

---

STATUTORY INSTRUMENTS

---

**2020 No. 1199**

**The Wireless Telegraphy (Licence Award) Regulations 2020**

**PART 5**

The principal stage

**CHAPTER 4**

Constraints on principal stage bids

**Maximum and minimum number of principal stage bids for 3.6 GHz lots, 700 MHz individual frequency lots and 700 MHz paired frequency lots**

**36.** In any principal stage round—

- (a) the number of principal stage bids for 3.6 GHz lots that a bidder may make shall not exceed twenty four and shall not be fewer than two;
- (b) the number of principal stage bids for 700 MHz individual frequency lots that a bidder may make shall not exceed four; and
- (c) the number of principal stage bids for 700 MHz paired frequency lots that a bidder may make shall not exceed six.

**Overall bid constraint rule**

**37.—**(1) In addition to the limitations on bidding in regulation 36, in any principal stage round, the total frequencies associated with a bidder's principal stage form must not exceed the number of MHz for that bidder which is that bidder's overall bid constraint.

(2) The "total frequencies associated with a bidder's principal stage form" means, in relation to a bidder in a principal stage round, the total number of MHz which is the sum of A plus B plus C where—

- (a) "A" is—
  - (i) where that bidder has specified on its principal stage form in that principal stage round that it wishes to make one or more principal stage bids for 3.6 GHz lots, the number of such bids multiplied by 5 MHz; or
  - (ii) where that bidder makes no new bids on its principal stage form in that principal stage round for 3.6 GHz lots—
    - (aa) the number of principal stage bids for 3.6 GHz lots made by that bidder which were assigned standing high bid status after the end of the most recent round, if any, multiplied by 5 MHz; and
    - (bb) if no such principal stage bids for 3.6 GHz lots made by that bidder were assigned standing high bid status after the end of the most recent round, zero;
- (b) "B" is—

- (i) where that bidder has specified on its principal stage form in that principal stage round that it wishes to make one or more principal stage bids for 700 MHz individual frequency lots, the number of such bids multiplied by 5 MHz; or
- (ii) where that bidder makes no new bids on its principal stage form in that principal stage round for 700 MHz individual frequency lots—
  - (aa) the number of principal stage bids for 700 MHz individual frequency lots made by that bidder which were assigned standing high bid status after the end of the most recent round, if any, multiplied by 5 MHz; and
  - (bb) if no such principal stage bids for 700 MHz individual frequency lots made by that bidder were assigned standing high bid status after the end of the most recent round, zero; and
- (c) “C” is—
  - (i) where that bidder has specified on its principal stage form in that principal stage round that it wishes to make one or more principal stage bids for 700 MHz paired frequency lots, the number of such bids multiplied by 10 MHz; or
  - (ii) where that bidder makes no new bids on its principal stage form in that principal stage round for 700 MHz paired frequency lots—
    - (aa) the number of principal stage bids for 700 MHz paired frequency lots made by that bidder which were assigned standing high bid status after the end of the most recent round, if any, multiplied by 10 MHz; and
    - (bb) if no such principal stage bids for 700 MHz paired frequency lots made by that bidder were assigned standing high bid status after the end of the most recent round, zero.

#### **Number of principal stage bids following assignment of standing high bid status**

**38.** A bidder which made principal stage bids to which OFCOM assigned standing high bid status after the end of the most recent round must, if making bids for lots of the same type in the next round, specify on its principal stage form a number of bids for lots (of that type) which—

- (a) is the same as or higher than the number of bids made by that bidder to which OFCOM assigned standing high bid status after the end of the most recent round, if the round price for lots of that type has increased from the most recent round; or
- (b) is higher than the number of bids made by that bidder to which OFCOM assigned standing high bid status after the end of the most recent round, if the round price for lots of that type has not increased from the most recent round.

#### **Request by a bidder to carry forward its eligibility limit**

**39.**—(1) In any principal stage round except the first one, a bidder may indicate on its principal stage form that it wishes to carry forward its eligibility limit (as determined for that round in accordance with regulation 41) to the next round if the conditions set out in paragraphs (2) to (4) are met.

- (2) The first condition is that the bidder does not, in the current round, do any of the following—
  - (a) specify a valid principal stage bid for 3.6 GHz lots on its principal stage form;
  - (b) specify a valid principal stage bid for 700 MHz individual frequency lots on its principal stage form; or
  - (c) specify a valid principal stage bid for 700 MHz paired frequency lots on its principal stage form.

(3) The second condition is that the number of eligibility points used by the bidder in relation to the bidder's principal stage bids to which OFCOM assigned standing high bid status after the end of the most recent round is lower than the bidder's eligibility limit for the current round.

(4) The third condition is that carrying forward the eligibility limit would comply with the limit on the number of eligibility events set out in regulation 43(3).

### **Eligibility rule**

**40.**—(1) The number of eligibility points used by a bidder in a principal stage round, calculated in accordance with regulation 42, may not exceed that bidder's eligibility limit for that round, calculated in accordance with regulation 41.

(2) In regulations 41 to 43, a round in relation to which the number of eligibility points used is calculated is referred to as the "current round".

### **Determination of a bidder's eligibility limit**

**41.**—(1) A bidder's eligibility limit shall be the number determined by OFCOM—

- (a) for the first principal stage round, in accordance with regulation 16; and
- (b) for the second and each subsequent principal stage round, in accordance with paragraphs (2) and (3).

(2) In relation to the second and each subsequent principal stage round, the bidder's eligibility limit shall be equal to the number of eligibility points used by the bidder in the most recent round, except where an eligibility event occurred in relation to that bidder in the most recent round.

(3) In relation to each principal stage round where an eligibility event occurred in relation to a bidder in the most recent round, the bidder's eligibility limit shall be the same as its eligibility limit for the most recent round.

### **Eligibility points used by a bidder**

**42.**—(1) The number of eligibility points used by a bidder in the current round shall be the number equal to the sum of the 3.6 GHz lot number calculated in accordance with paragraph (2), the 700 MHz individual frequency lot number calculated in accordance with paragraph (3) and the 700 MHz paired frequency lot number calculated in accordance with paragraph (4).

(2) The 3.6 GHz lot number referred to in paragraph (1) is—

- (a) where the bidder has specified a number of principal stage bids for 3.6 GHz lots in the current round, the number of bids for 3.6 GHz lots in that round specified on that bidder's principal stage form;
- (b) where the bidder has not specified any principal stage bids for 3.6 GHz lots in the current round, the number of bids for 3.6 GHz lots made by that bidder to which OFCOM assigned standing high bid status after the end of the most recent round; and
- (c) where the bidder has not specified any principal stage bids for 3.6 GHz lots in the current round and OFCOM did not assign standing high bid status after the end of the most recent round to any bids for 3.6 GHz lots made by that bidder, zero.

(3) The 700 MHz individual frequency lot number referred to in paragraph (1) is—

- (a) where the bidder has specified a number of principal stage bids for 700 MHz individual frequency lots in the current round, the number of bids for 700 MHz individual frequency lots in that round specified on that bidder's principal stage form;
- (b) where the bidder has not specified any principal stage bids for 700 MHz individual frequency lots in the current round, the number of principal stage bids for 700 MHz

- individual frequency lots made by that bidder to which OFCOM assigned standing high bid status after the end of the most recent round; and
- (c) where the bidder has not specified any principal stage bids for 700 MHz individual frequency lots in the current round and OFCOM did not assign standing high bid status after the end of the most recent round to any bids for 700 MHz individual lots made by that bidder, zero.
- (4) The 700 MHz paired frequency lot number referred to in paragraph (1) is—
- (a) where the bidder has specified a number of principal stage bids for 700 MHz paired frequency lots in the current round, the number of bids for 700 MHz paired frequency lots in that round specified on that bidder's principal stage form multiplied by four;
- (b) where the bidder has not specified any principal stage bids for 700 MHz paired frequency lots in the current round, the number of principal stage bids for 700 MHz paired frequency lots made by that bidder to which OFCOM assigned standing high bid status after the end of the most recent round multiplied by four; and
- (c) where the bidder has not specified any principal stage bids for 700 MHz paired frequency lots in the current round and OFCOM did not assign standing high bid status after the end of the most recent round to any bids for 700 MHz paired lots made by that bidder, zero.

### **Eligibility event**

- 43.**—(1) An eligibility event has occurred in a round where—
- (a) a bidder indicated a valid request to carry forward its eligibility limit in the most recent round on its principal stage form; or
- (b) the conditions set out in paragraph (2) apply.
- (2) The conditions are that—
- (a) the bidder did not, in the most recent round, submit a valid principal stage form;
- (b) the number of eligibility points used by the bidder in relation to the bidder's principal stage bids to which OFCOM assigned standing high bid status after the end of the previous round is lower than the bidder's eligibility limit for the most recent round; and
- (c) the limit on the number of eligibility events set out in paragraph (3) is not met.
- (3) For each bidder, an eligibility event may not occur on more than three occasions.
- (4) After the end of each principal stage round, except after the end of the final principal stage round, OFCOM will notify each bidder of the remaining number of occasions on which an eligibility event may occur in respect of that bidder.

### **Deposit constraint on bidding**

- 44.**—(1) Where, after the end of a principal stage round, OFCOM has notified a bidder under regulation 54(5) that it has not complied with the requirement to pay a further sum as a deposit, that bidder—
- (a) may not submit a principal stage form in the next principal stage round nor in any subsequent principal stage rounds; and
- (b) may not submit an assignment stage form in the assignment stage round, may not participate in any negotiation period and shall be deemed to have made a valid assignment stage bid with a value of zero pounds for each of its assignment stage options.
- (2) Such a bidder is not excluded from the award process for that reason.

(3) Any principal stage bids made by that bidder to which OFCOM has assigned standing high bid status after the end of the final principal stage round will become winning principal stage bids in accordance with regulation 33.