

Consultation Responses:

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?

The Welsh Assembly recognises that spectrum is a finite and valuable resource and welcomes moves to reform the way in which public sector spectrum holdings are managed in order to achieve greater efficiencies and benefits for UK citizens and consumers.

We believe that spectrum that is currently held but not used, whether by the public sector or by the private sector, should be identified, assessed and, where possible, considered for release.

We broadly agree with the approach set out in this document as it improves the opportunities for spectrum sharing across the public sector and for releasing spectrum to the market for subsequent re-use.

The Welsh Assembly Government would welcome continued support from Ofcom to identify the current public sector holdings that are particularly relevant to Wales in order to better understand the policy, operational and financial implications of this approach on the Welsh Assembly Government and the wider public services in Wales.

We acknowledge Ofcom's preference for public sector bodies to interact directly with the market but welcome the recognition by Ofcom in paragraph 4.7 that there might be circumstances in which indirect release to the market through Ofcom would be more appropriate. We therefore agree with Ofcom that it is desirable that the framework should be sufficiently flexible to allow for both direct and indirect release of spectrum holdings by public sector bodies.

The Welsh Assembly Government does not consider market trading as its primary function. We seek clarity from Ofcom on the impact on the Welsh Assembly Government and the wider public services in Wales through the potential shift from Ofcom to Government of the administrative and financial overheads associated with such market trading behaviour.

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?

There are many factors that the Welsh Assembly Government believes Ofcom should take into account, most of which are covered in this document. We welcome the recognition throughout this document that emergency services, national security, international obligations and interference issues are of primary importance. We also believe that consideration must be given to the impact on competition, market distortion and the potential for spectrum hoarding. There is also a need for further engagement and a cautionary approach where financial and burdens are introduced.

While we agree in principle with Ofcom's preference for a market led approach to spectrum allocation, we would argue that societal benefit should also be considered. We believe that

the process should take into account whether or not the spectrum identified for release should be reserved to underpin delivery of public-sector services.

This could be achieved by ensuring that the procedure for the release of public sector spectrum holdings provided an explicit opportunity within the process for identifying opportunities for redistribution or spectrum sharing within the public sector in advance of a decision to release the spectrum to market.

During the release of spectrum to market, whether previously held by the public or commercial sectors, we would urge OFCOM to consider factors other than price during the licence allocation process, particularly the wider benefits to society of a specific use of spectrum. We would argue that the highest bid should not routinely be accepted as the winning bid, rather the bid that provides the best value to society as a whole should be favoured. Indeed there may be cases where the justification for an award is so strong in societal benefit terms that a free award of spectrum should be considered.

Question 3

Do you consider that the proposals should be phased in?

We believe that a phased approach is essential as it allows the scope for lessons to be learned and thus the process and framework to be reviewed and updated as appropriate.

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?

We agree with Ofcom's assessment in paragraphs 6.12 to 6.16 on the potential market demand for access to spectrum for mobility, wireless broadband services and new wireless broadband technologies.

Question 5

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

The Welsh Assembly Government agrees with Ofcom's proposed approach in principle, to award public sector licences and Recognised Spectrum Access in as technology and application neutral way as possible. We welcome further detail on the proposed Spectrum Usage Rights referred to in paragraph 6.35.

Question 6

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

The relevant administrations in these Crown Dependencies should be fully involved in the discussions.

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?

The Welsh Assembly Government believes that there may be additional grounds for the refusal of consent to trade in order to ensure that public safety is not compromised. The

capacity for the emergency services to function efficiently and safely must be protected as part of any decision to release spectrum for trade.