
STATUTORY INSTRUMENTS

2018 No. 86

The Wireless Telegraphy (Licence Award) Regulations 2018

PART 6

The principal stage

CHAPTER 1

Principal stage rounds, principal stage forms, principal stage bids and round prices

Principal stage rounds

- 25.**—(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 [54](#).
- (3) The number of principal stage rounds shall be determined by OFCOM in accordance with regulation [28](#).

Principal stage form

- 26.**—(1) OFCOM shall provide each bidder in the principal stage with a principal stage form.
- (2) Subject to paragraph (8), 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 2.3 GHz lots it wishes to make in that round;
 - (b) specify the number of principal stage bids for 3.4 GHz lots it wishes to make in that round;
 - (c) indicate whether it wishes to withdraw the standing high bid status of its bids for 2.3 GHz lots from consideration by OFCOM for the assignment of standing high bid status after the end of that round;
 - (d) indicate whether it wishes to withdraw the standing high bid status of its bids for 3.4 GHz lots from consideration by OFCOM for the assignment of standing high bid status after the end of that round; and
 - (e) 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 [59](#) or [60](#);
 - (c) the bidder has complied with regulations [43](#), [45](#), [46](#) and [49](#) in respect of any principal stage bids specified on the form;

- (d) the bidder has complied with regulation 47 in respect of any withdrawal of standing high bid status indicated on the form;
 - (e) the bidder has complied with regulation 44 in respect of the total frequencies associated with the form; and
 - (f) the bidder has complied with regulation 48 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) A withdrawal of standing high bid status is a valid withdrawal of standing high bid status if it is indicated on a valid principal stage form.
- (7) 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.
- (8) Any bidder in the principal stage 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

- 27.—(1) 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 or, in the circumstances described in paragraph (2), at twice the round price for a lot of that type.
- (2) The circumstances are where the principal stage bid becomes a winning principal stage bid after withdrawal of that bid's standing high bid status in accordance with regulation 39 or 40.

Number of principal stage rounds

- 28.—(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 37.
- (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;
 - (b) a bidder indicated a valid withdrawal of standing high bid status in that round; or
 - (c) an eligibility event occurred in that round.

Round prices for the first principal stage round

29. For the first principal stage round—
- (a) the round price for each 2.3 GHz lot shall be ten million pounds; and
 - (b) the round price for each 3.4 GHz lot shall be one million pounds.

Determination of round prices for subsequent principal stage rounds

- 30.—(1) For each subsequent principal stage round—

- (a) the round price for each 2.3 GHz lot shall be determined by OFCOM in accordance with regulation 31; and
 - (b) the round price for each 3.4 GHz lot shall be determined by OFCOM in accordance with regulation 32.
- (2) The round price shall be the same for each lot of the same type.

Round price for 2.3 GHz lots

31.—(1) The round price for each 2.3 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 2.3 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 four valid principal stage bids for 2.3 GHz lots at the round price of the most recent round.

Round price for 3.4 GHz lots

32.—(1) The round price for each 3.4 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 3.4 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 thirty valid principal stage bids for 3.4 GHz 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

33.—(1) After the end of each principal stage round, OFCOM shall assign standing high bid status to valid principal stage bids for 2.3 GHz lots and valid principal stage bids for 3.4 GHz 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 34;
- (b) second, identifying and ranking the bids made by those bidders in accordance with regulation 35; and
- (c) third, assigning standing high bid status to those bids in accordance with regulation 36.

Process for assigning standing high bid status: ranking the bidders

34.—(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;
 - (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;
 - (ii) some but not all of the bids were assigned standing high bid status by OFCOM after the end of the previous round; and
 - (iii) the standing high bid status of the bids was not withdrawn by the bidder in the most recent round in accordance with regulation 47.
- (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

35.—(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

36.—(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

37.—(1) Where OFCOM have determined in accordance with regulation 28 that there shall be no further principal stage rounds—

- (a) principal stage bids with standing high bid status shall become winning principal stage bids in accordance with regulation 38; and
- (b) principal stage bids in respect of which standing high bid status was withdrawn shall also become winning principal stage bids in accordance with regulations 39 or 40.

Bids with standing high bid status becoming winning principal stage bids

38.—(1) 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 2.3 GHz lots to which OFCOM assigned standing high bid status after the end of the final principal stage round; and
- (b) subject to paragraph (3), the principal stage bids for 3.4 GHz lots to which OFCOM assigned standing high bid status after the end of the final principal stage round.

(3) Where a bidder has specified a 3.4 GHz minimum requirement and OFCOM has assigned standing high bid status to fewer principal stage bids for 3.4 GHz lots made by the bidder than its 3.4 GHz minimum requirement—

- (a) those bids for 3.4 GHz lots with standing high bid status will not become winning principal stage bids; and
- (b) there will be no winning bidder for the 3.4 GHz lots for which those bids were made.

2.3 GHz bids in respect of which standing high bid status was withdrawn becoming winning principal stage bids

39.—(1) Subject to paragraph (3), principal stage bids for 2.3 GHz lots in respect of which standing high bid status was withdrawn shall become winning principal stage bids for those lots in the circumstances described in paragraph (2).

(2) The circumstances are where—

- (a) following the principal stage round in which the standing high bid status of those bids was withdrawn, no bidder withdrew standing high bid status from bids for any 2.3 GHz lots; and
- (b) after the end of the final principal stage round, OFCOM does not assign standing high bid status to four principal stage bids for 2.3 GHz lots.

(3) The number of principal stage bids for 2.3 GHz lots which shall become winning principal stage bids under this regulation shall be the number calculated in accordance with paragraph (4).

(4) The number referred to in paragraph (3) shall be calculated in accordance with the formula $(4-x)$, where x is the number of 2.3 GHz lots to which OFCOM assigned standing high bid status after the end of the final principal stage round.

3.4 GHz bids in respect of which standing high bid status was withdrawn becoming winning principal stage bids

40.—(1) Subject to paragraph (3), principal stage bids for 3.4 GHz lots in respect of which standing high bid status was withdrawn shall become winning principal stage bids for those lots in the circumstances described in paragraph (2).

(2) The circumstances are where—

- (a) following the principal stage round in which the standing high bid status of those bids was withdrawn, no bidder withdrew standing high bid status from bids for any 3.4 GHz lots; and
- (b) after the end of the final principal stage round, OFCOM does not assign standing high bid status to thirty principal stage bids for 3.4 GHz lots.

(3) The number of principal stage bids for 3.4 GHz lots which shall become winning principal stage bids under this regulation shall be the number calculated in accordance with paragraph (4).

(4) The number referred to in paragraph (3) shall be calculated in accordance with the formula $(30-y)$, where y is the number of 3.4 GHz lots to which OFCOM assigned standing high bid status after the end of the final principal stage round.

(5) Principal stage bids for 3.4 GHz lots in respect of which standing high bid status was withdrawn, and which were made in the circumstances described in paragraph (2), shall become winning principal stage bids even if the number of 3.4 GHz lots associated with those winning principal stage bids is less than that bidder's 3.4 GHz minimum requirement.

Determination of base price

41.—(1) The base price for a 2.3 GHz lot for which a bidder made a bid that became a winning principal stage bid in accordance with regulation 38 ("2.3 GHz base price A") 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 3.4 GHz lot for which a bidder made a bid that became a winning principal stage bid in accordance with regulation 38 ("3.4 GHz base price A") 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 2.3 GHz lot for which a bidder made a bid that became a winning principal stage bid in accordance with regulation 39 ("2.3 GHz base price B") will be a sum equal to twice the round price at which the winning bidder made that winning principal stage bid.

(4) The base price for a 3.4 GHz lot for which a bidder made a bid that became a winning principal stage bid in accordance with regulation 40 ("3.4 GHz base price B") will be a sum equal to twice the round price at which the winning bidder made that winning principal stage bid.

Determination of total base price

42.—(1) A reference to a winning bidder's "total 2.3 GHz base price A" is a reference to that winning bidder's 2.3 GHz base price A multiplied by the number of 2.3 GHz lots won by that bidder in accordance with regulation 38.

(2) A reference to a winning bidder's "total 3.4 GHz base price A" is a reference to that winning bidder's 3.4 GHz base price A multiplied by the number of 3.4 GHz lots won by that bidder in accordance with regulation 38.

(3) A reference to a winning bidder's "total 2.3 GHz base price B" is a reference to that winning bidder's 2.3 GHz base price B multiplied by the number of 2.3 GHz lots won by that bidder in accordance with regulation 39.

(4) A reference to a winning bidder's "total 3.4 GHz base price B" is a reference to that winning bidder's 3.4 GHz base price B multiplied by the number of 3.4 GHz lots won by that bidder in accordance with regulation 40.

CHAPTER 4

Constraints for principal stage bids, withdrawals of standing
high bid status and carrying forward an eligibility limit

SECTION 1

Constraints for principal stage bids

Maximum number of principal stage bids for 2.3 GHz lots and 3.4 GHz lots

43. In any principal stage round—

- (a) the number of principal stage bids for 2.3 GHz lots that a bidder may make shall not exceed that bidder's 2.3 GHz bid limit; and
- (b) the number of principal stage bids for 3.4 GHz lots that a bidder may make shall not exceed thirty.

Overall bid constraint rule

44.—(1) In addition to the limitations on bidding in regulation 43, 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 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 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 2.3 GHz 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 2.3 GHz lots—
 - (aa) the number of principal stage bids for 2.3 GHz lots made by that bidder which were assigned standing high bid status after the end of the most recent round, multiplied by 10 MHz; and
 - (bb) if no such principal stage bids for 2.3 GHz lots made by that bidder were assigned standing high bid status after the end of the most recent round, zero; and
- (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 3.4 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 3.4 GHz lots—
 - (aa) the number of principal stage bids for 3.4 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 3.4 GHz 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

45. 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.

3.4 GHz minimum requirement

46. Where a bidder has specified a 3.4 GHz minimum requirement, the number of principal stage bids for 3.4 GHz lots that bidder specifies on a principal stage form (if any) must be at least its 3.4 GHz minimum requirement.

SECTION 2

Withdrawal of Standing High Bid Status

Withdrawal of standing high bid status

47.—(1) In any principal stage round except the first one, a bidder may indicate on its principal stage form that it wishes to withdraw the standing high bid status of the bids which OFCOM assigned standing high bid status following the most recent round in accordance with this regulation.

(2) Where a bidder withdraws the standing high bid status of bids in a round, the bids which had such standing high bid status will not be considered by OFCOM for the assignment of standing high bid status after that round.

(3) A bidder may withdraw the standing high bid status of bids for one or both types of lot.

(4) Where a bidder withdraws the standing high bid status of bids for a type of lot, it shall withdraw the standing high bid status of all of its bids for that type of lot.

(5) A bidder may only withdraw the standing high bid status of bids for a type of lot in a principal stage round if each of the following applies—

- (a) following the end of the most recent round, OFCOM assigned standing high bid status to some but not all of the bidder's principal stage bids for lots of that type made in the latest round in which the bidder made bids for lots of that type;
- (b) the bidder makes no valid principal stage bids for lots of that type in the current round;
- (c) the bidder has not withdrawn the standing high bid status of bids for lots of either type on five previous occasions.

SECTION 3

Request by a bidder to carry forward its eligibility limit

Request by a bidder to carry forward its eligibility limit

48.—(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 50) 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 2.3 GHz lots on its principal stage form;
- (b) specify a valid principal stage bid for 3.4 GHz lots on its principal stage form; or
- (c) indicate a valid withdrawal of standing high bid status of any of its principal stage bids.

(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 52(3).

CHAPTER 5

Eligibility

Eligibility rule

49.—(1) The number of eligibility points used by a bidder in a principal stage round, calculated in accordance with regulation 51, may not exceed that bidder's eligibility limit for that round, calculated in accordance with regulation 50.

(2) In this Chapter, 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

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

- (a) for the first principal stage round, in accordance with regulation 18; 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 the most recent round.

(3) In relation to each principal stage round where an eligibility event occurred 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

51.—(1) The number of eligibility points used by a bidder in the current round shall be the number equal to the sum of the 2.3 GHz number calculated in accordance with paragraph (2) and the 3.4 GHz number calculated in accordance with paragraph (3).

(2) The 2.3 GHz number referred to in paragraph (1) is—

- (a) where the bidder has specified a number of principal stage bids for 2.3 GHz lots in the current round, the number of bids for 2.3 GHz 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 2.3 GHz lots in the current round, the number of bids for 2.3 GHz lots made by that bidder to which OFCOM assigned standing high bid status after the end of the most recent round and in respect of which the standing high bid status is not withdrawn by the bidder in the current round, multiplied by four; and
 - (c) where the bidder has not specified any principal stage bids for 2.3 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 2.3 GHz lots made by that bidder, zero.
- (3) The 3.4 GHz number referred to in paragraph (1) is—
- (a) where the bidder has specified a number of principal stage bids for 3.4 GHz lots in the current round, the number of bids for 3.4 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 3.4 GHz lots in the current round, the number of principal stage bids for 3.4 GHz lots made by that bidder to which OFCOM assigned standing high bid status after the end of the most recent round and in respect of which the standing high bid status is not withdrawn by the bidder in the current round; and
 - (c) where the bidder has not specified any principal stage bids for 3.4 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 3.4 GHz lots made by that bidder, zero.

Eligibility event

- 52.—**(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.

CHAPTER 6

Deposit constraint

Deposit constraint on bidding

53.—(1) Where, after the end of a principal stage round, OFCOM has notified a bidder under regulation 63(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 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 38.

(4) Any principal stage bids made by that bidder in respect of which standing high bid status was withdrawn will become winning principal stage bids in accordance with regulation 39 or 40 if, after the end of the final principal stage round, the circumstances described in regulation 39(2) or 40(2) apply.

CHAPTER 7

Information released during and following the principal stage

Notice to be given to bidders before each principal stage round

54. 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 2.3 GHz lot; and
 - (ii) a 3.4 GHz lot;
- (c) the remaining number of principal stage rounds in which the bidder may withdraw the standing high bid status of bids;
- (d) the remaining number of occasions on which an eligibility event may occur in respect of that bidder; and
- (e) the bidder's eligibility limit for that principal stage round.

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

55.—(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) for each lot type, whether the bidder indicated a valid withdrawal of standing high bid status in the most recent round;
 - (e) the remaining number of rounds in which the bidder may withdraw the standing high bid status of bids;
 - (f) the remaining number of occasions on which an eligibility event may occur in respect of that bidder;
 - (g) the bidder's eligibility limit for the next principal stage round;
 - (h) the bidder's financial exposure after the end of the most recent round;
 - (i) for 2.3 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); and
 - (j) for 3.4 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 (4).
- (2) The excess demand for 2.3 GHz lots ($ed_{2.3\text{GHz}}$) is the amount in MHz which is calculated in accordance with the formula set out in paragraph (3).
- (3) The formula is $ed_{2.3\text{GHz}} = (e + f - 4) \times 10$, where—
- (a) “e” is the total number of valid principal stage bids for 2.3 GHz lots made by all bidders in the most recent round; and
 - (b) “f” is the total number of bids for 2.3 GHz lots with standing high bid status immediately prior to the most recent round made by all bidders who have not made bids for 2.3 GHz lots in the most recent round, and who did not withdraw the standing high bid status of bids for 2.3 GHz lots in the most recent round.
- (4) The excess demand for 3.4 GHz lots ($ed_{3.4\text{GHz}}$) is the amount in MHz which is calculated in accordance with the formula set out in paragraph (5).
- (5) The formula is $ed_{3.4\text{GHz}} = (g + h - 30) \times 5$ where—
- (a) “g” is the total number of valid principal stage bids for 3.4 GHz lots made by all bidders in the most recent round; and
 - (b) “h” is the total number of valid bids for 3.4 GHz lots with standing high bid status immediately prior to the most recent round made by all bidders who have not made bids for 3.4 GHz lots in the most recent round, and who did not withdraw the standing high bid status of bids for 3.4 GHz lots in the most recent round.

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

56. 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) each 2.3 GHz lot; and
 - (ii) each 3.4 GHz lot;
- (b) for each lot type separately, 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

57. 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; and
- (b) the names of the winning bidders, and in respect of each of them—
 - (i) the number of 2.3 GHz lots won, the 2.3 GHz base price A and the 2.3 GHz base price B; and
 - (ii) the number of 3.4 GHz lots won, the 3.4 GHz base price A and the 3.4 GHz base price B.

Publication of results of the principal stage

58. After the notification given in accordance with regulation 57, OFCOM shall publish on their website—

- (a) the names of the winning bidders, and in respect of each of them—
 - (i) the number of 2.3 GHz lots won, the 2.3 GHz base price A and the 2.3 GHz base price B; and
 - (ii) the number of 3.4 GHz lots won, the 3.4 GHz base price A and the 3.4 GHz base price B; and
- (b) the number of 2.3 GHz lots and the number of 3.4 GHz lots not won by any bidder.

CHAPTER 8

Procedure for principal stage

Submission of principal stage form to OFCOM

59.—(1) A bidder must submit the completed principal stage form to OFCOM by using the electronic auction system, except as provided for in regulation 60.

(2) The completed principal stage form must be received by OFCOM by the time notified by OFCOM under regulation 54(a) as the end of the principal stage round.

Alternative method for submission of principal stage form

60.—(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

61.—(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 26(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

62. 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 9

Deposits during and following the principal stage

Deposits during the principal stage

63.—(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 2.3 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 3.4 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;
- (c) the number of that bidder's principal stage bids for 2.3 GHz lots which would become winning principal stage bids in accordance with regulation 39 (following the withdrawal of standing high bid status) if that principal stage round was the final principal stage round, multiplied by the round price at which those bids were made; and
- (d) the number of that bidder's principal stage bids for 3.4 GHz lots which would become winning principal stage bids in accordance with regulation 40 (following the withdrawal of standing high bid status) if that principal stage round was the final 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

64.—(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 2.3 GHz base price A;
- (b) that bidder’s total 3.4 GHz base price A;
- (c) one half of that bidder’s total 2.3 GHz base price B; and
- (d) one half of that bidder’s total 3.4 GHz base price B.

(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 and will be deemed to have made valid assignment stage bids with a value of zero pounds for its assignment stage options.