

# Pricing Formula for Commercial Frequency Spectrum

The price of spectrum (excluding microwave frequencies) is calculated on an annual per state basis using the following formula;

$$\text{Spectrum Fee} = (U) \times (B) \times (K_1) \times (K_2) \text{ per State}$$

Where

**$U$  = Unit Price: This varies according to Licensing Region/Tier of the State in which the applicant seeks to operate.**

Tier	State(s)	Price (MHz/Year)
Tier 1	Lagos	<b>₦3,000,000</b>
Tier 2	Delta; Federal Capital Territory, Abuja; Kaduna; Kano; and Rivers.	<b>₦1,500,000</b>
Tier 3	Abia; Anambra; Edo; Ogun; and Oyo.	<b>₦1,200,000</b>
Tier 4	Akwa Ibom; Bauchi; Benue; Borno; Cross River; Enugu; Imo; Kogi; Kwara, Niger; Ondo; Osun; and Plateau.	<b>₦600,000</b>
Tier 5	Adamawa; Bayelsa; Ebonyi; Ekiti; Gombe; Jigawa; Katsina; Kebbi; Nassarawa; Sokoto; Taraba; Yobe; and Zamfara.	<b>₦300,000</b>

**$B$  = Assigned Bandwidth (Spectrum Size) in MHz**

**$K_1$  = Band Factor**

- 1.0 for 3.5 GHz Band
- 1.6 for 1.8/1.9 GHz Band
- 1.4 for 800/900 MHz Band
- 1.2 for 2.0 – 2.5 GHz Band
- 0.33 for 10.5 GHz Band
- 0.12 for 26 GHz
- 2.0 for 450 MHz
- 0.5 for 5.0 GHz

**$K_2$  = Tenure Duration Factor**

- 0.3 for 3 months
- 1.0 for a 1 year License
- 4.0 for a 5 year License (Standard)
- 7.2 for a 10 year License
- 10.4 for a 15 year License

## Duplex/Simplex

For simplex channel, unit price per State will be half of equivalent duplex channel.