
STATUTORY INSTRUMENTS

2020 No. 1199

The Wireless Telegraphy (Licence Award) Regulations 2020

PART 5

The principal stage

CHAPTER 1

Principal stage rounds

Principal stage rounds

- 20.**—(1) During the principal stage, there shall be one or more principal stage rounds.
- (2) A principal stage round shall begin and end at the times notified by OFCOM under regulation 45.
- (3) The number of principal stage rounds shall be determined by OFCOM in accordance with regulation 23.

Principal stage form

- 21.**—(1) OFCOM shall provide each bidder in the principal stage with a principal stage form.
- (2) Subject to paragraph (7), a bidder is not required to submit a principal stage form in respect of each principal stage round.
- (3) Where a bidder chooses to complete a principal stage form in respect of a principal stage round, that bidder must, on the principal stage form—
- (a) specify the number of principal stage bids for 3.6 GHz lots it wishes to make in that round;
 - (b) specify the number of principal stage bids for 700 MHz individual frequency lots it wishes to make in that round;
 - (c) specify the number of principal stage bids for 700 MHz paired frequency lots it wishes to make in that round; and
 - (d) except in the first principal stage round, indicate whether it wishes to carry forward its eligibility limit (as determined for that round) to the next round.
- (4) A principal stage form submitted by a bidder in a round is a valid principal stage form if—
- (a) the bidder has completed the form in accordance with paragraph (3);
 - (b) the bidder has submitted the form in accordance with regulation 50 or 51;
 - (c) the bidder has complied with regulations 38 and 40 in respect of any principal stage bids specified on the form;
 - (d) the bidder has complied with regulation 37 in respect of the total frequencies associated with the form; and
 - (e) the bidder has complied with regulation 39 in respect of any request to carry forward its eligibility limit indicated on the form.

(5) A principal stage bid is a valid principal stage bid if it is specified on a valid principal stage form.

(6) Any request by a bidder to carry forward its eligibility limit is a valid request to carry forward its eligibility limit if it is indicated on a valid principal stage form.

(7) Any bidder which, in the first principal stage round, does not specify at least one valid principal stage bid shall be excluded from the award process and shall not receive a refund of any sums which the bidder has paid as a deposit under these Regulations, which shall (where not already forfeited) be forfeited together with any interest which has accrued on the deposit.

Principal stage bids

22. Each principal stage bid is a bid for the inclusion in a licence of one lot of a particular type at the round price for a lot of that type.

Number of principal stage rounds

23.—(1) After the end of each principal stage round, OFCOM shall determine whether there was a round event in that round in accordance with paragraph (4).

(2) Where OFCOM determine that there was no round event in that principal stage round there shall be no further principal stage rounds, and OFCOM shall determine the winning principal stage bids in accordance with regulation 33.

(3) Where OFCOM determine that there was a round event in that principal stage round, there shall be another principal stage round.

(4) There was a round event in a principal stage round where—

- (a) a bidder specified a valid principal stage bid in that round; or
- (b) an eligibility event occurred in that round.

Round prices for the first principal stage round

24. For the first principal stage round—

- (a) the round price for each 3.6 GHz lot shall be twenty million pounds;
- (b) the round price for each 700 MHz individual frequency lot shall be one million pounds; and
- (c) the round price for each 700 MHz paired frequency lot shall be one hundred million pounds.

Determination of round prices for subsequent principal stage rounds

25.—(1) For each subsequent principal stage round—

- (a) the round price for each 3.6 GHz lot shall be determined by OFCOM in accordance with regulation 26;
- (b) the round price for each 700 MHz individual frequency lot shall be determined by OFCOM in accordance with regulation 27; and
- (c) the round price for each 700 MHz paired frequency lot shall be determined by OFCOM in accordance with regulations 28.

(2) The round price shall be the same for each lot of the same type.

Round price for 3.6 GHz lots

26.—(1) The round price for each 3.6 GHz lot shall be the same as it was for the most recent round, except where paragraph (3) applies.

(2) Where paragraph (3) applies, the round price for each 3.6 GHz lot shall be higher than it was for the most recent round.

(3) This paragraph applies where, after the end of the most recent round, OFCOM assigned standing high bid status to twenty four valid principal stage bids for 3.6 GHz lots at the round price of the most recent round.

Round price for 700 MHz individual frequency lots

27.—(1) The round price for each 700 MHz individual frequency lot shall be the same as it was for the most recent round, except where paragraph (3) applies.

(2) Where paragraph (3) applies, the round price for each 700 MHz individual frequency lot shall be higher than it was for the most recent round.

(3) This paragraph applies where, after the end of the most recent round, OFCOM assigned standing high bid status to four valid principal stage bids for 700 MHz individual frequency lots at the round price of the most recent round.

Round price for 700 MHz paired frequency lots

28.—(1) The round price for each 700 MHz paired frequency lot shall be the same as it was for the most recent round, except where paragraph (3) applies.

(2) Where paragraph (3) applies, the round price for each 700 MHz paired frequency lot shall be higher than it was for the most recent round.

(3) This paragraph applies where, after the end of the most recent round, OFCOM assigned standing high bid status to six valid principal stage bids for 700 MHz paired frequency lots at the round price of the most recent round.

CHAPTER 2

Assignment of standing high bid status

Assignment of standing high bid status by OFCOM after the end of each principal stage round

29.—(1) After the end of each principal stage round, OFCOM shall assign standing high bid status to valid principal stage bids for 3.6 GHz lots, valid principal stage bids for 700 MHz individual frequency lots and valid principal stage bids for 700 MHz paired frequency lots in accordance with paragraphs (2) and (3).

(2) OFCOM shall assign standing high bid status for each lot type separately.

(3) OFCOM shall assign standing high bid status by—

(a) first, identifying and ranking the bidders in accordance with regulation 30;

(b) second, identifying and ranking the bids made by those bidders in accordance with regulation 31; and

(c) third, assigning standing high bid status to those bids in accordance with regulation 32.

Process for assigning standing high bid status: ranking the bidders

30.—(1) For each lot type separately, OFCOM shall identify the bidders that fall into one of the following three categories such that—

- (a) the first category contains the bidders (if any) (“category one bidders”) which made valid principal stage bids for a lot of that type at the round price of the most recent round (whether made in the most recent round or in an earlier round);
- (b) the second category contains the bidders (if any) (“category two bidders”) which made valid principal stage bids for lots of that type in the latest round in which the bidder submitted bids for lots of that type satisfying the following conditions—
 - (i) the bids were made at a round price which was lower than the round price of the most recent round; and
 - (ii) all of the bids were assigned standing high bid status by OFCOM after the end of the previous round; and
- (c) the third category contains the only bidder (if any) (“category three bidder”) which made valid principal stage bids for lots of that type in the latest round in which the bidder submitted bids for lots of that type satisfying the following conditions—
 - (i) the bids were made at a round price which was lower than the round price of the most recent round; and
 - (ii) some but not all of the bids were assigned standing high bid status by OFCOM after the end of the previous round.

(2) For each lot type separately, OFCOM shall rank the bidders on a list (“bidder ranking list”) so that—

- (a) category one bidders appear above category two bidders and above any category three bidder;
- (b) category two bidders appear above any category three bidder; and
- (c) within each category, bidders are ranked in a random order.

Process for assigning standing high bid status: ranking the bids

31.—(1) For each lot type separately, OFCOM shall identify the relevant valid principal stage bids for each bidder included in the bidder ranking list.

(2) The relevant valid principal stage bids are—

- (a) for category one bidders, all the valid principal stage bids for lots of that type made by the bidder in the latest round in which it submitted bids;
- (b) for category two and category three bidders, all the valid principal stage bids for lots of that type made by the bidder which were assigned standing high bid status after the end of the previous round.

(3) For each lot type separately, OFCOM shall rank those bids on a list (“overall bid list”) so that all the relevant valid principal stage bids made by a bidder which is ranked higher on the bidder ranking list appear above the relevant valid principal stage bids made by a bidder which is ranked lower on the bidder ranking list.

Process for assigning standing high bid status: assigning standing high bid status to the bids

32.—(1) For each lot type separately, OFCOM shall assign standing high bid status to bids in the overall bid list by giving such status to bids in the order in which they appear in the list, starting from the top of the list.

(2) For each lot type separately, OFCOM shall assign standing high bid status to bids until each bid in the overall bid list has been assigned standing high bid status or until the number of bids to which OFCOM has assigned standing high bid status is equal to the number of lots of that type which are available in the award process (whichever happens first).

CHAPTER 3

Winning principal stage bids and determination of base price

Determination of the winning principal stage bids

33.—(1) Where OFCOM have determined in accordance with regulation 23 that there shall be no further principal stage rounds, the principal stage bids with standing high bid status shall become winning principal stage bids if they are bids to which paragraph (2) applies.

(2) The bids to which this paragraph applies are—

- (a) the principal stage bids for 3.6 GHz lots to which OFCOM assigned standing high bid status after the end of the final principal stage round;
- (b) the principal stage bids for 700 MHz individual frequency lots to which OFCOM assigned standing high bid status after the end of the final principal stage round; and
- (c) the principal stage bids for 700 MHz paired frequency lots to which OFCOM assigned standing high bid status after the end of the final principal stage round.

Determination of base price

34.—(1) The base price for a 3.6 GHz lot for which a bidder made a bid that became a winning principal stage bid in accordance with regulation 33 (“3.6 GHz base price”) will be a sum equal to the round price at which the winning bidder made that winning principal stage bid.

(2) The base price for a 700 MHz individual frequency lot for which a bidder made a bid that became a winning principal stage bid in accordance with regulation 33 (“700 MHz individual frequency lot base price”) will be a sum equal to the round price at which the winning bidder made that winning principal stage bid.

(3) The base price for a 700 MHz paired frequency lot for which a bidder made a bid that became a winning principal stage bid in accordance with regulation 33 (“700 MHz paired frequency lot base price”) will be a sum equal to the round price at which the winning bidder made that winning principal stage bid.

Determination of total base price

35.—(1) A reference to a winning bidder’s “total 3.6 GHz base price” is a reference to that winning bidder’s 3.6 GHz base price multiplied by the number of 3.6 GHz lots won by that bidder.

(2) A reference to a winning bidder’s “total 700 MHz individual frequency lot base price” is a reference to that winning bidder’s 700 MHz individual frequency lot base price multiplied by the number of 700 MHz individual frequency lots won by that bidder.

(3) A reference to a winning bidder’s “total 700 MHz paired frequency lot base price” is a reference to that winning bidder’s 700 MHz paired frequency lot base price multiplied by the number of 700 MHz paired frequency lots won by that bidder.

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.

CHAPTER 5

Information released during and following the principal stage

Notice to be given to bidders before each principal stage round

45. Before the start of each principal stage round, OFCOM shall notify each bidder of—

- (a) the date on which, and the times on that date within which, the principal stage round will take place;
- (b) the round price for—
 - (i) a 3.6 GHz lot;

- (ii) a 700 MHz individual frequency lot; and
- (iii) a 700 MHz paired frequency lot;
- (c) the remaining number of occasions on which an eligibility event may occur in respect of that bidder; and
- (d) the bidder's eligibility limit for that principal stage round.

Notification of information to bidders after the end of each principal stage round

46.—(1) After the end of each principal stage round, except the final principal stage round, and before the start of the next principal stage round, OFCOM shall notify each bidder of—

- (a) for each lot type, the number of valid principal stage bids made by the bidder in the most recent round;
- (b) for each lot type, the number of valid principal stage bids made by the bidder to which OFCOM has assigned standing high bid status after the end of the most recent round;
- (c) for each lot type for which the bidder made valid principal stage bids to which OFCOM assigned standing high bid status, the round price of the round when those principal stage bids were made;
- (d) the remaining number of occasions on which an eligibility event may occur in respect of that bidder;
- (e) the bidder's eligibility limit for the next principal stage round;
- (f) the bidder's financial exposure after the end of the most recent round;
- (g) for 3.6 GHz lots, the amount in MHz which is the smallest strictly positive whole multiple of twenty which is greater than the excess demand as determined in accordance with paragraph (2);
- (h) for 700 MHz individual frequency lots, the amount in MHz which is the smallest strictly positive whole multiple of ten which is greater than the excess demand as determined in accordance with paragraph (5); and
- (i) for 700 MHz paired frequency lots, the amount in MHz which is the smallest strictly positive whole multiple of twenty which is greater than the excess demand as determined in accordance with paragraph (6).

(2) The excess demand for 3.6 GHz lots ($ed_{3.6\text{ GHz}}$) is the amount in MHz which is calculated in accordance with the formula set out in paragraph (3).

(3) The formula is $ed_{3.6\text{ GHz}} = (e + f - 24) \times 5$, where—

- (a) “*e*” is the total number of valid principal stage bids for 3.6 GHz lots made by all bidders in the most recent round; and
- (b) “*f*” is the total number of bids for 3.6 GHz lots with standing high bid status immediately prior to the most recent round made by all bidders who have not made bids for 3.6 GHz lots in the most recent round.

(4) The excess demand for 700 MHz individual frequency lots ($ed_{700\text{ MHz individual}}$) is the amount in MHz which is calculated in accordance with the formula set out in paragraph (5).

(5) The formula is $ed_{700\text{ MHz individual}} = (g + h - 4) \times 5$ where—

- (a) “*g*” is the total number of valid principal stage bids for 700 MHz individual frequency lots made by all bidders in the most recent round; and
- (b) “*h*” is the total number of valid bids for 700 MHz individual frequency lots with standing high bid status immediately prior to the most recent round made by all bidders who have not made bids for 700 MHz individual frequency lots in the most recent round.

(6) The excess demand for 700 MHz paired frequency lots (*ed700 MHz paired*) is the amount in MHz which is calculated in accordance with the formula set out in paragraph (7).

(7) The formula is $ed700\text{ MHz paired} = (i + j - 6) \times 10$ where—

- (a) “*i*” is the total number of valid principal stage bids for 700 MHz paired frequency lots made by all bidders in the most recent round; and
- (b) “*j*” is the total number of valid bids for 700 MHz paired frequency lots with standing high bid status immediately prior to the most recent round made by all bidders who have not made bids for 700 MHz paired frequency lots in the most recent round.

Publication of information at the end of each day during the principal stage

47. After the end of the latest principal stage round to take place on any given day, OFCOM shall publish on their website, in relation to that latest principal stage round—

- (a) the round price for—
 - (i) a 3.6 GHz lot;
 - (ii) a 700 MHz individual frequency lot; and
 - (iii) a 700 MHz paired frequency lot;
- (b) for the 3.6 GHz lot type, the amount in MHz which is the smallest strictly positive whole multiple of twenty which is greater than the excess demand;
- (c) for the 700 MHz individual frequency lot type, the amount in MHz which is the smallest strictly positive whole multiple of ten which is greater than the excess demand; and
- (d) for the 700 MHz paired frequency lot type, the amount in MHz which is the smallest strictly positive whole multiple of twenty which is greater than the excess demand.

Notification of results of the principal stage to bidders

48. After the end of the final principal stage round, and after the determination of the winning principal stage bids and the determination of the base price for each winning principal stage bid, OFCOM shall notify each bidder of—

- (a) the end of the principal stage;
- (b) the names of the winning bidders, and in respect of each of them—
 - (i) the number of 3.6 GHz lots won, the 3.6 GHz base price;
 - (ii) the number of 700 MHz individual frequency lots won, the 700 MHz individual frequency lot base price; and
 - (iii) the number of 700 MHz paired frequency lots won, the 700 MHz paired frequency lot base price; and
- (c) the number of 3.6 GHz lots, the number of 700 MHz individual frequency lots and the number of 700 MHz paired frequency lots not won by any bidder.

Publication of results of the principal stage

49. After the notification given in accordance with regulation 48, OFCOM shall publish on their website—

- (a) the names of the winning bidders, and in respect of each of them—
 - (i) the number of 3.6 GHz lots won, the 3.6 GHz base price and the total 3.6 GHz base price;

- (ii) the number of 700 MHz individual frequency lots won, the 700 MHz individual frequency lot base price and the total 700 MHz individual frequency lot base price; and
 - (iii) the number of 700 MHz paired frequency lots won, the 700 MHz paired frequency lot base price and the total 700 MHz paired frequency lot base price; and
- (b) the number of 3.6 GHz lots and the number of 700 MHz individual frequency lots and the number of 700 MHz paired frequency lots not won by any bidder.

CHAPTER 6

Procedure for principal stage

Submission of principal stage form to OFCOM

50.—(1) A bidder must submit the completed principal stage form to OFCOM by using the electronic auction system, except as provided for in regulation 51.

(2) The completed principal stage form must be received by OFCOM by the time notified by OFCOM under regulation 45(a) as the end of the principal stage round.

Alternative method for submission of principal stage form

51.—(1) Where OFCOM are satisfied that a bidder is unable to submit a principal stage form by using the electronic auction system because of technical failure (or an event or circumstance with similar effect on the bidder's ability to use the electronic auction system), OFCOM shall notify the bidder of an alternative method of submitting the principal stage form and any requirements relating to the authentication of communications made by means of the alternative method.

(2) The bidder must submit the principal stage form by means of the alternative method and must comply with any requirements which have been notified to it under paragraph (1) relating to the authentication of communications.

Incomplete or defective principal stage form

52.—(1) Where, due to the manner of completion, a principal stage form is incomplete or defective but OFCOM believe that they can ascertain the bidder's intention in relation to the matters set out in regulation 21(3), OFCOM shall ask the bidder to confirm in a notice to OFCOM by a deadline specified by OFCOM that OFCOM have correctly ascertained the bidder's intention in relation to its decisions on the principal stage form.

(2) Where the bidder confirms in a notice given to OFCOM by the deadline which is signed by two authorised persons that OFCOM have correctly ascertained the bidder's intention, the principal stage form in its entirety shall be valid and be accepted by OFCOM on that basis.

(3) Where the bidder does not give such confirmation, the principal stage form in its entirety shall be invalid and rejected by OFCOM.

Notification that principal stage form is not valid

53. Where a bidder submits a principal stage form that is not a valid principal stage form during a principal stage round, OFCOM shall, after the end of that principal stage round, notify the bidder of that fact and shall give the reasons why the principal stage form is not a valid principal stage form.

CHAPTER 7

Deposits during and following the principal stage

Deposits during the principal stage

54.—(1) Where, after the end of any principal stage round, the amount a bidder has on deposit with OFCOM for the purposes of the award process is less than the bidder's financial exposure, OFCOM may, having regard to the desirability of securing an efficient outcome to the principal stage, notify the bidder that it is required to pay a further sum in pounds as a deposit.

(2) A bidder's financial exposure after the end of a principal stage round shall be the amount in pounds which is equal to the sum of—

- (a) the number of that bidder's principal stage bids for 3.6 GHz lots to which OFCOM assigned standing high bid status after the end of that principal stage round, multiplied by the round price at which those bids were made;
- (b) the number of that bidder's principal stage bids for 700 MHz individual frequency lots to which OFCOM assigned standing high bid status after the end of that principal stage round, multiplied by the round price at which those bids were made; and
- (c) the number of that bidder's principal stage bids for 700 MHz paired frequency lots to which OFCOM assigned standing high bid status after the end of that principal stage round, multiplied by the round price at which those bids were made.

(3) The further sum shall be an amount determined by OFCOM such that the total amount that the bidder is required to have on deposit is at most the amount of the bidder's highest financial exposure after the end of any of the previous principal stage rounds before OFCOM gave notice to the bidder under paragraph (1).

(4) Any such sum must be paid into OFCOM's bank account with accompanying information which identifies the bidder, by a deadline specified by OFCOM.

(5) Where a bidder does not satisfy the requirements set out in paragraph (4), OFCOM shall notify the bidder of that fact.

Required final principal stage deposit

55.—(1) After the final principal stage round, a further sum in pounds must be paid into OFCOM's bank account with accompanying information which identifies the bidder, by a deadline specified by OFCOM ("required final principal stage deposit").

(2) In respect of any bidder, the required final principal stage deposit shall be an amount such that the total amount that the bidder has on deposit is not less than the amount which is the sum of—

- (a) that bidder's total 3.6 GHz base price;
- (b) that bidder's total 700 MHz individual frequency lot base price; and
- (c) that bidder's total 700 MHz paired frequency lot base price.

(3) Where a bidder does not satisfy the requirements set out in paragraph (1)—

- (a) OFCOM shall notify the bidder; and
- (b) the bidder shall not be excluded from the award process, but may not make assignment stage bids, may not participate in any negotiation period and will be deemed to have made valid assignment stage bids with a value of zero pounds for its assignment stage options.