

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?:

Whilst the ambitions of the scheme are well intentioned, there should be more incentive for public bodies to free up unneeded spectrum for other uses than currently, it may not only have this effect. This will potentially be a scheme where only very rich multinationals can afford the spectrum (at present US spectrum seems to be going at ~\$200 million/MHz for example) and where public bodies will never be able to buy back spectrum that they sell. The immediate effect will be to immediately give many public bodies a large asset. If it is possible within the regulatory framework, at any point where there is a budget cut or shortage the temptation will be to sell the asset (possibly leasing it back over many years if it is still required). This may lead to much more spectrum transferral than was originally envisaged.

The premise that the highest bidder can normally deliver greatest value is also not necessarily true. Consider the sell off of school playing fields, in this example the monetary value that the land can realise has to be balanced against the future health of the school children, PR etc and these are not easily valued commodities. How will commodities such as the ease of identifying aircraft for civilian or military purposes be valued by the organisations concerned for example?

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?:

Given the degree of use of the ISM and other unlicensed bands (UWB is attempting to utilise entirely free-to-use spectrum for example) currently it should be considered whether there should be more of these bands for the national benefit before the sell-off happens. This could be done by, for example, compensating the current owner at a reasonable market-based rate. As the use of these bands is so varied it is unlikely that the future disparate user group would get together and organised in order to bid in any auctions.

It should also be considered whether the current spectrum sharing arrangements that are of obvious benefit to the various public bodies concerned would be as likely to have occurred under a trading scheme such as the one proposed.

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

There are potentially some issues with a phased approach relating to the question of who gains the first opportunity to sell spectrum. If during the phased process there are several bidders who are willing to bid a great deal for an early slice of bandwidth but no more bidders appear for later BW slices then the owners who have the opportunity to sell first will get a great deal more money. This must be managed carefully.

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?:

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

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

We see no reason why the Isle of Man and the Channel Islands shouldn't follow the UK's example in this instance, in cases like this it makes sense to. However, given that Jersey and the Isle of Man lack the appropriate legislation, it would be sensible not to include them at this stage but to do so at a later date. Ofcom's suggestion in paragraph 6.43 seems reasonable.

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?:

Yes. This could lead to a great deal of change of use in the spectrum and hence significantly alter the amount of interference in- and out-of-band. This is the area in which NPL are most interested and hope that the transferrals taking place under this scheme will not lead to unforeseen and unwanted interference. Where this can cause safety issues all efforts should be made to avoid it. Perhaps there should be a stipulation that any proposed trade involving a change in the broadcast signals in any frequency band where increased interference is likely (or likely to be safety critical) should first have a limited trial where any interference to other systems is accurately characterised.

Comments: