold a licence having regard to the probity of—

(i) the applicant;

(ii) each other member of the applicant's bidder group; and

(iii) each director of each member of the applicant's bidder group;

(c) whether any of the information submitted to OFCOM by the applicant in connection with the award process is false or misleading;

(d) whether any member of the applicant's bidder group has colluded, or attempted to collude, or is colluding or attempting to collude, with another person to distort the outcome of the award process;

(**a**) 2003 c. 21.

(e) whether any member of the applicant's bidder group has acted or is acting in a way which is likely to distort the outcome of the award process;

(f) whether any member of the applicant's bidder group, or any person to whom confidential information has been disclosed, has disclosed, or is disclosing or attempting to disclose or has incited or is inciting another person to disclose, any confidential information, whether directly or indirectly, to any person, except where the disclosure is—

(i) to OFCOM;

(ii) to a member of the applicant's bidder group;

(iii) to a provider of finance for the purpose of raising finance for the applicant's application; or

(iv) to a person for the purpose of enabling that person to decide whether to participate as a member of the applicant's bidder group;

(g) whether any member of the applicant's bidder group has obtained or is obtaining or attempting to obtain confidential information relating to another applicant;

(h) whether any member of the applicant's bidder group is receiving or is attempting to receive services in relation to the award process from any person who has provided or is providing services to OFCOM in relation to the award process; and

(i) whether any person who is a member or a director or an employee of a member of the applicant's bidder group and is also a director or an employee of a member of another bidder group is—

(i) taking part in the preparation of both bidder groups for participation in the award process; or

(ii) receiving confidential information relating to both bidder groups.

(3) Applicants must, if requested to do so by OFCOM, provide by a deadline specified by OFCOM any information or documentation which OFCOM require to make their determination.

(4) If an applicant does not provide such information or documentation by the deadline specified by OFCOM, OFCOM shall also take that fact into account in making their determination.

(5) Where OFCOM determine that an applicant is not fit to hold a licence the applicant shall be disqualified from the award process.

(6) OFCOM shall inform an applicant which is disqualified of their decision and the reasons for it but that applicant's initial deposit shall not be forfeited because of that decision.

Qualification to participate in the award process

9.—(1) Each applicant—

(a) which was not disqualified under regulation 8; and

(b) which has no member of its bidder group which is also a member of the bidder group of another applicant (which was not disqualified under regulation 8),

shall be qualified to participate in the award process.

(2) An applicant which has a member of its bidder group which is also a member of the bidder group of another applicant shall not be qualified to participate in the award process.

(3) Where an applicant is not qualified to participate in the award process, OFCOM shall inform that applicant of that fact but that applicant's initial deposit shall not be forfeited for that reason.

Publication of names of qualified applicants

10.—(1) OFCOM shall notify each applicant qualified to participate of—

(a) the name of each other applicant who is so qualified; and

(b) the names of their associates.

(2) OFCOM shall publish the names of all applicants who are so qualified on OFCOM's website.

Withdrawal of an application

11.—(1) OFCOM shall notify each applicant qualified to participate of the last day for withdrawal from the award process ("last day for withdrawal") and shall publish the last day for withdrawal on OFCOM's website.

(2) If, on or before the last day for withdrawal, OFCOM receives notice from an applicant that it wishes to withdraw its application, signed by two authorised persons, the application shall be withdrawn and the applicant shall be excluded from the award process but that applicant's initial deposit shall not be forfeited for that reason.

(3) That applicant shall not be re-admitted to the award process.

(4) OFCOM shall notify all other applicants of the withdrawal.

Determination of number of bidders

12.—(1) An applicant may not withdraw from the award process after the last day for withdrawal.

(2) After the last day for withdrawal, OFCOM shall determine the number of bidders.

(3) Where there are no bidders, OFCOM shall complete the award process by refunding to applicants which were not qualified, or withdrew in accordance with regulation 11, their initial deposit (where such deposit has not been forfeited) but not any interest which has accrued on the deposit.

(4) Where there are one or more bidders—

(a) OFCOM shall refund to applicants which were not qualified, or withdrew in accordance with regulation 11, their initial deposit (where such deposit has not been forfeited) but not any interest which has accrued on the deposit;

(b) OFCOM shall grant licences in accordance with the procedure set out in these Regulations and;

(c) OFCOM shall publish the names of the bidders on OFCOM's website.

CHAPTER 2

Additional deposit and eligibility limit for the first principal stage round

Additional deposit before the first principal stage round

13.—(1) A bidder which wishes to participate in the principal stage may pay, in addition to the initial deposit, a deposit (the "additional deposit") which shall be taken into account by OFCOM in accordance with regulation 14 for the purpose of calculating the bidder's eligibility limit for the first principal stage round.

(2) To pay the additional deposit, a bidder must, by a deadline specified by OFCOM, pay the additional deposit into OFCOM's bank account with accompanying information which identifies the bidder.

(3) After the deadline specified under paragraph (2), OFCOM shall determine each bidder's eligibility limit for the first principal stage round.

Determination of a bidder's eligibility limit for the first principal stage round

14.—(1) A bidder's eligibility limit for the first principal stage round shall be—

(a) where the amount which the bidder has on deposit (including the initial deposit and the additional deposit) is less than thirty-nine million pounds, the number which is the amount of such deposit in pounds divided by one million;

(b) where the amount which the bidder has on deposit (including the initial deposit and the additional deposit) is equal to or more than thirty-nine million pounds, thirty-nine eligibility points.

(2) Where the number which results from the calculation in paragraph (1)(a) is not a whole number, the bidder's eligibility limit shall be that number rounded down to the nearest whole number.

(3) That number shall be expressed as a number of eligibility points.

PART 4

Award Process

Principal stage, assignment stage and grant stage

15.—(1) The process for the award of licences shall consist of the procedure set out in Part 5 ("principal stage"), the procedure set out in Part 6 ("assignment stage") and the procedure set out in Part 7 ("grant stage").

(2) During the principal stage, OFCOM shall determine the total number of 26 GHz lower lots, the total number of 26 GHz upper lots, and the total number of 40 GHz lots which each bidder wins, but not the particular numbered 26 GHz lower lots, particular numbered 26 GHz upper lots or the particular numbered 40 GHz lots.

(3) Following completion of the principal stage, OFCOM shall determine the particular numbered 26 GHz lower lots, particular numbered 26 GHz upper lots, and the particular numbered 40 GHz lots that are to be assigned to the winning bidders in accordance with the procedure set out in the assignment stage.

(4) Following completion of the assignment stage, OFCOM shall grant licences authorising the use of the frequencies determined in accordance with the grant stage.

PART 5

The Principal Stage

CHAPTER 1

Principal stage rounds

Principal stage rounds

16.—(1) During the principal stage, there shall be one or more principal stage rounds.

(2) A principal stage round shall begin and end at the times notified by OFCOM under regulations 19 and 25.

(3) The number of principal stage rounds shall be determined by OFCOM in accordance with regulation 58.

Principal stage bids

17. A principal stage bid is a bid for the inclusion in a licence of a specified number of lots (of a particular type) and a sum (which must be a whole number of thousands of pounds) which a bidder is willing to pay for a licence which includes those lots.

Total number of lots of each type

18. The total number of lots of each type which are available in the award process is—

(a) seven 26 GHz lower lots;

(b) five 26 GHz upper lots; and

(c) fifteen 40 GHz lots.

CHAPTER 2

The first principal stage round

Notification of information to bidders before the first principal stage round

19. Before the first principal stage round, OFCOM shall notify each bidder of—

(a) the eligibility limit which applies to that bidder for that round; and

(b) the date on which, and the time period on that date in which bidding in the first principal stage round will take place.

Lot prices for the first principal stage round

20. In the first principal stage round—

(a) the price for each 26 GHz lower lot shall be two million pounds;

(b) the price for each 26 GHz upper lot shall be two million pounds; and

(c) the price for each 40 GHz lot shall be one million pounds.

First principal stage round bids on the auction system

21.—(1) To bid in the first principal stage round a bidder must, on the auction system—

(a) specify the number of 26 GHz lower lots which it wishes to bid for at a price of two million pounds per lot;

(b) specify the number of 26 GHz upper lots which it wishes to bid for at a price of two million pounds per lot; and

(c) specify the number of 40 GHz lots which it wishes to bid for at a price of one million pounds per lot.

(2) A bidder may only specify one quantity of lots of each type.

(3) The number of lots of each type specified by the bidder must together meet the constraints of the eligibility rule.

(4) Subject to the constraint in paragraph (3), the number of lots of each type specified by the bidder may be any quantity from (and including) zero up to and including the total number of lots of that type which are available in the award process.

(5) Except where OFCOM have sent a notification to that bidder under regulation 124(1) or 128(1), if a bidder does not specify a quantity of lots it wishes to bid for in respect of any lot type within the time period for bidding, that bidder shall be deemed to have entered a decision to bid for zero lots of that lot type.

(6) Any bidder which, in the first principal stage round, specifies that it wishes to bid for (or is deemed to have bid for) zero 26 GHz lower lots, zero 26 GHz upper lot lots and zero 40 GHz lots, shall be excluded from the award process and shall not receive a refund of any sums which the bidder has paid as a deposit under these Regulations, which shall (where not already forfeited) be forfeited together with any interest which has accrued on the deposit.

Posted demand number after the end of the first round

22.—(1) After the end of the first principal stage round, OFCOM shall determine the posted demand number for each lot type for each bidder.

(2) The posted demand number for each bidder for each lot type is the number of lots of that type which the bidder bid for in the first principal stage round.

Determination by OFCOM of posted price after the end of the first round

23. The posted price for each lot type after the end of the first round shall be the same as the price for each lot type in regulation 20.

Determination by OFCOM of excess demand after the end of the first round

24.—(1) After the end of the first round, OFCOM shall determine the excess demand for each lot type.

(2) Excess demand is equal to—

(a) the sum of posted demand numbers for that lot type across all bidders; less

(b) the number of lots of that type which are available in the award process.

CHAPTER 3

The second and subsequent principal stage rounds

Notification of information to bidders before the second (and each subsequent) principal stage round

25. Before the start of the second (and each subsequent) principal stage round, OFCOM shall notify each bidder of—

(a) the eligibility limit for that bidder for the next round;

(b) the price range for each lot type for the next round;

(c) that bidder's posted demand number in respect of each lot type which was determined after the most recent round ("notified posted demand number");

(d) the posted price for each lot type which was determined after the most recent round;

(e) the excess demand for each lot type after the most recent round; and

(f) the date on which, and the time period on that date in which bidding in the next principal stage round will take place.

The price range

26.—(1) The price range notified by OFCOM must specify in respect of each lot type—

(a) the lowest price ("the opening price") in the range; and

(b) the highest price ("the clock price") in the range.

(2) The opening price in a round shall be—

(a) a price per lot in whole thousands of pounds;

(b) the same for each lot within that lot type; and

(c) the same as the posted price for that lot type notified by OFCOM following the most recent round.

(3) The clock price in a round shall be—

(a) a price per lot in whole thousands of pounds;

(b) the same for each lot within that lot type; and

(c) higher than the opening price for that lot type.

Each bidder must make three sets of bids in the second (and each subsequent) principal stage round

27.—(1) In the second principal stage round (and also in each subsequent principal stage round) each bidder must, using the auction system, make three sets of bids; one set of bids in respect of each lot type.

(2) The set of bids which must be made for a particular lot type is determined by the number of lots of that lot type (specified by a bidder on the auction system) in respect of which the bidder wishes to bid at the clock price (the "target number").

(3) A bidder must not select target numbers for each of the three lot types which would together breach the eligibility rule.

(4) The only sets of bids (and the only bids within those sets) which may be made are those described in regulations 28 to 30.

(5) Subject to the constraint in paragraph (3), the target number of lots may be any quantity from (and including) zero up to and including the total number of lots of that type which are available in the award process.

(6) The target number for a particular lot type may be the same, higher or lower than the bidder's notified posted demand number for that lot type.

(7) Each bid within a set must be a principal stage bid as described in regulation 17.

The set of bids to be submitted if a bidder wishes to maintain demand for lots at the clock price in the current round

28.—(1) In any principal stage round after the first round, if a bidder wishes to bid at the clock price for the same number of lots of a particular type as the bidder's notified posted demand number for that lot type—

(a) it must specify a target number of lots on the auction system (within the time period for bidding) which is the same as the notified posted demand number for that bidder for that lot type; and

(b) the set of bids which must be submitted by that bidder comprises—

(i) a bid for the target number of lots at a price per lot which is the clock price; and also

(ii) a bid for the target number of lots at every price level that exists from (and including) the opening price up to but not including the clock price.

(2) A set of bids described in paragraph (1)(b) is referred to as a "set of bids to maintain demand".

The set of bids to be submitted if a bidder wishes to increase demand for lots at the clock price in the current round

29.—(1) In any principal stage round after the first round, if a bidder wishes to bid at the clock price for more lots of a particular type than the bidder's notified posted demand number for that lot type—

(a) that bidder must specify a target number of lots on the auction system (within the time period for bidding) for that lot type which is higher than the bidder's notified posted demand number for that lot type; and

(b) the set of bids which must be submitted by that bidder comprises—

(i) a bid for the target number of lots at every price level that exists from and including the opening price up to and including the clock price;

(ii) a bid for the quantity of lots equal to the bidder's notified posted demand number, at every price level that exists from (and including) the opening price up to (and including) the clock price; and

(iii) a bid for each number of lots which is a number of lots (if any) that exists between the notified posted demand number for that bidder for that lot type and the target number of lots, at every price level that exists from (and including) the opening price up to (and including) the clock price.

(2) A bidder to which paragraph (1) applies must also nominate a price on the auction system (for the purposes of bid ranking sets of bids) which is—

(a) the opening price;

(b) the clock price; or

(c) any price level falling within the range of prices between the opening price and the clock price.

(3) A set of bids described in paragraph (1)(b) is referred to as a "set of bids to increase demand".

The set of bids to be submitted if a bidder wishes to decrease demand for lots at the clock price in the current round

30.—(1) In any principal stage round after the first round, if a bidder wishes to bid at the clock price for fewer lots of a particular type than the bidder's notified posted demand number for that lot type, that bidder must—

(a) specify a target number of lots on the auction system (within the time period for bidding) for that lot type which is lower than the bidder's notified posted demand number for that lot type;

(b) nominate a price on the auction system; and

(c) submit the required set of bids.

(2) The nominated price may be any price in whole thousands of pounds which is—

(a) the opening price;

(b) the clock price; or

(c) any price level falling within the range of prices between the opening price and the clock price.

(3) If a bidder specifies a target number of lots which is lower than that bidder's notified posted demand number for that lot type by two or more lots, that bidder must also indicate on the auction system whether it wishes to submit either—

(a) a simple set of bids to decrease demand; or

(b) an all or nothing set of bids to decrease demand.

(4) If a bidder specifies a target number of lots which is lower than that bidder's notified posted demand number for that lot type by a single lot, that bidder must submit a simple set of bids to decrease demand.

(5) The set of bids which must be submitted if the bidder submits a simple set of bids to decrease demand are those described in paragraphs (6), (7) and (8).

(6) If the nominated price is the clock price, the set of bids are—

(a) a bid for the target number of lots at the clock price;

(b) a bid at every price level that exists from (and including) the opening price up to (and including) the clock price for all of the lots comprised within the bidder's notified posted demand number; and

(c) a bid for each quantity of lots (if any) which is higher than the target number of lots, and lower than the bidder's notified posted demand number, at the nominated price.

(7) If the nominated price is the opening price, the set of bids are—

(a) a bid for the target number of lots at the opening price;

(b) a bid for the target number of lots at every price level that exists from the opening price up to (and including) the clock price; and

(c) a bid for all of the lots comprised within the bidder's notified posted demand number at the opening price; and

(d) a bid for each quantity of lots (if any) which is higher than the target number of lots and lower than the notified posted demand number for that bidder, at the opening price;

(8) If the nominated price is higher than the opening price but lower than the clock price, the set of bids are—

(a) a bid for the target number of lots at the nominated price;

(b) a bid for the target number of lots at every price level which exists which is higher than the nominated price and up to and including the clock price; and

(c) a bid for a quantity of lots equal to that bidder's notified posted demand number at every price level that exists from (and including) the opening price up to (and including) the nominated price; and

(d) a bid for each quantity of lots (if any) which is higher than the target number of lots and lower than that bidder's notified posted demand number, at the nominated price.

(9) The set of bids which must be submitted if the bidder submits an all or nothing set of bids to decrease demand are those described in paragraphs (10), (11) and (12).

(10) If the nominated price is the clock price, the set of bids are—

(a) a bid for the target number of lots at the clock price; and

(b) a bid for all of the lots comprised within the bidder's notified posted demand number at every price level that exists from (and including) the opening price up to (and including) the clock price.

(11) If the nominated price is the opening price, the set of bids are—

(a) a bid for the target number of lots at the opening price;

(b) a bid for the target number of lots at every price level which exists which is higher than the opening price up to (and including) the clock price; and

(c) a bid for a quantity of lots equal to the bidder's notified posted demand number at every price level that exists from (and including) the opening price up to (and including) the clock price.

(12) If the nominated price is higher than the opening price but lower than the clock price, the set of bids are—

(a) a bid for the target number of lots at the nominated price;

(b) a bid for the target number of lots at every price level which exists which is higher than the nominated price and up to (and including) the clock price; and

(c) a bid for a quantity of lots equal to the bidder's notified posted demand number at every price level that exists from (and including) the opening price up to (and including) the clock price.

(13) A "set of bids to decrease demand" means a simple set of bids to decrease demand or an all or nothing set of bids to decrease demand.

Failure to specify a target number of lots on the auction system within the time period for bidding in a round

31.—(1) This paragraph applies to a bidder if, in relation to any lot type, that bidder—

(a) has not specified on the auction system within the time period for bidding the target number of lots which it wishes to bid for;

(b) that bidder had a notified posted demand number of zero for that lot type following the most recent round; and if

(c) OFCOM have not sent a notification to that bidder under regulation 56(1), 124(1) and 128(3).

(2) A bidder to which paragraph (1) applies shall be deemed to have submitted a set of bids to maintain demand for that lot type.

(3) This paragraph applies to a bidder if, in relation to any lot type, that bidder—

(a) has not specified on the auction system within the time period for bidding the target number of lots which it wishes to bid for;

(b) that bidder had a notified posted demand number of one or more lots of that type after the most recent round; and if

(c) OFCOM have not sent a notification to that bidder under regulation 56(1), 124(1) and 128(3).

(4) A bidder to which paragraph (3) applies—

(a) shall be deemed to have selected a target number of zero lots and nominated the opening price; and

(b) that bidder shall be deemed to have submitted a simple set of bids to decrease demand for that lot type.

CHAPTER 4

Bid selection process for OFCOM to determine posted demand numbers and excess demand after the end of the second (and each subsequent) principal stage round

Creating a ranking list of sets of bids and carrying out a selection process with regard to sets of bids on the list in order to determine each bidder's posted demand number

32.—(1) In order to determine each bidder's posted demand number after the second (and each subsequent) principal stage round OFCOM shall follow the process in this regulation.

(2) OFCOM shall from the sets of bids made by all bidders—

(a) first, identify all sets of bids to maintain demand;

(b) second, identify all sets of bids to decrease demand;

(c) third, identify all sets of bids to increase demand;

(3) Having identified sets of bids OFCOM shall—

(a) calculate the price point for all sets of bids to decrease demand in accordance with regulation 33; and

(b) calculate the price point for all sets of bids to increase demand in accordance with regulation 34.

(4) OFCOM shall (having regard to the price points) create a ranking list of all of the sets of bids to increase demand and all of the sets of bids to decrease demand in accordance with regulation 35;

(5) OFCOM shall consider sets of bids on the ranking list in order to determine whether or not they are to be accorded removed status and whether or not they are to be accorded reduced status and then repeat the process as required by regulations 36, 37 and 38.

(6) After the process is complete OFCOM shall determine the posted demand number for each bidder for each lot type in accordance with regulations 45, 46 and 47.

Calculating the price point for all sets of bids where a bidder decreased demand

33.—(1) In relation to each set of bids to decrease demand OFCOM shall calculate the price point in accordance with paragraph (2).

(2) For each such set of bids made by a bidder, the price point in relation to that set is a number calculated as—

(a) the difference in whole thousands of pounds between the nominated price for that set and the opening price for that lot type; divided by

(b) the difference in whole thousands of pounds between the clock price for that lot type and the opening price for that lot type.

Calculating the price point for all sets of bids where a bidder increased demand

34.—(1) In relation to each set of bids to increase demand OFCOM shall calculate the price point in accordance with paragraph (2).

(2) For each such set of bids made by a bidder, the price point in relation to that set is a number calculated as—

(a) the difference in whole thousands of pounds between the nominated price for that set and the opening price for that lot type; divided by

(b) the difference in whole thousands of pounds between the clock price for that lot type and the opening price for that lot type.

Creating a ranking list which contains sets of bids to decrease demand and sets of bids to increase demand

35.—(1) OFCOM shall create a list which ranks the sets of bids to decrease demand and the sets of bids to increase demand (the "ranking list").

(2) The ranking list shall include sets of bids, irrespective of lot type, on the same list.

(3) The ranking list shall include sets of bids to decrease demand and sets of bids to increase demand, on the same list.

(4) Each of the sets of bids shall be listed in ascending order of price point (irrespective of lot type and irrespective of whether it is a set of bids to decrease demand or a set of bids to increase demand), with sets of bids with lower price points being placed higher in the list than sets of bids with higher price points.

(5) Where two or more sets of bids have the same price point, OFCOM shall use a method of random selection to determine the relative ranking of those sets of bids on the list.

Selecting sets of bids from the ranking list

36.—(1) OFCOM shall consider each set of bids on the ranking list in turn starting from the top of the list and working towards the bottom of the list, in order to determine if a set of bids would meet the criteria to be removed from the ranking list.

(2) If a set of bids is to be removed from the ranking list OFCOM shall determine that bidder's posted demand number for that lot type by reference to the bidder's target number of lots within that set of bids.

(3) If the set of bids is not removed from the ranking list, OFCOM shall determine if that set of bids meets the criteria to be accorded reduced status.

(4) If the set of bids is not to be removed nor accorded reduced status, OFCOM shall consider if the next set of bids immediately lower on the list would meet the criteria to be removed from the ranking list and, if not, then consider if that set of bids is to be accorded reduced status.

Remaking the ranking list after each selection

37. On each occasion when a set of bids meets the criteria to be removed from the ranking list or accorded reduced status OFCOM shall—

(a) remake the list without including a set of bids which is to be removed but including a set of bids which has been accorded reduced status; and

(b) consider afresh each set of bids (if any) on the list starting from the top of the new list and working towards the bottom of the list (in light of currently selected demand) until a set

of bids is removed or accorded reduced status, or until completion of the selection process in accordance with regulation 38, whichever happens first.

The completion of the selection process

38. OFCOM shall continue considering sets of bids in turn until—

(a) OFCOM has considered each set of bids that was submitted in the round at least once; and

(b) the last set of bids (if any) on the list (or any list which has been remade in accordance with regulation 37) has been considered and not removed or accorded reduced status.

Currently selected demand for lots of a particular type

39. During the selection process the currently selected demand for lots of a particular type for any particular bidder shall—

(a) at the beginning of the selection process be set as equal to the notified posted demand number for that bidder in respect of that lot type; and

(b) be changed in respect of that bidder for that particular lot type whenever a set of bids of that lot type from that bidder is removed or accorded reduced status in accordance with regulations 41, 43 or 44.

Current excess demand for lots of a particular type

40. At any time, the current excess demand for lots of a particular type is equal to—

(a) the sum of currently selected demand for that lot type across all bidders; less

(b) the total number of lots of that type which are available in the award process.

Criteria for determining if a set of bids to decrease demand is to be removed or accorded reduced status

41.—(1) When determining if a set of bids to decrease demand on the ranking list is to be removed or accorded reduced status, OFCOM shall carry out the steps in paragraphs (2) to (9).

(2) In relation to the lot type in question, if the current excess demand is zero or less than zero, the set of bids shall not be removed from the ranking list.

(3) If the current excess demand is greater than zero, then the set of bids shall be removed if the condition in paragraph (4) is satisfied.

(4) The condition is that if the target number of lots for the set of bids in question were to replace the currently selected demand for lots of that type for the bidder in question and the current excess demand for all bidders were to be recalculated on that basis, the recalculated current excess demand would be zero or greater than zero.

(5) If a set of bids is removed OFCOM shall change the currently selected demand for the bidder in question for the relevant lot type to the target number of lots of that type for the set of bids which has been removed.

(6) Subject to paragraph (8), if the set of bids is not removed, OFCOM shall consider whether that set of bids is to be accorded reduced status.

(7) That set of bids shall be accorded reduced status if current excess demand across all bidders for the lot type in question is greater than zero.

(8) If an all or nothing set of bids to decrease demand is not removed, it shall not be accorded reduced status.

(9) If a set of bids is accorded reduced status—

(a) OFCOM shall subtract the current excess demand from the currently selected demand for the bidder and the lot type in question; and

(b) the number calculated in accordance with sub-paragraph (a) shall replace the currently selected demand for the bidder for the lot type in question.

Currently used eligibility points for a bidder

42.—(1) At any time during the selection process, the "currently used eligibility points" for any particular bidder is calculated as the sum of—

(a) currently selected demand for 26 GHz lower lot for that particular bidder multiplied by 2;

(b) currently selected demand for 26 GHz upper lots for that particular bidder multiplied by 2; and

(c) currently selected demand for 40 GHz lots for that particular bidder.

(2) At any time during the selection process, the "current eligibility capacity" for any particular bidder is calculated as the difference between—

(a) the bidder's eligibility limit following the most recent round; and

(b) the bidder's currently used eligibility points.

Criteria for determining if a set of bids to increase demand is to be removed or accorded reduced status for the 26 GHz lower lot type and 26 GHz upper lot type

43.—(1) When determining if a set of bids to increase demand on the ranking list for 26 GHz lower lots or 26 GHz upper lots is to be removed or accorded reduced status, OFCOM shall carry out the steps in paragraphs (2) to (7).

(2) In relation to the bidder in question, if the current eligibility capacity is equal to or lower than 1, the set of bids may not be removed.

(3) If the current eligibility capacity is equal to or greater than 2, then the set of bids shall be removed if the condition in paragraph (4) is satisfied.

(4) The condition is that, if the target number of lots for the set of bids in question were to replace that bidder's currently selected demand for lots of that type, the bidder's recalculated current eligibility capacity would be equal to or greater than zero.

(5) If a set of bids is removed OFCOM shall change the currently selected demand for the bidder in question for the relevant lot type to the target number of lots.

(6) If the set of bids is not removed, and current eligibility capacity for the bidder in question is equal to or greater than 2, the set of bids shall be accorded reduced status.

(7) If a set of bids is accorded reduced status OFCOM shall replace the currently selected demand for the bidder in question for the relevant lot type by the number calculated in accordance with paragraph (8).

(8) The number is—

(a) the currently selected demand for the bidder in question for the relevant lot type added to a number equal to half of the bidder's current eligibility capacity; and

(b) if the number resulting from the calculation in sub-paragraph (a) is a number that is not a whole number, OFCOM shall round down that number to the nearest whole number.

Criteria for determining if a set of bids to increase demand is to be removed or accorded reduced status for the 40 GHz lot type

44.—(1) When determining if a set of bids to increase demand on the ranking list for 40 GHz lots is to be removed or accorded reduced status, OFCOM shall carry out the following steps in paragraphs (2) to (7).

(2) In relation to the bidder in question, if the current eligibility capacity is equal to zero, the set of bids may not be removed nor reduced.

(3) If the current eligibility capacity is greater than zero, then the set of bids shall be removed if the condition in paragraph (4) is satisfied.

(4) The condition is that if the target number of lots for the set of bids in question were to replace that bidder's currently selected demand for lots of that type, the bidder's recalculated current eligibility capacity would be equal to or greater than zero.

(5) If a set of bids is removed OFCOM shall change the currently selected demand for the bidder in question for the relevant lot type to the target number of lots.

(6) If the set of bids is not removed, and current eligibility capacity for the bidder in question is greater than zero, the set of bids shall be accorded reduced status.

(7) If a bid is accorded reduced status OFCOM shall increase the currently selected demand for the bidder in question by the number of lots equal to the bidder's current eligibility capacity.

CHAPTER 5

Determination by OFCOM of each bidder's posted demand number and determination of the posted price after the second and subsequent principal stage rounds

Determination by OFCOM of posted demand numbers

45. After the completion of the selection process after the second and subsequent principal stage rounds OFCOM shall determine each bidder's posted demand number for each lot type in accordance with regulations 46 and 47.

Posted demand number in the case of sets of bids to maintain demand

46. If, for a particular lot type, a bidder specified a target number of lots which was the same as the notified posted demand number for that bidder for that lot type (following the most recent round) the target number of lots shall be that bidder's posted demand number.

Posted demand number in the case of sets of bids to increase demand and sets of bids to decrease demand

47. If, for a particular lot type, a bidder specified a target number of lots that is higher than or lower than the bidder's notified posted demand number for that lot type (following the most recent round), that bidder's posted demand number for that lot type shall be the same number as that bidder's currently selected demand after the completion of the selection process.

Determination by OFCOM of posted price

48.—(1) After the completion of the selection process after the second (and after each subsequent) principal stage round, OFCOM shall determine the posted price for each lot type in accordance with paragraphs (2) to (6).

(2) If the current excess demand for lots of a lot type is greater than zero, OFCOM shall set the posted price for that lot type equal to the clock price for that round for that lot type.

(3) If the current excess demand for lots of a lot type is equal to zero and at least one simple set of bids to decrease demand or one all or nothing set of bids to decrease demand for that lot type has been removed or accorded reduced status, OFCOM shall set the posted price for that lot type as equal to the highest nominated price amongst the nominated prices of all simple sets of bids to decrease demand and the all or nothing sets of bids to decrease demand for that lot type which have been removed or accorded reduced status.

(4) If the current excess demand for lots of a lot type is equal to zero and no simple set of bids to decrease demand and no all or nothing set of bids to decrease demand for that lot type has been removed or accorded reduced status, OFCOM shall set the posted price for that lot type equal to the opening price for that round for that lot type.

(5) If the current excess demand for lots of a lot type is lower than zero, OFCOM shall set the posted price for that lot type as equal to the opening price for that round for that lot type.

(6) The posted price for each lot type shall be the same for all bidders.

CHAPTER 6

Determination by OFCOM of excess demand after the second and subsequent principal stage

Determination of excess demand by OFCOM

49.—(1) After the completion of the selection process, OFCOM shall determine excess demand for each lot type.

(2) In respect of any particular lot type, the excess demand at the end of the round shall be the same number as that lot type's current excess demand.

CHAPTER 7

Eligibility limits during the principal stage

Eligibility rule

50.—(1) The eligibility rule is that the eligibility points associated with a bidder's submission of the three bids in the first principal stage round, the three sets of bids to be made in the second principal stage round, or the three sets of bids to be made in each subsequent principal stage round, must not exceed that bidder's eligibility limit for the round.

(2) In the first principal stage round the number of eligibility points associated with a bidder's submission of the three bids are the sum of—

(a) the eligibility points associated with a 26 GHz lower lot multiplied by the number of 26 GHz lower lots comprised within that bidder's bid;

(b) the eligibility points associated with a 26 GHz upper lot multiplied by the number of 26 GHz upper lots comprised within that bidder's bid;

(c) the eligibility points associated with a 40 GHz lot multiplied by the number of 40 GHz lots comprised within that bidder's bid.

(3) In the subsequent principal stage rounds, the eligibility points associated with a bidder's submission of the three sets of bids are the sum of—

(a) the eligibility points associated with a 26 GHz lower lot multiplied by that bidder's target number for such lots;

(b) the eligibility points associated with a 26 GHz upper lot multiplied by that bidder's target number for such lots;

(c) the eligibility points associated with a 40 GHz lot multiplied by that bidder's target number for such lots.

Eligibility points associated with lots

51. The number of eligibility points associated with lots are—

(a) 2 eligibility points for each 26 GHz lower lot;

(b) 2 eligibility points for each 26 GHz upper lot; and

(c) 1 eligibility point for each 40 GHz lot.

Eligibility limit in the first round

52. In the first principal stage round a bidder's eligibility limit is determined in accordance with regulation 14.

Eligibility limit in the second and subsequent rounds

53. In the second and subsequent principal stage rounds, a bidder's eligibility limit shall be equal to the number of eligibility points used by the bidder in the most recent round.

Eligibility points used by a bidder

54.—(1) The number of eligibility points used by a bidder in the most recent round shall be equal to the number of eligibility points associated with that bidder's notified posted demand number.

(2) The eligibility points associated with a bidder's notified posted demand number are the sum of—

(a) the eligibility points associated with a 26 GHz lower lot multiplied by that bidder's notified posted demand number for 26 GHz lower lots;

(b) the eligibility points associated with a 26 GHz upper lot multiplied by that bidder's notified posted demand number for 26 GHz upper lots;

(c) the eligibility points associated with a 40 GHz lot multiplied by that bidder's notified posted demand number for 40 GHz lots.

CHAPTER 8

Deposits during the principal stage

Deposits during the principal stage

55.—(1) Where, after the end of any principal stage round, the amount a bidder has on deposit with OFCOM for the purposes of the award process is less than the bidder's financial exposure, as described in paragraph (2), OFCOM may, having regard to the desirability of securing an efficient outcome to the principal stage, notify the bidder that it is required to pay a further sum in pounds as a deposit.

(2) A bidder's financial exposure after the end of a principal stage round shall be the amount in pounds which is equal to the sum of—

(a) that bidder's notified posted demand number for 26 GHz lower lots, multiplied by the posted price for 26 GHz lower lots;

(b) that bidder's notified posted demand number for 26 GHz upper lots, multiplied by the posted price for 26 GHz upper lots; and

(c) that bidder's notified posted demand number for 40 GHz lots, multiplied by the posted price for 40 GHz lots.

(3) The further sum shall be an amount determined by OFCOM such that the total amount that the bidder is required to have on deposit is at most the amount of the bidder's highest financial exposure after the end of any of the previous principal stage rounds before OFCOM gave notice to the bidder under paragraph (1).

(4) Any such sum must be paid into OFCOM's bank account with accompanying information which identifies the bidder, by a deadline specified by OFCOM.

(5) Where a bidder does not satisfy the requirements set out in paragraph (4), OFCOM shall notify the bidder of that fact.

Deposit constraint on bidding

56.—(1) Where, after the end of a principal stage round, OFCOM has notified a bidder under regulation 55(5) that it has not complied with the requirement to pay a further sum as a deposit, that bidder—

(a) may not bid in the next principal stage round nor in any subsequent principal stage rounds;

(b) shall be deemed in future principal stage rounds:

(i) to have submitted a bid to maintain demand, in respect of a lot type for which it had a notified posted demand of zero following the most recent round; or

(ii) to have submitted a simple set of bids to decrease demand, selected a target number of zero lots and nominated the opening price, in respect of a lot type for which it had a notified posted demand greater than zero following the most recent round.

(c) may not submit an assignment stage form in any assignment stage round and shall be deemed to have made a valid assignment stage bid with a value of zero pounds for each of its assignment stage options.

(2) Such a bidder shall not be excluded from the award process for that reason.

(3) Any principal stage bids made by that bidder may become winning principal stage bids in accordance with regulation 59.

CHAPTER 9

Publication of information each day

Publication of information at the end of each day during the principal stage

57. After the end of the latest principal stage round to take place on any given day, OFCOM shall publish on their website, in relation to that latest principal stage round—

(a) the posted price for each lot type; and

(b) the excess demand for each lot type.

CHAPTER 10

End of principal stage

Number of principal stage rounds

58.—(1) After the determination of excess demand for each lot type after the end of each principal stage round, OFCOM shall determine if there shall be a further principal stage round.

(2) A further principal stage round shall occur if, after the end of the most recent round, excess demand, for at least one lot type, equals a positive number greater than zero.

(3) If a further principal stage round is not required, the principal stage shall come to an end.

Determination of the winning principal stage bids

59. When OFCOM have determined that there shall not be any principal stage rounds, each bidder shall be recorded as having won—

(a) the number of lots corresponding to that bidder's notified posted demand number for 26 GHz lower lots following the final principal stage round;

(b) the number of lots corresponding to that bidder's notified posted demand number for 26 GHz upper lots following the final principal stage round; and

(c) the number of lots corresponding to that bidder's notified posted demand number for 40 GHz lots following the final principal stage round.

Determination of base price

60.—(1) The base price for a 26 GHz lower lot ("26 GHz lower base price") shall be equal to the posted price for that lot type for the final principal stage round.

(2) The base price for a 26 GHz upper lot ("26 GHz upper base price") shall be equal to the posted price for that lot type for the final principal stage round.

(3) The base price for a 40 GHz lot ("40 GHz base price") shall be equal to the posted price for that lot type for the final principal stage round.

Determination of total base price

61.—(1) A reference to a winning bidder's "total 26 GHz lower base price" is a reference to the 26 GHz lower base price multiplied by the number of 26 GHz lower lots won by that bidder.

(2) A reference to a winning bidder's "total 26 GHz upper base price" is a reference to the 26 GHz upper base price multiplied by the number of 26 GHz upper lots won by that bidder.

(3) A reference to a winning bidder's "total 40 GHz base price" is a reference to the 40 GHz base price multiplied by the number of 40 GHz lots won by that bidder.

(4) A reference to "total base price" in respect of a bidder, is a reference to the sum of that bidder's total 26 GHz lower base price (if any), 26 GHz upper base price (if any) and the total 40 GHz base price (if any).

Notification of results to bidders

62. After the end of the final principal stage round, the determination of the winning principal stage bids and the determination of the base price for each winning principal stage bid, OFCOM shall notify each bidder of—

(a) the end of the principal stage;

(b) the names of the winning bidders, and in respect of each of them—

(i) the number of 26 GHz lower lots won and the total 26 GHz lower base price;

(ii) the number of 26 GHz upper lots won and the total 26 GHz upper base price; and

(iii) the number of 40 GHz lots won and the total 40 GHz base price; and

(c) the number of 26 GHz lower lots, the number of 26 GHz upper lots and the number of 40 GHz lots not won by any bidder.

Publication of the results of the principal stage

63. After the notification given in accordance with regulation 62, OFCOM shall publish on their website—

(a) the names of the winning bidders, and in respect of each of them—

(i) the number of 26 GHz lower lots won and the total 26 GHz lower base price;

(ii) the number of 26 GHz upper lots won and the total 26 GHz upper base price; and

(iii) the number of 40 GHz lots won and the total 40 GHz base price.

(b) the number of 26 lower GHz lots, 26 upper GHz lots and 40 GHz lots not won by any bidder.

Required final principal stage deposit

64.—(1) After the final principal stage round, a further sum in pounds must be paid into OFCOM's bank account with accompanying information which identifies the bidder, by a deadline specified by OFCOM ("required final principal stage deposit").

(2) In respect of any bidder, the required final principal stage deposit shall be an amount such that the total amount that the bidder has on deposit is not less than the amount which is that bidder's total base price.

(3) Where a bidder does not satisfy the requirements set out in paragraph (1) and (2)—

(a) OFCOM shall notify the bidder; and

(b) the bidder shall not be excluded from the award process, but may not make assignment stage bids, and will be deemed to have made valid assignment stage bids with a value of zero pounds for its assignment stage options.

PART 6

Assignment stage

CHAPTER 1

Overview

No assignment stage if there are no winning principal stage bidders

65. Where there are no winning bidders following completion of the principal stage, there shall be no assignment stage and no licences shall be granted.

Assignment stage

66. Where there is one winning bidder, or more than one winning bidder, following completion of the principal stage, OFCOM shall determine the assignment of particular numbered lots following the assignment stage process.

Assignment stage process

67. The steps in the assignment stage process are—

(a) step one: the first assignment stage round for the assignment of 40 GHz lots for the first period and the second period, and for the assignment of 26 GHz lower lots for the first period;

(b) step two: the second assignment stage round for the assignment of 26 GHz upper lots for the first period;

(c) step three: the assignment of 26 GHz upper lots and 26 GHz lower lots for the second period without bidding; and

(d) step four: the third assignment stage round for the assignment of any 26 GHz lower lots and any 26 GHz upper lots (which were not assigned without bidding under step three) for the second period by bidding.

(2) Step three shall only take place if there are any 26 GHz lower only lot winners, any 26 GHz upper only lot winners or a single 26 GHz double lot winner.

(3) Step four, the third assignment stage round, shall only take place if there are two or more 26 GHz double lot winners.

Bidders

68.—(1) Only 26 GHz lower lot winners and 40 GHz lot winners may bid in the first assignment stage round.

(2) Only 26 GHz upper lot winners may bid in the second assignment stage round.

(3) Only 26 GHz double lot winners may bid in the third assignment stage round.

Assignment stage bidder definitions

69. In these Regulations—

(a) "26 GHz lower lot winner" means any winning principal stage bidder who (irrespective of whether they have won 26 GHz upper lots or not and irrespective of whether they have won 40 GHz lots or not) has won 26 GHz lower lots.

(b) "26 GHz lower only lot winner" means any winning principal stage bidder who (irrespective of whether they have won 40 GHz lots or not)—

(i) has won 26 GHz lower lots; and

(ii) has not won 26 GHz upper lots.

(c) "40 GHz lot winner" means any winning principal stage bidder who (irrespective of whether they have won 26 GHz lots or not) has won 40 GHz lots.

(d) "26 GHz upper lot winner" means any winning principal stage bidder who (irrespective of whether they have won 26 GHz lower lots or not and irrespective of whether they have won 40 GHz lots or not) has won 26 GHz upper lots.

(e) "26 GHz upper only lot winner" means any winning principal stage bidder who (irrespective of whether they have won 40 GHz lots or not)—

(i) has won 26 GHz upper lots; and

(ii) has not won 26 GHz lower lots.

(f) "26 GHz double lot winner" means any winning principal stage bidder who (irrespective of whether they have won 40 GHz lots or not) has won 26 GHz lower lots and also 26 GHz upper lots.

CHAPTER 2

Step one: assignment of 40 GHz lots for the first period and the second period in the first assignment stage round

Bidding for numbered 40 GHz lots for the first period and the second period in the first assignment stage round

70.—(1) Any 40 GHz lot winner may bid in the first assignment stage round for the assignment of 40 GHz lots for the first period and the second period.

(2) A 40 GHz assignment stage bid shall be a bid for a licence that authorises the use of frequencies corresponding to the particular numbered 40 GHz lots in a block of numbered 40 GHz lots.

(3) OFCOM shall determine which blocks of numbered 40 GHz lots a bidder may bid for, and notify that bidder of its determination.

(4) The list of possible blocks of numbered 40 GHz lots provided to each bidder may be different for each bidder.

(5) The list shall be known as the "40 GHz lots assignment stage options list" and each block of numbered 40 GHz lots in that list shall be known as a "40 GHz lots assignment stage option".

Preparing a 40 GHz lots assignment stage options list for each bidder

71.—(1) OFCOM shall determine which 40 GHz assignment stage options shall be included in the 40 GHz assignment stage options list for each bidder which is eligible to bid in accordance with paragraph (2).

(2) A bidder's 40 GHz assignment stage options shall be each of those blocks of numbered 40 GHz lots which satisfy all of the following conditions—

(a) the number of 40 GHz lots contained in the block is equal to the number of 40 GHz lots won within that bidder's winning principal stage bid for 40 GHz lots;

(b) if that bidder were assigned the 40 GHz lots contained in the block the following two conditions would be satisfied—

(i) each other bidder could be assigned 40 GHz lots contained in a block that, in respect of that other bidder's winning principal stage bid for 40 GHz lots, satisfies the condition in subparagraph (a);

(ii) the leftover 40 GHz lots not assigned to that bidder or any other bidder (if any) would form a single block of numbered 40 GHz lots.

40 GHz assignment stage bids

72.—(1) In order to bid for a 40 GHz assignment stage option, a bidder must, on the assignment stage form, specify either a value of zero pounds or an amount in whole thousands of pounds that it is willing to pay, in addition to the total 40 GHz base price for that bidder's winning principal stage bid for 40 GHz lots, for a licence that authorises the use of frequencies corresponding to the block of numbered 40 GHz lots that is the 40 GHz assignment stage option.

(2) A bidder may make no more than one 40 GHz assignment stage bid for each 40 GHz assignment stage option.

(3) A bidder is not required to make a 40 GHz assignment stage bid.

(4) A 40 GHz assignment stage bid is a valid 40 GHz assignment stage bid if—

(a) the bid is specified on a valid assignment stage form; and

(b) the bidder has paid the full sum of the required first assignment stage round deposit by the deadline specified by OFCOM.

(5) Where a bidder does not make a valid 40 GHz assignment stage bid for a 40 GHz assignment stage option that bidder will be deemed to have made a valid 40 GHz assignment stage bid with a value of zero pounds for that 40 GHz assignment stage option.

(6) Where there is only one winning principal stage bidder for all of the 40 GHz lots available in the award process, that bidder shall be deemed to have made a valid 40 GHz assignment stage bid with a value of zero pounds for that 40 GHz assignment stage option.

Determination of the winning 40 GHz assignment stage bids

73.—(1) OFCOM shall determine the winning 40 GHz assignment stage bids after the deadline for paying the required first assignment stage round deposit.

(2) The winning 40 GHz assignment stage bids shall be those valid 40 GHz assignment stage bids that comprise the winning combination of valid 40 GHz assignment stage bids.

(3) The winning combination of valid 40 GHz assignment stage bids shall be the valid combination of 40 GHz assignment stage bids having the highest total value of amounts bid.

(4) A combination of valid 40 GHz assignment stage bids is a valid combination of 40 GHz assignment stage bids if—

(a) within that combination there is one valid 40 GHz assignment stage bid from each 40 GHz winner;

(b) each of those valid 40 GHz assignment stage bids is for a 40 GHz assignment stage option as determined by OFCOM for the bidder;

(c) no numbered 40 GHz lot is included in more than one of the 40 GHz assignment stage bids included in the combination of valid 40 GHz assignment stage bids; and

(d) the leftover numbered 40 GHz lots not included in that combination of valid 40 GHz assignment stage bids, taken together, form a single block of numbered 40 GHz lots.

(5) Where there is more than one valid combination of 40 GHz assignment stage bids for which the total value is equal highest, OFCOM shall employ a method of random selection from amongst those valid combinations of 40 GHz assignment stage bids for which the value is equal highest to determine the winning combination of valid 40 GHz assignment stage bids.

Determination of 40 GHz lot additional prices

74. In respect of each winning 40 GHz assignment stage bid, OFCOM shall determine an amount in whole pounds ("40 GHz lot additional price") which shall be payable by the relevant winning bidder in accordance with Schedule 4.

CHAPTER 3

Step one: assignment of 26 GHz lower lots for the first period in the first assignment stage round

Bidding for numbered 26 GHz lower lots for the first period in the first assignment stage round

75.—(1) Any 26 GHz lower lot winner may bid in the first assignment stage round for the assignment of 26 GHz lower lots for the first period.

(2) A 26 GHz lower assignment stage bid shall be a bid for a licence that authorises the use of frequencies for the first period corresponding to the particular numbered 26 GHz lower lots in a block of numbered 26 GHz lower lots.

(3) OFCOM shall determine which blocks of numbered 26 GHz lower lots a bidder may bid for and notify that bidder of their determination.

(4) The list of possible blocks of numbered 26 GHz lower lots provided to each bidder may be different for each bidder.

(5) The list shall be known as the "26 GHz lower assignment stage options list" and each block of 26 GHz lower lots in that list shall be known as a "26 GHz lower assignment stage option".

Preparing a 26 GHz lower assignment stage options list for each bidder

76.—(1) OFCOM shall determine which 26 GHz lower assignment stage options shall be included in the 26 GHz lower assignment stage options list for each bidder which is eligible to bid in accordance with paragraph (2).

(2) A bidder's 26 GHz lower assignment stage options shall be each of those blocks of numbered 26 GHz lower lots, which satisfy all of the following conditions—

(a) the number of 26 GHz lower lots contained in the block is equal to the number of lots won within that bidder's winning principal stage bid for 26 GHz lower lots;

(b) if that bidder were assigned the 26 GHz lower lots contained in the block the following two conditions would be satisfied—

(i) each other bidder could be assigned 26 GHz lower lots contained in a block that, in respect of that other bidder's winning principal stage bid for 26 GHz lower lots, satisfies the condition in subparagraph (a); and

(ii) the leftover 26 GHz lower lots not assigned to that bidder or any other bidder would form a single block of numbered 26 GHz lower lots which would include 26 GHz lot 1;

(c) if the bidder is a 26 GHz double lot winner, at least one of the following three conditions would be satisfied—

(i) the block would include 26 GHz lot 7;

(ii) the block would be adjacent to a block of 26 GHz lower lots (assigned to a 26 GHz double lot winner) which would include 26 GHz lot 7; or

(iii) the block would be adjacent to a block of 26 GHz lower lots (assigned to a 26 GHz double lot winner) which would itself be adjacent to a block in a series of other contiguous blocks of 26 GHz lower lots (assigned to 26 GHz double lot winners), provided that one block in this series would include 26 GHz lot 7; and

(d) if the bidder is a 26 GHz lower only lot winner, at least one of the following four conditions would be satisfied—

(i) the block would include 26 GHz lot 1;

(ii) the block would be adjacent to the block of leftover 26 GHz lower lots;

(iii) the block would be adjacent to a block of 26 GHz lower lots (assigned to a 26 GHz lower only lot winner) which would include 26 GHz lot 1;

(iv) the block would be adjacent to a block of 26 GHz lower lots (assigned to a 26 GHz lower only lot winner) which would itself be adjacent to a block in a series of other contiguous blocks of 26 GHz lower lots (assigned to 26 GHz lower only lot winners), provided that one block in this series would include 26 GHz lot 1; or

(v) the block would be adjacent to a block in a series of contiguous blocks, which comprises the block of leftover 26 GHz lower lots and blocks containing 26 GHz lower lots (assigned to 26 GHz lower only lot winners).

26 GHz lower assignment stage bids

77.—(1) In order to bid for a 26 GHz lower assignment stage option, a bidder must specify on the assignment stage form either a value of zero pounds or an amount in whole thousands of pounds that it is willing to pay, in addition to the total 26 GHz lower base price for that bidder's winning principal stage bid for 26 GHz lower lots, for a licence that authorises the use of frequencies corresponding to the block of numbered 26 GHz lower lots that is the 26 GHz lower assignment stage option.

(2) A bidder may make no more than one 26 GHz lower assignment stage bid for each 26 GHz lower assignment stage option.

(3) A bidder is not required to make a 26 GHz lower assignment stage bid.

(4) A 26 GHz lower assignment stage bid is a valid 26 GHz lower assignment stage bid if—

(a) the bid is specified on a valid assignment stage form; and

(b) the bidder has paid the full sum of the required first assignment stage round deposit by the deadline specified by OFCOM.

(5) Where a bidder does not make a valid 26 GHz lower assignment stage bid for a 26 GHz lower assignment stage option that bidder will be deemed to have made a valid 26 GHz lower assignment stage bid with a value of zero pounds for that 26 GHz lower assignment stage option.

(6) Where there is only one assignment stage option on a bidder's 26 GHz lower assignment stage options list, that bidder shall be deemed to have made a valid 26 GHz lower assignment stage bid with a value of zero pounds for that 26 GHz lower assignment stage option.

Determination of the winning 26 GHz lower assignment stage bids

78.—(1) OFCOM shall determine the winning 26 GHz lower assignment stage bids after the deadline for paying the required first assignment stage round deposit.

(2) The winning 26 GHz lower assignment stage bids shall be those valid 26 GHz lower assignment stage bids that comprise the winning combination of valid 26 GHz lower assignment stage bids.

(3) The winning combination of valid 26 GHz lower assignment stage bids shall be the valid combination of 26 GHz lower assignment stage bids having the highest total value of amounts bid.

(4) A combination of valid 26 GHz lower assignment stage bids is a valid combination of 26 GHz lower assignment stage bids if—

(a) within that combination there is one valid 26 GHz lower assignment stage bid from each winning bidder for 26 GHz lower lots;

(b) each of those valid 26 GHz lower assignment stage bids is for a 26 GHz lower assignment stage option as determined by OFCOM for the bidder;

(c) no numbered 26 GHz lower lot is included in more than one of the 26 GHz lower assignment stage bids included in the combination of valid 26 GHz lower assignment stage bids; and

(d) the leftover numbered 26 GHz lower lots not included in that combination of valid 26 GHz lower assignment stage bids, taken together, form a single block of numbered 26 GHz lower lots which would include 26 GHz lot 1.

(5) Where there is more than one valid combination of 26 GHz lower assignment stage bids for which the total value is equal highest, OFCOM shall employ a method of random selection from amongst those valid combinations of 26 GHz lower assignment stage bids for which the value is equal highest to determine the winning combination of valid 26 GHz lower assignment stage bids.

Determination of 26 GHz lower lot first period additional prices

79. In respect of each winning 26 GHz lower assignment stage bid, OFCOM shall determine an amount in whole pounds ("26 GHz lower lot first period additional price") which shall be payable by the relevant winning bidder in accordance with Schedule 5.

CHAPTER 4

Step two: assignment of 26 GHz upper lots for the first period in the second assignment stage round

Bidding for numbered 26 GHz upper lots for the first period in the second assignment stage round

80.—(1) Any 26 GHz upper lot winner may bid for the assignment of 26 GHz upper lots for the first period in the second assignment stage round.

(2) A 26 GHz upper assignment stage bid shall be a bid for a licence that authorises the use of frequencies for the first period corresponding to the particular numbered 26 GHz upper lots in a block of numbered 26 GHz upper lots.

(3) OFCOM shall determine which blocks of numbered 26 GHz upper lots a bidder may bid for, and notify that bidder of its determination.

(4) The list of possible blocks of numbered 26 GHz upper lots provided to each bidder may be different for each bidder.

(5) The list shall be known as the "26 GHz upper assignment stage options list" and each block of 26 GHz upper lots in that list shall be known as a "26 GHz upper assignment stage option".

Preparing a 26 GHz upper lot assignment stage options list for each bidder

81.—(1) OFCOM shall determine which 26 GHz upper assignment stage options shall be included in the 26 GHz upper assignment stage options list for each bidder which is eligible to bid.

(2) A 26 GHz double lot winner (if any), which has already been assigned in the first assignment stage round a block of 26 GHz lower lots which includes 26 GHz lot 7, shall be assigned, without bidding, a block of 26 GHz upper lots (equal to the number of lots won within that bidder's winning principal stage bid for 26 GHz upper lots) which includes 26 GHz lot 8 and that assigned block shall not be included in any 26 GHz upper assignment stage option list.

(3) A bidder's 26 GHz upper assignment stage options shall be each of those blocks of numbered 26 GHz upper lots which satisfy all of the following conditions—

(a) the number of 26 GHz upper lots contained in the block is equal to the number of lots won within that bidder's winning principal stage bid for 26 GHz upper lots;

(b) if that bidder were assigned the 26 GHz upper lots contained in the block the following two conditions would be satisfied—

(i) each other bidder could be assigned 26 GHz upper lots contained in a block that, in respect of that other bidder's winning principal stage bid for 26 GHz upper lots, satisfies the condition in subparagraph (a); and

(ii) the leftover 26 GHz upper lots not assigned to that bidder or any other bidder would form a single block of numbered 26 GHz upper lots which would include 26 GHz lot 12;

(c) if the bidder is a 26 GHz double lot winner (except where regulation 81(2) applies), at least one of the following two conditions would be satisfied—

(i) the block would be adjacent to a block of 26 GHz upper lots (assigned to a 26 GHz double lot winner) which would include 26 GHz lot 8;

(ii) the block would be adjacent to a block of 26 GHz upper lots (assigned to a 26 GHz double lot winner) which would itself be adjacent to a block in a series of other contiguous blocks of 26 GHz upper lots (assigned to 26 GHz double lot winners), provided that one block in this series would include 26 GHz lot 8; and

(d) if the bidder is a 26 GHz upper only lot winner, at least one of the following five conditions would be satisfied—

(i) the block would include 26 GHz lot 12;

(ii) the block would be adjacent to the block of leftover 26 GHz upper lots;

(iii) the block would be adjacent to a block of 26 GHz upper lots (assigned to a 26 GHz upper only lot winner) which would include 26 GHz lot 12;

(iv) the block would be adjacent to a block of 26 GHz upper lots (assigned to a 26 GHz upper only lot winner) which would itself be adjacent to a block in a series of other contiguous blocks of 26 GHz upper lots (assigned to 26 GHz upper only lot winners), provided that one block in this series would include 26 GHz lot 12; or

(v) the block would be adjacent to a block in a series of contiguous blocks, which comprises the block of leftover 26 GHz upper lots and blocks containing 26 GHz upper lots (assigned to 26 GHz upper only lot winners).

26 GHz upper assignment stage bids

82.—(1) In order to bid for a 26 GHz upper assignment stage option, a bidder must, on the assignment stage form, specify either a value of zero pounds or an amount in whole thousands of pounds that it is willing to pay, in addition to the total 26 GHz upper base price for that bidder's winning principal stage bid for 26 GHz upper lots, for a licence that authorises the use of frequencies corresponding to the block of numbered 26 GHz upper lots for the first period that is the 26 GHz upper assignment stage option.

(2) A bidder may make no more than one 26 GHz upper assignment stage bid for each 26 GHz upper assignment stage option.

(3) A bidder is not required to make a 26 GHz upper assignment stage bid.

(4) A 26 GHz upper assignment stage bid is a valid 26 GHz upper assignment stage bid if—

(a) the bid is specified on a valid assignment stage form; and

(b) the bidder has paid the full sum of the required second assignment stage round deposit by the deadline specified by OFCOM.

(5) Where a bidder does not make a valid 26 GHz upper assignment stage bid for a 26 GHz upper assignment stage option that bidder will be deemed to have made a valid 26 GHz upper assignment stage bid with a value of zero pounds for that 26 GHz upper assignment stage option.

(6) Where there is only one assignment stage option on a bidder's 26 GHz upper lots assignment stage options list, that bidder shall be deemed to have made a valid 26 GHz upper assignment stage bid with a value of zero pounds for that 26 GHz upper assignment stage option.

Determination of the winning 26 GHz upper assignment stage bids

83.—(1) OFCOM shall determine the winning 26 GHz upper assignment stage bids after the deadline for paying the required second assignment stage round deposit.

(2) The winning 26 GHz upper assignment stage bids shall be those valid 26 GHz upper assignment stage bids that comprise the winning combination of valid 26 GHz upper assignment stage bids.

(3) The winning combination of valid 26 GHz upper assignment stage bids shall be the valid combination of 26 GHz upper assignment stage bids having the highest total value of amounts bid.

(4) A combination of valid 26 GHz upper assignment stage bids is a valid combination of 26 GHz upper assignment stage bids if—

(a) within that combination there is one valid 26 GHz upper assignment stage bid from each winning bidder for 26 GHz upper lots;

(b) each of those valid 26 GHz upper assignment stage bids is for a 26 GHz upper assignment stage option as determined by OFCOM for the bidder;

(c) no numbered 26 GHz upper lot is included in more than one of the 26 GHz upper assignment stage bids included in the combination of valid 26 GHz upper assignment stage bids; and

(d) the leftover numbered 26 GHz upper lots not included in that combination of valid 26 GHz upper assignment stage bids, taken together, form a single block of numbered 26 GHz upper lots which include 26 GHz lot 12.

(5) Where there is more than one valid combination of 26 GHz upper assignment stage bids for which the total value is equal highest, OFCOM shall employ a method of random selection from amongst those valid combinations of 26 GHz upper assignment stage bids for which the value is equal highest to determine the winning combination of valid 26 GHz upper assignment stage bids.

Determination of 26 GHz upper lot first period additional prices

84. In respect of each winning 26 GHz upper assignment stage bid, OFCOM shall determine an amount in whole pounds ("26 GHz upper lot first period additional price") which shall be payable by the relevant winning bidder in accordance with Schedule 6.

CHAPTER 5

Step three: assignment of 26 GHz lower lots and 26 GHz upper lots for the second period without bidding

Assignment of 26 GHz lower lots and 26 GHz upper lots for the second period without bidding

85.—(1) OFCOM shall assign to any 26 GHz lower only lot winner for the second period the same particular numbered 26 GHz lower lots which were assigned to that bidder for the first period following the first assignment stage round.

(2) OFCOM shall assign to any 26 GHz upper only lot winner for the second period the same particular numbered 26 GHz upper lots which were assigned to that bidder for the first period following the second assignment stage round.

(3) If there is only one 26 GHz double lot winner OFCOM shall assign that bidder for the second period the same particular numbered 26 GHz lower lots and 26 GHz upper lots which were assigned to that bidder for the first period following the first and second assignment stage rounds.

(4) Any 26 GHz lower lots which were left over and not assigned to a bidder for the first period following the first assignment stage round will also be unassigned for the second period and shall relate to the same particular numbered 26 GHz lots as for the first period.

(5) Any 26 GHz upper lots which were left over and not assigned to a bidder for the first period following the second assignment stage round will also be unassigned for the second period and shall relate to the same particular numbered 26 GHz lots as for the first period.

CHAPTER 6

Step four: assignment of 26 GHz lower lots and 26 GHz upper lots for the second period in the third assignment stage round

Assignment of 26 GHz lower lots and 26 GHz upper lots for the second period with bidding

86.—(1) Each 26 GHz double lot winner may bid in the third assignment stage round for the assignment of 26 GHz lower lots and 26 GHz upper lots for the second period.

(2) A 26 GHz lot second period assignment stage bid shall be a bid for a licence that authorises for the second period the use of frequencies corresponding to the particular numbered 26 GHz lots in a block of such lots.

(3) OFCOM shall determine which blocks of numbered 26 GHz lots a bidder may bid for, and notify that bidder of its determination.

(4) The blocks of numbered 26 GHz lots a bidder may bid for shall not include—

(a) the particular numbered lots comprised in blocks already assigned to 26 GHz lower only lot winners;

(b) any leftover 26 GHz lower lots which were unassigned for the first period following the first assignment stage round;

(c) the particular numbered lots comprised in blocks already assigned to 26 GHz upper only lot winners; nor

(d) any leftover 26 GHz upper lots which were unassigned for the first period following the second assignment stage round.

(5) The list of possible blocks of numbered 26 GHz lots provided to each bidder may be different for each bidder.

(6) The list shall be known as the "26 GHz lot second period assignment stage options list" and each block of 26 GHz lots in that list shall be known as a "26 GHz lot second period assignment stage option".

Preparing a 26 GHz lot second period assignment stage options list for each bidder

87.—(1) OFCOM shall determine which 26 GHz lot second period assignment stage options shall be included in the 26 GHz lot second period assignment stage options list for each bidder which is eligible to bid.

(2) Only 26 GHz double lot winners may bid for 26 GHz lot second period assignment stage options.

(3) A bidder's 26 GHz lot second period assignment stage options shall be each of those blocks of numbered 26 GHz lots which satisfy all of the following conditions—

(a) the number of 26 GHz lots contained in the block is equal to the sum of the number of lots won within that bidder's winning principal stage bids for 26 GHz lower lots and 26 GHz upper lots;

(b) the block of numbered 26 GHz lots is different from the block of numbered 26 GHz lots assigned, without bidding, to any 26 GHz lower only winner or 26 GHz upper only lot winner; and

(c) if that bidder were assigned the 26 GHz lots contained in the block, the following condition would be satisfied—

(i) each other bidder could be assigned 26 GHz lots contained in a block that, in respect of that other bidder's winning principal stage bids for 26 GHz lower lots and 26 GHz upper lots, satisfies the condition in subparagraph (a);

(ii) each other bidder could be assigned 26 GHz lots contained in a block that satisfies the condition in subparagraph (b);

(iii) leftover 26 GHz lower lots (if any) could remain unassigned and relate to the same particular numbered lots of 26 GHz lower lots as those leftover 26 GHz lower lots that were unassigned for the first period following the first assignment stage round; and

(iv) leftover 26 GHz upper lots (if any) could remain unassigned and relate to the same particular numbered lots of 26 GHz upper lots as those leftover 26 GHz upper lots that were unassigned for the first period following the second assignment stage round.

26 GHz lot second period assignment stage bids

88.—(1) In order to bid for a 26 GHz lot second period assignment stage option, a bidder must specify, on the assignment stage form, either a value of zero pounds or an amount in whole thousands of pounds that it is willing to pay for a licence that authorises the use of frequencies corresponding to the block of numbered 26 GHz lots for the second period that is the 26 GHz lot second period assignment stage option, in addition to—

(a) the total 26 GHz lower base price and the total 26 GHz upper base price for that bidder's winning principal stage bids for 26 GHz lower lots and 26 GHz upper lots; and

(b) the 26 GHz lower lot additional price (if any) and 26 GHz upper lot additional price (if any) for that bidder's winning assignment stage bids (if any), in the first assignment stage round and in the second assignment stage round.

(2) A bidder may make no more than one 26 GHz lot second period assignment stage bid for each 26 GHz lot second period assignment stage option.

(3) A bidder is not required to make a 26 GHz lot second period assignment stage bid.

(4) A 26 GHz lot second period assignment stage bid is a valid 26 GHz lot second period assignment stage bid if—

(a) the bid is specified on a valid assignment stage form; and

(b) the bidder has paid the full sum of the required third assignment stage round deposit by the deadline specified by OFCOM.

(5) Where a bidder does not make a valid 26 GHz lot second period assignment stage bid for a 26 GHz lot second period assignment stage option that bidder will be deemed to have made a valid 26 GHz lot second period assignment stage bid with a value of zero pounds for that 26 GHz lot second period assignment stage option.

Determination of the winning 26 GHz lot second period assignment stage bids

89.—(1) OFCOM shall determine the winning 26 GHz lot second period assignment stage bids after the deadline for paying the required third assignment stage round deposit.

(2) The winning 26 GHz lot second period assignment stage bids shall be those valid 26 GHz lot second period assignment stage bids that comprise the winning combination of valid 26 GHz assignment stage bids.

(3) The winning combination of valid 26 GHz lot second period assignment stage bids shall be the valid combination of 26 GHz lot second period assignment stage bids having the highest total value of amounts bid.

(4) A combination of valid 26 GHz lot second period assignment stage bids is a valid combination of 26 GHz lot second period assignment stage bids if—

(a) within that combination there is one valid 26 GHz lot second period assignment stage bid from each winning bidder for 26 GHz lots;

(b) each of those valid 26 GHz lot second period assignment stage bids is for a 26 GHz lot assignment stage option as determined by OFCOM for the bidder; and

(c) no numbered 26 GHz lot is included in more than one of the 26 GHz lot second period assignment stage bids included in the combination of valid 26 GHz lot second period assignment stage bids.

(5) Where there is more than one valid combination of 26 GHz lot second period assignment stage bids for which the total value is equal highest, OFCOM shall employ a method of random selection from amongst those valid combinations of 26 GHz lot second period assignment stage bids for which the value is equal highest to determine the winning combination of valid 26 GHz lot second period assignment stage bids.

Determination of 26 GHz lot second period additional prices

90. In respect of each winning 26 GHz lot second period assignment stage bid, OFCOM shall determine an amount in whole pounds ("26 GHz lot second period additional price") which shall be payable by the relevant winning bidder in accordance with Schedule 7.

CHAPTER 7

Procedure for bidding in the assignment stage

Notification to bidders before each assignment stage round

91. Before the start of each assignment stage round, OFCOM shall notify each bidder eligible to make an assignment stage bid in that assignment stage round of—

(a) the assignment stage options that are available to that bidder in that assignment stage round; and

(b) the date on which, and the times on that date within which, the assignment stage round will begin and end.

Assignment stage form

92.—(1) Before the first assignment stage round OFCOM shall provide each winning bidder for 40 GHz lots an assignment stage form for 40 GHz assignment stage bids and each winning bidder for 26 GHz lower lots an assignment stage form for 26 GHz lower assignment stage bids.

(2) Before the second assignment stage round OFCOM shall provide each winning bidder for 26 GHz upper lots an assignment stage form for 26 GHz upper assignment stage bids.

(3) Before the third assignment stage round OFCOM shall provide each 26 GHz double lot winner an assignment stage form for 26 GHz lot second period assignment stage bids.

Submission of assignment stage forms to OFCOM

93.—(1) A bidder must submit a completed assignment stage form to OFCOM by using the auction system, except as provided for in regulation 96.

(2) A completed assignment stage form must be received by OFCOM by the time notified to bidders under regulation 91(b) as the end of the assignment stage round.

Valid assignment stage form

94. An assignment stage form is a valid assignment stage form if—

(a) the bidder has complied with regulations 72(1) and 72(2), regulations 77(1) and 77(2), regulations 82(1) and 82(2) or regulations 88(1) and 88(2) as the case may be in respect of the assignment stage bids specified on the form; and

(b) the bidder has submitted the form in accordance with regulation 93 or 96.

Notification that an assignment stage form is not valid

95. Where a bidder submits an assignment stage form which is not a valid assignment stage form, OFCOM shall, after the end of the assignment stage round, notify the bidder of that fact and shall give the reasons why the assignment stage form is not a valid assignment stage form.

Alternative method for submission of assignment stage form

96.—(1) Where OFCOM are satisfied that a bidder is unable to submit an assignment stage form by using the auction system because of technical failure (or an event or circumstance with similar effect on the bidder's ability to use the auction system), OFCOM shall notify the bidder of an alternative method of submitting the assignment stage form and any requirements relating to the authentication of communications made by means of the alternative method.

(2) The bidder must submit the assignment stage form by means of the alternative method and must comply with any requirements which have been notified to it under paragraph (1) relating to the authentication of communications.

Incomplete or defective assignment stage form

97.—(1) Where, due to the manner of completion, an assignment stage form is incomplete or defective but OFCOM believe that they can ascertain the bidder's intention in relation to the making of assignment stage bids, OFCOM shall ask the bidder to confirm in a notice to OFCOM by a deadline specified by OFCOM that OFCOM have correctly ascertained the bidder's intention in relation to the making of assignment stage bids.

(2) Where the bidder confirms in a notice given to OFCOM by the deadline which is signed by two authorised persons that OFCOM have correctly ascertained the bidder's intention, the assignment stage form in its entirety shall be accepted by OFCOM on that basis.

(3) Where the bidder does not give such confirmation, the assignment stage form in its entirety shall be rejected by OFCOM and none of the assignment stage bids made on that assignment stage form shall be valid, and regulations 72(5), 77(5), 82(5) or 88(5) shall apply.

Required first assignment stage round deposit

98.—(1) A further sum in pounds must be paid into OFCOM's bank account, with accompanying information which identifies the bidder, by a deadline specified by OFCOM for the first assignment stage round (the "required first assignment stage round deposit").

(2) The required first assignment stage round deposit shall be an amount such that the total amount that the bidder has on deposit is not less than the amount which is the sum of—

(a) the amount which is the bidder's total base price for its winning principal stage bids;

(b) the amount which is the bidder's highest 40 GHz lot assignment stage bid for a 40 GHz assignment stage option; and

(c) the amount which is the bidder's highest 26 GHz lower lot assignment stage bid for a 26 GHz lower assignment stage option.

Required second assignment stage round deposit

99.—(1) A further sum in pounds must be paid into OFCOM's bank account, with accompanying information which identifies the bidder, by a deadline specified by OFCOM for the second assignment stage round (the "required second assignment stage round deposit").

(2) The required second assignment stage round deposit shall be an amount such that the total amount that the bidder has on deposit is not less than the amount which is the sum of—

(a) the amount which is the bidder's total base price for its winning principal stage bids;

(b) the amount which is the bidder's additional price for its winning assignment stage bid for 40 GHz lots (if any);

(c) the amount which is the bidder's additional price for its winning assignment stage bid for 26 GHz lower lots (if any); and

(d) the amount which is the bidder's highest 26 GHz upper assignment stage bid for a 26 GHz upper assignment stage option.

Required third assignment stage round deposit

100.—(1) A further sum in pounds must be paid into OFCOM's bank account, with accompanying information which identifies the bidder, by a deadline specified by OFCOM for the third assignment stage round (the "required third assignment stage round deposit").

(2) The required third assignment stage round deposit shall be an amount such that the total amount that the bidder has on deposit is not less than the amount which is the sum of—

(a) the amount which is the bidder's total base price for its winning principal stage bids;

(b) the amount which is the bidder's additional price for its winning assignment stage bid for 40 GHz lots (if any);

(c) the amount which is the bidder's additional price for its winning assignment stage bid for 26 GHz lower lots (if any);

(d) the amount which is the bidder's additional price for its winning assignment stage bid for 26 GHz upper lots (if any); and

(e) the amount which is the bidder's highest 26 GHz lot second period assignment stage bid for a 26 GHz lot second period assignment stage option.

CHAPTER 8

Notification of results of lot assignment

Notification of results of the assignment stage

101.—(1) After the end of step one (the first assignment stage round), OFCOM shall notify each bidder of—

(a) the 40 GHz lot assignment stage option (if any) for which the bidder made a winning assignment stage bid; and

(b) the 40 GHz lot additional price (if any) determined for the winning 40 GHz lot assignment stage option;

(c) the 26 GHz lower assignment stage option (if any) for the first period for which the bidder made a winning assignment stage bid;

(d) the 26 GHz lower lot first period additional price (if any) determined for the winning 26 GHz lower assignment stage option for the first period.

(2) After the end of step two (the second assignment stage round), OFCOM shall notify each bidder of—

(a) the 26 GHz upper assignment stage option (if any) for the first period for which the bidder made a winning assignment stage bid;

(b) the 26 GHz upper lot additional price (if any) determined for the winning 26 GHz upper assignment stage option for the first period.

(3) After the assignment of 26 GHz lots under step three, if any, OFCOM shall notify each bidder which was assigned lots of the blocks of 26 GHz lots which were assigned for the second period.

(4) After the end of step four (the third assignment stage round), if any, OFCOM shall notify each bidder of—

(a) the 26 GHz lot second period assignment stage option (if any) for which the bidder made a winning assignment stage bid;

(b) 26 GHz lot second period additional price (if any) determined for the winning 26 GHz lot second period assignment stage option.

PART 7

Grant Stage

CHAPTER 1

Licences available, the determination of licence fees and the particular frequencies

Interpretation

102. In these Regulations—

(a) a "40 GHz licence" is a licence that authorises a bidder to use particular frequencies corresponding to a block of such number of 40 GHz lots as that bidder has been assigned for the first period and also for the second period;

(b) a "26 GHz lower lot first period licence" is a licence that authorises a bidder to use particular frequencies corresponding to a block of such number of 26 GHz lower lots as that bidder has been assigned for the first period;

(c) a "26 GHz upper lot first period licence" is a licence that authorises a bidder to use particular frequencies corresponding to a block of such number of 26 GHz upper lots as that bidder has been assigned for the first period;

(d) a "26 GHz lot second period licence" is a licence that authorises a bidder to use particular frequencies corresponding to a block of such number of 26 GHz lots as that bidder has been assigned for the second period.

Determination of licences, licence fees and frequencies associated with particular licences

103. After notification of the results of the assignment stage under regulation 101 OFCOM shall determine—

(a) the licences which may be granted; and

(b) for each licence—

(i) the licence fee payable to OFCOM; and

(ii) the particular frequencies.

Licences which may be granted under this award process

104. The licences which may be granted to a bidder under this award process are—

(a) for a bidder which has been assigned 40 GHz lots, a 40 GHz licence;

(b) for a bidder which has been assigned 26 GHz lower lots for the first period, a 26 GHz lower lot first period licence;

(c) for a bidder which has been assigned 26 GHz upper lots for the first period, a 26 GHz upper lot first period licence; and

(d) for a bidder which has been assigned 26 GHz lots for the second period, a 26 GHz lot second period licence.

Licence fee payable by a winning bidder for a 40 GHz licence

105. The licence fee payable by a winning bidder for a 40 GHz licence shall be an amount equal to the sum of—

(a) that bidder's total 40 GHz base price; and

(b) that bidder's 40 GHz lot additional price (if any).

Licence fee payable by a winning bidder for a 26 GHz lower lot first period licence

106. The licence fee payable by a winning bidder for a 26 GHz lower lot first period licence shall be an amount equal to the sum of—

(a) that bidder's total 26 GHz lower base price; and

(b) that bidder's 26 GHz lower lot first period additional price (if any).

Licence fee payable by a winning bidder for a 26 GHz upper lot first period licence

107. The licence fee payable by a winning bidder for a 26 GHz upper lot first period licence shall be an amount equal to the sum of—

(a) that bidder's total 26 GHz upper base price; and

(b) that bidder's 26 GHz upper lot first period additional price (if any).

Licence fee payable by a winning bidder for a 26 GHz lot second period licence

108. The licence fee payable by a winning bidder for a 26 GHz lot second period licence shall be an amount equal to that bidder's 26 GHz lot second period additional price (if any).

Particular frequencies to be included in a 40 GHz licence granted to a winning bidder

109. Where a bidder was assigned 40 GHz lots under step one (in accordance with regulation 73) the 40 GHz licence granted to that bidder shall authorise the use of the frequencies assigned.

Particular frequencies to be included in a 26 GHz lower lot first period licence granted to a winning bidder

110. Where a bidder was assigned 26 GHz lower lots under step one (in accordance with regulation 78) the 26 GHz lower lot first period licence granted to that bidder shall authorise the use of the frequencies assigned.

Particular frequencies to be included in a 26 GHz upper lot first period licence granted to a winning bidder

111. Where a bidder was assigned 26 GHz upper lots under step two (in accordance with regulation 83) the 26 GHz upper lot first period licence granted to that bidder shall authorise the use of the frequencies assigned.

Particular frequencies to be included in a 26 GHz lot second period licence granted to a winning bidder

112.—(1) Where a bidder was assigned 26 GHz lots—

(a) without bidding under step three (in accordance with regulation 85) the 26 GHz lot second period licence granted to that bidder shall authorise the use of the frequencies assigned; and

(b) under step four (in accordance with regulation 89) the 26 GHz lot second period licence granted to that bidder shall authorise the use of the frequencies assigned.

CHAPTER 2

Total auction sum

Determination of the total auction sum payable by winning bidders to OFCOM

113.—(1) OFCOM shall determine the total auction sum payable by each winning bidder in accordance with paragraph (2).

(2) The total auction sum payable by a winning bidder shall be the sum of—

(a) for that winning bidder's 40 GHz licence (if any), the licence fee determined in accordance with regulation 105;

(b) for that winning bidder's 26 GHz lower lot first period licence (if any), the licence fee determined in accordance with regulation 106;

(c) for that winning bidder's 26 GHz upper lot first period licence (if any), the licence fee determined in accordance with regulation 107; and

(d) for that winning bidder's 26 GHz lot second period licence (if any), the licence fee determined in accordance with regulation 108.

Notification of the total auction sum payable by winning bidders to OFCOM

114. Following the determination of the total auction sum payable by each winning bidder to OFCOM, OFCOM shall notify each winning bidder of the total auction sum payable by that winning bidder to OFCOM.

Further payment where the amount of a winning bidder's deposit is less than its total auction sum

115. Where, after the notification given in accordance with regulation 114, the total amount that a winning bidder has on deposit is an amount that is less than the total auction sum payable by that bidder to OFCOM, the bidder must pay into OFCOM's bank account, with accompanying information which identifies the bidder, the sum in pounds which is the difference between such amount and the amount the bidder has on deposit, by a deadline specified by OFCOM.

CHAPTER 3

Grant of licences

Entitlement to the grant of licences

116.—(1) Where, following the passing of the deadline under regulation 115, the total amount that a winning bidder has on deposit is an amount that is equal to or more than the total auction sum payable by that bidder to OFCOM, OFCOM shall grant to that bidder the relevant licences referred to in regulation 117.

(2) Where, following the passing of the deadline under regulation 115, the amount of the deposit of a winning bidder remains less than the total auction sum payable by that bidder to OFCOM, that bidder—

(a) shall not be entitled to the grant of any licences under these Regulations and shall not receive a refund of any sum which the bidder has paid as a deposit under these Regulations which shall (where not already forfeited) be forfeited, together with any interest which has accrued on that deposit; and

(b) shall remain liable to pay the amount which is the difference (if any) between—

(i) the amount which is the total auction sum payable by that bidder to OFCOM; and

(ii) the amount the bidder has on deposit.

Grant of licences

117. The licences referred to in regulation 116(1) are—

(a) in respect of a bidder which has been assigned 40 GHz lots, a 40 GHz licence which authorises the use of the frequencies determined in accordance with regulation 109;

(b) in respect of a bidder which has been assigned 26 GHz lower lots, a 26 GHz lower lot first period licence which authorises the use of the frequencies determined in accordance with regulation 110;

(c) in respect of a bidder which has been assigned 26 GHz upper lots, a 26 GHz upper lot first period licence which authorises the use of the frequencies determined in accordance with regulation 111; and

(d) in respect of a bidder which has been assigned 26 GHz lots for the second period, a 26 GHz lot second period licence which authorises the use of frequencies determined in accordance with regulation 112.

CHAPTER 4

Completion of the award process

Deposit greater than total auction sum

118. Where, following the grant of licences, the total amount a bidder has on deposit at that time is an amount that is greater than the total auction sum payable by that bidder to OFCOM, OFCOM shall refund to that bidder a sum in pounds which is the difference between—

(a) the amount which is the total auction sum payable by that bidder to OFCOM (if any); and

(b) the amount the bidder has on deposit.

Notification to bidders following the grant of licences

119. Following the grant of licences and the refund (if any) of deposits, OFCOM shall notify each winning bidder of the names of all of the winning bidders to whom licences were granted, and, in relation to each of them—

(a) the frequencies in respect of which the licences were granted; and

(b) the licence fees paid, indicating the total base prices and the additional prices.

Completion of the award process

120. OFCOM shall complete the award process by publishing on OFCOM's website—

(a) the names of the winning bidders to whom licences were granted, and, in relation to each of them—

(i) the frequencies in respect of which the licences were granted; and

(ii) the licence fees paid;

(b) the names of any winning bidders who, following the passing of the deadline under regulation 115, had an amount on deposit which is less than the total auction sum payable by them to OFCOM, and, in relation to each of them—

(i) the frequencies in respect of which, if they held on deposit an amount equal to the total auction sum, licences would have been granted; and

(ii) the total auction sum payable to OFCOM;

(c) details of all valid principal stage bids;

(d) details of all valid assignment stage bids for 40 GHz lots, 26 GHz lower lots, 26 GHz upper lots and 26 GHz second period lots; and

(e) details of any lot assignments made without bidding.

PART 8

Forfeit of deposit and exclusion

Forfeit of deposit and exclusion from award process

121.—(1) If, in relation to an applicant which is qualified to bid or a bidder, OFCOM are satisfied that any of the events specified in regulation 123 are occurring (or have occurred) and that the occurrence would materially affect the outcome of the award process—

(a) any sum paid as a deposit under these Regulations shall be forfeited (together with any interest which has accrued on the deposit) by, and not refunded to, the applicant or bidder concerned; and

(b) that applicant or bidder may also be excluded from the award process by OFCOM giving that applicant or bidder notice in writing.

(2) Notwithstanding paragraph (1), if OFCOM are satisfied that any of the events specified in regulations 123(2)(d), 123(2)(e) or 123(2)(g)(ii) are occurring (or have occurred) after the notification to all bidders of the results of the third assignment stage round in accordance with regulation 101(4) OFCOM shall not require any deposit to be forfeited and shall not exclude any bidder.

Bids made by an excluded bidder

122.—(1) Where a bidder is excluded from the award process under regulation 121 during the principal stage, OFCOM shall determine whether it should disregard the bids (and other bidding indications) made in any principal stage rounds prior to the exclusion, in order to have a fair and efficient outcome to the award process.

(2) Where OFCOM determine that it is appropriate to disregard the bids (and other bidding indications) made in any principal stage rounds—

(a) OFCOM shall notify bidders of the rounds for which they have determined to disregard the bids (and other bidding indications); and

(b) resume the award process from the start of the principal stage round after the round for which bids are not disregarded under sub-paragraph (a), or, where all bids are to be disregarded under that sub-paragraph, to rerun the award process from the start of the first principal stage round.

(3) Where a bidder is excluded from the award process under regulation 121 during the assignment stage, OFCOM shall determine whether it should disregard the bids (and other bidding indications) made in any principal stage round prior to the exclusion in accordance with paragraphs (1) and (2).

Events

123.—(1) The events referred to in regulation 121 are the events in paragraph (2).

(2) Events in relation to an applicant or bidder are—

(a) the submission to OFCOM of any information in connection with the award process which is false or misleading;

(b) any member of that applicant's or bidder's bidder group colluding or attempting to collude with another person to distort the outcome of the bidding in the award process;

(c) any member of that applicant's or bidder's bidder group acting in a way which is likely to distort the outcome of the award process;

(d) any member of that applicant's or bidder's bidder group, or any person to whom confidential information has been disclosed, disclosing, or attempting to disclose, or inciting another person to disclose, any confidential information, whether directly or indirectly, to any person, except where the disclosure is—

(i) to OFCOM;

(ii) to a member of that applicant's or bidder's bidder group;

(iii) to a provider of finance for the purpose of raising finance for a bid; or

(iv) to a person for the purpose of enabling that person to decide whether to participate as a member of the applicant's or bidder's bidder group;

(e) any member of that applicant's or bidder's bidder group obtaining or attempting to obtain confidential information relating to another applicant or bidder;

(f) any member of that applicant's or bidder's bidder group receiving or attempting to receive services in relation to the award process from any person who has provided or is providing, since the date of submission of the applications, services to OFCOM in relation to the award process;

(g) any person who is a member or a director or employee of a member of that applicant's or bidder's bidder group and also a director or employee of a member of another bidder group—

(i) taking part in the preparation of both bidder groups for participation in the award process; or

(ii) receiving confidential information relating to both bidder groups;

(h) a member of that applicant's or bidder's bidder group is or becomes a member of another applicant's or bidder's bidder group; and

(i) a change occurring in the membership of that applicant's or bidder's bidder group from that notified to OFCOM in its application except as a result of—

(i) a person ceasing to be a member of that bidder group;

(ii) a person joining that bidder group under the procedure in regulation 7(3); or

(iii) a person becoming an associate through merger or acquisition activity provided that such activity is not for a purpose related to the award process.

PART 9

Miscellaneous

Alternative method for submission of principal stage bids

124.—(1) Where OFCOM are satisfied that a bidder is unable to submit bids by using the auction system because of technical failure (or an event or circumstance with similar effect on the bidder's ability to use the auction system), OFCOM shall notify the bidder of an alternative method of submitting bids and any requirements relating to the authentication of communications made by means of the alternative method.

(2) The bidder must submit the bids by means of the alternative method and must comply with any requirements which have been notified to it under paragraph (1) relating to the authentication of communications.

(3) Where bids have been submitted using an alternative method and due to the manner of submission bids are incomplete or defective, but OFCOM believe that they can ascertain the bidder's intention in relation to the matters set out in regulation 21, 27, 28, 29 and 30, OFCOM shall ask the bidder to confirm in a notice to OFCOM by a deadline specified by OFCOM that OFCOM have correctly ascertained the bidder's intention in relation to its decisions.

(4) Where the bidder confirms in a notice given to OFCOM by the deadline which is signed by two authorised persons that OFCOM have correctly ascertained the bidder's intention, bids shall be accepted by OFCOM on that basis.

(5) Where the bidder does not give such confirmation, the principal stage bids submitted in their entirety shall be disregarded, and—

(a) in respect of a lot type for which it had a notified posted demand of zero for that lot type following the most recent round, the bidder shall be deemed to have submitted a bid to maintain demand; and

(b) in respect of a lot type for which it had notified posted demand greater than zero for that lot type following the most recent round, the bidder shall be deemed to have selected a target number of zero lots, nominated the opening price, and shall be deemed to have submitted a simple set of bids to decrease demand.

General power of exclusion

125. OFCOM may, at any time, notify any applicant or bidder of its exclusion from the award process, if required to do so by any direction given by the Secretary of State to OFCOM under section 5 of the Communications Act 2003(**a**) or if, after OFCOM's determination under regulation 8(1) (and notwithstanding that determination), in their opinion the applicant or bidder is not a fit and proper person to hold a licence.

Notification to OFCOM

126. If, in accordance with any provision of these Regulations, an applicant or bidder is required, or wishes, to notify OFCOM of any fact or circumstance, it must do so by notice in writing which is marked for the attention of the OFCOM personnel who are specified by OFCOM for that purpose on OFCOM's website and must deliver that notice to OFCOM by electronic mail to an electronic mail address dedicated to the award process.

Changes to timing or location

127.—(1) Subject to regulations 128 and 129, paragraph (2) applies where OFCOM determine that it is impracticable for any reason—

(a) for any document which is to be delivered to OFCOM under these Regulations to be delivered at the place specified or by the deadline specified under these Regulations; or

(b) for any action which is required to be undertaken in accordance with these Regulations to be completed by the deadline specified.

(2) Where this paragraph applies, OFCOM shall take reasonable steps to notify applicants or bidders that—

(a) delivery must be made on a different day or within different times on that day or at a different place; and

(b) the action must be completed on a different day or by a different deadline.

Changes to round times and use of auction system

128.—(1) Where a time for the start of a round has been notified to bidders and OFCOM determine that it is impracticable for any reason to start the round at that time, OFCOM shall take reasonable steps to notify bidders of a revised time for the start of the round.

(2) Where a time for the end of a round has been notified to bidders and OFCOM determine that it is impracticable for any reason for the round to end at that time, OFCOM shall take reasonable steps to notify bidders of a revised time for the end of the round.

(3) Where OFCOM determine that it is impracticable for any reason to use the auction system for any of the purposes specified in these Regulations, OFCOM shall take reasonable steps to notify bidders of an alternative method of participating in the award process and any requirements relating to the authentication of communications made by means of the alternative method.

(**a**) 2003 c. 21.

(4) Bidders must use the alternative method of participating in the award process in accordance with a notification under paragraph (3).

Rerunning rounds

129.—(1) Paragraph (2) applies where a round is in progress and OFCOM determine that it is not possible to continue the round because of—

(a) technical failure; or

(b) an event or circumstance with similar effect to technical failure on the continuation of the round.

(2) Where this paragraph applies, OFCOM shall—

(a) take reasonable steps to notify bidders of their determination under paragraph (1);

(b) disregard the bids (and other bidding indications) made in that round; and resume the award process from the end of the most recent round.

(3) Paragraph (4) applies where OFCOM determine that it is not possible to continue the award process in accordance with the provisions of these Regulations because of—

(a) technical failure; or

(b) an event or circumstance with similar effect to technical failure on the continuation of the award process.

(4) Where this paragraph applies, OFCOM shall—

(a) determine the rounds for which bids (and other bidding indications) made in those rounds should be disregarded in order to have a fair and efficient outcome to the award process;

(b) take reasonable steps to notify bidders of their determinations under paragraph (3) and sub-paragraph (a); and

(c) resume the award process from the end of the latest round for which bids (and other bidding indications) are not disregarded under sub-paragraph (a), or, where all bids (and other bidding indications) are to be disregarded under that sub-paragraph, to rerun the award process from the start of the first principal stage round.

Refunds

130. OFCOM may, in such cases as they think fit, refund, in whole or in part, sums which have been paid to them in accordance with any provision of these Regulations.

Deposits

131. In determining under these Regulations the amount that an applicant or bidder has on deposit OFCOM shall disregard any sum forfeited under these Regulations and any interest which may have accrued on any deposit.

David Willis
Group Director, Spectrum Group
10th June 2025 For and on behalf of the Office of Communication

SCHEDULE 1 Regulations 2(2), 2(3) and 2(4)

Lots

In these Regulations—

(a) "26 GHz lot" means any of the 26 GHz lots numbered 1 to 12 in Column (1) of Table 1 or Table 2 comprising the frequencies listed in the corresponding entry in Column (2) of the same table;

(b) "26 GHz lower lot" means any of the 26 GHz lots numbered 1 to 7 listed in Column (1) of Table 1 comprising the frequencies listed in the corresponding entry in Column (2) of the same table;

(c) "26 GHz upper lot" means any of the 26 GHz lots numbered 8 to 12 listed in Column (1) of Table 2 comprising the frequencies listed in the corresponding entry in Column (2) of the same table;

(d) "40 GHz lot" means any of the 40 GHz lots numbered 1 to 15 listed in Column (1) of Table 3 comprising the frequencies listed in the corresponding entry in Column (2) of the same table;

(e) "lot" means a 26 GHz lot or a 40 GHz lot;

(f) a reference to a "type of lot" or "lot type" shall be construed as a reference to any of the three different lot types in paragraphs (b), (c), or (d);

(g) a reference to a numbered 26 GHz lot or a numbered 40 GHz lot means the lot with that number in Column (1) of Table 1, Table 2 or Table 3 (as the case may be); and

(h) a reference to a "block" of 26 GHz lots or 40 GHz lots is to be construed as a reference to a block of sequentially numbered lots.

Table 1

26 GHz lower lots	*Frequencies*
26 GHz lot 1	25.1-25.3 GHz
26 GHz lot 2	25.3-25.5 GHz
26 GHz lot 3	25.5-25.7 GHz
26 GHz lot 4	25.7-25.9 GHz
26 GHz lot 5	25.9-26.1 GHz
26 GHz lot 6	26.1-26.3 GHz
26 GHz lot 7	26.3-26.5 GHz

Table 2

26 GHz upper lots	*Frequencies*
26 GHz lot 8	26.5-26.7 GHz
26 GHz lot 9	26.7-26.9 GHz
26 GHz lot 10	26.9-27.1 GHz
26 GHz lot 11	27.1-27.3 GHz
26 GHz lot 12	27.3-27.5 GHz

Table 3

40 GHz lots	*Frequencies*
40 GHz lot 1	40.5-40.7 GHz
40 GHz lot 2	40.7-40.9 GHz
40 GHz lot 3	40.9-41.1 GHz
40 GHz lot 4	41.1-41.3 GHz

40 GHz lot 5	41.3-41.5 GHz
40 GHz lot 6	41.5-41.7 GHz
40 GHz lot 7	41.7-41.9 GHz
40 GHz lot 8	41.9-42.1 GHz
40 GHz lot 9	42.1-42.3 GHz
40 GHz lot 10	42.3-42.5 GHz
40 GHz lot 11	42.5-42.7 GHz
40 GHz lot 12	42.7-42.9 GHz
40 GHz lot 13	42.9-43.1 GHz
40 GHz lot 14	43.1-43.3 GHz
40 GHz lot 15	43.3-43.5 GHz

SCHEDULE 2

Regulation 4(3)(a)(i)

Application form and warranty

1. Details of the applicant

Provide the following details for the applicant—

Applicant's full name

Registered number of company

Registered office of company

Bank sort code and account number

Name of individual contact within applicant

Contact address (if different from registered office)

Contact telephone number

Contact mobile telephone number

Contact electronic mail address

2. Authorised persons

Provide details of the name and position in the applicant of at least three and no more than five persons, each of whom has authority to bind the applicant for all purposes relating to the award process. Also provide a specimen signature of each of these persons.

3. Directors or members of managing body

Provide the name and job title of each of the directors of the applicant or each of the members of the managing body of the applicant.

4. Applicant group

Provide the names of the applicant's associates (as defined in the Wireless Telegraphy (Licence Award) Regulations 2025 ("the Regulations")) and for each provide details of their material interest (as defined in the Regulations) in the applicant.

Provide the names of all other members of the applicant group (as defined in the Regulations) in respect of which the applicant has completed a document in the form set out in Schedule 3 to the Regulations in accordance with regulation 4(3)(a)(ii) of the Regulations.

5. Qualification to bid

In relation to the determination by the Office of Communications ("OFCOM") under regulation 8 of the Regulations—

(a) provide details of any reason why the applicant may not be a fit and proper person to hold a licence;

(b) state whether any member of the applicant's applicant group has colluded, or attempted to collude, or is colluding or attempting to collude, with another person to distort the outcome of the award process and provide a description of any such collusion;

(c) state whether any member of the applicant's applicant group has acted or is acting in a way which is likely to distort the outcome of the award process and provide a description of any such actions;

(d) state whether any member of the applicant's applicant group, or any person to whom confidential information has been disclosed, has disclosed, or is disclosing or attempting to disclose or has incited or is inciting another person to disclose, any confidential information, whether directly or indirectly, to any person, and provide a description of the circumstances of any disclosure and the information disclosed, except where the disclosure—

(i) is or was to a member of the applicant's applicant group;

(ii) is or was to OFCOM;

(iii) is or was to a provider of finance for the purpose of raising finance for the applicant's application; or

(iv) is or was to a person for the purpose of enabling that person to decide whether to participate as a member of the applicant's bidder group;

(e) state whether any member of the applicant's applicant group has obtained or is obtaining or attempting to obtain confidential information relating to another applicant and provide a description of any such circumstances;

(f) state whether any member of the applicant's applicant group is receiving or is attempting to receive services in relation to the award process from any person who has provided or is providing services to OFCOM in relation to the award process and provide a description of the services concerned; and

(g) state whether (and provide a description of any circumstances in which) any person who is a member or a director or employee of a member of the applicant's applicant group and also a director or employee of a member of another applicant group is—

(i) taking part in the preparation of both applicant groups for participation in the award process; or

(ii) receiving confidential information relating to both applicant groups.

6. Other information

Provide a brief description of the substance of—

(a) agreements (if any) relating to the management of the applicant; and

(b) any criminal investigations or proceedings in the United Kingdom or overseas of which the applicant is aware relating to the applicant or any member of its applicant group or its directors or officers.

7. Warranty

Provide the following warranty—

"[Insert name of applicant] (the "applicant") represents and warrants to the Office of Communications that—

(a) the persons authorised in section 2 of this application have read and understood the Regulations, the terms of the licences to be granted under the Regulations, and the Wireless Telegraphy Act 2006;

(b) the applicant has the legal authority to participate in the award process under the Regulations and to have a licence granted to it, and has in place all necessary consents, permissions and internal approvals for this purpose;

(c) the information provided in, or in support of, the application is, to the best of the knowledge and belief of the applicant, true, accurate and complete in all material respects; and

(d) the applicant is aware of the provisions in regulations 121 and 123 of the Regulations, including the provisions about disclosure of confidential information (as defined in the Regulations) and obtaining confidential information relating to another applicant or bidder and that any such activities may lead to forfeiture of sums on deposit and exclusion from the award process."

SCHEDULE 3

Regulation 4(3)(a)(ii)

Document for member of applicant's applicant group or bidder group who is not an associate

[Insert name of applicant or bidder] (the "applicant/bidder") wishes to include [insert name and address of person to be included in applicant or bidder group who is not an associate] as a member of the applicant/bidder's applicant or bidder group as defined in the Wireless Telegraphy (Licence Award) Regulations 2025 ("the Regulations") for the purpose of the award process under the Regulations.

Under regulation 8 of the Regulations an applicant shall not be qualified to bid in the award process where a member of its bidder group is also a member of another applicant's bidder group. Regulations 121 and 123 contain provisions on disclosure of confidential information (as defined in the Regulations) and obtaining confidential information relating to another applicant or bidder. Under the Regulations such activities may lead to forfeiture of sums on deposit and exclusion from the award process.

Applicant/bidder

In relation to regulations 8, 121 and 123 of the Regulations, the applicant/bidder represents and warrants to the Office of Communications ("OFCOM") that so far as it is aware, having made all reasonable enquiries, [insert name of person to be included in applicant or bidder group who is not an associate] is not a member of any other applicant's or bidder's applicant or bidder group.

The applicant/bidder undertakes to inform OFCOM immediately if it becomes aware that [insert name of person to be included in applicant or bidder group who is not an associate]—

(a) has ever been or becomes a member of any other applicant's or bidder's applicant or bidder group;

(b) has ever been or becomes a subsidiary of a member of any other applicant's or bidder's applicant or bidder group during the award process; or

(c) has ever obtained or ever obtains confidential information (as defined in the Regulations) relating to another applicant or bidder.

[Insert name of person to be included in applicant or bidder group who is not an associate]

[Insert name of person to be included in applicant or bidder group who is not an associate] represents and warrants to OFCOM that it—

(a) consents to be a member of the applicant/bidder's applicant or bidder group;

(b) is not a member of any other applicant's or bidder's applicant or bidder group; and

(c) is aware of the provisions in regulations 8, 121 and 123 of the Regulations about disclosure of confidential information (as defined in the Regulations) and obtaining confidential information relating to another applicant or bidder.

[Insert name of person to be included in applicant or bidder group who is not an associate] undertakes to OFCOM that it will immediately inform OFCOM and the applicant/bidder—

(a) if it has ever been or becomes a member of any other applicant's or bidder's applicant or bidder group;

(b) if it has ever been or becomes a subsidiary of a member of any other applicant's or bidder's applicant or bidder group during the award process; or

(c) if it has ever obtained or if it ever obtains confidential information (as defined in the Regulations) relating to another applicant or bidder.

SCHEDULE 4

Regulation 74

Determination of 40 GHz lot additional prices

Additional price

1.—(1) OFCOM shall determine an additional price for each winning 40 GHz assignment stage bid by imposition of the requirements that the additional prices must satisfy that are set out in paragraphs 2 to 5.

(2) Where an additional price so determined includes a fraction of a pound, the additional price shall be that price rounded up to the nearest whole pound.

First requirement

2. The additional price for each winning 40 GHz assignment stage bid shall be no less than zero and no more than the amount of that winning 40 GHz assignment stage bid.

Second requirement

3.—(1) Taking the additional prices for the winning 40 GHz assignment stage bids together, the additional prices shall be such that if—

(a) the amount bid by each winning bidder for the 40 GHz assignment stage option selected in its winning 40 GHz assignment stage bid had been the additional price rather than the amount of its winning 40 GHz assignment stage bid ("reduced winning 40 GHz assignment stage bid"), and

(b) subject to sub-paragraph (2), the amount bid by each winning bidder in respect of each other valid 40 GHz assignment stage bid made by that bidder had been reduced by an amount equal to the difference between the amount of its winning 40 GHz assignment stage bid and the additional price for that relevant winning 40 GHz assignment stage bid,

the combination of the reduced winning 40 GHz assignment stage bids submitted by the winning bidders would have been the valid combination of 40 GHz assignment stage bids or one of the valid combinations of 40 GHz assignment stage bids (as the case may be) having the highest total value of amounts bid.

(2) Where the amount of a bid has been reduced in accordance with sub-paragraph (1)(b) and is less than zero, the amount of that bid shall be treated as if it were zero for the purposes of this paragraph.

(3) The bids mentioned in sub-paragraphs (1)(a) and (1)(b) shall, after reduction of the amount of those bids in accordance with those paragraphs, be treated as valid 40 GHz assignment stage bids for the purposes of this paragraph.

Third requirement

4. Taking the additional prices for the winning 40 GHz assignment stage bids together, the total of those additional prices shall be no greater than the total of any other prices for the winning 40 GHz assignment stage bids that satisfy the requirements set out in paragraphs 2 and 3.

Fourth requirement

5.—(1) Taking the additional prices for the winning 40 GHz assignment stage bids together, the opportunity cost variance of those additional prices calculated in accordance with sub-paragraph (2) shall be less than the opportunity cost variance, calculated in accordance with sub-paragraph (2), of any other prices for the winning 40 GHz assignment stage bids that satisfy the requirements set out in paragraphs 2 to 4.

(2) The opportunity cost variance ("OCVA") of prices mentioned in sub-paragraph (1) is the amount calculated in accordance with the formula $OCVA=\sum(p_A-c_A)^2$ summing over all winning bidders where—

(a) "p_A" is the additional price for a winning 40 GHz assignment stage bid for winner A; and

(b) "c_A" is the amount calculated in accordance with the formula set out in sub-paragraph (3) in respect of that winning 40 GHz assignment stage bid.

(3) The formula is $c_A = b_A – (t – u_A)$ where—

(a) "u_A" is the amount calculated in accordance with sub-paragraph (4);

(b) "t" is the total amount of the winning 40 GHz assignment stage bids; and

(c) "b_A" is the amount of the winning 40 GHz assignment stage bid for which p_A is the price.

(4) The amount calculated in accordance with this sub-paragraph is the total amount of the valid combination of 40 GHz assignment stage bids or one of the valid combinations of 40 GHz assignment stage bids (as the case may be) having the highest total value of amounts bid where, for each 40 GHz assignment stage bid made by the winning bidder that submitted the winning 40 GHz assignment stage bid for which p_A is the price, the amount of that 40 GHz assignment stage bid is treated as if it were zero for the purposes of this sub-paragraph.

(5) Where the amount of a 40 GHz assignment stage bid is treated as if it were zero in accordance with sub-paragraph (4), that 40 GHz assignment stage bid shall be treated as a valid 40 GHz assignment stage bid for the purposes of that sub-paragraph.

Interpretation

6. In this Schedule "valid combination of 40 GHz assignment stage bids" shall be construed in accordance with regulation 73(4).

SCHEDULE 5

Regulation 79

Determination of 26 GHz lower lot first period additional prices

Additional price

1.—(1) OFCOM shall determine an additional price for each winning 26 GHz lower assignment stage bid by imposition of the requirements that the additional prices must satisfy that are set out in paragraphs 2 to 5.

(2) Where an additional price so determined includes a fraction of a pound, the additional price shall be that price rounded up to the nearest whole pound.

First requirement

2. The additional price for each winning 26 GHz lower assignment stage bid shall be no less than zero and no more than the amount of that winning 26 GHz lower assignment stage bid.

Second requirement

3.—(1) Taking the additional prices for the winning 26 GHz lower assignment stage bids together, the additional prices shall be such that if—

(a) the amount bid by each winning bidder for the 26 GHz lower assignment stage option selected in its winning 26 GHz lower assignment stage bid had been the additional price rather than the amount of its winning 26 GHz lower assignment stage bid ("reduced winning 26 GHz lower assignment stage bid"), and

(b) subject to sub-paragraph (2), the amount bid by each winning bidder in respect of each other valid 26 GHz lower assignment stage bid made by that bidder had been reduced by

an amount equal to the difference between the amount of its winning 26 GHz lower assignment stage bid and the additional price for that relevant winning 26 GHz lower assignment stage bid,

the combination of the reduced winning 26 GHz lower assignment stage bids submitted by the winning bidders would have been the valid combination of 26 GHz lower assignment stage bids or one of the valid combinations of 26 GHz lower assignment stage bids (as the case may be) having the highest total value of amounts bid.

(2) Where the amount of a bid has been reduced in accordance with sub-paragraph (1)(b) and is less than zero, the amount of that bid shall be treated as if it were zero for the purposes of this paragraph.

(3) The bids mentioned in sub-paragraphs (1)(a) and (1)(b) shall, after reduction of the amount of those bids in accordance with those paragraphs, be treated as valid 26 GHz lower assignment stage bids for the purposes of this paragraph.

Third requirement

4. Taking the additional prices for the winning 26 GHz lower assignment stage bids together, the total of those additional prices shall be no greater than the total of any other prices for the winning 26 GHz lower assignment stage bids that satisfy the requirements set out in paragraphs 2 and 3.

Fourth requirement

5.—(1) Taking the additional prices for the winning 26 GHz lower assignment stage bids together, the opportunity cost variance of those additional prices calculated in accordance with sub-paragraph (2) shall be less than the opportunity cost variance, calculated in accordance with sub-paragraph (2), of any other prices for the winning 26 GHz lower assignment stage bids that satisfy the requirements set out in paragraphs 2 to 4.

(2) The opportunity cost variance ("OCVA") of prices mentioned in sub-paragraph (1) is the amount calculated in accordance with the formula $OCVA= \sum(p_A\text{-}c_A)^2$ summing over all winning bidders where—

(a) "p_A" is the price for a winning 26 GHz lower assignment stage bid for winner A; and

(b) "c_A" is the amount calculated in accordance with the formula set out in sub-paragraph (3) in respect of that winning 26 GHz lower assignment stage bid.

(3) The formula is $c_A = b_A – (t – u_A)$ where—

(a) "u_A" is the amount calculated in accordance with sub-paragraph (4);

(b) "t" is the total amount of the winning 26 GHz lower assignment stage bids; and

(c) "b_A" is the amount of the winning 26 GHz lower assignment stage bid for which p_A is the price.

(4) The amount calculated in accordance with this sub-paragraph is the total amount of the valid combination of 26 GHz lower assignment stage bids or one of the valid combinations of 26 GHz lower assignment stage bids (as the case may be) having the highest total value of amounts bid where, for each 26 GHz lower assignment stage bid made by the winning bidder that submitted the winning 26 GHz lower assignment stage bid for which p_A is the price, the amount of that 26 GHz lower assignment stage bid is treated as if it were zero for the purposes of this sub-paragraph.

(5) Where the amount of a 26 GHz lower assignment stage bid is treated as if it were zero in accordance with sub-paragraph (4), that 26 GHz lower assignment stage bid shall be treated as a valid 26 GHz lower assignment stage bid for the purposes of that sub-paragraph.

Interpretation

6. In this Schedule "valid combination of 26 GHz lower assignment stage bids" shall be construed in accordance with regulation 78(4).

SCHEDULE 6

Regulation 84

Determination of 26 GHz upper lot first period additional prices

Additional price

1.—(1) OFCOM shall determine an additional price for each winning 26 GHz upper assignment stage bid by imposition of the requirements that the additional prices must satisfy that are set out in paragraphs 2 to 5.

(2) Where an additional price so determined includes a fraction of a pound, the additional price shall be that price rounded up to the nearest whole pound.

First requirement

2. The additional price for each winning 26 GHz upper assignment stage bid shall be no less than zero and no more than the amount of that winning 26 GHz upper assignment stage bid.

Second requirement

3.—(1) Taking the additional prices for the winning 26 GHz upper assignment stage bids together, the additional prices shall be such that if—

(a) the amount bid by each winning bidder for the 26 GHz upper assignment stage option selected in its winning 26 GHz upper assignment stage bid had been the additional price rather than the amount of its winning 26 GHz upper assignment stage bid ("reduced winning 26 GHz upper assignment stage bid"), and

(b) subject to sub-paragraph (2), the amount bid by each winning bidder in respect of each other valid 26 GHz upper assignment stage bid made by that bidder had been reduced by an amount equal to the difference between the amount of its winning 26 GHz upper assignment stage bid and the additional price for that relevant winning 26 GHz upper assignment stage bid,

the combination of the reduced winning 26 GHz upper assignment stage bids submitted by the winning bidders would have been the valid combination of 26 GHz upper assignment stage bids or one of the valid combinations of 26 GHz upper assignment stage bids (as the case may be) having the highest total value of amounts bid.

(2) Where the amount of a bid has been reduced in accordance with sub-paragraph (1)(b) and is less than zero, the amount of that bid shall be treated as if it were zero for the purposes of this paragraph.

(3) The bids mentioned in sub-paragraphs (1)(a) and (1)(b) shall, after reduction of the amount of those bids in accordance with those paragraphs, be treated as valid 26 GHz upper assignment stage bids for the purposes of this paragraph.

Third requirement

4. Taking the additional prices for the winning 26 GHz upper assignment stage bids together, the total of those additional prices shall be no greater than the total of any other prices for the winning 26 GHz upper assignment stage bids that satisfy the requirements set out in paragraphs 2 and 3.

Fourth requirement

5.—(1) Taking the additional prices for the winning 26 GHz upper assignment stage bids together, the opportunity cost variance of those additional prices calculated in accordance with sub-paragraph (2) shall be less than the opportunity cost variance, calculated in accordance with sub-paragraph (2), of any other prices for the winning 26 GHz upper assignment stage bids that satisfy the requirements set out in paragraphs 2 to 4.

(2) The opportunity cost variance ("OCVA") of prices mentioned in sub-paragraph (1) is the amount calculated in accordance with the formula OCVA= $\sum(p_A\text{-}c_A)^2$ summing over all winning bidders where—

(a) "p_A" is the price for a winning 26 GHz upper assignment stage bid for winner A; and

(b) "c_A" is the amount calculated in accordance with the formula set out in sub-paragraph (3) in respect of that winning 26 GHz upper assignment stage bid.

(3) The formula is $c_A = b_A – (t – u_A)$ where—

(a) "u_A" is the amount calculated in accordance with sub-paragraph (4);

(b) "t" is the total amount of the winning 26 GHz upper assignment stage bids; and

(c) "b_A" is the amount of the winning 26 GHz upper assignment stage bid for which p_A is the price.

(4) The amount calculated in accordance with this sub-paragraph is the total amount of the valid combination of 26 GHz upper assignment stage bids or one of the valid combinations of 26 GHz upper assignment stage bids (as the case may be) having the highest total value of amounts bid where, for each 26 GHz upper assignment stage bid made by the winning bidder that submitted the winning 26 GHz upper assignment stage bid for which p_A is the price, the amount of that 26 GHz upper assignment stage bid is treated as if it were zero for the purposes of this sub-paragraph.

(5) Where the amount of a 26 GHz upper assignment stage bid is treated as if it were zero in accordance with sub-paragraph (4), that 26 GHz upper assignment stage bid shall be treated as a valid 26 GHz upper assignment stage bid for the purposes of that sub-paragraph.

Interpretation

6. In this Schedule "valid combination of 26 GHz upper assignment stage bids" shall be construed in accordance with regulation 83(4).

SCHEDULE 7

Regulation 90

Determination of 26 GHz lot second period additional prices

Additional price

1.—(1) OFCOM shall determine an additional price for each winning 26 GHz lot second period assignment stage bid by imposition of the requirements that the additional prices must satisfy that are set out in paragraphs 2 to 5.

(2) Where an additional price so determined includes a fraction of a pound, the additional price shall be that price rounded up to the nearest whole pound.

First requirement

2. The additional price for each winning 26 GHz lot second period assignment stage bid shall be no less than zero and no more than the amount of that winning 26 GHz lot second period assignment stage bid.

Second requirement

3.—(1) Taking the additional prices for the winning 26 GHz lot second period assignment stage bids together, the additional prices shall be such that if—

(a) the amount bid by each winning bidder for the 26 GHz lot second period assignment stage option selected in its winning 26 GHz lot second period assignment stage bid had been the additional price rather than the amount of its winning 26 GHz lot second period assignment stage bid ("reduced winning 26 GHz lot second period assignment stage bid"), and

(b) subject to sub-paragraph (2), the amount bid by each winning bidder in respect of each other valid 26 GHz lot second period assignment stage bid made by that bidder had been reduced by an amount equal to the difference between the amount of its winning 26 GHz lot second period assignment stage bid and the additional price for that relevant winning 26 GHz lot second period assignment stage bid,

the combination of the reduced winning 26 GHz lot second period assignment stage bids submitted by the winning bidders would have been the valid combination of 26 GHz lot second period assignment stage bids or one of the valid combinations of 26 GHz lot second period assignment stage bids (as the case may be) having the highest total value of amounts bid.

(2) Where the amount of a bid has been reduced in accordance with sub-paragraph (1)(b) and is less than zero, the amount of that bid shall be treated as if it were zero for the purposes of this paragraph.

(3) The bids mentioned in sub-paragraphs (1)(a) and (1)(b) shall, after reduction of the amount of those bids in accordance with those paragraphs, be treated as valid 26 GHz lot second period assignment stage bids for the purposes of this paragraph.

Third requirement

4. Taking the additional prices for the winning 26 GHz lot second period assignment stage bids together, the total of those additional prices shall be no greater than the total of any other prices for the winning 26 GHz lot second period assignment stage bids that satisfy the requirements set out in paragraphs 2 and 3.

Fourth requirement

5.—(1) Taking the additional prices for the winning 26 GHz lot second period assignment stage bids together, the opportunity cost variance of those additional prices calculated in accordance with sub-paragraph (2) shall be less than the opportunity cost variance, calculated in accordance with sub-paragraph (2), of any other prices for the winning 26 GHz lot second period assignment stage bids that satisfy the requirements set out in paragraphs 2 to 4.

(2) The opportunity cost variance ("OCVA") of prices mentioned in sub-paragraph (1) is the amount calculated in accordance with the formula $\text{OCVA}= \sum(p_A\text{-}c_A)^2$ summing over all winning bidders where—

(a) "p_A" is the price for a winning 26 GHz lot second period assignment stage bid for winner A; and

(b) "c_A" is the amount calculated in accordance with the formula set out in sub-paragraph (3) in respect of that winning 26 GHz lot second period assignment stage bid.

(3) The formula is $c_A = b_A – (t – u_A)$ where—

(a) "u_A" is the amount calculated in accordance with sub-paragraph (4);

(b) "t" is the total amount of the winning 26 GHz lot second period assignment stage bids; and

(c) "b_A" is the amount of the winning 26 GHz lot second period assignment stage bid for which p_A is the price.

(4) The amount calculated in accordance with this sub-paragraph is the total amount of the valid combination of 26 GHz lot second period assignment stage bids or one of the valid combinations of 26 GHz lot second period assignment stage bids (as the case may be) having the highest total value of amounts bid where, for each 26 GHz lot second period assignment stage bid made by the winning bidder that submitted the winning 26 GHz lot second period assignment stage bid for which p_A is the price, the amount of that 26 GHz lot second period assignment stage bid is treated as if it were zero for the purposes of this sub-paragraph.

(5) Where the amount of a 26 GHz lot second period assignment stage bid is treated as if it were zero in accordance with sub-paragraph (4), that 26 GHz lot second period assignment stage bid

shall be treated as a valid 26 GHz lot second period assignment stage bid for the purposes of that sub-paragraph.

Interpretation

6. In this Schedule "valid combination of 26 GHz lot second period assignment stage bids" shall be construed in accordance with regulation 89(4).

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations set out the procedure that will apply to the grant of wireless telegraphy licences at frequencies which are set out in Schedule 1.

To apply, a body corporate must deliver the documents required by regulation 4(3) to the Office of Communications ("OFCOM") on a day specified by OFCOM. An initial deposit of one million pounds must be paid to OFCOM (regulation 4(3)(b)).

OFCOM will determine which applicants are fit to hold a licence, taking into account the matters set out in regulation 8(2). If not disqualified, and if there is no member of its bidder group which is also a member of another bidder group, an applicant shall be qualified to participate (regulation 9(1)).

After giving applicants an opportunity to withdraw, OFCOM will determine the number of bidders (regulation 12), an additional deposit may be paid (regulation 13) and OFCOM will determine an eligibility limit (a term defined in the Regulations) by reference to sums paid on deposit. This limits the bids that can be made.

The first stage, called the principal stage, involves one or more rounds of bidding. The lot prices for the first round are set out in regulation 20 and OFCOM will determine the lot prices for the second and each subsequent round (regulations 26).

Regulation 31 sets out the consequences if a bidder fails to submit bids within the time period for bidding.

The winning principal stage bids are determined by OFCOM in accordance with regulation 59 by reference to bids which are determined to have won lots in the principal stage (this is a defined term).

The second stage, called the assignment stage, is set out in Part 6. This procedure determines the frequencies which will be assigned to each winning bidder. This is determined through further rounds of bidding and winning bidders will be assigned particular frequencies.

The third stage, called the grant stage, is the procedure set out in Part 7. OFCOM will grant licences to winning bidders and refund any sums due to winning bidders.

If, in relation to an applicant which is qualified to bid or a bidder, OFCOM is satisfied that certain events are occurring or have occurred and that the occurrence would materially affect the outcome of the award process, the applicant or bidder concerned will forfeit sums on deposit held by OFCOM and may be excluded from the award process (regulation 121).

A full regulatory impact assessment of the effect of these Regulations is available on OFCOM's website at www.ofcom.org.uk. Hard copies of this assessment can be obtained free of charge by writing to OFCOM at Riverside House, 2a Southwark Bridge Road, London, SE1 9HA (tel. 020 7981 3000). Copies of this assessment have also been placed in the library of both Houses of Parliament.

© Crown copyright 2025

Printed and published in the UK by The Stationery Office Limited under the authority and superintendence of Saul Nassé, Controller of His Majesty's Stationery Office and King's Printer of Acts of Parliament.