

investment certainty for operators; and implementation of Directive 2009/114/EC(a) and the Decision(b) on the liberalisation of frequencies in the 900MHz and 1800MHz bands.

Interpretation

3. In this Order—

“the 800MHz band” and other such frequency bands are defined in Schedule 1;

“800MHz licence” means a licence authorising the use of frequencies in the United Kingdom in the 800MHz band to provide cellular mobile electronic communications services and “900MHz licence”, “1800MHz licence”, “2100MHz licence” and “2600MHz licence” shall be construed accordingly;

“the Act” means the Wireless Telegraphy Act 2006;

“Combined Auction” means the auction of licences authorising the use of frequencies in the 800MHz and paired 2600MHz bands and surrendered frequencies in the 900MHz, 1800MHz and 2100MHz bands referred to in article 7;

“completion of the Combined Auction” means the publication by OFCOM on its website at www.ofcom.org.uk of the names of the persons to whom licences have been granted pursuant to the Combined Auction;

“the Decision” means Commission Decision 2009/766/EC on the harmonisation of the 900MHz and 1800MHz frequency bands for terrestrial systems capable of providing pan-European electronic communications services in the Community;

“electronic communications network” and “electronic communications service” have the meaning given by section 32 of the Communications Act 2003(c);

“GSM system” means an electronic communications network that complies with the GSM standards as published by the European Telecommunications Institute (“ETSI”), in particular EN 301 502 and EN 301 511 listed in Schedule 2;

“licence” means a wireless telegraphy licence;

“relevant network provider” means a provider of an electronic communications network that is capable of providing mobile telecommunications services to an area within which at least 70% of the population of the United Kingdom lives and with a 90% probability that users in outdoor locations within that area can receive the service with a sustained downlink speed of not less than 768kbps in a lightly loaded cell;

“rural areas” means the least populated areas of the United Kingdom which together contain 20% of the population of the United Kingdom;

“subsequent auction” means an auction which takes place after the Combined Auction in which a person may bid for a licence authorising the use of frequencies which were not sold in the Combined Auction;

“UMTS system” means an electronic communications network that complies with the UMTS standards as published by ETSI, in particular EN 301 908-1, EN 301 908-2, EN 301 908-3 and EN 301 908-11 listed in Schedule 2.

(a) Directive 2009/114/EC of the European Parliament and of the Council of 16 September 2009 amending Council Directive 87/372/EEC on the frequency bands to be reserved for the coordinated introduction of public pan-European cellular digital land-based mobile communications in the Community OJ L No 274, 20.10.2009, p. 25.

(b) Commission Decision 2009/766/EC OJ L No 274, 20.10.2009, p.32.

(c) 2003 c.21.

PART 2

Variation of 900MHz, 1800MHz and 2100MHz licences

4.—(1) OFCOM must use its powers under section 10 of and paragraph 6 of Schedule 1 to the Act to vary existing 900MHz, 1800MHz and 2100MHz licences to make provision as set out in this article.

(2) OFCOM must vary each existing 900MHz licence to—

- (a) permit the licensee to use the frequencies in the 900MHz band to which the licence relates for both GSM and UMTS systems;
- (b) require the licensee to provide on request and on a wholesale basis in rural areas to any relevant network provider all the retail data services the licensee offers in rural areas where the licensee uses any system other than a GSM system using frequencies in the 900MHz band to provide those services;
- (c) require the licensee to provide at any time during the period in paragraph (d) where the licence covering the use of frequencies between 811 and 821MHz and 852 and 862MHz has not come into force in respect of those frequencies by 31st March 2013, on request and on a wholesale basis to any person with an 800MHz licence all the retail services it offers in any part of the United Kingdom where the licensee uses any system other than a GSM system using frequencies in the 900MHz band to provide those services;
- (d) provide that the period during which the services referred to in subparagraph (c) must be provided on request is to be from 31st March 2013 until a date which is two years after the date when all the 800MHz licences that have been granted pursuant to the Combined Auction or any subsequent auction have come into force in respect of the frequencies in the 800MHz band;
- (e) make provision as set out in article 17;
- (f) require the licensee to comply with the spectrum defragmentation process set out in Schedule 3; and
- (g) amend the period of notice for revocation for spectrum management reasons from 1 year to 5 years.

(3) OFCOM must vary each existing 1800MHz licence to—

- (a) permit the licensee to use the frequencies in the 1800MHz band to which the licence relates for both GSM and UMTS systems;
- (b) require the licensee to comply with the spectrum defragmentation process set out in Schedule 3; and
- (c) amend the period of notice for revocation for spectrum management reasons from 1 year to 5 years.

(4) OFCOM shall, subject to the consent of each holder of existing 2100MHz licences to vary those licences to provide all of the following, vary those licences to provide that—

- (a) by 30th June 2013 the licensee must provide an electronic communications network that is capable of providing mobile telecommunications services to an area within which at least 90% of the population of the United Kingdom lives and with a 90% probability that users in outdoor locations within that area can receive the service with a sustained downlink speed of not less than 768kbps in a lightly loaded cell;
- (b) the licensee is required to comply with the spectrum defragmentation process set out in Schedule 3;
- (c) the licence shall continue in force unless or until revoked by OFCOM; and
- (d) OFCOM may revoke the licence either for spectrum management reasons on not less than 5 years' notice, such notice not to be given before 31st December 2016 or otherwise in accordance with their powers under the Act.

Licence fees for 900MHz and 1800MHz licences

5.—(1) OFCOM must revise the sums prescribed by them by regulations under section 12 of the Act for existing 900MHz and 1800MHz licences after the completion of the Combined Auction so that they reflect the full market value of the frequencies in those bands.

(2) OFCOM must take all relevant factors into account in revising the sums prescribed with particular reference to the sums bid for licences in the Combined Auction.

Spectrum trading

6. OFCOM must use their powers under section 30 of the Act to amend the Wireless Telegraphy (Spectrum Trading) Regulations 2004(a) to make provision—

- (a) to permit the transfer of rights and obligations arising as a result of 800MHz, 900MHz, 1800MHz, 2100MHz and 2600MHz licences from the licensee to another person;
- (b) that OFCOM may, as a result of an assessment of any competition effects of a proposed transfer of rights and obligations arising as a result of any such licence (which may include consideration of whether OFCOM would refuse to consent to such a transfer under sub-paragraph (c) if it were proposed during the period set out in that sub-paragraph), consent to the transfer, consent to the transfer subject to conditions, or refuse to consent to the transfer;
- (c) to specify that until 1 year after the completion of the Combined Auction or 1 year after the completion of a subsequent auction which covers the sale of spectrum in the 800MHz band which is unsold in the Combined Auction, OFCOM may refuse to consent to a transfer, or consent to a transfer subject to conditions where the transfer would result in a person holding more than—
 - (i) a total of 40MHz in the 800MHz and 900MHz bands together; or
 - (ii) a total of 180MHz in the 800MHz, 900MHz, 1800MHz, 2100MHz or 2600MHz bands together.

Auction regulations

7.—(1) OFCOM must use their powers to make regulations under section 14 of the Act to provide for—

- (a) an auction of a single licence authorising the use of the frequencies between 2570MHz and 2620MHz;
 - (b) the Combined Auction; and
 - (c) (where necessary) any subsequent auction.
- (2) The regulations for the Combined Auction must (among other matters) make provision for—
- (a) the lots of spectrum available and the minimum and maximum number of lots for which a person may bid, as set out in article 8;
 - (b) the limits on the amount of spectrum which may be held if a person applies for a licence set out in article 9;
 - (c) OFCOM to refuse to accept a bid from a person for a licence including frequencies in the same frequency band in which that person has been required to commit to surrender frequencies in order to comply with the limits set out in article 9.

(a) S.I. 2004/3154; amended by S.I. 2006/339, 2006/1807, 2007/380, 2007/3387, 2008/608, 2008/2105, 2008/3192.

The Combined Auction

8.—(1) OFCOM must make provision for the Combined Auction in the regulations referred to in article 7(1) to specify the lots in which frequencies are or may be available, and the minimum and maximum lots which may be bid for in that auction and provide for the following matters.

- (2) In relation to frequencies in the 800MHz band—
 - (a) frequencies will be available in lots of 2 x 5MHz; and
 - (b) any bid for a licence in respect of frequencies in the 800MHz band must be a bid for a licence which includes not fewer than 2 and not more than 4 lots.
- (3) In relation to frequencies in the paired 2600MHz band—
 - (a) frequencies will be available in lots of 2 x 10MHz; and
 - (b) any bid for a licence in respect of frequencies in the paired 2600MHz band must be a bid for a licence which includes not more than 3 lots.
- (4) In relation to frequencies in the 900MHz, 1800MHz and 2100MHz bands—
 - (a) frequencies offered will be available in lots of 2 x 5MHz in each band;
 - (b) subject to the limits set out in article 9(2), there is no limit on the number of lots of these frequencies for which a person may bid in the Combined Auction.

Limits on frequency holdings

9.—(1) OFCOM must make provision in the regulations referred to in article 7(1) for the following.

- (2) As a result of the Combined Auction a person may not hold—
 - (a) a total of more than 40MHz in the 800MHz and 900MHz bands together; or
 - (b) a total of more than 180MHz in the 800MHz, 900MHz, 1800MHz, 2100MHz, and 2600MHz bands together.
- (3) In applying the levels set out in paragraph (2) no account shall be taken of the surrendering of any unpaired frequencies to OFCOM, or any other divestment of frequencies between the date this Order is laid and the Combined Auction, without the agreement of OFCOM.
- (4) If during the Combined Auction, a person holds or bids for frequencies which are more than the level set out in—
 - (a) paragraph (2)(a), then that person must commit to surrender spectrum in the 900MHz band in blocks of 2 x 5MHz to OFCOM in sufficient quantity to bring that person below the level set out in that paragraph if that bid is successful;
 - (b) paragraph (2)(b), then that person must commit to surrender contiguous paired spectrum in blocks of 2 x 5MHz in the 900MHz or 1800MHz bands or paired frequencies in the 2100MHz band (frequencies from 1920MHz to 1980MHz and 2110MHz to 2170MHz) to bring that person below the level set out in that paragraph if that bid is successful.

Minimum prices in the auction

10.—(1) For the purposes of the Combined Auction, OFCOM must require any winner of a licence covering frequencies set out in this article to pay an amount to OFCOM in respect of those frequencies that is no less than the following minimum prices.

- (2) In relation to surrendered frequencies in the 900MHz band, the minimum price per MHz must be 37.5% of the average final price per MHz of frequencies in the 800MHz band.
- (3) In relation to surrendered frequencies in the 1800MHz band, the minimum price per MHz must be 37.5% of the average final price per MHz of frequencies in the paired 2600MHz band.
- (4) In relation to surrendered frequencies in the 2100MHz band, the minimum price per MHz of spectrum must be 75% of the average final price per MHz of frequencies in the paired 2600MHz band.

(5) In this article “price per MHz” means the amount paid to OFCOM in respect of the frequencies in the 800MHz or paired 2600MHz bands as the case may be.

(6) In relation to frequencies in the 800MHz and paired 2600MHz bands, OFCOM must require any bid to be not less than the minimum price for that frequency set by HM Treasury.

Licences granted pursuant to the auction referred to in article 7(1)(a)

11. OFCOM must use their powers under section 9 of the Act to include in the licence granted pursuant to the auction referred to in article 7(1)(a) provision that—

- (a) the licensee is required to comply with the spectrum defragmentation process set out in Schedule 3;
- (b) the licence is granted for an indefinite period;
- (c) the licence is subject to revocation either for spectrum management reasons by OFCOM on not less than 5 years’ notice or otherwise in accordance with the licence. OFCOM may not give notice for spectrum management reasons in the first 15 years of such a wireless telegraphy licence.

Licences granted pursuant to the Combined Auction

12. OFCOM must use their powers under section 9 of the Act to make provision in licences granted pursuant to the Combined Auction or any subsequent auction for the matters set out in articles 13 to 17.

Surrender of licences

13. Where a person is required to surrender frequencies as a result of making a successful bid in the Combined Auction, OFCOM must require that person to surrender the licence for the surrendered frequencies within 2 years of the completion of the Combined Auction or of any subsequent auction in which that bid was a successful bid.

Conditions

14.—(1) In respect of licences for frequencies in the 900MHz, 1800MHz or 2100MHz bands which are granted pursuant to the Combined Auction or a subsequent auction, OFCOM must include provision that those licences will come into force in respect of those frequencies 2 years after the completion of the Combined Auction or of the subsequent auction as the case may be.

(2) In relation to each of the 800MHz, 900MHz, 1800MHz and 2600MHz licences granted pursuant to the Combined Auction or any subsequent auction those licences shall include provision that —

- (a) the licensee is required to comply with the spectrum defragmentation process set out in Schedule 3;
- (b) the licence is granted for an indefinite period;
- (c) the licence is subject to revocation either for spectrum management reasons by OFCOM on not less than 5 years’ notice or otherwise in accordance with the licence. OFCOM may not give notice for spectrum management reasons in the first 15 years of such a wireless telegraphy licence.

(3) Each of the 2100MHz licences granted pursuant to the Combined Auction or any subsequent auction must contain provision that—

- (a) the licensee must provide an electronic communications network that is capable of providing mobile telecommunications services to an area within which at least 90% of the population of the United Kingdom lives and with a 90% probability that users in outdoor locations within that area can receive the service with a sustained downlink speed of not less than 768kbps in a lightly loaded cell;

- (b) the licensee is required to comply with the spectrum defragmentation process set out in Schedule 3;
- (c) the licence is granted for an indefinite period; and
- (d) the licence is subject to revocation either for spectrum management reasons by OFCOM on not less than 5 years' notice, such notice not to be given before than 31st December 2016, or otherwise in accordance with the licence.

Retail service provisions

15.—(1) Each 800MHz licence granted pursuant to the Combined Auction or any subsequent auction must contain provision to ensure that within 1 year of those licences coming into force the licensee must provide an electronic communications service from a minimum of 750 sites, and must maintain that service for at least 1 year.

(2) Within 3 years after the relevant 800MHz licence comes into force, the licensee must provide and maintain an electronic communications network that is capable of providing mobile telecommunications services to an area within which at least 99% of the population of the United Kingdom lives and with a 90% probability that users in outdoor locations within that area can receive the service with a sustained downlink speed of not less than 1.5Mbps in a lightly loaded cell.

(3) In paragraph (2) “relevant 800MHz licence” means the licence specified by OFCOM for the purposes of the Combined Auction or any subsequent auction.

Wholesale access

16.—(1) OFCOM must ensure that licences referred to in this article which are granted pursuant to the Combined Auction or any subsequent auction make provision as follows.

(2) Where the licence covers at least 2 x 10MHz in the 900MHz band, the licensee must provide on request and on a wholesale basis in rural areas to any relevant network provider all the retail services it offers in rural areas using those frequencies.

(3) In the case of the relevant 800MHz licence referred to in article 15(2), the licensee must provide on request and on a wholesale basis in rural areas to any relevant network provider all the retail services it offers in rural areas using frequencies in the 800MHz band.

(4) Where by 31st March 2013 the only licence for the 800MHz band which is in force covers the highest frequency 2 x 10MHz of that band and is in force in relation to those frequencies and that licence allows those frequencies to be used in any part of the United Kingdom, the holder of that licence must provide at any time during the period in paragraph (5) on request and on a wholesale basis to a person with an 800MHz licence all the retail services it offers in the United Kingdom using those frequencies.

(5) The period during which the services must be provided on request is from 31st March 2013 until a date which is 6 months after all the 800MHz licences that have been granted pursuant to the Combined Auction or a subsequent auction have come into force in relation to those frequencies.

(6) The holder of an 800MHz licence that authorises the use of frequencies of at least 2 x 20MHz in the 800MHz band must provide at any time during the period in paragraph (7) on request and on a wholesale basis to any relevant network provider all the retail services it offers in any part of the United Kingdom using those frequencies.

(7) The period during which the services must be provided on request is from the date when the licence has come into force in relation to those frequencies and that licence authorises the use of those frequencies in any part of the United Kingdom to the later of 4 years from that date and the 1st January 2018.

Wholesale access: general

17.—(1) Where OFCOM varies an existing 900MHz licence or includes a condition in an 800MHz licence or a 900MHz licence granted pursuant to the Combined Auction or a subsequent

auction to require the licensee to provide a service on request and on a wholesale basis it must also include provision in relation to the following matters.

(2) The licensee must not limit the right of the person to whom a service is provided on a wholesale basis to sell any such service either on a wholesale or a retail basis.

(3) The licensee must in relation to the terms (including price) on which the service is to be provided—

- (a) use all reasonable endeavours to reach agreement within 6 months with the person who has requested the service; and
- (b) in the absence of agreement within that time, as soon as reasonably practicable, submit the matter to commercial arbitration and agree to be bound by the decision of the arbitrator.

(4) If the parties cannot agree on the identity of an arbitrator, then the licensee must accept an arbitrator appointed by OFCOM under article 18(3).

Role of OFCOM

18.—(1) OFCOM must use their powers under section 2 of the Act to designate that the 900MHz and 1800MHz bands may be used for both GSM and UMTS systems.

(2) OFCOM must use their powers under Part 2 of the Act to ensure compliance with the technical parameters in the Annex to the Decision.

(3) OFCOM must appoint an arbitrator to enable a resolution of a dispute if—

- (a) there is a dispute between persons in relation to wholesale access conditions or spectrum defragmentation conditions set out in a licence pursuant to this Direction, and
- (b) those persons are unable to agree on the identity of an arbitrator in their dispute.

Date

Name
Minister for Digital Media
Department for Business, Innovation and Skills

SCHEDULE 1

Article 3

Frequency bands

<i>Description of band</i>	<i>Frequency from</i>	<i>To</i>
800MHz band	791MHz	821MHz
	832MHz	862MHz
900MHz band	880MHz	915MHz
	925MHz	960MHz
1800MHz band	1710MHz	1781.7MHz
	1805MHz	1876.7MHz
2100MHz band	1900MHz	1980MHz
	2110MHz	2170MHz
paired 2600MHz band	2500MHz	2570MHz
	2620MHz	2690MHz

SCHEDULE 2

Article 3

European Telecommunications Standards Institute standards

<i>ETSI Number</i>	<i>Version</i>	<i>Title</i>
EN 301 502	V7.0.1 (2000-08)	Harmonized EN for Global System for Mobile communications (GSM); Base Station and Repeater equipment covering essential requirements under article 3.2 of the R&TTE directive (GSM 13.21 version 7.0.1 Release 1998)
	V8.1.2 (2001-07)	Harmonized EN for Global System for Mobile communications (GSM); Base Station and Repeater equipment covering essential requirements under article 3.2 of the R&TTE directive (GSM 13.21 version 8.1.2 Release 1999)
EN 301 511	V7.0.1 (2000-12)	Global System for Mobile communications (GSM); Harmonized standard for mobile stations in the GSM 900 and DCS 1800 bands covering essential requirements under article 3.2 of the R&TTE directive (1999/5/EC) (GSM 13.11 version 7.0.1 Release 1998)
	V9.0.2 (2003-03)	Global System for Mobile

		communications (GSM); Harmonized EN for mobile stations in the GSM 900 and GSM 1800 bands covering essential requirements under article 3.2 of the R&TTE directive (1999/5/EC)
EN 301 908-1	V1.1.1 (2002-01)	Electromagnetic compatibility and Radio spectrum Matters (ERM); Base Stations (BS) and User Equipment (UE) for IMT-2000 Third-Generation cellular networks; Part 1: Harmonized EN for IMT-2000, introduction and common requirements, covering essential requirements of article 3.2 of the R&TTE Directive
	V2.2.1 (2003-10)	Electromagnetic compatibility and Radio spectrum Matters (ERM); Base Stations (BS), Repeaters and User Equipment (UE) for IMT-2000 Third-Generation cellular networks; Part 1: Harmonized EN for IMT-2000, introduction and common requirements, covering essential requirements of article 3.2 of the R&TTE Directive
	V3.2.1 (2007-05)	Electromagnetic compatibility and Radio spectrum Matters (ERM); Base Stations (BS), Repeaters and User Equipment (UE) for IMT-2000 Third-Generation cellular networks; Part 1: Harmonized EN for IMT-2000, introduction and common requirements, covering essential requirements of article 3.2 of the R&TTE Directive
	V4.1.2 (2009-12)	Electromagnetic compatibility and Radio spectrum Matters (ERM); Base Stations (BS), Repeaters and User Equipment (UE) for IMT-2000 Third-Generation cellular networks; Part 1: Harmonized EN for IMT-2000, introduction and common requirements, covering the essential requirements of article 3.2 of the R&TTE Directive
EN 301 908-2	V1.1.1 (2002-01)	Electromagnetic compatibility and Radio spectrum Matters

		(ERM); Base Stations (BS) and User Equipment (UE) for IMT-2000 Third-Generation cellular networks; Part 2: Harmonized EN for IMT-2000, CDMA Direct Spread (UTRA FDD) (UE) covering essential requirements of article 3.2 of the R&TTE Directive
	V2.2.1 (2003-10)	Electromagnetic compatibility and Radio spectrum Matters (ERM); Base Stations (BS), Repeaters and User Equipment (UE) for IMT-2000 Third-Generation cellular networks; Part 2: Harmonized EN for IMT-2000, CDMA Direct Spread (UTRA FDD) (UE) covering essential requirements of article 3.2 of the R&TTE Directive
	V3.2.1 (2007-05)	Electromagnetic compatibility and Radio spectrum Matters (ERM); Base Stations (BS), Repeaters and User Equipment (UE) for IMT-2000 Third-Generation cellular networks; Part 2: Harmonized EN for IMT-2000, CDMA Direct Spread (UTRA FDD) (UE) covering essential requirements of article 3.2 of the R&TTE Directive
	V4.1.2 (2009-12)	Electromagnetic compatibility and Radio spectrum Matters (ERM); Base Stations (BS), Repeaters and User Equipment (UE) for IMT-2000 Third-Generation cellular networks; Part 2: Harmonized EN for IMT-2000, CDMA Direct Spread (UTRA FDD and E-UTRA FDD) (UE) covering the essential requirements of article 3.2 of the R&TTE Directive
EN 301 908-3	V1.1.1 (2002-01)	Electromagnetic compatibility and Radio spectrum Matters (ERM); Base Stations (BS) and User Equipment (UE) for IMT-2000 Third-Generation cellular networks; Part 3: Harmonized EN for IMT-2000, CDMA Direct Spread (UTRA FDD) (BS) covering essential requirements of

		article 3.2 of the R&TTE Directive
	V2.2.1 (2003-10)	Electromagnetic compatibility and Radio spectrum Matters (ERM); Base Stations (BS), Repeaters and User Equipment (UE) for IMT-2000 Third-Generation cellular networks; Part 3: Harmonized EN for IMT-2000, CDMA Direct Spread (UTRA FDD) (BS) covering essential requirements of article 3.2 of the R&TTE Directive
	V3.2.1 (2007-05)	Electromagnetic compatibility and Radio spectrum Matters (ERM); Base Stations (BS), Repeaters and User Equipment (UE) for IMT-2000 Third-Generation cellular networks; Part 3: Harmonized EN for IMT-2000, CDMA Direct Spread (UTRA FDD) (BS) covering essential requirements of article 3.2 of the R&TTE Directive
	V4.1.2 (2009-12)	Electromagnetic compatibility and Radio spectrum Matters (ERM); Base Stations (BS), Repeaters and User Equipment (UE) for IMT-2000 Third-Generation cellular networks; Part 3: Harmonized EN for IMT-2000, CDMA Direct Spread (UTRA FDD and E-UTRA FDD) (BS) covering the essential requirements of article 3.2 of the R&TTE Directive
EN 301 908-11	V2.3.1 (2004-10)	Electromagnetic compatibility and Radio spectrum Matters (ERM); Base Stations (BS), Repeaters and User Equipment (UE) for IMT-2000 Third-Generation cellular networks; Part 11: Harmonized EN for IMT-2000, CDMA Direct Spread (UTRA FDD) (Repeaters) covering essential requirements of article 3.2 of the R&TTE Directive
	V3.2.1 (2007-05)	Electromagnetic compatibility and Radio spectrum Matters (ERM); Base Stations (BS), Repeaters and User Equipment (UE) for IMT-2000 Third-Generation cellular networks;

		Part 11: Harmonized EN for IMT-2000, CDMA Direct Spread (UTRA FDD) (Repeaters) covering essential requirements of article 3.2 of the R&TTE Directive
	V4.1.2 (2009-12)	Electromagnetic compatibility and Radio spectrum Matters (ERM); Base Stations (BS), Repeaters and User Equipment (UE) for IMT-2000 Third-Generation cellular networks; Part 11: Harmonized EN for IMT-2000, CDMA Direct Spread (UTRA FDD and E-UTRA FDD) (Repeaters) covering the essential requirements of article 3.2 of the R&TTE Directive

SCHEDULE 3

Articles 4 and 14

The spectrum defragmentation process

1. The holders of 800MHz, 900MHz, 1800MHz, 2100MHz or 2600MHz licences must, in the first instance, negotiate with the other holders of licences in those bands the rearrangement of the frequency holdings so that each holder of a licence holds contiguous frequencies in those bands or agrees to no rearrangement.

2. The holders of those wireless telegraphy licences must conclude the negotiations on the rearrangement of frequencies within 45 working days of the completion of the Combined Auction.

3. OFCOM must approve spectrum trading arrangements between persons who hold licences authorising use of frequencies in these bands which have as their object the achievement of spectrum defragmentation.

4. If the holders of those licences are unable to agree on the rearrangement of frequencies in each band within the time limit set out in paragraph (2), then OFCOM must, within a reasonable time, determine the final arrangement of frequencies.

5. Frequencies must be rearranged as agreed pursuant to the process in this Schedule within 2 years of the completion of the Combined Auction.

6. Any dispute in relation to spectrum defragmentation matters other than those provided for above shall be referred by the parties to that dispute to commercial arbitration and the parties shall agree to be bound by the decision of the arbitrator.

EXPLANATORY NOTE

(This note is not part of the Order)

This Order gives a number of directions to the Office of Communications (OFCOM).

Part 1 of the Order contains general provisions. Article 2 states the purpose of the directions.

Part 2 of the Order contains directions to OFCOM to vary existing wireless telegraphy licences to include certain provisions, to amend regulations made by OFCOM in respect of spectrum trading and charges for the grant of a licence, and to make regulations to govern auctions of frequencies and impose certain provisions in certain licences granted pursuant to an auction.

Article 18 makes further directions to OFCOM in relation to their role.

This Order implements Directive 2009/114/EC of the European Parliament and of the Council of 16 September 2009 amending Council Directive 87/372/EEC on the frequency bands to be reserved for the coordinated introduction of public pan-European cellular digital land-based mobile communications in the Community (OJ L No 274, 20.10.2009, p. 25) and Commission Decision 2009/766/EC on the harmonisation of the 900MHz and 1800MHz frequency bands for terrestrial systems capable of providing pan-European electronic communications services in the Community (OJ L No 274, 20.10.2009, p. 32)

Copies of the ETSI standards referred to in this Order are available from The European Telecommunications Institute website <http://www.etsi.org/WebSite/Standards/Standard.aspx> or from The British Standards Institute (BSI), 389 Chiswick High Road, London, W4 4AL.

A full Impact Assessment and Transposition Note have been produced. Copies may be obtained from Information Economy, Department for Business, Innovation and Skills, 1 Victoria Street, London, SW1H 0ET.

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This draft Order supersedes the previous draft Order of the same title which was laid before Parliament on the 9th March 2010 and published on 12th March 2010. It is being issued free of charge to all known recipients of that Statutory Instrument

Draft Order laid before Parliament under section 6(4) of the Wireless Telegraphy Act 2006, for approval by resolution of each House of Parliament.

DRAFT STATUTORY INSTRUMENTS

2010 No. 0000

ELECTRONIC COMMUNICATIONS

**The Wireless Telegraphy Act 2006 (Directions to OFCOM)
Order 2010**

£5.50