
Variation of the Spectrum Access licence for the 1452 – 1492 MHz band and associated changes to fixed link use in paired bands (1350-1375 MHz and 1492-1517 MHz)

Ofcom

RPC rating: validated

Description of proposal

The licence-holder for the 1452 – 1492 MHz (Qualcomm) band has sought a variation to its Spectrum Access licence to enable its use for mobile or fixed communication network supplemental downlink (SDL). This will enable Qualcomm to deliver improved capacity for consumer mobile broadband services. It will also create interference in the adjacent bands, which imposes costs on the owners of those bands.

Impacts of proposal

Ofcom estimates that – aside from Qualcomm itself - around 70 licence-holders will be affected, some of which are public sector entities (including emergency service and public safety users). Collectively they hold around 850 fixed link licences in adjacent bands.

The benefit to Qualcomm is estimated at £0.5M - £2M per MHz (NPV over the appraisal period), based on prices obtained at auction for comparable bands.

Qualcomm is also required to repay any costs to users of the adjacent bands as a result of interference arising from its change of use. Ofcom estimates that these will be one-off transitional costs of retuning equipment, amounting to at most £1000 per installation.

Quality of submission

As originally submitted, the IA was not fit for purpose, as it did not consider the benefit to Qualcomm. Ofcom has now described this benefit clearly and included it in the EANDCB calculation. It has also described the impacts of the proposal more clearly and with less jargon.

The impact assessment is extremely concise given the level of benefits estimated, and much of the relevant detail is contained in the consultation document issued at the time of the decision. However, this is clearly referenced and the information drawn out appropriately within the main body of the assessment.

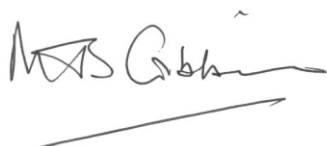
The RPC is able to validate the revised EANDCB of £1.4 million, which uses the lower bound of the auction figures, net of the minimal cost of retuning.

Departmental assessment

Classification	Qualifying regulatory provision
Equivalent annual net cost to business (EANCB)	£1.4 million (initially £0.0 million)
Business net present value	£20 million
Societal net present value	£20 million

RPC assessment

Classification	Qualifying regulatory provision
EANCB – RPC validated ¹	-£1.4 million
Business Impact Target (BIT) Score ¹	-£7 million
Small and micro business assessment	Not required



Michael Gibbons CBE, Chairman

¹ For reporting purposes, the RPC validates EANDCB and BIT score figures to the nearest £100,000.