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Dear Laurence

Ofcom consultation- simplifying spectrum trading

Thank you for the opportunity of responding to the above consultation.

The Federation of Communication Services is the UK trade association for the communication services industry representing the interests of 300 companies delivering fixed, IP, mobile and radio services and products to customers in the UK. A list of our members may be found on the [FCS website](#)

This response is drafted on behalf of those FCS members in the Business Radio community that may be affected by the current consultation.

The principle of simplification of any regulatory system is welcomed.

We repeat the comments made in previous responses to Ofcom consultations on radio spectrum issues that spectrum is an input for various services and spectrum management processes cannot be one size fits all. The spectrum market in general is best directed at commercial spectrum based operations such as public telephony and broadcasting. It is not relevant for every type of user.

Spectrum trading was introduced in December 2004 and since December 2008 more Business Radio and fixed links licences are now “tradable”. Licensees can use the trading facility if they wish, although the majority have not chosen to do so.

Ofcom has questioned why more trading has not taken place but does not appear to demonstrate with evidence why this is so.

The majority of Business Radio licensees need radio spectrum and associated radio services as important inputs to their primary business activities where there is little suitable alternative substitute. In general licensees retain their licences and services for up to 5 to 10 years,

sometimes more in the Critical National Infrastructure sector, as these are not commercial telcos seeking to develop a spectrum market. More information about the Business Radio sector can be found in the FCS paper [Value of Business Radio](#)

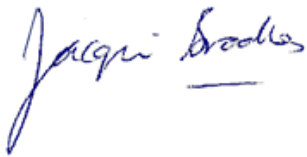
Within the Business Radio sector certain companies deliver Common Base Station [CBS] or Short Term Hire [STH] services, where, under contract, their customers access licensee's spectrum. Until the business radio licences were liberalised in December 2008 there were individual Ofcom licences for CBS and STH. At no point in this pre liberalisation regime were STH and CBS services classed as spectrum trading or leasing by Ofcom, although spectrum trading was introduced 5 years ago. So it is with some concern that the current consultation, which appears to focus purely on sorting out the processes for a band manager for PMSE, should apparently extend to other services offered to third parties, but not mobile telephony.

Ofcom promoted liberalisation of business radio licences as a deregulatory measure to remove constraints on licensees. From this consultation it appears that Ofcom may be re-imposing constraints.

We are therefore concerned and confused and request that Ofcom does nothing following this consultation until the implications for the STH and CBS sectors are clarified.

In this context it does not appear relevant to answer the consultation questions. We know that FCS members will also send their responses to you raising issues for their individual organisations.

Yours sincerely

A handwritten signature in blue ink that reads "Jacqui Brookes". The signature is written in a cursive style with a horizontal line underneath the name.

Jacqui Brookes OBE
CEO