

## Building a Spectrum Auction Process

*Westminster eForum and Westminster Media Forum keynote seminar:  
Process of the Digital Switchover & Next steps for the Digital Dividend  
Review*

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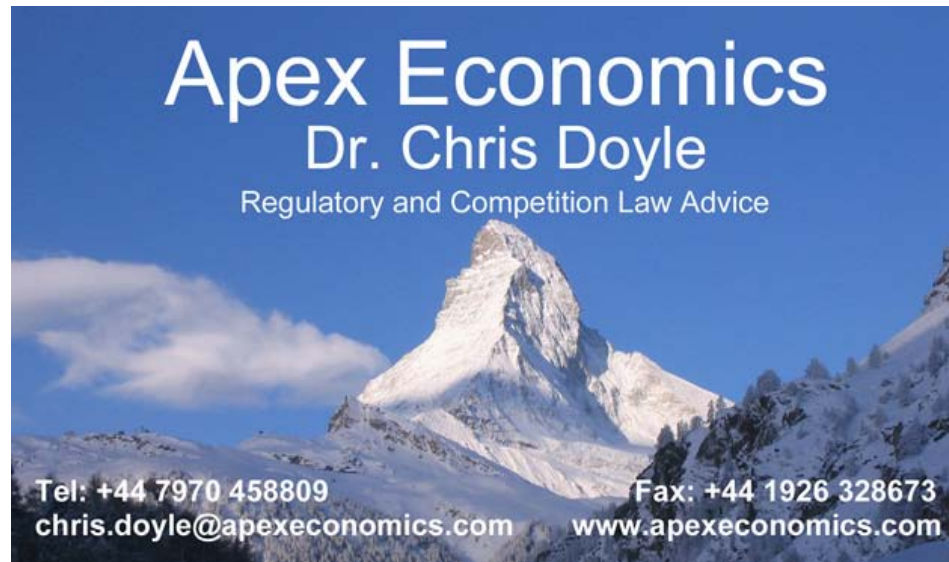
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## The DDR Process and Spectrum Auctions

- Ofcom published Digital Dividend Review consultation on 19 December 2006
- Ofcom stated it would design an award process consistent with spectrum providing greatest benefit for users in the UK
- Original timetable was to start award process in early 2009
- Awards in Cardiff and Manchester for local TV have occurred
- Auction format was consulted on in June 2008
- Auction will determine the fees payable
- After the expiry of the initial term up to 2026, there may be additional charges to incentivise efficient use of the spectrum (expected to be AIP (Administered Incentive Prices))

## Some Challenges and Issues

- 128MHz of 'prime real estate' – Release coincides with significant developments in high-speed fibre broadband networks (NGA, Next Generation Access)
- Attraction for 4G (LTE, Long Term Evolution) mobile has grown markedly, but is also attractive for HD broadcasting and other uses
- Most significant award since the 3G spectrum which raised £21 billion in 2000
- Designing an auction process that is relatively simple but sophisticated enough to capture complexities – Simultaneous multiple-round combinatorial clock auction (CCA)
- Pressures from the European Commission for harmonisation beyond technical elements
- Achieving closure on main awards within original target dates



Thank you