

Title:

Mr

Forename:

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Representing:

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Organisation (if applicable):

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What do you want Ofcom to keep confidential?:

Keep nothing confidential

If you want part of your response kept confidential, which parts?:

Ofcom may publish a response summary:

Yes

I confirm that I have read the declaration:

Yes

Ofcom should only publish this response after the consultation has ended:

You may publish my response on receipt

Additional comments:

Question 1: Are there any features of the present spectrum trading regime that need to be changed in order to encourage or facilitate spectrum market developments? If so, have we correctly identified the features that need changing? What features, in addition to those described in following sections, would be advantageous to change? It would be helpful if you would explain the reasons for your suggestions with evidence of practical difficulties being caused at present and estimates of the costs that these impose and the savings that your suggestion would gain.:

This consultation is focused on situations where band managers appear to be the most appropriate solution. However we consider that there is also a need to consider the situation of a few high value transactions where we are not convinced that the current proposals are the most appropriate solution.

It appears that Ofcom is involved in the spectrum trading regime in a variety of ways and we consider that more guidance should be made available detailing these roles and the limits of Ofcom's powers.

Question 2: Do you agree with our targeted approach to deciding which trades need to be subject to more rigorous procedures and our specific proposals? Are there other factors that we should take into consideration or particular licence sectors or types of transaction that should be subject to additional procedural requirements?:

We consider that general competition law may have a role to play in managing spectrum trades where the resultant transaction would have a significant impact on citizens and consumers.

Additionally if some trades are subject to greater scrutiny than others this may result in a two tier spectrum market and there is a need to consider the implications of such a development.

Question 3a: Do you agree that the requirement for Ofcom's consent to proposed transfers should be dispensed with for the generality of tradable licences subject to justified exceptions?:

Generally we agree with these proposals and this action should permit the development of a more effective market.

Question 3b: If the need for prior consent was removed, do you consider that Ofcom should continue to have a power to give ex-post directions?:

We consider that such powers should be limited in scope and that there should be clear guidance on their application.

Question 3c: Do you agree with our proposal to introduce single-transaction time-limited transfers?:

We consider that there is little demand for this concept and that spectrum leasing would be a better approach and provide greater benefits. There are a number of good aspects included in option 2 but we consider that this proposal does not appear to represent an efficient use of resources.

Question 4a: Would our proposal for TWLI offer a worthwhile reduction in regulatory burden compared to the status quo? Please provide as much quantitative and qualitative evidence as possible of the benefits and the practical seriousness of any drawbacks.:

We consider that TWLI would reduce the regulatory burden and provide some benefits. However we are concerned that details of this transferred usage will not be published as we consider that there could be implications for other spectrum users.

Question 4b: Would TWLI streamline the trading process sufficiently for the band manager with PMSE obligations to operate?:

We consider that the proposals would allow a band manager to operate though in our opinion spectrum leasing would provide a better solution.

Question 4c: Would TWLI generate worthwhile benefits for other licence classes, frequency bands or types of transaction despite the drawbacks? If so, in which other categories should it be introduced and how might the drawbacks be mitigated in practice?:

With the approval of the revised Framework Directive we consider that spectrum leasing would be a better approach than TWLI and provide greater benefits. Thus we feel that this option should not be considered further.

Question 5a: Do you agree with our proposal to create a regime for spectrum leases? What do you see as the advantages and disadvantages?:

We agree with the proposals to create an appropriate environment where spectrum leasing transactions can take place. We consider that some of the advantages are

- ? Provides a means of time limited transfers which we consider to be a better approach than that detailed in paragraphs 4.30 and 4.31
- ? It reduces the administrative cost overhead involved in trading spectrum
- ? Would make the spectrum market more independent of Ofcom
- ? Permits a more flexible approach to the use of spectrum

A disadvantage is that it will not be applicable to public sector spectrum where there is no applicable W/T Act license. We wonder if the grant of RSA could be modified so that spectrum leasing was applicable to public sector spectrum.

Another disadvantage is that for non PMSE usage it could result in infrastructure having a short operational life and there is a need to consider the economic and other implications of this.

Question 5b: What advantages would spectrum leasing offer over TWLI? Please provide as much quantitative and qualitative evidence as possible to support your view.:

We do not consider that TWLI provides any benefits over spectrum leasing now that the revised Framework Directive has been approved.

Question 5c: Do you agree with our proposal to limit the simpler leasing procedure without reference to Ofcom to shorter leases of up to 24 months? Would you suggest a different cut-off or a parameter other than lease length? If you suggest an alternative, it would be helpful if you would describe how this would work in practice.:

We agree with the time period of 24 months for the application of the simplified regime. However we consider that details of the leases should be published as the lack of this information may have implications for other spectrum users.

Question 5d: Do you agree with our proposal (i) for longer leases to be subject to similar procedural requirements as licence transfers and (ii) to allow partial leasing but not sub-leasing?:

We are not convinced that there is a need for long term leases as license transfers appear to offer a better approach for long term spectrum use. We agree that sub-leasing should not be allowed in view of the potential for complications that may result.

Question 5e: Do you agree that spectrum leasing should be available for all tradable licence classes? If not, which should be omitted and why?:

We agree that spectrum leasing should be available for all license classes.

Question 6: What capital and operational costs would automated trading impose on band managers and their customers? Do you agree with our assessment that automated trading would be second-best to leasing but would provide a workable alternative?:

Automated trading appears to be a valid solution and we consider that it may provide additional benefits compared to other options. However the costs of implementation and operation are apparently high so there is a need to find ways of reducing these costs. Additionally we are not convinced that band managers would have to install separate expensive systems as this notification process should form part of the normal transaction procedures with the notification process being only be a small part of the overall system. We consider that using this integrated approach should reduce the band manager's costs.

Question 7a: Are there other options we should consider?:

We are unable to identify any other options though we consider that generally the constraints on spectrum usage should be reduced to a minimum to allow an effective market to develop.

Question 7b: Do you have further evidence on the benefits, costs or risks of the options?:

We do not have any firm evidence though we consider that in some options the costs may be overstated, particularly option 5.

Question 7c: Do you agree with the conclusions of this impact assessment, in particular on the preferred options?:

We agree with the view that option 4 and option 2 appears to offer the most effective solution provided that the single-transaction time limited transfer is deleted from option 2. We consider that the combination of options 2 and 3 is not a valid solution in view of recent developments. We feel that further investigation of option 5 may be required to re-examine the costs and risk involved.