

Bonn, 31 October 2019

5G spectrum fees for local usages

Jochen Homann: "Kick-off for 5G local campus networks strengthens Germany as a location for business and investment"

The Bundesnetzagentur, in agreement with the relevant ministries, has set the fees for 3.7 - 3.8 GHz spectrum for local usages. The Frequency Fee Ordinance will be amended accordingly and published shortly in the Federal Law Gazette.

Fees formula

Each assignment fee will be calculated individually using the following formula:

Fee = $1000 + B \cdot t \cdot 5$ ($6a_1 + a_2$).

The fee comprises the following elements: a base amount of $\in 1,000$, the assigned bandwidth (**B**: from 10 MHz to 100 MHz), the assignment term (**t**: in years or fractions of a year based on each month commenced), and the surface area covered by the assignment in square kilometres (broken down into \mathbf{a}_1 for land for settlements and transport infrastructure and \mathbf{a}_2 for other types of land).

Factors in the fees formula

The fees formula is designed to ensure optimum and efficient use of the spectrum.

The larger the bandwidth, the higher the fee, and the larger the area covered by the usage, the higher the fee. The base amount has been chosen so as not to create an obstacle for business models such as those of start-ups, SMEs or agricultural enterprises.

The assignment term is also included as one of the factors in the formula to encourage potential users to apply for assignments only for the period in which they actually plan to use the spectrum.

Frequency assignments covering land for settlements and transport infrastructure are more expensive than frequency assignments covering other types of land. This takes account of the need for frequency coordination and means that usages in less densely built-up areas remain economically interesting. Bundesnetzagentur Tulpenfeld 4 53113 Bonn

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The definitions for categorising land are based on those used by the German Environment Agency and the Federal Statistical Office (<u>https://bit.ly/36n41FY</u>).

Launch of the application procedure

The draft document setting out the procedures for the assignment of spectrum for local broadband and the application forms are available (in German) on the Bundesnetzagentur's website (www.bundesnetzagentur.de/lokalesbreitband).

The path is now clear for the realisation of innovative 5G local solutions for start-ups, agricultural businesses, SMEs and industrial enterprises.

The Bundesnetzagentur is an authority under the responsibility of the Federal Ministry for Economic Affairs and Energy. Its core tasks include supervising the energy, telecommunications, postal and railway markets.

As part of its mandate, the Bundesnetzagentur ensures that as many undertakings as possible can use the infrastructure in these sectors so that consumers benefit from competition and favourable prices.

The authority employs over 2,900 people at its headquarters in Bonn and Mainz and its 46 regional offices.