

Cover sheet for response to an Ofcom consultation

BASIC DETAILS

Consultation title: SRSP: The revised Framework for Spectrum Pricing

To (Ofcom contact): SRSP Contact

Name of respondent: Lawrence Mears

Representing (self or organisation/s): Telecommunications Association of the UK Water Industry

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If you want part of your response, your name or your organisation not to be published, can Ofcom still publish a reference to the contents of your response (including, for any confidential parts, a general summary that does not disclose the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

Signed (if hard copy)



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**TELECOMMUNICATION ASSOCIATION
OF THE UK WATER INDUSTRY
- TAUWI -**

RESPONSE TO THE
OFCOM CONSULTATION
On

SRSP: The revised Framework for Spectrum Pricing
Proposals following a review of our policy and practice of setting spectrum fees

INTRODUCTION

This response is provided by the Telecommunications Association of the UK Water Industry (**TAUWI**) on behalf of his members:

Anglian Water Services Ltd
Black Sluice Internal Drainage Board
Bournemouth & West Hants Water plc
Bristol Water plc
Cambridge Water plc
Dee Valley Water plc

Environment Agency
Essex & Suffolk Water
Hartlepool Water
Lindsey Marsh Drainage Board
Welsh Water
Northern Ireland Water Ltd
Northumbrian Water Ltd
Scottish Water

Severn Trent Water Ltd
South East Water Ltd
South Staffordshire Water Ltd
South West Water Services Ltd
Southern Water plc
States of Jersey Transport and Technical Services Department
Sutton & East Surrey Water plc
Thames Water Utilities Ltd
United Utilities Water plc
Veolia Water Central (Three Valleys)
Veolia Water S.East (Folkstone & Dover)
Veolia Water East (Tendering Peninsula)
Wessex Water Services Ltd
Yorkshire Water Services Ltd

Atkins Ltd act as the main point of contact for TAUWI members and represent their interests on a range of matters, including responding to strategic consultation documents on behalf of its members.

This response may be reviewed by each of the 28 member organisations that form TAUWI and therefore negates the need for submissions from individual water companies. However some members may choose to provide individual responses.

The Association was formed in April 2004 and replaces the Telecommunications Advisory Committee (TAC) which for the previous 14 years had acted as the focus for the UK Water Industry in relation to fixed and mobile communications and

scanning telemetry from a technical and regulatory aspect. The scope of TAUWI has been extended to capitalise on new opportunities resulting from emerging technologies and regulatory changes. At the same time, more emphasis is being placed on strategic issues in relation to other sectors of an organisation's operation, such as IT Systems, General Communications Infrastructure and business requirements.

TAUWI is chaired by Mr Michael Wigmore of South West Water Ltd.

The Water Industry is a major user of Telemetry Systems and employs various communications technologies, including UHF Scanning Telemetry, Public cellular (GSM, GPRS), Leased Line and PSTN to support their mission critical operation. All aspects of water management, including the recovery, treatment and distribution of water, the control and monitoring of water quality and operation of flood defence systems utilise Telemetry to ensure compliance with statutory requirements as well as reducing maintenance and operational costs. Increasing Environmental regulatory requirements increases the need for good quality and reliable information via both voice and data services. All aspects of water policy in England is the responsibility of Department for Environment Food and Rural Affairs (DEFRA). The Industry is regulated by the Water Industry Regulator, OFWAT in England and Wales, the Utility Regulator (NIAUR) in Northern Ireland and the Water Industry Commission (WICS) in Scotland.

In consideration of licensed Radio Scanning Telemetry systems. The Water Industry has exclusive use of 24 of the 72 UHF Channels reserved for use by the three utilities; The 72 Channels are arranged on a twelve cell, six channels per cell, regular frequency re-use plan. Each of the three utilities has access to two exclusive channels per cell. The Adaptable cellular plan is managed on a National Licensing basis by Atkins Ltd who acts as the Spectrum Management Organisation for the UK Water Industry. This relationship provides the RF engineering and planning necessary to ensure that the most effective use is made of the radio spectrum. It also acts as a focus for the Industry and deals with engineering, licensing and financial matters with related Regulators and Government Departments.

In addition, the Water Industry has exclusive access to Low Band VHF radio spectrum for the purposes of supporting the operation of members PBR systems. Unlike the UHF ST spectrum, these channels are not subject to AIP but are Technically Assigned and charged in accordance with recommendations published in Ofcoms "Modification to Spectrum Pricing" document published 10th January 2007.

The Water Industry welcomes the opportunity to respond to Ofcom's consultation on "SRSP: The revised Framework for Spectrum Pricing". The members recognise and appreciate the work done by Ofcom in administrating the UK radio spectrum. We have responded to each question raised in the consultation below:

Responses

Question 1: Do you agree with our proposed core principles of setting AIP? Are there additional matters that it would be helpful to clarify?

The Water Industry generally agrees with the core principles of setting AIP.

Question 2: Do you agree that we should charge cost-based fees where AIP is not appropriate or AIP would not cover our costs? How do you think we should set cost-based fees in future fee reviews? Are there particular factors you think we should take into account, for specific licences fees or cost-based fees in general?

The Water Industry agrees that Ofcom should charge cost-based fees where AIP is not appropriate or AIP would not cover management costs.

Question 3: Do you agree with our proposed fee-setting methodology principles? Are there additional matters that it would be helpful to clarify?

The Water Industry generally agrees with Ofcoms fee-setting methodology principles however we would welcome Ofcoms views in the possibility of a unique reference rate specific to the spectrum utilised by the Water Industry which takes into consideration the use made of this spectrum. As mentioned in our introduction to this consultation response, the Water Industry utilise 24 2x12.5KHz national channels for the purpose of implementing scanning telemetry systems in support of mission critical applications. Various types of telemetry and SCADA systems are used to send and receive information, such as: levels, flows, water quality and status of plant and equipment. The Water Industry makes very effective use of the radio spectrum allocated with the same radio channels being used many times across the UK. The power levels are kept to a minimum by the use of high quality equipment, high gain aerials and detailed frequency assignment. The Water Industry utilise spectrum within the 'highly popular' UHF Band II band, however the use made of this spectrum we believe to be distinct enough from 'mobile' to justify a review to ensure that the fundamental principle of AIP in providing long-term signals of the value of spectrum which can be indicated by its opportunity cost is met in this instance. However, we totally acknowledge and support Ofcoms aim of keeping fee structures simple and transparent.

Question 4: Do you agree with our proposal to move away from regular full-scale reviews to reviewing in response to evidence, as set out in Option 5?

The Water Industry has an established deployment of band-specific equipment and depends on the assigned spectrum for mission critical applications. In some localities, our members have no alternative but to utilise the allocated spectrum and therefore value the certainty created by Ofcoms long term stance. However, increasing availability and affordability of fixed line communications will offer an alternative option to our members and Ofcom should give due consideration to this when setting

and reviewing spectrum prices for fixed services such as scanning telemetry which is used widely by the UK Water Industry.

Question 5: Do you agree with our process for assessing the priority of future fee reviews? Are there other sources of evidence of misalignment between fees and spectrum value or spectrum management costs that you can think of, and what weight should we give them?

The Water Industry agrees with the outlined process and refers Ofcom to our response to Question 3.

Question 6: Based on our proposed criteria, or other criteria you would propose we use, what do you think our priorities for future fee reviews should be? Please tell us your reasons for thinking these should be prioritised. Do you agree that we should prioritise a fixed link fee review, as some stakeholders have suggested to us?

The Water Industry refers Ofcom to our response to Question 3. In particular, the Water Industry is interested in Ofcoms assessment of the following:

- Which higher value users could use the spectrum in the UHF Band II band currently allocated to the Water Industry and reasoning behind the conclusion that they would be prepared to pay the cost associated (currently set at the 'mobile' reference rate);
- The mission critical nature of the application of this spectrum by the UK Water Industry and in some cases the lack of a suitable affordable alternative (i.e. fixed line communications);
- The national UK reference rate is applicable to the national channels allocated to the Water Industry with no location factor needed. However, it is the rural nature of the Water Industry operations and remoteness of assets that in many instances dictate wireless communication due to the lack of an affordable fixed line alternative.

Question 7: Do you agree with our proposed approach to post-review evaluations?

The Water Industry agrees with Ofcoms proposed approach to post-review evaluations.

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