

# Broadband Access Strategies LLP

Buckfastleigh Business Centre • Chapel Street • Buckfastleigh • Devon • TQ11 0BA  
Telephone: +44 (0) 1364 644 110 • www.basllp.co.uk

27<sup>th</sup> August 2007

Mr Joe Sonke  
Ofcom  
3<sup>rd</sup> Floor Riverside House  
2a Southwark Bridge Road  
London SE1 9AH

Dear Mr. Sonke,

## **UK Broadband – Application for licence variation**

Please find attached our response to the consultation dealing with UK Broadband's request for changes to allow the mobile version of WiMAX to be used in the spectrum bands they are licensed to use at 3.5 Ghz in the UK.

Yours sincerely,

Ken Singleton  
Designated member.

## Cover sheet for response to an Ofcom consultation

### BASIC DETAILS

Consultation title: UK Broadband Application for Licence Variation

To (Ofcom contact): Joe Sonke

Name of respondent: Ken Singleton

Representing (self or organisation/s): Broadband Access Strategies LLP

Address (if not received by email):

### CONFIDENTIALITY

Please tick below what part of your response you consider is confidential, giving your reasons why

**Nothing**

Name/contact details/job title

Whole response

Organisation

Part of the response

If there is no separate annex, which parts?

If you want part of your response, your name or your organisation not to be published, can Ofcom still publish a reference to the contents of your response (including, for any confidential parts, a general summary that does not disclose the specific information or enable you to be identified)?

### DECLARATION

I confirm that the correspondence supplied with this cover sheet is a formal consultation response that Ofcom can publish. However, in supplying this response, I understand that Ofcom may need to publish all responses, including those which are marked as confidential, in order to meet legal obligations. If I have sent my response by email, Ofcom can disregard any standard e-mail text about not disclosing email contents and attachments.

Ofcom seeks to publish responses on receipt. If your response is non-confidential (in whole or in part), and you would prefer us to publish your response only once the consultation has ended, please tick here.

Name Ken Singleton

Signed (if hard copy)

*Do you agree that the case for making changes requested by UK Broadband to its licence has been made? If not, why would it not be appropriate to vary UK Broadband's Wireless Telegraphy Public Fixed Wireless Access Operator Licence by (i) allowing application neutrality and (ii) increasing the permitted maximum in-band EIRP, and why would it not be appropriate to vary the licence as soon as practicable?*

Broadband Access Strategies has been working in the field of broadband wireless since the creation of the partnership in 2002. Much of our business modelling work for clients at that time focussed on the competing standards of BWIF and IEEE802.16, particularly in their ability to deliver at price points comparable with ADSL and cable broadband technologies.

Much has changed over the last five years. Broadband via ADSL is now available to almost 100% of the population; although some rural areas are still relatively poorly served. Broadband fixed wireless access has been unable to compete with ADSL and cable based broadband provision due, in part, to the prior investment in access provision in these networks.

The lack of a settled standard for broadband wireless access has also been a contributory factor. The fixed version of what was to become the WiMAX mobile standard was only issued in 2004. Even prior to that work had already started on a mobile version of WiMAX – IEEE802.16e. Given that the fixed and mobile versions of the standard were not entirely compatible many holders of spectrum opted to delay capital expenditure on network rollout until equipment complying with the mobile version of the standard became available.

It is clear that conditions have changed very considerably since UK Broadband acquired the spectrum under auction in 2003. In our view there is no UK wide market for fixed broadband wireless access although there is an argument for such provision in rural areas where there is no cable alternative to ADSL and line lengths are long, resulting in low speed broadband. We therefore concur with Ofcom's view that the UK Broadband's licence conditions should be changed to allow what it terms 'application neutrality, and that the EIRP limits be increased.

We would like to make two recommendations however. The first relates to the EIRP limit for mobile devices specified in the consultation document. This limit is clearly relates to hand held devices such as mobile phones and PDAs. It is our view that other forms of mobile service exist, such as the delivery of broadband services to vehicles and trains, and that these services could and should for economic reasons be operated at higher EIRP limits. We therefore recommend that the licence conditions allow the licence holder to negotiate limits for these services with Ofcom in the same way as the current licence allows them to negotiate the limits for backhaul links.

We are also concerned that moving the terms of use from fixed wireless access to 'application neutrality' will increase the value of the licence very considerably and that this may encourage companies to speculate in spectrum. Ofcom in the consultation document argue that prior to the auction the Cave review had recommended that spectrum should be technology neutral and therefore bidders knew that the licence conditions could change over the period of the licence. Broadband Access Strategies was involved in the bidding process and can confirm that this was the case. Nevertheless financial backers for the majority of (relatively small) bidders would have based the value of the spectrum on the stated licence conditions rather than on the speculative change of use. Only large companies with strong balance sheets are likely to have been able to base their bids in part on the 'potential' future value of the

spectrum. Our concern is that spectrum is purchased to deliver services rather than purchased based on speculation that its value may increase at some future date.

It is our recommendation therefore that as part of the change in licence conditions that Ofcom base the renewal charge for the spectrum, due in June 2008, on the average price paid for equivalent spectrum due to be auctioned in the next 12 months in the 2.6GHz bands. Clearly propagation conditions differ between the bands but Ofcom and its consultants should be able to come up an acceptable method for calculating the equivalent value of the spectrum at 3.5GHz.

Broadband Access Strategies LLP

[www.basllp.co.uk](http://www.basllp.co.uk)

01364 644110