GSMA

Spectrum Licensing Best Practice
Switzerland

Early spectrum availability and process predictability enable 5G network leadership



Key lessons

- **The regulator's ambition for the 2019 Swiss spectrum auction was to ensure the rapid introduction of 5G to the market**
- **For this to be achieved, key 5G spectrum bands were made available at an early point of the technology lifecycle**
- **Continued interactions between the regulator and operators significantly ahead of the auction offered predictability on spectrum availability and licence conditions**
- **This certainty on spectrum availability allowed for network investments by the operators to be made ahead of the actual auction**
- **The first 5G networks were thus launched imminently after the auction and established Switzerland at the forefront of 5G developments in Europe**

Background

In the summer of 2017, Swiss regulator OFCOM initiated the process of awarding three new spectrum bands (700 MHz, 1400 MHz and 3500 MHz). With the award containing two of the key bands for 5G in Europe, the award was aimed at prioritising the rapid introduction of 5G in Switzerland, with OFCOM explicitly stating that this aim was more important than raising government revenue.

The preparatory stages of the award process took about 18 months. Within the process, several consultation stages gave stakeholders the opportunity to input into the decision-making process and shape the rules and licence conditions. Most of the key auction rules remained unchanged from early 2018 onwards, providing interested bidders with about a year's time to prepare for the auction and its likely outcomes.

The award took place in January 2019 and lasted about one week. OFCOM used a simple clock auction format with low reserve prices and relatively loose spectrum caps (e.g. allowing operators to acquire 50% of the available 700MHz spectrum). Ultimately, all operators were able to acquire spectrum for 5G and less than three months after the conclusion of the auction, the first 5G networks were commercially launched by two of the operators.

GSMA

Benefits from the policy

The award process provided a lot of predictability to the operators and made the right spectrum available at the right time.

Predictability was achieved by:

- initiating the award process more than a year before the start of the auction
- giving operators certainty regarding the spectrum to be included in the award
- providing operators with clarity about the award framework and auction rules
- offering clarity when the spectrum would become available.

As a result, operators could already prepare their networks prior to the conclusion of the auction – explaining the speed at which networks were rolled out afterwards.

The auction was also well-timed to make the right spectrum available at the right time. In 2019, 5G was gaining momentum internationally and countries were keen to position themselves as leaders in 5G. The auction included two of the three key 5G bands - 700 MHz for coverage and 3500 MHz to enable a step change in network speeds and capacity.



Early spectrum auctions



Low reserve prices



Maximum predictability with continuous dialogue

Final impact

The auction enabled a race for technology leadership by the operators. Sunrise announced coverage of 150 villages by the end of March 2019, i.e. less than 3 months after the auction. Similarly, Swisscom launched commercial services on its 5G network in April 2019 , being one of the first in Europe to do so by offering services in 102 locations across 54 cities. By the end of the year, it had covered more than 90% of the population with 5G.

Swiss mobile users have been the main beneficiaries of this development as Switzerland continues to be ranked amongst the top countries in Europe when it comes to both 5G coverage and speeds.

© GSMA February 2023
https://www.gsma.com/spectrum/resources/best-practice-mobile-spectrum-licensing/



aetha