

SFRPS Response from the Ministry of Defense

Question 1: do you agree with Ofcom's proposed overall approach to improving the management of public sector spectrum holdings and, in particular, with Ofcom's conclusion that it will generally be preferable for public sector bodies to interact directly with the market?

Answer 1: Yes. The MOD is fully committed to the programme of reform in the framework for managing public sector spectrum holdings. This includes direct interaction with the market. Ofcom should however give further consideration to whether there should be one public sector body or more than one interacting with the market noting that only Ofcom may grant licences under the WT Act

Question 2: what factors do you consider Ofcom should take into account in determining the programme of reform in the framework for managing public sector spectrum holdings?

Answer 2: Ofcom should be mindful of the following factors, inter alia:

- that the timing of regulatory reform by Ofcom to allow direct interaction with the market is critical to successful change and budget management by the MOD
- the MOD works within the fiscal and spending control framework of Government. Ofcom should not anticipate additional payments in respect of the conversion of existing spectrum management arrangements to RSA, except where these are allowed for under Section 28 of the WT Act 2006, especially where conversion has not been anticipated by a Spending Review.
- Ofcom should be mindful of the review to be undertaken by the Radio Spectrum Planning Group Strategic of government service use of radio spectrum and implications on spectrum resource optimisation at an EU level. The MOD will wish to see as much certainty in the EU regulatory framework as possible if they are to manage the programme of reform effectively.

Question 3: do you consider that the proposals should be phased in?

Answer 3: Yes. The MOD is of the view that the programme of reform required in the public sector is comparable in complexity and scale to the reform that Ofcom has been striving to introduce in the private sector since 2003 and notes that Ofcom's reforms in the private sector are phased.

Question 4: do you agree with Ofcom's proposals about the frequency bands that offer the greatest potential benefits from band sharing? Are there other frequency bands where the facility to trade or lease spectrum from public sector bodies would be particularly attractive?

Answer 4: Yes. However, Ofcom should note that:

- The MOD has initiated a programme of work to identify which spectrum can be released and when.
- The MOD has completed the audit of 3.4 to 3.6 GHz and will complete the audit of 2.7 to 3.4 GHz and 406.1 to 430 MHz by the end of 2007, and the remainder of the 23 priority bands identified by the Independent Audit.
- By May 2008 the MOD will publish a detailed implementation plan setting out plans for the release and sharing of bands, informed by plans for future military spectrum requirements and changes in market demand.

Question 5: do you agree with Ofcom's proposed approach to awarding public sector licences and RSA?

Answer 5: Yes. However, if the MOD is going to directly participate in trading RSA, grants should be made to the Secretary of State for Defence since this gives transparency and clarity in respect of obligations for management spectrum. In addition, Ofcom should provide further clarity regarding the effects on RSA holders resulting from licences already awarded by Ofcom within public spectrum holdings.

Question 6: should public sector spectrum trading be introduced at this stage in the Channel Islands and Isle of Man?

Answer 6: The MOD believes that the territorial rights sought by the MOD may be different to those specified in a licence granted by Ofcom where territorial waters or Flight Information Regions vary or are subject to international agreement. Noting therefore that a RSA may extend to include the Channel Islands and Isle of Man, the MOD is of the view that Ofcom should consider the introduction of spectrum trading as widely as possible.

Question 7: should there be additional grounds, eg safety-related, for Ofcom to refuse consent to a proposed trade in certain frequency bands or for certain applications?

Answer 7: Ofcom should provide clarity and consistency through the terms and conditions of WT Act licences concerning provisions whereby Government can take back spectrum for emergency or national security reasons.