
Proposed annual licence fees for 10 GHz, 28GHz and 32GHz spectrum

Update

UPDATE:

Publication date: 8 December 2022

Closing date for responses: 12 January 2023

1. Update regarding our proposed annual licence fees for 10 GHz, 28 GHz and 32 GHz spectrum

Purpose of this update

- 1.1 In July 2022 we published our [Consultation](#) which set out proposals for the annual licence fees applicable to 10 GHz, 28 GHz and 32 GHz spectrum. The Consultation closed on 27 September 2022. We received [seven responses](#) to the Consultation.
- 1.2 One respondent (BT) identified that there were duplicate entries in the input data for the model we published alongside our Consultation (“the **Model**”)¹. The purpose of the Model was to:
 - a) help us determine an appropriate multiplier for the fee algorithm, which we used when reaching a provisional view on the level of national fees; and
 - b) help us calculate the proposed regional 28 GHz licence fee, having provisionally identified the level of the national fees.
- 1.3 In light of BT’s response, we have reviewed the Model and confirmed that it contained some duplicate entries. This was caused by an error in the computer script we used to collate licensing information from our database and provide input to the Model. This error led to an overstatement of the number of fixed links in Ofcom-assigned bands. We have carried out further checks on the input data and identified that existing confidential fixed links in the frequency bands had not been included in our Model².
- 1.4 We have since corrected the input data in the model so as to remove the duplicate entries and include confidential fixed links. We have also updated the input data in the model from May 2022 to November 2022.
- 1.5 The purpose of this Update is to:
 - restate the number of fixed link licences in Ofcom-assigned bands (which were used as inputs to our Model), with duplicate entries removed and confidential links included; and
 - restate the proposed regional 28 GHz licence fees from our Consultation, using the national fees proposed in our Consultation together with the restated fixed link licence numbers referred to above³.

¹ A copy of the Model published alongside our July 2022 Consultation is available at:

https://www.ofcom.org.uk/_data/assets/excel_doc/0023/241754/10-28-32-GHz-ALF.xlsx

² We publish information on the licences held in the bands mentioned in this update, unless the licence falls under a number of limited exceptions. For more information, see our page on “Release of information relating to radio spectrum under the Environmental Information Regulations (EIR): <https://www.ofcom.org.uk/spectrum/information/nondisclosure>

³ Whether, and if so to what extent, the revised fixed link licence numbers should affect national fees (and by extension, regional 28 GHz fees) is a matter of interpretation, rather than a direct calculation. We have therefore not restated the national fees as part of this update.

1.6 We invite stakeholders to consider this Update and provide further comment to their Consultation responses if they wish.

Restated figures

Inputs to our calculations: number of fixed link licences (restated)

1.7 The proposed methodology in our Consultation uses observed usage rates in Ofcom-assigned bands to estimate how many times a specific frequency in each band could be used across the country. The errors set out above affected these observed usage rates. Table 1 below restates the figures with the corrected data, using the same format as in Table 3.1 in our Consultation⁴. Each cell in the table shows the highest observed usage rate for a given frequency band and channel width. The highlighted cells show the highest use rate for that particular band (across all channel widths).

Table 1 – Highest use rates (number of fixed links licences issued by Ofcom) in Ofcom-assigned bands, as of 9 November 2022

Channel Width	Frequency Band				
	13 GHz	15 GHz	23 GHz	26 GHz	38 GHz
3.5 MHz	24	214	2	140	6
7 MHz	187	241	279	276	157
14 MHz	126	105	76	21	51
28 MHz	229	172	207	59	89
56 MHz	136	158	193	27	232

Data in Table 1 is from Ofcom’s Wholesale Telecom Register, dated 9 November 2022. Our methodology to find the highest use rates is the same as published with our Consultation and only the input data has been changed.

1.8 The numbers above incorporate all three changes to the input data used in our Model:

- the removal of duplicate fixed link licences;
- the inclusion of confidential fixed link licences; and
- the use of more recent licensing data (from November 2022).⁵

1.9 For completeness, and to help readers better understand the impact of the changes in numbers of fixed links referred to above, the table below sets out the numbers of fixed links licences in Ofcom-assigned bands in 2016, and in May and November 2022.

⁴See page 15 in our July 2022 Consultation https://www.ofcom.org.uk/__data/assets/pdf_file/0021/241752/alf-10-28-32-ghz-condoc.pdf

Table 2 – Number of fixed links licences – changes over time

Frequency (GHz)	June 2016	May 2022 (corrected)	November 2022	Change from May 2022 to November 2022	Change from June 2016 to May 2022
13	6,653	4,995	5,494	10%	-25%
15	5,819	5,344	4,941	-8%	-8%
23	7,630	4,397	4,533	3%	-42%
26	5,785	2,598	2,304	-11%	-55%
38	12,189	3,386	3,144	-7%	-72%

Regional 28 GHz fees – indicative restatement

1.10 Tables 3, 4 and 5 below show how the updated inputs shown in Table 1 above would affect 28 GHz regional and location-specific fees, and the totals per licensee, based on the national fees proposed in our Consultation. In these tables, by “original ALF” we mean the proposed fees as presented in our Consultation.

Table 3 – Proposed 28 GHz regional ALFs (indicative restatement)

Regions	Original ALF per 2 x 1 MHz	Revised ALF per 2 x 1 MHz	Change
Region A:	£352.24	£448.57	27%
Region B:	£427.61	£388.74	-9%
Region C:	£313.19	£300.27	-4%
Region D:	£280.00	£263.20	-6%
Region E:	£344.43	£323.76	-6%
Region F:	£168.70	£182.07	8%
Region G:	£293.27	£275.68	-6%
Region H:	£139.41	£131.05	-6%
Region I:	£490.87	£484.91	-1%
Region J:	£338.18	£323.76	-4%
Region K:	£250.71	£353.13	41%
Region L:	£686.13	£644.96	-6%
Region M:	£403.79	£373.69	-7%
Region N:	£87.47	£82.23	-6%

Table 4 - Proposed 28 GHz location specific ALFs (indicative restatement)

Location	Original ALF per 2 x 1 MHz	Revised ALF per 2 x 1 MHz
a radius of 5km around Crawley Court, Hampshire with NGR SU 421 349	£2.69	£2.53
a radius of 2 km around Morn Hill, Hampshire with NGR SU 516 292	£0.43	£0.40
a radius of 4 km around Brookmans Park, Hampshire with NGR TL 260 049	£1.72	£1.62
a radius of 2 km around Chalfont Grove, Buckinghamshire with NGR SU 983 917	£0.58	£0.55
a radius of 5 km around Bedford Teleport, Bedfordshire with NGR TL 036 610	£0.81	£0.87
a radius of 4 km around Whitehill, Oxfordshire with NGR SP 487 186	£1.72	£1.62

Table 5 – Proposed total ALFs payable for 28 GHz spectrum (indicative restatement)

Licensees	Spectrum holdings	Original total ALFs	Revised total ALFs	Change
Arqiva	2 x 224 MHz (National licence) 2 x 112 MHz (Region A + 6 locations)	£1,066,257	£1,076,964	1.00%
Telefonica	2 x 112 MHz (Region A,B,C, I,L,N)	£264,041	£263,163	-0.33%
UK Broadband	2 x 112 MHz (National licence + Region D,E,F,G,H,K,M)	£721,324	£723,899	0.36%
Vodafone	2 x 112 MHz (Region B,C,D,E,F,G,H,I,K,L,M) and 2x224 MHz (Region J)	£501,140	£489,324	-2.36%

1.11 We are still considering responses to our Consultation and we have not reached a final decision on the level of either national or regional fees. Our decision on the level of fees applicable to 10, 28 and 32 GHz spectrum will take into account the revised and updated numbers in this document, along with responses to the Consultation and this further update.

Next steps

- 1.12 Please provide any comments on this Update by **5pm on Thursday 12 January 2023**.
- 1.13 Stakeholders should be advised that we no longer expect to publish our Statement in January but will aim to publish in the first quarter of 2023.