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14 November 2002

Mr Joe Sonke  
Head of Broadband Fixed Wireless Access  
Radiocommunications Agency  
Wyndham House  
189 Marsh Wall  
London E14 9SX

Dear Mr Sonke,

Response to the Radiocommunications Agency's consultation on BFWA at 28GHz

Orange welcomes the opportunity to respond to the RA's consultation on BFWA at 28GHz and is generally supportive of the policy proposals suggested for the disposal of the outstanding licences.

In response to the specific questions in the consultation, Orange offers the following comments:

*Q1. Do you agree that the "purpose of use" clause should be removed from existing and future 28GHz licences?*

Orange agrees with the RA's proposal to remove the purpose of use restriction.

*Q2. Do you agree that the "use it or lose it" clause should be removed from existing and future 28GHz licences?*

Orange agrees with the RA's proposal to remove the "use it or lose it" clause from both the new licences and the existing ones.

*Q3. Do you agree that the minimum path length policy should apply where a Licensee provides point-to-point links to other operators?*

The minimum path length provisions should stay but be qualified with a sunset clause that removes the restriction on the introduction of spectrum trading. Spectrum trading will provide an alternative method for sorting out congestion in the spectrum used for fixed links.

*Q4. Should the government consider making any other changes to the licences and, if so, for what reasons?*

The fact that the remaining licences have remained unsold for a year suggests that the reserve price is still too high. While acknowledging that there has been somewhat of a slump in the field of fixed wireless access in the past year or so, there seems little point in allowing spectrum to lie fallow, contributing nothing to the national economy. It should be the absolute duty of the RA to ensure that spectrum usage is

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maximised and not artificially suppressed by the regulator. The whole point of auctions is that they allow the market to judge the value of spectrum accurately. By maintaining an artificially high reserve, the RA is preventing it from performing its proper function.

Orange trusts that these few comments will assist the RA in its policy development. If you have any further queries, do not hesitate to contact me.

Yours sincerely,

A handwritten signature in blue ink that reads "Hamish MacLeod".

Hamish MacLeod  
Senior Regulatory Analyst  
Orange UK