



**Response to Ofcom's  
Call for Input:  
Strengthening the  
UK's radio spectrum  
regulatory framework  
for innovation**

# Introducing VodafoneThree

In June 2025, Vodafone UK and Three UK merged to become VodafoneThree. This is the start of an exciting new chapter in UK communications, allowing citizens and consumers to benefit from a market-leading operator with the scale, resources and innovative spirit to deliver game-changing connectivity for the UK.

The merger is boosting the UK's terrestrial mobile coverage and facilitating the launch of innovative services. We are therefore a prime user of Ofcom spectrum innovation licences. However, conversely, requests for innovation licences frequently seek to use spectrum which is licensed for commercial usage by VodafoneThree.

To find out more about VodafoneThree, our brands and how we are building the United Kingdom's best network, visit: [Building the UK's Best Network | VodafoneThree](#)

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# Executive summary

VodafoneThree welcomes Ofcom's review of spectrum licensing for wireless innovation. As both a frequent applicant for Innovation and Trial licences and an incumbent licensee regularly consulted on third-party proposals, we support a regime that enables experimentation while protecting existing services and preserving Ofcom's discretion over long-term spectrum policy. The current framework is broadly effective; our recommendations are therefore targeted improvements rather than a case for fundamental reform.

## Our principal recommendations

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- **Replace the artificial split between Innovation & Research and Demonstration & Trial licences** with a single Innovation & Trial licence capable of supporting technical, friendly-user and beta testing. Limited charging of trial users should be permitted where participation is clearly identified as temporary and experimental.
- **Retain an initial maximum term of 12 months for test licences**, but allow straightforward extensions where technical parameters are unchanged and prior coordination has established that continued operation is acceptable.
- **Introduce risk-based, lighter-touch processing for demonstrably low-risk applications**, while ensuring that affected incumbent licensees remain informed and retain an appropriate role in assessing potential interference to licensed services.
- **Target coordination more precisely** at spectrum managers likely to be affected, encourage applicants to engage relevant MNOs before applying, and avoid routinely consulting every MNO where this is unnecessary.
- **Remove avoidable payment delays** by issuing licences and invoices simultaneously to established applicants, subject to clear payment obligations and revocation for non-payment; new applicants could remain subject to pre-payment.
- **Modernise administration through an online portal** that allows applicants to submit, identify and track applications and active licences.

# Introduction

1. VodafoneThree welcomes Ofcom's Call For Input. We are an extensive user of test licences and conversely are frequently requested to permit short term usage of our licensed frequencies for third-party tests.
2. There is a tension in operating an innovation licence regime. Ofcom should facilitate innovative services, but conversely this cannot be to the detriment of existing spectrum users and should never fetter Ofcom's discretion to establish longer-term spectrum policy. Delivery of a successful trial is not, in and of itself, a reason for spectrum to be assigned on a permanent basis.
3. We are broadly content with the operation of the test licence regime by Ofcom. Indeed, our experience is that Ofcom's spectrum innovation licensing team do their utmost to make the process as smooth as is possible. The potential improvements that we suggest in this response should therefore be treated as aiming to optimise a largely efficient process, rather than being seen as a critique of the process (or team) itself.

# Response to Consultation Questions

## Commercial trial activity

Question 1: Do you think we should permit more commercial trial activity under the Demonstration and Trial licence (including with paying customers) and whether we should impose any limitations on this?

1. We would welcome greater clarity on Ofcom's expectations around what commercial usage is permitted with test licences. The position set out in Table 1 is contradictory, allowing public participation but not on a commercial basis: if nothing else, the need for public participants to sign an agreement renders trials a commercial operation (if not necessarily a full-blown commercial service).
2. We do not believe that the artificial demarcation between Innovation & Research and Demonstration & Trial licences particularly serves any purpose, and our preference would be that there is simply an "Innovation & Trial" licence that meets both scenarios. This is particularly the case because a typical service development will initially see technical trials as covered by an Innovation & Research licence, evolving to beta/friendly-user trials that more naturally sit within a Demonstration & Trial licence. It would be an administrative burden to revoke one licence type and reapply for the other, so our perception is that trialists simply do not make that distinction. In terms of the impact on any incumbent spectrum users, it is broadly irrelevant whether the trialist is using the spectrum to research or demonstrate an application, so there doesn't appear to be a reason for demarcating the two.
3. *"What constitutes commercial usage of spectrum?"* is a somewhat moot question. If a hard line is taken and charging of end-users is not permitted where test licences are employed, then this would compromise sensible pre-launch testing, because a proper test regime would trial all aspects of a service including onboarding of customers. Conversely, we are sympathetic to a position that test licences should not be used as a backdoor to acquire spectrum underpinning full commercial launches.
4. VodafoneThree considers that a sensible compromise is to permit friendly users/beta trialists to use spectrum licensed under the innovation regime, including being charged for the service. However, there should be a requirement – stated in the licence as necessary - that they are limited in number and made aware that the capability is solely on a test basis hence the service may be withdrawn without notice.

Question 2: Do you have any other suggestions for how the transition from trial to commercial deployment could be improved?

5. Subject to our suggestions in response to Question 1 being adopted, we are not aware of any particular issue in transitioning from trial to commercial deployment. We therefore cannot offer any proposed improvements.
6. Typically, a move from trial to commercial service will require some change to commercial spectrum licences, be that the award of further spectrum (e.g. where we are testing the usage of a new spectrum band), or a variation to an existing spectrum licence. There are established processes for each of these scenarios, and our experience is that these work well. Whilst the results of tests accomplished using innovation licences can **inform** these processes, they should never **replace** them. Further, the possession of an innovation licence should never prejudice Ofcom decision making, to act as a presumption that a commercial licence for that capability will be granted.

## Longer-term Innovation & Trial Licences

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**Question 3: Do you think it would be beneficial to enable some longer-term licensing options for Innovation and Trial licences?**

7. We do not believe that there is a case to issue innovation licences of greater than 12-month initial duration. However, there is scope to make improvements within the existing framework.
8. We are sympathetic to a single innovation licence being granted that covers multiple test scenarios at a given location, however this would need to be scoped such that the technical parameters covered all the scenarios foreseen. A single innovation licence that covers multiple (potentially unspecified) locations is more problematic, as the coexistence circumstances would vary by location.
9. VodafoneThree would welcome a procedure whereby test licences could be extended in duration without having to resort to submitting a new licence application which is identical in every way other than the dates of the licence term. This is especially the case where the test licence relates to spectrum that is already commercially licensed to the test applicant, i.e. where the application is to operate outside the existing technical licence terms (for example trialling satellite usage of terrestrial frequencies or testing the impact of increased transmit powers).
10. We believe that this could be readily accomplished via tweaking the process of Ofcom socialising initial applications with spectrum managers. Rather than asking for verification that the specific test would not interfere with their usage, instead they would be asked to confirm whether the test would cause issues for the timescale requested, and more widely whether the test would cause issues regardless of the timescale. This would allow Ofcom to verify many extension requests without recourse to further consultation with spectrum managers.

## Setting threshold limits for coordination

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**Question 4: Do you think it would be beneficial to enable faster processing of low power Innovation and Trial licence applications, based on lighter-touch assessment? Are there any particular frequency bands or locations Ofcom should look to prioritise?**

11. We are interested to explore this concept, in particular if it could reduce the volume of requests that require coordination – we say this both from the perspective of limiting the number of our requests which necessitate coordination with third-party spectrum managers, and also in reducing the burden of considering other applicants' requests to use spectrum licensed to VodafoneThree.
12. However, caution must be exercised in that the incumbent licensee should remain the arbiter – acting reasonably – of what trials can go ahead using their licensed spectrum. We would not wish the situation to arise where we were unaware of trials using our commercially licensed spectrum, or for there to be a situation that, in “pushing the envelope”, Ofcom inadvertently compromises service to our paying customers.

## Other suggestions

Question 5: Do you have any other suggestions for improving Ofcom's current approach to Innovation and Trial licensing?

13. Whilst the current approach works well, there are improvements that we set out below, relating to consultation with incumbent spectrum managers, and payment of licence fees to Ofcom. If adopted, these would accelerate the issuing of test licences.
14. The current approach comprises:
  - a. An application being made to Ofcom
  - b. Ofcom coordinates with incumbent spectrum managers, then
  - c. (Assuming that there are no sustained objections) the innovation licensing team proposes to offer a test licence to the applicant.
  - d. If the applicant still requires the licence, an invoice is issued and
  - e. It is only when the invoice is settled that the test licence is finally issued.
15. Although the Ofcom team works efficiently within this framework, the serial process inevitably leads to delays, and we therefore suggest potential improvements.
16. Our perception is that the request to spectrum managers isn't particularly targeted, and hence in the spectrum manager role, we receive requests which are either unrelated to the spectrum licensed to VodafoneThree, or where the request relates to a need to use any mobile spectrum rather than specific frequencies, we receive that request alongside all the other Mobile Network Operators (MNOs).
17. Unnecessary coordination will both delay test licences being approved and increase the burden on industry spectrum managers. We therefore believe that Ofcom should be more rigorous in only targeting spectrum managers who will likely be impacted by a given test licence, rather than making all spectrum managers aware – we note that the proposals set out in Question 4 will facilitate this.
18. For MNO spectrum, we believe that, as is the case with Local Access Licences, applicants should be encouraged to engage with MNOs prior to submitting a test licence application.
19. Unless the applicant demonstrates that they've engaged with a particular MNO, we believe that rather than targeting all MNO spectrum managers, Ofcom should instead target individual MNOs on a round-robin basis, taking into account those who have already cooperated with other test applicants.  
*NB we acknowledge that an application to e.g. utilise VodafoneThree spectrum could also impact VMO2 and EE on an Out-Of-Band Emission (OOBE) basis so need their engagement, but the impact of that is of a lower order of magnitude than asking all MNOs whether they would consent to their own spectrum being used.*
20. We acknowledge that a consequence of this approach is that test licence processing could be extended,

but this would only be the case where the applicant had failed to first socialise their plans with an MNO.

21. The approach of requiring payment of the licence fee invoice prior to the test licence being issued creates a bureaucratic overhead and contrasts with arrangements elsewhere, for example fixed links, where payment is deferred until the end of the year.
22. In practice, it takes a minimum of 2-3 weeks from receipt of such an invoice to payment, using our standard approval processes for spectrum fees. As this would come at the end of a protracted period while the application was technically considered by Ofcom, following our standard payment approach would generally result in delayed testing.
23. Instead, we are frequently forced to expedite payment by VodafoneThree staff paying the test licence invoice on their personal credit cards and reclaiming the fee as expenses. This is less than ideal, as these processes are intended for incidental expenses such as travel, rather than product or network development overheads: we then need to cross-charge the costs internally. Even when paid, we then need to notify Ofcom's licensing scheme that payment has been made, as Ofcom's systems are slow to react and trigger issuing of the licence.
24. Whilst we accept that this administrative overhead is largely of our own making, VodafoneThree cannot be unique in facing these challenges, and it seems strange to impose a pay-before-licensing constraint where there is a decades-long business relationship and where for parallel invoices amounting to £millions, Ofcom is willing to accept that we have a demonstrable record of timely payment and issue the licence in advance of that. We acknowledge that Ofcom must behave in a non-discriminatory way hence Ofcom cannot behave differently for MNO applicants, but there are ways to address this:
  - a. Where Ofcom has an existing relationship with the applicant – evidenced by the applicant having an Ofcom reference number – then the licence and invoice could be issued simultaneously. The standard terms for test licences would incorporate a requirement to pay the relevant fees, with risk of revocation if the fees aren't paid (indeed, test licences are unusual in *not* having this provision). In addition to revocation, non-payment could result in loss of the "privilege" of receiving a test licence prior to the invoice being settled for future applications.
  - b. For new Ofcom relationships, there could be a requirement to pay the invoice in advance prior to the licence being issued. Requiring pre-payment is not unusual business practice when the customer is unknown to the supplier and would not be undue discrimination.
25. We do not believe that this proposal would result in any additional overhead for Ofcom's licensing team, but it would accelerate the process of test licences being issued.
26. We also believe that the administration of innovation licences would benefit from modernisation. Licensing types such as Shared Access Licences have evolved from using PDF forms to an online form approach, and this should be adopted for Innovation licences. This would be particularly beneficial for large organisations such as VodafoneThree that might have a series of licence applications being processed, and many innovation licences active at a given moment in time. When, for example, Ofcom's innovation team communicate that e.g. "TMP9897" has been approved, it can be difficult to marry that back to the original application if a series of licence requests were submitted within days of one another – a portal would allow applicants/licensees to access a particular request and determine its status.

## Bespoke Licensing

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**Question 6: Are there new approaches to managing coexistence for bespoke spectrum licensing requests that we should implement to speed up the process?**

27. We do not believe that significant change is justified in this area.
28. We think that Ofcom is too harsh on itself on its depiction of the processes involved in issuing bespoke licences. Our experience is that Ofcom has got the balance correct between encouraging innovative uses of spectrum and protecting incumbent users. Whilst it is necessary to provide evidence to Ofcom to justify that peaceful coexistence with incumbent usage is possible, the parallel test licence regime allows applicants to develop that evidence. Further, our experience is that Ofcom is not wedded to evidence having been produced in the UK, where international testing provides sufficient assurance.
29. The idea of ring-fencing spectrum for innovation appears attractive, but the reality is that spectrum is intensively used in the UK, and setting aside spectrum for such test beds deprives alternative users of a resource that they have been willing to pay to be awarded. This is especially the case as our experience is that many innovators seek to be in bands immediately adjacent to mobile spectrum in order to exploit scope economies with equipment developed for the mobile market.
30. Ring-fencing in a given area may be more feasible, however the locations at which spectrum may be available may not align with the locations where applicants wish to sandbox their ideas (either because of the location of the prospective customer base, or because of convenience of testing). Nonetheless, we believe that this is probably the best option for Ofcom to explore further.

**Question 7: Do you think that there should be a greater expectation for applicants to provide the coexistence analysis to support their bespoke spectrum requests?**

31. We think that having an expectation for applicants to provide coexistence analysis overstates the case. Ofcom is responsible for ensuring that any licences it issues do not create any coexistence challenges, so ultimately it is incumbent on Ofcom to ensure that any analysis is done.
32. Nonetheless, innovation should be a collaborative environment, so it should be made clear to applicants that if Ofcom's role is limited to validating whether the applicant's own analysis is reasonable – i.e. to signing off that analysis – this is far less onerous than Ofcom having to determine the analysis itself and hence will be reflected in the likely timelines to approve an application.
33. As an applicant, the main limitation in carrying out coexistence analysis is lack of knowledge of the capabilities of existing spectrum user equipment, whether due to a lack of expertise or absence of published technical characteristics. For example, we are a mobile operator, expert at designing and operating mobile networks. We cannot then speak authoritatively on the effect of our out-of-band emissions (or even in-band emissions) on, for example, Radio Astronomy Services. For such analysis, we can practicably only rely on the experts in Ofcom's teams (which ultimately are funded by our spectrum fees).

**Question 8: What do you think is the minimum security of tenure needed to support innovative uses?**

34. We recognise the tension between providing security of tenure sufficient to justify investment, and not inadvertently awarding spectrum for the long term via the back door. We believe that the latter consideration should dominate – issuing a licence for anything more than three years risks an expectation that the licence will always exist, and risks Ofcom being portrayed as arbitrarily removing spectrum from customers that might have a valid use case. Their use case may well be valid, but that does not negate the need for spectrum to be awarded in a transparent way based on the merits (including competitive award, as appropriate).
35. We believe that there is a sensible dovetail; test licences should be for up to one year (initially), bespoke requests should be for up to three years, anything longer should be treated as a commercial application and properly harmonised and awarded.

**Question 9: Should we consider extending the Local Access licensing regime to other bands and technologies?**

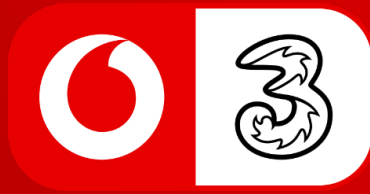
36. We think that this may be a reasonable expansion. However, as an MNO there is an overhead in processing requests for Local Access Licences (we note that Ofcom will only see a subset of applications due to proposals being rejected in informal dialogue between the prospective applicant and the MNO).
37. Further, we do find ourselves in the situation of having to justify that spectrum that we have been legitimately licensed and paid for – and in the case of spectrum subject to Annual Licence Fees, are paying for on an ongoing basis – is being used at a given location. We are presented with spectrum analyser plots with a veiled accusation that we're lying about usage, when we know that the conflict is due to a mast that is due to be deployed.
38. Whilst seeing merits in expanding the Local Access regime to other bands, we hesitate to advocate for imposing this overhead on other incumbent spectrum managers.

**Question 10: What do you think should be Ofcom's focus in updating how we licence spectrum to support wireless innovation? Do you have any other comments or views on the issues discussed?**

39. We are largely comfortable with the current approach. We believe that the focus should be on improvements to the existing approach as set out in our response to Question 5, rather than any significant change of approach.

**Question 11: Are there any other significant non-spectrum barriers to innovation for wireless services that you encounter?**

40. We have no additional comments.



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