

Your response

Question	Your response
<p>Question 1: Do you agree with our provisional conclusion that there is likely to be excess demand for the 412MHz band in future and that therefore an AIP fee is appropriate? Please provide any evidence to support your position.</p>	<p>Confidential? – N</p> <p>No, we do not agree with Ofcom’s provisional conclusion that there is likely to be excess demand for the 412MHz band in future. Therefore, we do not believe that AIP is appropriate.</p> <p>The assessment of excess demand (as set out in Ofcom’s SRSP, AIP Principle 2) needs to show that demand for the current use exceeds supply, now or in the future, over a relevant timeframe.</p> <p>Ofcom has provided no evidence that demand exceeds supply. Ofcom’s own data shows that there is falling demand for UHF1 spectrum and that there is no congestion of the band:</p> <ul style="list-style-type: none">• The volume of UHF1 Business Radio licences (the spectrum adjacent to the 412MHz) for both Technically Assigned and Area Defined has fallen over the last four years (Ofcom Consultation licence fees 412MHz, figure 2).• The demand, as shown through increase in volumes for UHF 1 and UHF2 presented (Ofcom Consultation licence fees 412MHz, figure 2) is substantially lower than that forecasted by Ofcom in it’s Future Demand report (2014 Aegis, Figure 8).• Whilst Ofcom reports rejecting some licence applications in large cities (for which no data to evidence such trends has been provided), Ofcom have not refused any applications for a further national Business Radio licence.

	<p>In addition, Ofcom has not taken into account the impact of emerging technologies such as 5G, Push-to-talk over Cellular, LoRA etc which will lead to further reductions in demand for the 412MHz spectrum.</p> <p>We agree with Ofcom’s view set out in Paragraph 3.12 of Ofcom Consultation licence fees 412MHz that the 412MHz band could not be used for nationwide LTE deployment.</p>
<p>Question 2: Do you agree with our provisional conclusion that UK-wide exclusive Business Radio is the highest value alternative use for the 412MHz band? Please provide any evidence to support your position.</p>	<p>Confidential? – N</p> <p>No, Ofcom has not shown excess demand for UK-wide Business Radio and therefore 412MHz spectrum shouldn’t be considered as UK-wide exclusive Business Radio.</p> <p>Considering a UK-wide exclusive Business Radio as the highest value alternative would not represent the adoption of a conservative approach to interpreting the evidence when considering the risks of setting fees above market value.</p>
<p>Question 3: Do you agree with our provisional conclusion to set the annual licence fee for 412 MHz equal to the Business Radio UK-wide fee for high usage bands? Please provide any evidence to support your position.</p>	<p>Confidential? – N</p> <p>No, we do not agree with Ofcom’s provisional conclusion to set the annual licence fee for 412 MHz equal to the Business Radio UK-wide fee for high usage bands.</p> <p>Ofcom should not designate UHF1 and UHF2 the same from a demand perspective. As outlined in our answer to Question 1 above, Ofcom’s data shows that the demand for UHF1 has fallen over the last four years. This does not provide the basis for Ofcom to conclude that there is excess demand for this spectrum and to include it within the highly popular band.</p> <p>Furthermore, the potential UK-wide usage within the 412MHz band is severely limited</p>

	<p>by the Fylingdales restrictions. There is a complete exclusion zone around Fylingdales where transmitters cannot be located, which diminishes usage of the spectrum.</p>
<p>Question 4: Do you agree with our provisional conclusion that fees set based on our estimate of market value will best meet our statutory duties?</p>	<p>Confidential? – N</p> <p>Ofcom should consider and fulfil the following of its duties:</p> <ul style="list-style-type: none"> ● the principle of transparency, particularly in relation to providing evidence of excess demand. ● secure the optimal use of the spectrum and to take a conservative approach to interpreting the evidence on market price / opportunity cost of spectrum (Section 3(2) of the Communications Act). Therefore, Ofcom should consider the declining demand for UHF1, the limitations on 412MHz and the alternative emerging technologies when coming to its conclusion.
<p>Question 5: Are there any other comments that you wish to make in respect of the proposals that we make in this consultation?</p>	<p>Confidential? – N</p> <p>When applying Annual Licence Fee (ALF), Ofcom has, in other sectors, applied a phased increase to achieve the ALF rather than a “big bang” approach. We would ask that Ofcom consider that methodology in this case.</p>