

Intellect is pleased to submit the following answers to the consultation questions, obtained from the following internet website address:

<http://www.ofcom.org.uk/consult/condocs/brtrading/>

This consultation is linked to 'Modifications to Spectrum Pricing', also due on 15|09|2006, obtainable from:

<http://www.ofcom.org.uk/consult/condocs/pricing06/pricing06.pdf>

Consultation questions, with Intellect answers:

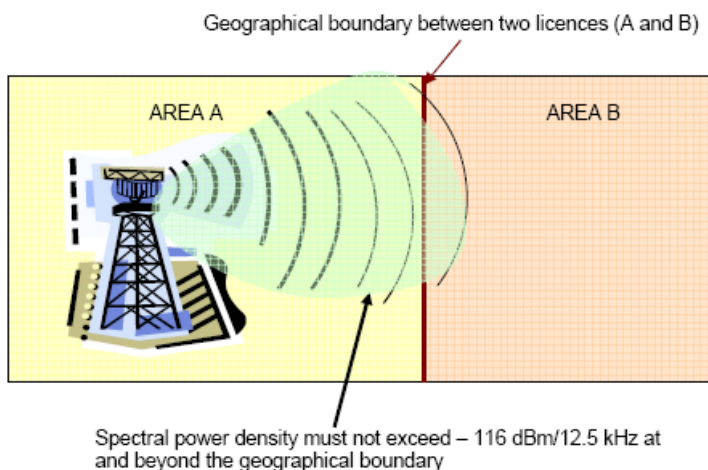
Question 1) Ofcom would welcome comment on its proposals for the Business Radio Technically Assigned Licence class

Intellect: we will be interested to see how the computer modelling compares with the present approach and how the TFAC (Technical Frequency Assignment Criteria) works.

It would be helpful if Ofcom could demonstrate the ability of the new system and we request that due consideration be given to a consultation process for this.

It is noted that the releasing of unused spectrum receives no mention in the consultation.

Question 2) Ofcom would welcome comment on its proposals for the Business Radio Area Defined Licence class



Intellect: It is unsure that this will be effective where power may differ at the boundaries due to obstacles. How Ofcom will manage greater interference could be a problematic issue.

Whilst liberalising the spectrum for the licensee to decide its best use may be welcome, provided safeguards are given to other users, Ofcom's ability to detect and arbitrate on infractions may concern some organisations. This consultation comes at the same time

as the Spectrum Usage Rights and the New Charging Principles are still being discussed, both directly influencing this consultation.

Question 3) Ofcom would welcome comment on its proposals for the Business Radio Light Licence class

This approach seems reasonable but it comes during a review of Maximum Power Levels for License-exempt Devices.

Question 4) Do you agree with Ofcom proposals to extend trading in the Business Radio sector?

No proposals should be introduced that reduce the available spectrum to below what is needed to support critical operations. Are there any provisions on emergency services to prevent the latter losing spectrum? It is not necessarily a correct policy that all spectrum should be paid for, for example licence exempt. In other administrations, licence exempt also means fee exemption, because the administration cost is zero.

Question 5) Do you agree with Ofcom proposals to extend trading flexibilities?

The objection with this proposal is the cost associated with regional licensing. It is not stated what the first two bullet points have to do with "Spectrum Management". If the band is not shared and not used, does it matter where it is geographically, as the last 3 bullet points cover the spectrum issues.

Section 6.6 on page 44 of the condoc states that in setting fees for licences in the Business Radio sector (excluding the 'light' category) Ofcom proposes to take into account the following factors:

- whether a location is highly populated;
- the extent of coverage of a radio system;
- whether the frequency band is congested;
- the amount of spectrum bandwidth used;
- whether spectrum is shared with other users.

Setting the minimum area that can be traded at a 50km square seems inappropriate in many instances. For example, this appears to mean that spectrum in London must be traded as a whole, not in part.

Question 6) Do you agree with Ofcom proposals to extend trading to the UHF 1 band?

Only if the coordination with RAF Fylingdales is transparent and that OFCOM has a publicly available process between themselves and the MOD.

AEW carrier borne aircraft use this frequency range and the AIP should reflect that the new user may not be a primary allocation or at least may suffer interference.

We are unclear how a partial trade could proceed in a shared channel.

Question 7) Do you agree with Ofcom's proposals to extend information currently available about tradable licence classes to those licences made tradable as a result of the proposals set out in this document?

If a company wishes to trade licences, then this information must be known. However this may not suit companies who may wish to keep their operating information confidential. Has Ofcom overcome it's obligations towards data protection?

Question 8) Do you agree with Ofcom proposals to extend licence term to 5 years notice period

This seems a reasonable approach.

-----end of 4-page Intellect response-----