

Network Rail Response to Ofcom Consultation on Proposals for Setting Wireless Telegraphy Act Licence Fees 6th July 2006

Question 1 - Light Licensing is not seen to be attractive to organisations such as Network Rail with mission critical communication requirements, hence we have no opinion on Ofcom's proposed pricing regime.

Question 2 – Network Rail do not agree with Ofcom's fee proposals for the Business Radio Area Defined Licence Class as it is believed that they will result the following significant increases to NR's license fees:

Table 3.5 indicates that for example the multiplier used by Ofcom for GB (UK excluding NI) appears to have increased from 80% to 97%, and the uncongested channel rate for GB (UK excluding NI) would rise from £7,425 to £8,250. Our understanding of the proposed means of calculation appears to point towards an unwarranted cost increase for NR's national licenses.

Specifically this appears to equate to an 11% increase of license fees for Band III spectrum where Network Rail will have to work closely with Ofcom to manage their usage and ultimate exit from spectrum of gradually worsening quality.

Furthermore Network Rail's UHF spectrum employed for Cab Secure Radio, safety communications from Driver to Signaller would appear to be destined for a price rise of 8% if geographical usage is measured under the existing classifications.

Question 3 – Network Rail do not agree with Ofcom's fee proposals for the Business Radio Technically Assigned Licence Class as it is believed that they will result the following significant increases to NR's license fees:

For railway station and train depot radio UHF radio systems (fixed station and handportables) none of over 60 sites calculated under Ofcom's proposed rules for Technical Assignment, showed any reduction in license fee, whilst 75% of licenses would attract an increase in license fee. The cumulative license bill for these sites would increase by a staggering 33% for no perceivable increase in deliverable from Ofcom.

For railway station and train depot UHF back to back (no fixed station) radio systems it is not clear how Ofcom propose to license or tariff these, particularly as these use half of a 12.5kHz channel pair. Ofcom's Light Licensing rationale with its "Light licences are heavily shared" health warning appears wholly unsuitable for radio equipment employed to support the shunting of trains or the evacuation of mainline railway stations in emergencies.

More generally, referring to Section 3.20 the alignment of grid squares with areas of population density does not appear to be a precise science. For example the centre of York appears to be classed as low population (SE-b),

whilst the area to the South of the city (SE-d) is classed as medium population. Meanwhile Guildford will be an equally divided location, with some business radio licensees being unfortunate enough to occupy the corner of the TQ-a square.

Referring to Section 8.4.2 – TLa and TLb grid square references appear to be reversed.

Question 4 – No opinion

Question 5 – No opinion

Question 6 – No opinion

Question 7 – No opinion

Question 8 – No opinion

Question 9 – No opinion

Question 10 – No opinion

Question 11 – Network Rail is unable to make payments by Direct debit as our corporate policy specifically forbids direct access to our accounts. As a means to reduce Ofcom and NR costs we would draw your attention to British Telecom's "One Bill" system. For large corporate buyers, the receipt of an annual statement or application for payment could result in a purchase order being raised, allowing Ofcom to submit an invoice directly to a nominated accounts payable department. Any minor changes to licenses could be corrected through credits or debits to the following year's statement.

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