
Award of the 700 MHz and 3.6-3.8 GHz spectrum bands

Process guidance for potential applicants and bidders
in the auction

GUIDANCE:

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1. Introduction

Revised guidance document published 4 November 2020

This version of the 'Process guidance for potential applicants and bidders' replaces the document we published alongside our statement on the 700 MHz and 3.6-3.8 GHz auction on 13 March 2020, and updates the revised document published on 3 August 2020, in response to comments from stakeholders. The document reflects adaptations to our processes in light of the Covid-19 pandemic. In most cases these changes are minor but are necessary to ensure the smooth conduct of the auction, taking account of social distancing and other health considerations.

The main areas of change from the August 2020 revised document are as follows:

- Paragraphs 1.5 and 1.6 and annex 6: potential impact of Covid-19;
- Paragraphs 2.2 to 2.13: details of our consideration of the application process;
- Paragraph 4.14: further details about provision of authentication information for the electronic auction system (EAS);
- Paragraphs 7.26 and 7.32: submission of adjacency agreements in the negotiation stage;
- Paragraph 7.26: potential impact of Covid-19 on the negotiation period.

This revised document is subject to further revision and modification if circumstances change before the start of the auction.

- 1.1 This document is designed to provide process guidance to potential applicants and bidders in the 700 MHz and 3.6-3.8 GHz auction ('the auction').
- 1.2 The rules of the auction are set out in the Wireless Telegraphy (Licence Award) Regulations 2020 ('the Regulations'). We published the draft final Regulations on 13 March 2020 and we have now made the Regulations, which can be found on legislation.gov.uk¹. The Regulations will come into force on 18 November 2020. On that date we will give formal notice of the date(s) for submission of applications to take part in the auction. We currently expect to accept applications from 2 December 2020.
- 1.3 The purpose of this document is to provide information about practical aspects of the auction that are *not* covered by the Regulations. To the extent that there is any contradiction between this document and the Regulations, the Regulations will prevail. Unless otherwise stated, terminology relating to the auction carries the same meaning in this document as in the Regulations. We are not attempting, in this guidance, to cover all possible events that could occur during the auction. We also cannot predict how facts and events will develop and change during the award process. Accordingly, you should note

¹ The Regulations will appear on legislation.gov.uk. A direct link to the document will be placed on the Ofcom auction webpage: www.ofcom.org.uk/auction

that we may depart from the guidance given in this document, if necessary. The document is intended only to set out our current intentions and expectations.

- 1.4 The document sets out indicative timings for each stage of the award process. However, all timescales included in the document are for guidance purposes only and are subject to change.
- 1.5 We strongly encourage bidders to ensure they have appropriate resilience and contingency measures in place. However, we are mindful that Covid-19 could result in some unforeseeable circumstances that may warrant Ofcom temporarily pausing the auction. If these circumstances arise, we will endeavour to be flexible in our response and not impose unreasonable requirements on affected bidders.
- 1.6 If a bidder is affected by such circumstances, it should inform the Ofcom auction team at the earliest possible opportunity. Ofcom will ask that bidder to provide written confirmation of its particular circumstances, which should be approved by an authorised person. To enable Ofcom to determine how to proceed quickly in these circumstances, we ask that bidders use the template questions set out in Annex 6 in the first instance.
- 1.7 If a lengthy pause (e.g. more than 1 day) may be required, Ofcom may ask that bidder to provide further evidence of its circumstances, in order to inform our decision on how to proceed.
- 1.8 We welcome early comments from parties considering participating in the auction if any aspects of the material published in this revised guidance document are unclear - or on particular issues in relation to which further guidance would be helpful. If necessary, we may publish amendments or updates to this guidance at a later date. Any such amendments or updates will be published on our website at: www.ofcom.org.uk/auction.
- 1.9 The website also includes a 'Q and A' which will be reviewed and updated as necessary as we proceed towards the auction.
- 1.10 The subjects covered in this document are as follows:
 - **Section 2** explains how applicants will be required to submit their application to participate in the auction.
 - **Section 3** provides information on bidder groups and on how we will carry out the qualification process.
 - **Section 4** explains how bidders will access the electronic auction system and use that system to bid in the auction.
 - **Section 5** explains the deposit requirements after qualification.
 - **Section 6** is concerned with the principal stage of the auction.
 - **Section 7** sets out details of the assignment and negotiation period of the auction.
 - **Section 8** provides an overview of the final stages of the auction.

 - **Annex 1** sets out our requirements for payments to Ofcom's bank.
 - **Annex 2** summarises how we envisage bidders/applicants and Ofcom will communicate before, during and after the auction.

Process guidance for potential applicants and bidders in the auction

- **Annex 3** provides illustrative templates for a principal stage and assignment stage form in the event that Ofcom authorises a bidder to submit the form.
- **Annex 4** provides illustrative templates for full and partial adjacency agreement forms for the negotiation period.
- **Annex 5** summarises our business continuity plans.
- **Annex 6** sets out a template for applicants and/or bidders for reporting any Covid-19 impacts during the auction.

2. Application

Main changes from the process adopted for previous auctions:

- We expect to receive applications electronically via email attachments only

- 2.1 Ofcom will inform potential applicants of the application day(s) once the Auction Regulations come into force. Details will be published on our website at: www.ofcom.org.uk/auction.
- 2.2 In light of the Covid-19 pandemic, and following feedback on previous versions of this guidance document, we intend to require applicants to submit application forms to Ofcom by email. While the Regulations do allow for the possibility for physical delivery, the Covid-19 pandemic means Ofcom now expects to accept applications only via email, following the procedure set out in the rest of this section. We intend to be open to receive applications over the course of two days, but strongly encourage applicants to submit their applications on the first day, to allow sufficient time to investigate any potential issues associated with electronic delivery.

Delivering an application

- 2.3 To apply for a licence, a body corporate must deliver certain things specified in the Regulations, using the delivery method specified by Ofcom. These will be:
- An application form containing:
 - the application information required by Schedule 2 of the Regulations;
 - the information about non-associates required by Regulation 4(3)(a)ii (see below); and
 - a warranty signed by two authorised persons.
 - Details of the existing spectrum holdings of the applicant and a number of related parties, as detailed in Regulation 4(3)(a)(iii).
- 2.4 The application form (including the warranty) and the document setting out which information is required by Schedule 3 of the Regulations will be available for download from Ofcom's website at: www.ofcom.org.uk/auction.
- 2.5 Ofcom will inform prospective applicants of the timings of the application day(s) and the method of delivery by publishing a Notice on our website. As set out above, our intention is to only accept applications delivered via email, and to receive applications over a period of two days.
- 2.6 In order to deliver an application to Ofcom, applicants should therefore email radiospectrum.award@ofcom.org.uk, with the information set out in paragraph 2.3 as email attachments, within the specified timings for the application day(s). Prospective applicants should send this email from their corporate email address.

- 2.7 These documents must be scanned pdf copies of the originally signed documents. Applicants should therefore secure original signatures on the documents set out in paragraph 2.3, and then provide Ofcom with scanned copies of these documents containing the original signatures.
- 2.8 We encourage applicants to password protect the pdf attachments to their emails and to leave the body of the email generic to ensure the confidentiality of their application to participate in our award process. Where an applicant has password protected its pdf attachments for its application, it should text the decryption password to a telephone number that Ofcom will make available for the application days. Applicants must ensure that the text message includes both the password and the name of the applicant. Ofcom will publish this telephone number on its website when formally notifying the date for the application day(s).
- 2.9 Ofcom will aim to confirm receipt of the email and associated attachments to prospective applicants within one hour of receiving the email and any relevant passwords between 10:00-16:00 on the application days. If we receive an application after 16:00 on day 1 of receiving applications, Ofcom will seek to confirm receipt of that email at the first opportunity on day 2. Ofcom will confirm receipt by responding to the email sent by the applicant. If a prospective applicant has not received confirmation within one hour of sending its email to radiospectrum.award@ofcom.org.uk, please call the telephone number that Ofcom will make available during the application days as set out in paragraph 2.8.
- 2.10 We will consider an application to be delivered if we have received an email with the documents set out in paragraph 2.3 attached, and any password required to unencrypt a password protected attachment, after the start and before the end of the specified period for receiving applications.
- 2.11 We therefore strongly encourage applicants to email their application form as early as possible within the period specified for receiving applications, ideally on the first day. This will help to ensure sufficient time for Ofcom and applicants to investigate any technical issues that might be affecting the sending or receiving of the email.
- 2.12 Ofcom will check any passwords provided to open the relevant attachments at the point that we receive an application email from a prospective applicant during the application day(s). However, we will not check the contents or validity of prospective applicants' applications at the point of delivery; nor prior to the end of the application day(s). It is the responsibility of each prospective applicant to ensure that their application email contains all of the documents and information required by the Regulations.

Initial deposit

- 2.13 The Regulations require applicants to pay an initial deposit of £100,000 into Ofcom's auction bank account before a specified deadline.² The deadline will be the end of the day

² Regulation 4(3)(b)

on last day on which applications are due to be delivered (i.e. midnight on day two of the application window). We will confirm the deadline on our website after the Regulations come into force alongside our notification of the date and times for submitting applications. It is the responsibility of the applicant to ensure the funds are with our bank in good time, and we would therefore encourage early payment.

- 2.14 These deposits will be refunded to the bank account from which the remittance is made if an application is withdrawn before the deadline for withdrawals, or if it is determined that the applicant is not qualified to bid. Refunds will be made at the earliest opportunity following the publication of the names of the bidders.
- 2.15 Bank details and other relevant information in relation to payment of the initial deposit are set out in annex 1 to this document.

The concept of ‘associates’

- 2.16 The Regulations require each applicant to provide information about each of its associates and details of the material interest that each associate holds in the applicant.
- 2.17 The Regulations define an associate as a person who has a ‘material interest’ in the applicant or bidder. ‘Material interest’ means, whether held directly or indirectly:
- any interest (construed in accordance with sections 820 to 825 of the Companies Act 2006) in:
 - any share which carries, or any shares which together carry, more than 25% of the votes entitled to be cast at a general meeting of the applicant or bidder (referred to below as the ‘25% rule’); or
 - any share or shares in the case of which 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
 - the right to appoint or remove a majority of the applicant’s or bidder’s board of directors.
- 2.18 We have set out in Figure 1 below an illustration of how the 25% rule applies. Please be aware that persons that are not associates under the 25% rule may still be associates if they satisfy the other limbs of the material interest test.

Figure 1: Illustration of the concept of material interest under the '25% rule'

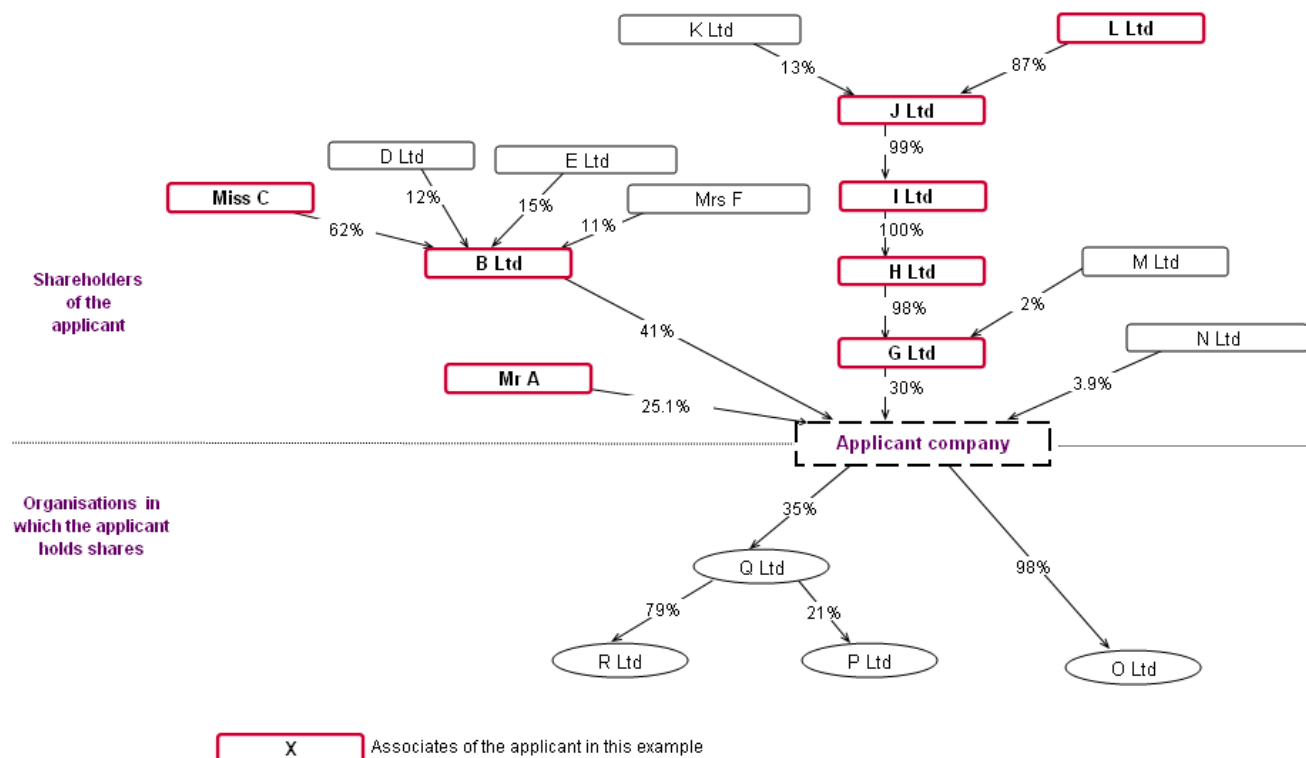


Figure 2: Table of example material interest under the '25% rule'

Associate	Material interest in Applicant company
Mr A	Directly holds 25.1%
B Ltd	Directly holds 41%
Miss C	Indirectly holds 25.4% (62% x 41%)
G Ltd	Directly holds 30%
H Ltd	Indirectly holds 29.4% (98% x 30%)
I Ltd	Indirectly holds 29.4 % (100% x 98% x 30%)
J Ltd	Indirectly holds 29.106% (99% x 100% x 98% x 30%)
L Ltd	Indirectly holds 25.32222% (87% x 99% x 100% x 98% x 30%)

Members of an applicant or bidder group who are not associates

- 2.19 Disclosure of confidential information of relevance to the auction to anyone who is not a member of the applicant or bidder's bidder group may mean that the applicant does not qualify to take part in the award or - if already qualified - may lose its deposit and may be excluded from the award. There are certain limited exceptions, such as disclosure to providers of finance for the purpose of raising funds for a bid.
- 2.20 Applicants should therefore consider including in their applicant or bidder group (in addition to associates) all organisations with whom they may have had or have discussions that may involve the disclosure of confidential information, including for example organisations providing advice to them in connection with the award (e.g. lawyers, auction experts, etc.).
- 2.21 In relation to each such person that an applicant wishes to join in its applicant group, an applicant must provide to Ofcom a document in the form set out in Schedule 3 to the Regulations. This document must be completed by the applicant and signed by two authorised persons on behalf of the applicant. It must also be completed by, and signed by or on behalf of, the person in respect of whom the document is completed.

Details of an applicant's existing spectrum holdings

- 2.22 Applicants must provide a document setting out the details of their existing spectrum holdings, together with the existing spectrum holdings of each member of its applicant group and a number of other related parties. This will be used by Ofcom to calculate each bidder's overall bid constraint.
- 2.23 In calculating a person's existing spectrum holdings, only the frequencies set out in Schedule 7 of the Regulations are relevant. Details of any other spectrum holdings do not need to be provided to Ofcom.
- 2.24 Applicants should note that, in relation to a particular applicant, the category of persons whose existing spectrum holdings are relevant may be broader than the applicant's group (which, as discussed above, comprises the applicant, associates of the applicant and any persons whose details are provided to Ofcom in the form set out in Schedule 3 to the Regulations). For example, whilst O Ltd, Q Ltd and R Ltd are not 'associates' of the applicant in Figure 1 above and so do not form part of the applicant's applicant group, their existing spectrum holdings would be relevant for the purpose of Regulation 4(3)(a)(iii) as they would be persons in whom the applicant has a material interest.

3. Qualification

- 3.1 We set out below an illustration of the timings we envisage for the qualification stage of the auction, based on the last day that we plan to receive applications being identified as Day 1. Figure 3 illustrates the likely timescale for the first part of the qualification stage between application day and the deadline for resolving any bidder overlaps.
- 3.2 After the deadline for resolving bidder overlaps has passed, Ofcom will make a final determination of whether or not applicants are qualified to bid, including confirmation that applicants are fit and proper bodies to hold licences. Figure 4 at the end of this section sets out the likely timescales between notification to bidders of our determination and publication on Ofcom’s website.
- 3.3 All schedules are subject to change depending on particular circumstances at the time, e.g. if clarification of information supplied is needed, but the illustrations are designed to give applicants a general idea of possible timelines.
- 3.4 Timings for other aspects of the pre-auction period are set out in other sections of this document. We note that some elements of the process occur simultaneously e.g. the pre-bidding applicant training (see section 4) overlaps with the qualification phase set out in Figures 3 and 4.

Figure 3: Illustrative timings for Qualification Stage (business days) from application day to deadline for resolving bidder overlaps. N.B. all time-lines are subject to change

Business days	Day 1	Day 2	Day 3	Day 4	Day 5	Day 6	Day 7	Day 8	Day 9	Day 10	Day 11	Day 12
	Applications submitted (based on final day for submission)	X										
Deadline for submitting application deposits	X											
Ofcom notifies each applicant of other applicants and their associates		X										
Final date for applicants to notify Ofcom of any bidder group overlaps						X						
Ofcom informs applicants of deadline to resolve bidder overlaps							X					
Deadline for bidder overlaps to be resolved												X

Identifying bidder group overlaps

- 3.5 We will send applicants a notice setting out the names of the other applicants and their associates. We expect to be able to send the notice on the business day after the last day that we receive applications.
- 3.6 Applicants will need to review the notice carefully to identify any member of their applicant group that is also a member of another applicant group, and notify us of any overlaps between its own and other applicant groups by the deadline. They will also need to notify the other applicant(s) with whom any overlap exists.
- 3.7 In parallel, we will consider whether it appears to us that there is any overlap in membership between applicant groups.
- 3.8 The notice will specify a deadline for applicants to respond to Ofcom. We would encourage responding as early as possible.

Resolution of applicant group overlaps

- 3.9 Where it appears to us that a member of one applicant group is also a member of another applicant group we will notify each applicant concerned and specify a deadline for notifying us of any change in circumstance such that overlaps are resolved (and for providing revised documents).
- 3.10 We expect that the deadline will be around four or five business days after we notify the applicants of the overlaps - although this will depend on the particular circumstances, and will be subject to Ofcom's discretion.
- 3.11 In a situation where applicant groups have common members, it is the responsibility of the applicants concerned to resolve the situation by the deadline that we set and to notify us of changes. If they do not, neither applicant will be qualified to bid.
- 3.12 Resolution may involve the common associate disposing of or reducing appropriately its material interest in one or both of the applicants concerned, or withdrawal by one or more of the applicants involved in an overlap.

Qualification and last day for withdrawal

- 3.13 In parallel with the above, we will consider whether each applicant is fit to hold a licence in accordance with regulation 10. As part of this process we may ask applicants to provide us with additional information or documentation. We may need to set a short deadline for the provision of such information or documentation. This will vary depending on the nature of the information or documentation requested and may be as little as one business day.
- 3.14 Following completion of this assessment and the deadline for resolution of any bidder overlaps, we will notify each applicant of our determination regarding qualification and of

the last day for withdrawal. The last day for withdrawal will be no earlier than the third business day after the notification.

- 3.15 We will also publish the identity of the qualified applicants and the deadline for withdrawal on our website.
- 3.16 We do not anticipate giving the notification of qualification before the second business day after the deadline for applicants to notify us of any overlaps in bidder groups. In the event that any overlaps are notified the notification of qualification will be later.
- 3.17 Applicants may withdraw from the award process on or before the last day for withdrawal (without losing their deposit for that reason) by sending us a notice to that effect signed by two authorised persons. We will notify withdrawals to all other applicants.
- 3.18 Where an applicant withdraws from the auction on or before the last day for withdrawal, or does not qualify to participate in the auction, Ofcom will refund to that applicant its initial deposit (but not any interest that has accrued on that deposit). We expect to make any such refunds at the earliest opportunity following the publication of the names of bidders. We anticipate that we will publish a final list of bidders on the business day following the last day for withdrawal.
- 3.19 An applicant may not withdraw from the award process after the last day for withdrawal. In order to receive a refund of any sums paid as a deposit following the last day for withdrawal, an applicant must participate in the award process as a bidder. This includes paying the additional deposit and specifying a valid bid in the first principal stage round (see regulations 15(3) and 21(7)).

Subsequent changes to bidder groups and existing spectrum holdings

- 3.20 Any subsequent changes to bidder groups, and any changes to existing spectrum holdings, must be notified to Ofcom in writing. We will determine what impact, if any, the changes have on the bidder's eligibility to participate in the auction and on its overall bid constraint.

Figure 4: Illustrative timings for second part of the Qualification Stage from notification to applicants of Ofcom determination to publication of the list of qualified bidders (business days)

Business days	Day 1	Day 2	Day 3	Day 4	Day 5
Ofcom notifies each applicant of qualification determination	X				
Publication on Ofcom’s website of names of qualified applicants	X				
Ofcom notifies each applicant of the last day for withdrawal	X				
Last day for withdrawal (by 17.00)				X	
Publication on Ofcom’s website of names of bidders					X

Communication between Ofcom and applicants

3.21 Communication by Ofcom to applicants during the qualification stage will normally be through email, using contact details supplied by the bidder with their applications. We ask that applicants always acknowledge receipt of any communications sent to them by Ofcom. Similarly, we undertake to acknowledge any communications received from applicants.

4. Pre-bidding

Overview of timings for this phase of the auction

4.1 We set out below an illustration of the timing we envisage for the pre-bidding phase of the auction, during which applicants/bidders will be able to familiarise themselves with our electronic auction system (EAS). As above, all timings are subject to change and final timings will depend on the particular circumstances at the time.

Figure 5: Illustrative timings for pre-bidding phase (business days)

Business days	Day 1	Day 2	Day 3	Day 4	Day 5	Day 6	Day 7	Day 8	Day 9	Day 10	Day 11	Day 12 etc.	As determined	+ one day	+ one day
Applications submitted	X														
Deadline for submitting application deposits	X														
Applicants issued with certificates for auction training software and bidder and auctioneer manuals		X													
Applicant self-training															
Last day for withdrawal														X	
Publication on Ofcom’s website of names of bidders															X
Ofcom provides each bidder with authentication information for use of electronic auction system plus manuals, passwords etc.															X
Electronic auction system available for bidders to log in															X

Electronic Auction System

4.2 Bidding in the auction will be conducted using an Electronic Auction System (EAS) hosted by DotEcon Ltd, unless in exceptional circumstances we agree to an alternative method of bidding. This section briefly explains:

- What training will be offered to bidders before the start of the auction;
- System requirements for the EAS; and
- What authentication information is required to use the EAS.

4.3 As explained in subsequent sections of this guidance, our intention is that rounds will take place or be notified between 09:00 and 17:30 on business days.

Training for applicants (using a training version of the EAS)

- 4.4 Following submission of applications and payment of initial deposits, Ofcom will provide details of how applicants may access a training version of the EAS that we will be using in the auction, and training bidder and auctioneer manuals setting out instructions for the use of the software. This will enable applicants to familiarise themselves with the bidding process and to conduct internal mock auctions and training with full autonomy (that is, without Ofcom's involvement).
- 4.5 Based on current indicative timelines, we will make the training EAS software certificates available on the day following receipt of applications, together with passwords for use of the software, as indicated in Figure 5 above. We will contact applicants using the contact details listed on their application forms with information on how to access the training software. Applicants will then be able to access the training EAS using the authentication information and training bidder and auctioneer manuals. This is intended to enable applicants to test their ability to login to the training EAS. Ofcom will be available to provide assistance if this is needed.
- 4.6 In addition to this self-training for *applicants*, there will be a later opportunity for *qualified bidders* to engage with some individual training prior to the start of the principal stage of the auction process.
- 4.7 This further training would be on the 'live' version of the EAS which will be used during the actual auction. It could include mock auctions conducted remotely using the EAS or include running specific parts of the auction and/or a rehearsal of processes, such as bidding by alternative means or the procedure for deposits.
- 4.8 Full information will be provided to bidders later in the process, including details of how to access the 'live' version of the EAS system to be used in the actual auction, and specific instructions regarding the distribution and/or collection of the authentication information for use of the EAS. These further details will only be provided to qualified bidders and so will not be made available until after the final date for withdrawal of applications.
- 4.9 We anticipate that users will be able to continue using the training version of the software for familiarisation purposes up until the start of the auction.

System requirements

- 4.10 The EAS will be accessible via a web browser. Bidders must use a web browser that supports TLS 1.2 and HTML5 to access the EAS. Support is provided for Edge, Firefox and Chrome. We recommend bidders use the most recent version available for each browser. The process and settings for installing and enabling the use of the digital certificates necessary to access the EAS depend on the combination of operating system and web browser being used. Full details will be included in the manuals issued to applicants after the submission of applications, and to bidders after the publication of the names of bidders.

- 4.11 To use the EAS, computers will need to be connected to the internet. A reliable broadband internet connection is required. Data traffic between computers and the EAS could be subject to congestion or service outages on the internet. It is therefore recommended that bidding decisions are submitted well within the deadlines.
- 4.12 We also strongly recommend that bidders have a back-up internet connection available in case of connectivity issues.
- 4.13 Bidders will be able to download bid history files from the EAS in .csv format throughout bidding stages of the auction.

Authentication information required to use the 'live' EAS

- 4.14 There are three pieces of security information that bidders require to access the 'live' EAS to be used in the auction. We will provide each of these pieces of information to bidders on the same day after the qualification period (we currently expect this to be two days after the final date for withdrawal of applications). We will provide further information closer to the relevant time about the means by which the information will be distributed to bidders, but we currently expect to distribute these authentication details electronically, using Ofcom's Managed File Transfer (MFT) system. We will provide each bidder with instructions on how to access MFT following the publication of the names of bidders.
- 4.15 The three pieces of security information provided to each bidder will be:
- digital certificates: the certification authority certificate and the client certificate;
 - a bidder-specific installation password for the digital client certificate; and
 - bidder-specific login details and password for the EAS (note that this is a different password to the one used for the client certificate).
- 4.16 It is each bidder's responsibility to ensure that this information is kept safe and secure so that no third party can try to impersonate them in the auction.
- 4.17 We anticipate that this information will become available to bidders within two business days after the last day for withdrawal.

Other Passwords

- 4.18 Ofcom will also provide bidders with a list of one-time passwords. These will not be used to access the EAS but for other purposes e.g. the submission of a bid by alternative method and proof of identification during a telephone conversation or email. These one-time passwords will be provided at the same time, and in the same manner as the security information.

5. Before the principal stage

Additional deposit

- 5.1 The Regulations provide for the payment of an additional deposit before the start of the principal stage. This deposit will be taken into account for the purpose of calculating each bidder's eligibility limit for the first round of the principal stage. The calculation of the eligibility limit is set out in the Regulations.
- 5.2 We anticipate giving notice of the requirement for an additional deposit before noon on the day following the last day for withdrawal of applications (Day 1 in Figure 6 below), with payment due by the end of the fifth full business day thereafter.
- 5.3 For example, if notice is given on a Monday, payment will be due on the following Monday. In practical terms, payment will need to be received in Ofcom's auction bank account by midnight. It is the responsibility of the bidder to ensure the funds are in place in our bank in good time, and we would therefore encourage early payment.
- 5.4 Bank details and other relevant information in relation to payment of deposits are set out in annex 1 to this document.
- 5.5 Once the additional deposit is received, we will inform bidders through the EAS of the eligibility points each bidder has acquired. We will also notify each bidder of its overall bid constraint, before notifying the date for the start of the principal stage. We will give a minimum of at least two days' notice between notification and the beginning of the first round of the principal stage.
- 5.6 If a bidder's additional deposit is not received by Ofcom by the deadline specified, that bidder will be excluded from the auction and not entitled to a refund of any sums which it has already paid.
- 5.7 We set out below an illustration of the timing we envisage for this phase of the auction. Please note the exact timing will depend on the particular circumstances at the time.

Figure 6: Illustrative timings before the start of the auction (business days)

Business days	Day 1	Day 2	Day 3	Day 4	Day 5	Day 6	Day 7	Day 8
Ofcom notifies each bidder of requirement to pay an additional deposit	X							
Ofcom provides each bidder with authentication information for use of EAS plus manuals, passwords etc.		X						
EAS available for bidders to log in		X						
Additional deposit due						X		
Notification of eligibility limit and overall bid constraint							X	
Notification of principal stage start date								X

6. Principal stage rounds

Main change from the process adopted for previous auctions:

- Submission of bids by alternative means – where necessary – will be via password protected attachment to an email, and not by fax.

- 6.1 The auction will be conducted by Ofcom in a secure location. We expect to schedule principal stage rounds in accordance with the following principles and, if appropriate, follow the indicative schedules provided in the tables below.
- a) We expect bidding will normally run from no earlier than 09:00 to no later than 17:30 on business days only.
 - b) We will give notice prior to the start of each round. We expect notice to be around 15 minutes.
 - c) The clock within the DotEcon system (EAS) will be the definitive time reference point.
 - d) The number of rounds that take place on any one business day may vary. Our current expectation is for an initial schedule of five rounds lasting 45 minutes each. This schedule includes fewer and longer rounds than indicated in the process guidance published on 13 March 2020. This is to help bidders to manage any potential additional process complexities due to the Covid-19 pandemic. If no such issues arise, and after taking account of comments from bidders, we expect to move to an alternative daily schedule of 7 x 30 minutes rounds after the first week of bidding. We also maintain a possibility of increasing the number of rounds further (9 x 15 minutes) if we consider this will benefit the smooth operation of the auction, subject to the agreement of all bidders.
 - e) We expect that each principal stage round will normally last 30-45 minutes. However, we reserve the right to run rounds with different durations if circumstances are such that a change would benefit the progress of the auction.
 - f) If we are inclined to vary the number or length of rounds from one day to the next, we will endeavour to give bidders at least one day's notice ahead of changing the day's bidding schedule, and provide an opportunity for bidders to make representations on the proposed revised schedule.
 - g) We will try to ensure there is a lunch break of approximately 60 minutes on each bidding day (and no less than 45 minutes) which will usually fall between 12:00 and 14:00.
 - h) The price increments we will use between rounds will be subject to Ofcom's discretion. However, our expectation is to use prices rounded in £1000s, and not to use increments greater than 20% or less than 2%. We also intend to limit the absolute price increase in each round in any lot category. We expect to limit the absolute price increase in 700 MHz FDD to £10m per lot, in 700 MHz SDL to £5m per lot, and in 3.6-

3.8 GHz to £2m per lot. We will also aim to minimise any abrupt changes in price increment, either in percentage points or in the absolute price increase, from round to round.

- i) We expect to schedule the first round of each day of principal stage bidding at the end of the previous day.

Figure 7: Illustrative scheduling for bidding in the principal stage rounds based on an initial schedule of 5 x 45 minutes rounds

Activity	Time
Notify round prices and schedule principal stage round 1	Previous Day
Start of principal stage round 1 (45 mins duration)	09:30
End of principal stage round 1	10:15
Release round 1 results	10:20
Notify round prices and schedule principal stage round 2 (15 mins notice)	10:30
Start of principal stage round 2 (45 mins duration)	10:45
End of principal stage round 2	11:30
Release round 2 results	11:35
Notify round prices and schedule principal stage round 3 (15 mins notice)	11:45
Start of principal stage round 3 (45 mins duration)	12:00
End of principal stage round 3	12:45
Release round 3 results	12:50
Notify round prices and schedule principal stage round 4 (60 mins notice)	13:00
Break for Lunch (60 mins)	13:00
Start of principal stage round 4 (45 mins duration)	14:00
End of principal stage round 4	14:45
Release round 4 results	14:50
Notify round prices and schedule principal stage round 5 (15 mins notice)	15:00
Start of principal stage round 5 (45 mins duration)	15:15
End of principal stage round 5	16:00
Release round 5 results	16:05
Message to bidders giving guidance of planned schedule for next day	16:15

Figure 8: Illustrative scheduling for bidding in the principal stage rounds based on a schedule of 7 x 30 minutes rounds

Activity	Time
Notify round prices and schedule 1st principal round of the day	Previous day
Start of 1st principal round of the day (30 minutes duration)	09:30
End of 1st principal round of the day	10:00
Release results	10:05
Notify round prices and schedule 2nd principal round of the day (15 mins notice)	10:15
Start 2nd principal round of the day (30 minutes duration)	10:30
End 2nd principal round of the day	11:00
Release results	11.05
Notify round prices and schedule 3rd principal round of the day (15 mins notice)	11.15
Start 3rd principal round of the day (30 minutes duration)	11:30
End 3rd principal round of the day	12:00
Release results	12.05
Notify round prices and schedule 4th principal round of the day (60 mins notice)	12.15
Break for Lunch	12:15 – 13:15
Start 4th principal round of the day (30 minutes duration)	13:15
End 4th principal round of the day	13:45
Release results	13.50
Notify round prices and schedule 5th principal round of the day (15 mins notice)	14.00
Start 5th principal round of the day (30 minutes duration)	14:15
End 5th principal round of the day	14:45
Release results	14:50
Notify round prices and schedule 5th principal round of the day (15 mins notice)	15:00
Start 6th principal round of the day (30 minutes duration)	15:15
End 6th principal round of the day	15:45
Release results	15.50
Notify round prices and schedule 7th principal round of the day (15 mins notice)	16.00
Start 7th principal round of the day (30 minutes duration)	16:15
End 7th principal round of the day	16:45
Release results	16.50
Message to bidders giving guidance of planned schedule for next day (start time)	17:00

Figure 9: Illustrative scheduling for bidding in the principal stage rounds based on 9 x 15 minutes rounds

Activity	Time
Notify round prices and schedule 1st principal round of the day (15 mins notice)	Previous day
Start of 1st principal round of the day (15 minutes duration)	09:30
End of 1st principal round of the day	09:45
Release results	09:50
Notify round prices and schedule 2nd principal round of the day (15 mins notice)	10.00
Start 2nd principal round of the day (15 minutes duration)	10:15
End 2nd principal round of the day	10:30
Release results	10.35
Notify round prices and schedule 3rd principal round of the day (15 mins notice)	10.45
Start 3rd principal round of the day (15 minutes duration)	11:00
End 3rd principal round of the day	11.15
Release results	11.20
Notify round prices and schedule 4th principal round of the day (15 mins notice)	11.30
Start 4th principal round of the day (15 minutes duration)	11:45
End 4th principal round of the day	12:00
Release results	12:05
Notify round prices and schedule 5th principal round of the day (60 mins notice)	12:15
Break for Lunch	12:15 – 13:15
Start 5th principal round of the day (15 minutes duration)	13:15
End 5th principal round of the day	13:30
Release results	13:35
Notify round prices and schedule 6th principal round of the day (15 mins notice)	13.45
Start 6th principal round of the day (15 minutes duration)	14:00
End 6th principal round of the day	14:15
Release results	14:20
Notify round prices and schedule 6th principal round of the day (15 mins notice)	14:30
Start 7th principal round of the day (15 minutes duration)	14:45
End 7th principal round of the day	15:00
Release results	15:05
Notify round prices and schedule 8th principal round of the day (15 mins notice)	15:15

Start 8th principal round of the day (15 minutes duration)	15:30
End 8th principal round of the day	15:45
Release results	15:50
Notify round prices and schedule 9th principal round of the day (15 mins notice)	16:00
Start 9th principal round of the day (15 minutes duration)	16:15
End 9th principal round of the day	16:30
Release results	16:35
Message to bidders giving guidance of planned schedule for next day (start time)	16.45

Submitting a principal stage form by alternative method

- 6.2 We recognise that in highly exceptional circumstances bidders may be unable to use the EAS for one or more rounds due to technical failure or an event or circumstance with similar effect to technical failure. In those circumstances, as set out in regulation 51, if on the evidence provided by bidders, Ofcom is satisfied that the bidder is for such reasons unable to submit a principal stage form, Ofcom will inform bidders that they may submit the form by an alternative method. Where bidders find that they are unable to use EAS to submit a principal stage form, they should contact us immediately by phone to explain why. They should confirm the reasons by email including a password protected attachment, providing evidence that is as clear and compelling as can reasonably be expected at the time.
- 6.3 Examples of such evidence include (but are not limited to) time-stamped screenshots, correspondence with in-house ICT departments, signed affidavits, evidence from Internet Service Providers, or server logs establishing that the bidder is experiencing a technical failure that is preventing it from using the EAS.
- 6.4 We will ask bidders to submit evidence urgently, particularly if the issue arises close to or after the start of a round. However, we acknowledge it may not be possible to submit all of the above examples immediately, particularly where businesses are affected by changes to their normal operations due to the Covid-19 pandemic. We will be sympathetic to genuine emergencies.
- 6.5 We note that, for security reasons, bidders should not communicate information in the body of an email or phone that could give an indication of potential bid decisions or any bid information they had access to as part of the bidding process.
- 6.6 After Ofcom has received evidence, we will take a decision as to whether the bidder may use the alternative method and will inform the bidder by phone or email of this decision. In extreme circumstances, we also have the option of extending a round or pausing the auction and re-running a round.
- 6.7 Our approval of an alternative method of submission depends on whether or not the condition in regulation 51 is met; that is, whether Ofcom is satisfied that the bidder was

unable to submit its principal stage form using the EAS because of technical failure or event or circumstance having similar effect.

- 6.8 A full, detailed account of the circumstances which led to a bidder being unable to use the EAS – signed by two authorised persons – must be submitted by email by a specified deadline. We expect this deadline will be within 24 hours of the event, but may be longer depending on circumstances at the time (e.g. if there were any particular constraints relating to Covid-19 restrictions that meant it would be impracticable for a bidder to provide this account within 24 hours). This should include in a single document the evidence of technical failure previously submitted and put in the relevant context, together with (to the extent this was not already and clearly covered) an account of steps taken prior to the technical failure to minimise the possibility of the bidder having to resort to alternative bid submission (such as through provision of back-up internet access); any of the pieces of evidence set out in paragraph 6.4 above that could not be supplied immediately, with an explanation of why immediate submission was not possible; and a clear identification of the events outside the bidder’s control that led to the failure.
- 6.9 In addition, and in principle, the later in the round that the bidder calls us, the greater the risk that we will not have enough time to authorise the use of the alternative method before the end of the round. Therefore, we encourage bidders to submit their principal stage forms using the EAS as soon as possible in the round, so that, if the need arises, there is enough time for the bidder to communicate a technical problem to Ofcom, and for us to authorise the use of the alternative method.
- 6.10 Should we authorise the use of the alternative method, we will send the following information by email.
- Notification of method to use;
 - A principal stage form, containing information relevant to the bidder, as a password protected email attachment. This form must be returned to Ofcom as a password protected email attachment. An illustrative template of this is included in annex 3;
 - The reference number of the one-time password for the bidder to authenticate the principal stage form;
 - A deadline for submission of the principal stage form (this may be later than the scheduled end of the round, if this is necessary).
- 6.11 Our preferred method of communication in these circumstances will be by email. Bidders should be aware that if we authorise the submission of a principal stage form by an alternative method, then that is the only method in which the bidder will be allowed to submit in that round. For the avoidance of doubt, a principal stage form may not be submitted using the EAS in those circumstances, even if that becomes possible after the alternative submission is authorised.
- 6.12 We note that a form submitted by the alternative method may be in respect of a new bid or bids; or a request that the bidder’s eligibility limit be carried forward to the next round.
- 6.13 If the principal stage form is incomplete or defective due to the manner of completion, regulation 52 will apply. Where the bidder submits a principal stage form that is not valid,

Ofcom will at the end of the principal stage round notify the bidder that its principal stage form is invalid and give the reasons why it is not valid, as set out in regulation 53. For the avoidance of doubt, a principal stage form submitted by alternative means will not be checked by Ofcom until after the end of the particular bidding round. It is the responsibility of the bidder alone to ensure the principal stage form is submitted correctly.

Deposit payments during the principal stage

- 6.14 Bidders may be required to have on deposit with Ofcom a sum of money to cover all, or part, of their financial exposure arising from the auction as it unfolds. Where the amount a bidder has on deposit is less than the bidder's financial exposure after the end of any principal stage round, Ofcom may notify the bidder that it is required to pay a further sum in pounds as a deposit.
- 6.15 The precise level of the further sum will be determined by Ofcom, but shall be no more than the difference between the amount the bidder already has on deposit and the bidder's highest financial exposure at the end of any previous principal stage round. We plan to notify bidders of the need to provide any such further sum to 'top up' their level of deposit at the start of the bidding day.
- 6.16 Broadly speaking, a bidder's financial exposure is the number of standing high bids held by the bidder at the end of the round multiplied by the round price or prices at which the bids were made in accordance with regulation 54.
- 6.17 We will notify bidders individually through the EAS when they need to 'top up' their level of deposit - and inform them of the minimum further sum required. This is detailed in regulation 54.
- 6.18 We will also notify bidders individually of the deadline for the receipt of the required 'top up' deposit. The deadline will usually be midnight the working day following notification. Funds to cover the required deposit must have been received into Ofcom's auction account by that deadline.
- 6.19 While Ofcom may notify bidders to 'top up' at any time, our intention is to only issue 'top up' deposit notices twice a week on designated days. We expect to issue these notices at the start of the day, before rounds begin. On these designated 'top up' days, we will notify all bidders whose highest financial exposure has exceeded their deposit level that they need to make a further payment, such that their deposit is equal to their highest financial exposure at the point of notification.
- 6.20 The first designated top up day will be the second day of bidding, while the second designated top up day will be the fourth day of bidding. We will then apply whatever days of the week these designated days fall on throughout the principal stage. This means that if bidding starts on a Tuesday, we would expect to issue top up deposit notices at the start of the bidding day on Wednesdays and Fridays throughout the principal stage. In the first week of bidding, we may ask some bidders to top up outside of these designated days (e.g.

on the third day of bidding), if we considered this to be in the interests of ensuring appropriate levels of deposit.

- 6.21 If a bidder fails to ensure sufficient funds are deposited on time it will be excluded from further active participation in the principal stage, that is, it will not be able to submit any further principal stage forms. However, such a bidder may still become a winning principal stage bidder if it holds standing high bids at the end of the last principal stage round, and such standing high bids then become winning bids lots at the end of the last principal stage round.
- 6.22 It is the responsibility of the bidder to ensure that funds are in place in our bank in good time. We ask that bidders inform us when a deposit has been made and provide us with details of their payments. We strongly encourage bidders to make all payments notified to them as early as possible after notification to ensure sufficient funds are in place well in advance of the deadline.
- 6.23 Alternatively, bidders may choose to lodge sufficient funds in excess of their minimum further sum required in Ofcom's auction account to cover any anticipated future requirements. We will refund any deposits placed by unsuccessful bidders - or sums placed on deposit by successful bidders in excess of the total auction sum payable for the licence(s) - in accordance with regulation 119.
- 6.24 Ofcom will endeavour to confirm receipt of payment to bidders shortly after the funds have arrived in our account during normal working hours, before the expiry of the deadline. However, it is Ofcom's understanding that payments made through CHAPS can take until 17:00 to be received in Ofcom's bank account. Accordingly, it may not be possible to provide the confirmation referred to above until after 17:00. If a bidder has not received confirmation that we have received their payment, the bidder should therefore contact us at 17.00 on the day that the payment is due.
- 6.25 Bank details and other relevant information in relation to payment of deposits are set out in annex 1 to this document.

Principal stage results

- 6.26 The principal stage of the auction will conclude when there is no 'round event', in accordance with regulation 23, (i.e. in the round in which no bidders submit valid bids, and no eligibility events occur). At that point, the auction process will cease for the day, and bidders will be informed that there will be no further rounds.
- 6.27 We anticipate that we will notify each bidder of the full principal stage results shortly before we publish the full results of the principal stage on our website. In accordance with Ofcom's normal approach for market sensitive information, publication will take place at 07:00 on the day following the conclusion of the principal stage.
- 6.28 Where a bidder is unsuccessful in the principal stage but has put funds on deposit with Ofcom (including, for example, the initial deposit, additional deposit and any further sums required during the principal stage) it shall be entitled to a refund of those sums. Refunds

will be made under Regulation 119 and will therefore be made after the grant stage has been completed.

Figure 11: Illustrative timeline for end of principal stage and start of assignment stage

Business days	Stage ends	Day 2	Day 3	Day 4	Day 5
Ofcom notifies bidders that the principal stage has ended	X				
Bidders notified of results of the principal stage		X			
Bidders notified of deadline for payment of required final principal stage deposit		X			
Ofcom publishes results on its website		X			
Notification of start of assignment stage and options for individual bidders		X			
Required final principal stage deposit due (by midnight)			X		
Assignment stage bidding					X

Required final principal stage deposits

- 6.29 As set out in the Regulations, winning bidders will be required to pay a final principal stage deposit, such that the amount that the bidder has on deposit is not less than the amount of the round price of that bidder’s winning principal stage bids (regulation 55).
- 6.30 We anticipate that the deadline for the payment of the required final principal stage deposit will be midnight on the day following publication of the results of the principal stage.

7. Assignment stage and negotiation period

Main changes from the process adopted for previous auctions:

- Submission of assignment stage bids by alternative means – where necessary – will be via password protected attachment to an email, and not by fax;
- Details of the auction negotiation period.

- 7.1 We plan to give bidders notice of the date and schedule for the assignment stage of the auction shortly after we publish the results of the principal stage. This will be done through the EAS. We will also notify each individual bidder of their assignment stage options through the EAS.
- 7.2 We anticipate there will be three clear business days between the end of the principal stage (i.e. after we have published the principal stage results on the website) and the start of the assignment stage bidding round.
- 7.3 We anticipate that the assignment stage round will last four hours and will be scheduled some time between 09:30 and 17:30 on the day of bidding (unless extended in accordance with the Regulations). We invite potential bidders' views on the length of this window.
- 7.4 Only bidders who have provided Ofcom with the required final principal stage deposit will be allowed to submit bids for their assignment stage options. If a bidder has not provided Ofcom with the relevant deposit, the bidder will be deemed to have submitted a bid of zero for each of its assignment stage options.

Submitting an assignment stage form by alternative method

- 7.5 We recognise that in highly exceptional circumstances, bidders may be unable to use the EAS to submit their assignment stage form due to technical failure or an event or circumstance with similar effect to technical failure. In those circumstances, as set out in regulation 79, if on the evidence provided by bidders, Ofcom is satisfied that the bidder is for such reasons unable to submit an assignment stage form, Ofcom will inform bidders that they may submit the form by an alternative method.
- 7.6 As is the case during the principal stage, where bidders find that they are unable to use EAS to submit an assignment stage form, they should contact us immediately by phone to explain why. They should confirm the reasons by email, providing evidence that is as clear and compelling as can reasonably be expected at the time. Examples of such evidence include (but are not limited to) time-stamped screenshots, correspondence with in-house ICT departments, signed affidavits, evidence from Internet Service Providers, or server logs establishing that the bidder is experiencing a technical failure that is preventing it from using EAS. We will ask bidders to submit evidence urgently, particularly if the issue arises close to or after the start of the round. We currently consider it unlikely that we will authorise the use of alternate means without such evidence.

- 7.7 We note that, for security reasons, bidders should not communicate information in the body of an email or by phone that could give an indication of potential bid decisions.
- 7.8 After Ofcom has received evidence, we will take a decision as to whether the bidder may use the alternative method and will inform the bidder by phone or email of this decision. In extreme circumstances, we also have the option of extending the assignment stage round or pausing the auction and re-running the round
- 7.9 Our approval of an alternative method of submission depends on whether or not the condition in regulation 79 is met; that is, whether Ofcom is satisfied that the bidder was unable to submit its assignment stage form using the EAS because of technical failure or event or circumstance having similar effect.
- 7.10 A full, detailed account of the circumstances which led to a bidder being unable to use the EAS – signed by two authorised persons – must be submitted to Ofcom within 24 hours of the event. This should include in a single document the evidence of technical failure previously submitted and put in the relevant context, together with (to the extent this was not already and clearly covered) an account of steps taken prior to the technical failure to minimise the possibility of the bidder having to resort to alternative bid submission (such as through provision of back-up internet access); any of the pieces of evidence set out in paragraph 7.6 above that could not be supplied immediately, with an explanation of why immediate submission was not possible, and a clear identification of the events outside the bidder’s control that led to the failure.
- 7.11 In addition, and in principle, the later in the round that the bidder calls us, the greater the risk that we will not have enough time to authorise the use of the alternative method before the end of the round. Therefore, we encourage bidders to submit their assignment stage forms using the EAS as soon as possible in the round, so that, if the need arises, there is enough time for the bidder to communicate a technical problem to Ofcom, and for us to authorise the use of the alternative method.
- 7.12 Should we authorise the use of the alternative method, we will send the following information by email:
- Notification of method to use;
 - An assignment stage form, containing information relevant to the bidder, as a password protected email attachment. This completed form must be returned to Ofcom as a password protected email attachment. An illustrative template of this is included in annex 3;
 - The reference number of the one-time password for the bidder to authenticate the assignment stage form;
 - A deadline for submission of the assignment stage form.
- 7.13 Our preferred method of communication in these circumstances will be email.
- 7.14 Bidders should be aware that if we authorise the submission of an assignment stage bid by an alternative method, then that is the only form in which the bidder will be allowed to submit a bid in the assignment stage. For the avoidance of doubt, a bid may not be

submitted using the EAS in those circumstances even if that becomes possible after the alternative submission is authorised.

- 7.15 We note that if the assignment stage form is incomplete or defective due to the manner of completion, regulation 80 will apply.

Required assignment stage deposit

- 7.16 We will notify bidders of the deadline for paying a further deposit in respect of the assignment stage as specified in regulation 81. We expect to notify bidders of this deadline during the morning of the assignment stage round, and this deadline to be midnight the day after the assignment stage round takes place.
- 7.17 The deposit must cover the sum of the highest bid submitted for a 700 MHz paired frequency assignment stage option, the highest bid submitted for a 700 MHz individual frequency assignment stage option, and the highest bid submitted for a 3.6-3.8 GHz assignment stage option (together with the required final principal stage deposit). Bidders must ensure that they pay the required sum by the deadline, otherwise, in accordance with the Regulations, all of their submitted assignment stage bids will be invalid and the bidder will consequently be deemed to have submitted a bid of zero for each of the assignment stage options available to it.
- 7.18 We note that it is only when the deadline for payment of the required assignment stage deposit has passed that we will be able to determine which winning principal stage bidders have made winning assignment stage bids. Only bidders that have paid their required assignment stage deposit may enter into adjacency agreements in the negotiation period for the 3.6-3.8 GHz band.

Negotiation period

- 7.19 Following the passing of the deadline for the payment of the required assignment stage deposit, Ofcom shall notify winning principal stage bidders of 3.6-3.8 GHz spectrum that they have an opportunity to participate in a negotiation period to determine their assignments in the 3.6-3.8 GHz band, under regulation 84. The notice will include a deadline by which winning bidders must respond to Ofcom confirming that they wish to participate in the negotiation period, if that is the case.
- 7.20 Following the deadline specified in the notice under regulation 84, if fewer than two winning 3.6-3.8 GHz bidders have confirmed they wish to participate, Ofcom will notify each winning 3.6-3.8 GHz bidder that there will be no negotiation period, and proceed to determine the assignment stage outcome using the bids.
- 7.21 If at least two winning bidders have confirmed they wish to participate in the negotiation period, Ofcom shall notify all winning 3.6-3.8 GHz bidders of the details of the negotiation period. Ofcom will also publish the expected timings for the negotiation period on our website. This is set out in regulation 85.

- 7.22 Bidders may enter into either a ‘full adjacency agreement’ or ‘partial adjacency agreement’ during the negotiation period. A ‘full adjacency agreement’ is one where all winning 3.6-3.8 GHz bidders have unanimously agreed the precise frequencies to be assigned to winning bidders in the 3.6-3.8 GHz band. A ‘partial adjacency agreement’ is one where a subset of winning bidders have agreed to receive adjacent assignments but not the precise frequencies to be assigned.
- 7.23 Each winning 3.6-3.8 GHz bidder may only be party to one adjacency agreement. Only winning bidders that have paid their assignment stage deposit will be able to enter into an adjacency agreement.
- 7.24 Any company may participate in the negotiation period, although only winners of 3.6-3.8 GHz spectrum may enter into an adjacency agreement. This means it would be possible for winners of 3.6-3.8 GHz spectrum to include any existing licence holder of 3.4-3.8 GHz spectrum in negotiations to discuss potential post-auction trades, regardless of whether they have won any spectrum in the award. However, any full or partial adjacency agreement can necessarily only relate to the assignment of frequencies in the 3.6-3.8 GHz band.
- 7.25 The negotiation period will have up to two phases, and is envisaged to last up to four weeks in total:
- a) During the first phase, which we expect to last up to three weeks, bidders may only submit to Ofcom ‘full adjacency agreement forms’.
 - b) During the second phase (if any), which we expect to last a week, bidders may submit either ‘full adjacency agreement forms’ or ‘partial adjacency agreement forms’.³
- 7.26 Before we set the dates for the first and second phase of the negotiation period we will take into account any potential impact on negotiations of the prevailing Covid-19 situation. We want to ensure bidders have enough time to engage in meaningful discussions and we will have this in mind when determining a timetable. However, we currently think it unlikely that we would extend the period of the second phase - except in extreme circumstances or in the event of significant changes to the Covid-19 situation during the negotiation period. For an adjacency agreement to be valid, as set out in regulations 86 and 87, each bidder that is party to the agreement must individually submit a completed adjacency agreement form (signed by two authorised persons), using the method notified to bidders by Ofcom in the relevant phase of the negotiation period. .
- 7.27 The content of the table in the forms submitted by each party to an adjacency agreement must be the same, in order for the agreement to be valid. Each bidder may only submit one adjacency agreement form during each phase of the negotiation period. Regulation 93 sets out that, for the avoidance of doubt, where a bidder submits more than one adjacency agreement form in a phase of the negotiation period, Ofcom will only take into account the

³ Where a unanimous agreement is not possible due to a winning bidder of 3.6-3.8 GHz having not met the deadline for the required assignment stage deposit or for any other reason, Ofcom would expect to adjust the lengths of the first and second phases of the negotiation period accordingly.

- first form delivered for the purpose of determining whether there is a valid adjacency agreement.
- 7.28 If Ofcom has received a full adjacency agreement form from all bidders before the notified end date for the first phase, then Ofcom will close the first phase of the negotiation period early, as set out in regulation 95.
- 7.29 If there is a valid full adjacency agreement after the end of the first phase, then there will not be a second phase and Ofcom will notify all principal stage winners of that fact.
- 7.30 If there is no valid full adjacency agreement at the end of the first phase, then Ofcom will notify all principal stage winners that there shall be a second phase of the negotiation period. Ofcom will confirm and publish on our website the timing for the second phase of the negotiation period. Any forms submitted in the first phase shall not be taken into account for the purpose of determining whether there are any valid adjacency agreements in the second phase. This means that a bidder must submit a new form in the second phase (whether for full or partial adjacency agreement), if it wishes to enter into an adjacency agreement.
- 7.31 Ofcom has no active involvement in the negotiation period of the auction, other than receiving the completed forms, and determining whether there are any valid adjacency agreements.
- 7.32 It is currently envisaged that the adjacency forms must be delivered to Ofcom electronically via email. Ofcom expects to accept scanned copies of original documents as pdf email attachments with password protection. These scanned pdf copies should be of the documents with original signatures. . We will confirm to bidders the method of submission for adjacency agreement forms under regulation 85, at the same time as notifying bidders of the timing of the negotiation period. Templates for forms to notify Ofcom of either full or partial adjacency agreements are included in schedules 8 and 9 of the Auction Regulations. We have also set out illustrative completed forms in annex 4.
- 7.33 During the negotiation period, any non-urgent communication to Ofcom’s auction team should be via email using the email address provided to qualified bidders. If bidders have an urgent query during this period, they should contact Ofcom’s auction team during the following time periods: 09:00-10:00; 13:00-14:00; 16:00-17:00, using the email or phone number provided.
- 7.34 No information about any of the results of assignment stage bidding – either in the 700 MHz or 3.6-3.8 GHz bands - will be notified to bidders before the completion of the negotiation period of the auction.

Confidential information and exclusion rules during the negotiation period

- 7.35 Certain rules under the Regulations regarding exchange of confidential information between bidders will not apply during the negotiation period (regulation 122(2)).
- 7.36 Ofcom is not able to pre-determine whether bidders’ actions during the negotiation period would constitute collusion or other grounds for exclusion under the auction regulations.

We also note that all bidding, including negotiations, must be compliant with competition law.

- 7.37 However, the negotiation period is envisaged as being part of the award process, as opposed to something that may materially affect or distort the outcome of the award process. We therefore do not expect that participating in negotiations or entering into a valid full or partial adjacency agreement would, in and of itself, constitute grounds for exclusion under the Regulations.
- 7.38 We also note that any information exchanged between bidders during the negotiation period takes place after, and therefore cannot affect, the submission of principal stage bids and assignment stage bids.
- 7.39 Ofcom will use appropriate judgement in applying the relevant regulations to the negotiation period. We encourage all prospective bidders to seek their own legal advice to ensure that their behaviour during the auction, including the negotiation period, is compliant with general competition law, as well as the Regulations.

Figure 12: Illustrative timeline for the period from the deadline for payment of final assignment stage deposits to the start of the negotiation period

Business days	Day 1	Day 2	Day 3	Day 4	Day 5
Deadline for payment of final assignment stage deposit	X				
Notification of opportunity to participate in negotiation period and deadline for confirmation of intention		X			
Deadline for winning principal stage bidders to notify Ofcom of intention to participate in negotiation period			X		
Notification that negotiation period will go ahead (or notification that it will not)				X	
Negotiation period begins					X

8. Final auction results

- 8.1 Following conclusion of the negotiation period (if any), we will determine the outcome of the assignment stage and proceed to the grant stage of the auction in which licences authorising use of spectrum in the 700 MHz and 3.6-3.8 GHz bands are actually awarded.

Procedure where a bidder's deposit is less than its total auction sum

- 8.2 A bidder's total auction sum will be calculated in accordance with regulation 114 and then notified to the relevant bidder.
- 8.3 Where the amount that a bidder has on deposit with Ofcom is less than its total auction sum, Ofcom will provide that bidder with a notification which requires it to pay the additional amount by a specified deadline.
- 8.4 If the bidder pays the additional amount by the deadline specified by Ofcom, Ofcom will proceed to grant to that bidder all of the licences that it has won under the award process. We will publish the verified results on Ofcom's website following the grant of all the licences.
- 8.5 If the bidder still does not have the total auction sum on deposit after the deadline specified by Ofcom, it will not be entitled to the grant of any licences under the award process and will also not receive a refund of any sum which it has paid as a deposit. That bidder will also remain liable to pay the amount which is the difference between its total auction sum and the amount it has on deposit.

Procedure where a bidder's deposit is equal to or exceeds its total auction sum

- 8.6 If the total deposit held by us is equal to or greater than the winning bidder's total auction sum, we will grant licences to that bidder.
- 8.7 For any bidder which has deposited more than its total auction sum with Ofcom, we will also refund the difference calculated in accordance with regulation 119 following the grant of licences.
- 8.8 We will refund any monies owed to bidders i.e. deposits placed by unsuccessful bidders, and sums placed on deposit by successful bidders in excess of the total auction sum payable for the licence(s). No interest will be paid to bidders with respect to sums deposited. Refunds will be made at the earliest opportunity. The auction results will not be published until all refunds have been paid.

Completion of the award process

- 8.9 After granting the licences, Ofcom will publish the results of the auction on its website, together with details of the bid decisions made by all the bidders during the principal stage of the auction.
- 8.10 Publication will include details of which bidders (if any) have entered into agreements with each other during the negotiation period – plus any results determined by the EAS and verified by Ofcom.
- 8.11 We anticipate that we will notify each bidder of its own outcome shortly before publication. In accordance with Ofcom’s normal approach for potentially market sensitive information, we expect publication to take place at 07:00 on the day following the grant of the licences.
- 8.12 We will publish all data in respect of the 700 MHz spectrum assignment, including details of assignment stage bids. However, no assignment bid data will be published about the 3.6-3.8 GHz band, in order to preserve commercially sensitive valuations which may affect future spectrum trades.

A1. Payment of deposits and other sums

- A1.1 Any payments required to be made to Ofcom by way of deposit or otherwise should be made by electronic bank transfer ensuring the payment meets the deadline. This annex provides details of the bank account and other relevant information regarding such payments.
- A1.2 If these details change at any time, amended details will be published on Ofcom's website and, where possible, notified to applicants and/or bidders.
- A1.3 Funds must be deposited into Ofcom's auction account by the end of the day specified in notices. In practical terms, this means the funds need to be in place before midnight.
- A1.4 After the auction has concluded, any excess funds placed on deposit in Ofcom's auction account – i.e. funds not subsequently required for payment in connection with the auction - will be returned to bidders. Any interest earned on deposits will be paid to HM Treasury.

Bank account details

- A1.5 The bank account details for payment of deposits are as follows:
- a) Bank: Lloyds Bank
 - b) Account name: Office of Communications
 - c) Account number: 00741379
 - d) Sort code: 309790
 - e) BIC number: LOYDGB21351
 - f) IBAN number: GB 43 LOYD 3097 9000 7413 79
 - g) Swift address: LOYDGB2L
- A1.6 Payment details must include information which identifies the applicant or bidder. This is a requirement of the Regulations. Ofcom's preference is for all payments to Ofcom to be made in GBP from one bank account, but this does not necessarily have to be in the name of the applicant or bidder. The details of this bank account should be provided on the application form.
- A1.7 It is the bidder or applicant's responsibility to ensure that the bank they choose to use sends the money by electronic transfer to the correct account as set out above, and that it is received by Ofcom's bank by the deadline specified by Ofcom. Bidders and applicants are strongly advised to check with their own banks to ascertain when the transfer of money into the CHAPS system must be made to ensure it is received by Ofcom by the deadline specified by Ofcom (i.e. before midnight, UK time).
- A1.8 Bidders or applicants using non-UK banks should take their own advice as to the steps they will need to take to make payments by the relevant deadlines. They may wish to consider

transferring an appropriate sum to a UK bank in advance and then arrange the transfer into Ofcom's bank account with that UK bank.

A1.9 Where Ofcom is refunds an applicant or bidder in accordance with the Regulations, Ofcom will pay such refunds to the bank account from which the original payment came.

Information identifying the bidder or applicant

A1.10 It is a requirement of the Regulations that the electronic transfer contains information which identifies the bidder or applicant. Accordingly, bidders must ensure that their banks include information to accompany the electronic transfer which clearly identifies that the payment has been made on behalf of the bidder.

A1.11 After a bidder or applicant has instructed their bank to make the payment, they should send as a password protected email attachment to Ofcom using the email provided to qualified bidders regarding the payment:

- Remitting bank account name
- Remitting bank account number
- Remitting bank sort code
- Remitting International Bank Account Number (IBAN) – where appropriate
- Date of payment instruction
- Time of payment instruction
- Beneficiary account number (Ofcom's auction account number)
- Beneficiary sort code (Ofcom's bank's sort code)
- Amount
- Unique payment number, or an equivalent unique payment reference number
- Payment reference (should be used to identify the bidder)

A1.12 A suggested form is set out at the end of this chapter. It is Ofcom's understanding that a bidder or applicant can request its bank to provide it with a form or receipt containing this information when it instructs the bank to make the payment.

Charges for transfers

A1.13 It is the bidder or applicant's responsibility to meet any charges associated with the transfer of the funds such that the correct sum is received in Ofcom's bank account. This will include checking not only for any charges levied by the bidder or applicant's own bank, or any other corresponding bank involved in the transfer, but also any charges levied by Ofcom's receiving bank (Lloyds) – see further paragraphs below.

Transfer from a UK bank

A1.14 In the case of payments made from UK banks, Ofcom can confirm that its bank (Lloyds Bank) will not charge a fee for receiving electronic payments using the CHAPS system unless the issuer specifically requires that charges associated to the transaction are covered by the receiving bank, i.e. Ofcom's bank (Lloyds Bank). It is the bidder or

applicant's responsibility – not Ofcom's – to ascertain what fees may be required. Where the issuer requires that charges are paid by Ofcom's bank, bidders or applicants must ensure that they adjust the amount transferred accordingly.

- A1.15 Separately, bidders or applicants' banks (the remitting banks) are likely to charge for the transfer and it is the bidder or applicant's responsibility to meet those charges in such a way that the correct sum is transferred to Ofcom's bank account.

Transfer from a non-UK bank

- A1.16 In the case of payments from non-UK banks, Ofcom's bank (Lloyds Bank) will levy a small charge for receiving such payments unless the remitting bank undertakes to pay all charges for the transaction. It is the bidder or applicant's responsibility – not Ofcom's – to ascertain what fees may be required at the time of transaction. Accordingly, any bidder or applicant who chooses to use a non-UK bank to pay a deposit must take this position into account when paying the deposit and ensure that the correct sum is transferred to Ofcom's bank account.
- A1.17 Separately, bidders and applicants' banks (the remitting banks) are likely to charge for the transfer and it is the bidder or applicant's responsibility to meet those charges in such a way that the correct sum is transferred to Ofcom's bank account.

Deposit payment form

To:	
-----	--

Remitting Account Details	
Account Name:	
Account Number:	
Sort Code:	
IBAN Number:	

Payment Details				
Date		Amount	Unique Payment	Payment Ref
Instructed	Time Sent	(GBP)	Number (UPN)	(bidder name)

Contact Name	
--------------	--

A2. Communications between Ofcom and applicants/bidders

General information for applicants and bidders

- A2.1 Information will be placed on the auction page of Ofcom's website – see www.ofcom.org.uk/auction.

Communications

- A2.2 Where no confidential information is involved while the auction is in progress, our preferred method of communication outside of the EAS is via email. However, any urgent communication may be by phone.

Contacting Ofcom

- A2.3 Unless otherwise stated, all urgent communication should be by phone, followed up immediately in some cases, and as specified by Ofcom, by email (such as for making a bid in the auction by alternative means).
- A2.4 Unless otherwise stated, the following contact details should be used by bidders to contact Ofcom during the Auction.

Phone

- A2.5 Qualified bidders will be notified of a phone number to contact the Auction Team during the bidding stages. There will be no facility for leaving voice messages. Instead, an automated voicemail reply will advise of other means to contact us. However, we will seek to answer the phone promptly during business hours and to prioritise availability of suitable Ofcom colleagues to address bidders' queries or concerns (including any decisions as needed).
- A2.6 At times we may ask for a specific one-time password from the issued list of passwords to ensure that we are speaking to a representative of the relevant bidder.

Email

- A2.7 All emails sent by applicants/bidders should be addressed to: radiospectrum.award@ofcom.org.uk unless informed otherwise.
- A2.8 Please make sure that the subject given identifies the email as relating to the 700 MHz and 3.6-3.8 GHz Award.

Address

- A2.9 Specific details in relation to the delivery of documents to apply for a licence are set out in section 2 of this guidance document. For other instances, we expect communicate with bidders over email.
- A2.10 We do not expect to receive physical delivery of documents from applicants or bidders during the auction. However, if you wish to deliver something physically to us during the auction, please contact the Auction Team via email first so that appropriate arrangements can be made. Any physical documents should be marked for the attention of Gideon Senensieb unless specified otherwise, and hand delivered to Ofcom's offices at Riverside House, 2a Southwark Bridge Road, London SE1 9HA. The person making the delivery should come to the main reception and ask for Gideon Senensieb or the specified alternative and should personally give the delivery to him or one of his colleagues in the Auction Team. If you choose to use a courier to make any deliveries you should ensure that the courier is aware of these particular requirements.

Contacting applicants/bidders

- A2.11 If we need to contact an applicant or bidder during the auction process in any way other than through the EAS, we will use the contact details provided in that bidder's application form.
- A2.12 If you wish to change any of these contact details, or include additional contact details, you should notify the amended or additional contact details to us in writing, signed by two authorised persons.
- A2.13 If you provide the names of more than one authorised contact, we may use any one of those contacts at any given time. Where the contact is by email we will endeavour to copy the email to the other authorised individuals.

A3. Forms for alternative means of submitting bid decisions (indicative)

- A3.1 Below we provide an illustration of the form we will use to allow the submission of bid decisions by alternative means in the principal stage of the auction. We expect to email this form to bidders as a password protected attachment.
- A3.2 For clarification, the following corresponds to the information notified to bidders before each principal stage round:
- Date of round, scheduled start of round and scheduled end of round: regulation 45(a);
 - Eligibility limit in round: regulation 45(d);
 - Eligibility events available (start of round): regulation 45(c);
 - Round price in current round: regulation 45(b);
 - Overall bid constraint is defined with reference to regulation 18;
 - The following corresponds to information notified to bidders after the end of each principal stage round:
 - Standing High Bids (SHB) at the end of the most recent round: as per regulation 46(1)(b);
 - Round price of SHB: regulation 46(1)(c);
 - Excess demand in most recent round (MHz): regulation 46(1)(g), 46(1)(h) and 46(1)(i).
- A3.3 Note that while all the information which is listed under regulation 45 (notice to be given to bidders before each principal stage round) is included in the principal stage form, not all the information which is listed under regulation 46 (notification of information to bidders after the end of each principal stage round) is included. For instance, the bidder's financial exposure after the end of the most recent round is not included. For that reason, we strongly recommend that bidders download the principal stage round history file and save relevant Notices from the EAS as soon as the round results are processed. If they are unable to do so, bidders should inform Ofcom when they request the use of the alternative means.

700 MHz and 3.6 - 3.8 GHz Award

Principal stage form for alternative method of submission



Important - please note

This is a notification from Ofcom pursuant to Regulation 51. It is being made on the basis that Ofcom is satisfied that you are unable to submit a principal stage form by using the electronic auction system (EAS) because of technical failure (or an event or circumstances with similar effect on your ability to use the EAS).

This notification contains:

- (i) details of the alternative method of submission (and requirements relating to the authentication of communications made by means of that alternative method) with which you must comply in order to submit a principal stage form in this principal stage round;
- (ii) a principal stage form for this round; and
- (iii) the information that Ofcom was required to notify to you before the start of this round, pursuant to Regulation 45. You may have already received this information via the EAS, but it has been included in this notification for completeness.

You must submit the completed form to Ofcom by email to the email address stated below

You must include on the form all EIGHT characters of the one-time password identified below.

Please note that under the Regulations, having been provided with this notification, you **MUST** submit your principal stage form by means of this alternative method and **NOT** by means of the EAS. Any principal stage form submitted by you by using the EAS in this principal stage round will not be valid.

Information provided by Ofcom

Bidder name	Bidder 1
Bidder's contact person	Contact Bidder 1
Form to be returned to:	xxxx@ofcom.org.uk
Principal Stage Round number	1
Date of round	DD/MM/YYYY
Scheduled start of round	XX:XX
Scheduled end of round	XX:XX
Eligibility limit in round	52
Eligibility events available (start of round)	3
Overall bid constraint (MHz)	200 MHz
Password number to use	X


Information to be completed by Bidder 1								
Please refer to annex 4 of the bidder guidance for instructions on how to fill in the form								
Lot Type	Lot size	Eligibility points per lot	Lots available	Bidder 1 SHBs	Round Price of SHB	Excess demand in most recent round less than (MHz)	Round Price in current round	Number of new bids
700 MHz Paired	10 MHz	4	6	0	N/A	N/A	£100,000,000	
700 MHz Individual	5 MHz	1	4	0	N/A	N/A	£1,000,000	
3.6 GHz	5 MHz	1	24	0	N/A	N/A	£20,000,000	
Please specify, in words, your bid decisions for this round:								
Indicate if you want to use an eligibility event with a "YES"								
Enter all EIGHT characters of password here ->								
Please return this form by email to Ofcom at xxxx@ofcom.org.uk								

A3.4 To fill in the principal stage form with their bid decisions in the round, bidders should follow the guidance below:

- If they wish to submit new bids, they should specify the *number* of principal stage bids for 700 MHz paired frequency lots, 700 MHz individual frequency lots, and/or for 3.6-3.8 GHz lots it wishes to make in that round under “Number of New Bids”. If they do not wish to submit new bids in one or more lot types, they should either write “NNB” (for No New Bids) in the relevant field, or leave it blank;
- If they wish to use an eligibility event they should indicate that decision by indicating “YES” in the box.
- They should also specify, in words, their bid decisions for the round under “Please specify, in words, your bid decisions for this round”.
- Finally, they should indicate the eight-character password in the cells next to “Enter all EIGHT characters of password here”.

A3.5 The form must be emailed back to Ofcom with password protection.

A3.6 An illustration of the form we will use for submission of bids by alternative means in the *assignment* stage is set out below.

<p>700 MHz & 3.6-3.8 GHz Award Assignment stage bid form for alternative method of submission</p>															
<p>Important - please note</p> <p>This is a notification from Ofcom (pursuant to Regulation 79(1)) of an alternative method of submitting the assignment stage bid form and requirements relating to the authentication of communications made by this means. This notification is being made on the basis that Ofcom is satisfied that you are unable to submit an assignment stage bid form by using the electronic auction system because of technical failure (or an event or circumstance with similar effect on your ability to use the electronic auction system).</p> <p>You must submit the completed form to Ofcom by email to email address stated below.</p> <p>You must include on the form all EIGHT characters of the one-time password identified below.</p> <p>Please note that under Regulation 79(2), having been provided with this notification, you MUST submit your assignment stage bid form by means of this alternative method and NOT by means of the electronic auction system. Any assignment stage bid submitted by you by using the electronic auction system will not be valid.</p>															
<p>Information provided by Ofcom</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%; padding: 5px;">Bidder name</td> <td style="border: 1px solid black; text-align: center; padding: 5px;">Bidder 1</td> </tr> <tr> <td style="padding: 5px;">Bidder's contact person</td> <td style="border: 1px solid black; text-align: center; padding: 5px;">Bidder 1 contact</td> </tr> <tr> <td style="padding: 5px;">Form to be returned to</td> <td style="border: 1px solid black; text-align: center; padding: 5px;">xxxx@ofcom.org.uk</td> </tr> <tr> <td style="padding: 5px;">Date of round</td> <td style="border: 1px solid black; text-align: center; padding: 5px;">DD/MM/YYYY</td> </tr> <tr> <td style="padding: 5px;">Scheduled start of round</td> <td style="border: 1px solid black; text-align: center; padding: 5px;">XX:XX</td> </tr> <tr> <td style="padding: 5px;">Scheduled end of round</td> <td style="border: 1px solid black; text-align: center; padding: 5px;">XX:XX</td> </tr> <tr> <td style="padding: 5px;">Password number to use</td> <td style="border: 1px solid black; text-align: center; padding: 5px;">X</td> </tr> </table>		Bidder name	Bidder 1	Bidder's contact person	Bidder 1 contact	Form to be returned to	xxxx@ofcom.org.uk	Date of round	DD/MM/YYYY	Scheduled start of round	XX:XX	Scheduled end of round	XX:XX	Password number to use	X
Bidder name	Bidder 1														
Bidder's contact person	Bidder 1 contact														
Form to be returned to	xxxx@ofcom.org.uk														
Date of round	DD/MM/YYYY														
Scheduled start of round	XX:XX														
Scheduled end of round	XX:XX														
Password number to use	X														

A4. Adjacency agreement forms

Full adjacency agreement form

- A4.1 To complete a full adjacency agreement form, each winner of 3.6-3.8 GHz spectrum should complete the form set out in schedule 9 of the regulations by populating the text in square brackets, and the table in the form.
- A4.2 An example of a completed full adjacency agreement form is below, for an illustrative ‘Bidder A’. The text that should be populated by bidders has been highlighted. This is a purely illustrative example, which assumes four winning bidders of 3.6-3.8 GHz spectrum (A, B, C, D), that have each won 30 MHz. These four winning bidders wish to be assigned spectrum in the order, from lowest to highest frequency block: C, B, A, D.

SCHEDULE 9

Regulation 2

Full adjacency agreement form

Bidder A is party to a full adjacency agreement as construed in accordance with regulation 82 of the Wireless Telegraphy (Licence Award) Regulations 2020.

The parties to the agreement are **Bidder A, Bidder B, Bidder C, and Bidder D**.

Bidder A has agreed with the other parties to the agreement (which are named in the table below) that the party named in column 3 of each row of the table should be assigned the numbered 3.6 GHz lots specified in column 1 of the same row of the table, in respect of the frequencies specified in the same row in column 2.

Where in any row in the table the box provided for a name in column 3 is left blank the parties agree that the relevant numbered 3.6 GHz lot in column 1 is not to be assigned to any bidder.

Table

<i>3.6 GHz lot</i>	<i>Frequencies</i>	<i>Name of bidder</i>
3.6 GHz lot 1	3680-3685 MHz	Bidder C
3.6 GHz lot 2	3685-3690 MHz	Bidder C
3.6 GHz lot 3	3690-3695 MHz	Bidder C
3.6 GHz lot 4	3695-3700 MHz	Bidder C
3.6 GHz lot 5	3700-3705 MHz	Bidder C
3.6 GHz lot 6	3705-3710 MHz	Bidder C
3.6 GHz lot 7	3710-3715 MHz	Bidder B
3.6 GHz lot 8	3715-3720 MHz	Bidder B
3.6 GHz lot 9	3720-3725 MHz	Bidder B
3.6 GHz lot 10	3725-3730 MHz	Bidder B
3.6 GHz lot 11	3730-3735 MHz	Bidder B
3.6 GHz lot 12	3735-3740 MHz	Bidder B
3.6 GHz lot 13	3740-3745 MHz	Bidder A
3.6 GHz lot 14	3745-3750 MHz	Bidder A
3.6 GHz lot 15	3750-3755 MHz	Bidder A
3.6 GHz lot 16	3755-3760 MHz	Bidder A
3.6 GHz lot 17	3760-3765 MHz	Bidder A
3.6 GHz lot 18	3765-3770 MHz	Bidder A
3.6 GHz lot 19	3770-3775 MHz	Bidder D
3.6 GHz lot 20	3775-3780 MHz	Bidder D
3.6 GHz lot 21	3780-3785 MHz	Bidder D
3.6 GHz lot 22	3785-3790 MHz	Bidder D
3.6 GHz lot 23	3790-3795 MHz	Bidder D
3.6 GHz lot 24	3795-3800 MHz	Bidder D

[Bidder A original authorised signature 1]

[Bidder A original authorised signature 2]

Partial adjacency agreement form

- A4.3 To complete a partial adjacency agreement form, each winner of 3.6-3.8 GHz that wishes to be party to the agreement should complete the form set out in schedule 8 of the regulations by populating the text in square brackets, and the table in the form.
- A4.4 An example of a completed partial adjacency agreement form is below, for an illustrative 'Bidder B'. The text that should be populated by bidders has been highlighted. This is a purely illustrative example, which assumes there are three winning bidders of 3.6-3.8 GHz spectrum that wish to enter into a partial adjacency agreement (A, B, C). These three winning bidders wish to be assigned spectrum in the order, from lowest to highest frequency block: C, A, B.

SCHEDULE 8

Regulation 2

Partial adjacency agreement form

Bidder B is party to a partial adjacency agreement as construed in accordance with regulation 83 of the Wireless Telegraphy (Licence Award) Regulations 2020 ("the Regulations")

The parties to the agreement are **Bidder A, Bidder B, and Bidder C**



Bidder B has agreed with the other parties to the agreement that each party should be assigned wireless telegraphy licences for blocks of 3.6 GHz lots to be awarded under the Regulations which, when considered together form a single block (such that the quantity of 3.6 GHz lots contained in the block which is to be assigned to each party is equal to the number of that party's winning principal stage bids of 3.6 GHz lots).

The bidders that are party to the partial adjacency agreement are listed below in the order (from lower to higher frequencies) in which they wish to be assigned blocks of 3.6 GHz lots.

The party to be assigned the lowest frequency block of 3.6 GHz lots is named in row number 1.

The party to be assigned the highest block of 3.6 GHz lots in the highest numbered row used.

The order of any parties to be assigned frequency blocks which lie in between the lowest frequency block and highest block are set out in the numbered rows in between row number 1 and the highest numbered row used.

Table

	<i>Bidder name</i>
1	Bidder C
2	Bidder A
3	Bidder B
4	
5	
6	
7	
8	
9	
10	

Bidder B hereby makes the additional required bids referred to in regulation 87 and 88 of the Regulations. These bids are a bid of zero pounds for every possible block (as defined in the Regulations) of numbered 3.6 GHz lots (as defined in the Regulations) in which the number of 3.6 GHz lots contained in the block is equal to the number of that bidder's winning principal stage bids for 3.6 GHz lots (as defined in the Regulations).

[Bidder B original authorised signature 1]

[Bidder B original authorised signature 2]

A5. Business continuity

- A5.1 We have drawn up a business continuity plan for circumstances in which it is not possible for Ofcom to conduct (or continue) the auction from the primary auction location. This annex sets out how the business continuity plan will affect applicants/bidders.

Application day

- A5.2 If delivery of applications is not feasible due to technical issues, or if Riverside House is inaccessible to the Ofcom auction team, we may decide to postpone the application day and reschedule for a later date(s).

During the auction

- A5.3 In the event that Ofcom's ability to conduct the auction becomes compromised for any reason, we can pause the auction until it can be resumed in due course. If an auction round is underway, we will allow the round to end, if possible, before pausing. We will then make a decision on whether we need to re-run the round which may depend on, for instance, whether all bidders were able to submit their bid decisions via EAS.
- A5.4 Once the auction operation is re-established, we expect that there would be no noticeable differences for bidders, except possibly the use of different telephone numbers. These will be notified to bidders if that is the case. There may also be a different location for delivery of any physical items, should this be necessary. The alternative location will be notified to bidders.

Communications

- A5.5 Where no confidential information is involved while the auction is in progress, our preferred method of communication outside of the EAS is via email. However, any urgent communication may be by phone.

A6. Reporting Covid-19 impacts to Ofcom

- A6.1 If an applicant or bidder has been affected by the Covid-19 pandemic, such that its ability to continue to participate in the award has been impacted, Ofcom asks that it completes the questions outlined below to enable us to assess the situation and make an initial decision on how to proceed.
- A6.2 Please email your response as an email attachment to these questions to the Ofcom auction team. Your response should be signed by an authorised person.
- A6.3 If a lengthy pause (e.g. more than 1 day) may be required, Ofcom may ask for further evidence of that applicant or bidder's circumstances to inform our decision on how to proceed.
- A6.4 The Ofcom auction team will treat the information provided as confidential.

Questions
1. What issues are you experiencing?
2. How will the issue identified affect your ability to proceed in the auction?
3. If during the principal stage, will the issues you've identified affect your ability to bid in the current or next round?
4. As a result of the issue you're experiencing, are you requesting a change to one of the deadlines issued under the Regulations?
5. Can you provide a brief description of any mitigating actions you have implemented, and will be implementing going forwards, to reduce the risk of this issue arising?
6. If you are requesting a pause in auction activities, what is the minimum length of time you will need to resolve the issues you are experiencing?

- A6.5 If you wish, you may also add additional information or supporting evidence (e.g. Business Continuity Planning documents, relevant internal communications, etc).