

Federation of Communication Services (FCS)

Please find below the Federation of Communication Services (FCS) response to your consultation “Award of 1492-1517 MHz”. We have not provided answers to your individual questions, but we do have a couple of important points of principle to share. I can confirm that our response is not confidential, and we are happy for it to be shown on the Ofcom website.

The FCS represents companies which provide professional communications solutions to business users. Our members deliver telecommunications services via mobile and fixed line telephony networks, broadband, satellite, wi-fi and business radio. Our members’ customers range from SMEs, home-workers and micro-businesses up to the very largest private enterprises and public sector users. FCS is the largest trade organisation in the professional communications arena, representing the interests of circa 350 businesses which supply B2B services nationwide.

The FCS welcomes the opening of spectrum providing new opportunities to add value and to contribute to growth. We are supportive of the overall aims of Ofcom’s overall spectrum policy, namely:

- a. making the spectrum available for mobile use to bring new economic and social benefits for people and businesses;
- b. allocating the spectrum to the most efficient user; and
- c. ensuring that appropriate protections are put in place for systems using adjacent frequency bands.

To achieve these objectives the FCS believes that Ofcom needs to consider how the complex supply chain operates in the telecommunications market and ensure that the whole chain can benefit from wider access to spectrum. Our members provide bespoke solutions to 1,000s of businesses across the UK which are vital for economic growth. One area that can prevent innovation and success is access to spectrum and related products and services.

Currently, under Ofcom’s auction conditions there are no requirements for the winning provider of spectrum to give wholesale access to the supply chain and this leaves the many 100s of smaller CPs and resellers at a significant disadvantage. The FCS believes that each specific spectrum range is in effect a local monopoly, and should be treated as such, with access conditions on fair commercial terms that do not create artificial financial and/or any operational barriers. We would welcome the opportunity to discuss with Ofcom the impact of spectrum awards on the complex supply chain.

We note that Ofcom intends to consult separately on its competition assessment for this award, once any trades which are being considered as part of the merger between H3G and Vodafone have been completed. The FCS believes that a competition assessment is vital in every spectrum award and appropriate wholesale access obligations should be put in place.

Secondly, we would highlight the need to minimise the potential for Harmful Interference to occur. We note that Ofcom sets out a number of safeguards in this consultation and we welcome the focus. The FCS recommends that increased care is taken when assigning spectrum in these bands so as to avoid such interference.