



# Notice of Ofcom's proposals to make Wireless Telegraphy Regulations

Relating to Business Radio licences

Statutory  
Notice

Publication date:

9 June 2008

Closing Date for Responses:

10 July 2008



# Contents

Section		Page
1	Executive summary	1
2	Notice of our proposal to make Statutory regulations	3
3	General effect of the Wireless Telegraphy (Licence Charges) (Amendment)(No. 2) Regulations 2008	9
4	General effect of the Wireless Telegraphy (Register) (Amendment) (No.2) Regulations 2008	11
5	General effect of the Wireless Telegraphy (Spectrum Trading) (Amendment) (No.2) Regulations 2008	12

Annex		Page
1	Responding to this Notice	13
2	Our consultation principles	15
3	Consultation response cover sheet	16
4	Regulatory Impact Assessment relating to the proposed Wireless Telegraphy (Licence Charges) (Amendment) (No.2) Regulations 2008	18
5	Impact Assessment relating to the proposed Wireless Telegraphy (Register) (Amendment) (No.2) Regulations	21
6	Impact Assessment relating to the proposed Wireless Telegraphy (Spectrum Trading) (Amendment) (No.2) Regulations	23
7	The draft Wireless Telegraphy (Licence Charges) (Amendment) (No.2) Regulations 2008	25
8	The proposed Wireless Telegraphy (Register) (Amendment) (No.2) Regulations 2008	26
9	The proposed Wireless Telegraphy (Spectrum Trading) (Amendment) Regulations 2008	27

## Section 1

# Executive summary

- 1.1 In January 2007 following consultation, Ofcom published statements respectively on the addition or modification of some licence charges<sup>1</sup>, and plans to reform arrangements for Wireless Telegraphy (WT) Act licensing in the Business Radio sector<sup>2</sup>. The statements detailed plans to take forward the implementation of spectrum trading and liberalisation in the sector and also the new arrangements for licence charges. This document gives formal notice of Ofcom's intention to make WT Act regulations in order to facilitate the implementation of the changes set out in the 2007 statements.
- 1.2 Specifically, this statutory Notice proposes to put into effect decisions described in the pricing Statement and all decisions relating to the Business Radio Trading and Liberalisation Statement by making the following statutory instruments:
  - The Wireless Telegraphy (Licence Charges) (Amendment) (No. 2) Regulations 2008 ("the proposed pricing regulations");
  - The Wireless Telegraphy (Register) (Amendment) (No 2) Regulations 2008 ("the proposed register regulations"); and
  - The Wireless Telegraphy (Spectrum Trading) (Amendment) (No 2) Regulations 2008 ("the proposed trading regulations").
- 1.3 The changes will:
  - support the reform and rationalisation of Business Radio licences from twenty-one licence products to five broader and more flexible licence types<sup>3</sup>;
  - set out new mechanisms for calculating fees; and
  - support further trading and liberalisation in all Business Radio licence classes.
- 1.4 Section 2 of this document provides general background and the notice of intention to make the proposed pricing, register and trading regulations.
- 1.5 Sections 3, 4 and 5 of this document set out the extent of application, scope and intended effect of the proposed pricing, register and trading regulations.
- 1.6 Regulatory Impact Assessments (RIAs) for each of the proposed regulations are included at Annexes 4, 5 and 6. The RIAs sets out the risks, costs and benefits of making the new regulations and the effects that these will have on the costs to business.
- 1.7 Drafts of the proposed regulations are attached at Annexes 7, 8 and 9.
- 1.8 Further hard copies of these drafts of the proposed regulations are available from Ofcom at 2a Southwark Bridge Road, London SE1 9HA from the contact specified in

<sup>1</sup> <http://www.ofcom.org.uk/consult/condocs/pricing06/>

<sup>2</sup> <http://www.ofcom.org.uk/consult/condocs/btrtrading/>

<sup>3</sup> Three of these are collectively called "Light Licences"

Annex 1 for responding to this Notice. Comments on the proposed regulations are invited by 10 July 2008. The consultation period for comments on this Notice of the proposed regulations is in addition to and follows the standard 10 week policy consultation periods observed in July 2006. At this time the policy impact of the proposals were fully considered. All respondents should use the online form available at

<http://www.ofcom.org.uk/consult/condocs/busrad/howtorespond/form>.

- 1.9 We invite written views and comments on the proposed regulations by 10 July 2008. Once the consultation has closed, we will consider the responses and issue a statement. We expect the regulations to be in place by the end of August 2008.

## Section 2

# Notice of our proposal to make Statutory regulations

## Introduction

- 2.1 Ofcom outlined proposals in July 2006 to both modify wireless telegraphy licence charges and to take forward spectrum trading and liberalisation in the Business Radio sector. After carefully considering the responses and meeting with stakeholders, we issued statements in January 2007 confirming our intention to go ahead with the proposals largely unchanged. This Notice sets out our intention to give legal effect to the proposals by making new statutory instruments.
- 2.2 Under section 122(4) to (6) of the WT Act, we are required to publish a notice of any proposal to make regulations, setting out their general effect and giving an opportunity to make representations to those likely to be affected by their implementation. The time limit for making representations must be at least one month and one day from publication of the notice. Accordingly, although Ofcom has already conducted a standard 10 week consultation on the policy proposals, this Notice affords the opportunity for further comment in respect of the proposed licence charges, register and trading regulations. We invite written views and comments by 10 July 2008 (see Annex 1).
- 2.3 New statutory instruments are required in order to implement the changes to the Business Radio licensing structure. The next part of this section explains the effect and purpose of the proposed pricing, trading and register regulations. Please refer to the Licence Charges<sup>4</sup> and Business Radio Trading and Liberalisation<sup>5</sup> Statements for a full explanation of the policy reasoning behind these changes.

## Proposed trading regulations

- 2.4 We made the current trading regulations, the Wireless Telegraphy (Spectrum Trading) Regulations 2004 (SI 2004/3154), under sections 168(1) and (3) of the Communications Act and they came into force on 23 December 2003. They authorise, subject to our consent, the transfer of all or some rights and obligations arising by virtue of a wireless telegraphy licence in the classes specified within any of the frequency bands specified. By making the proposed trading regulations, we intend to extend the current trading framework to the five new Business Radio licence classes. The proposed trading regulations can be found in Annex 9.

## Technically Assigned licence class.

- 2.5 In addition to the outright transfer of the rights and obligations of a Technically Assigned licence, Ofcom intends to provide for:
- the ability to transfer the rights and obligations under a licence such that the transferred rights and obligations become the rights and obligations of the transferee while continuing to be rights and obligations of the person making the transfer (known as 'concurrent transfers'); this will allow a licensee to benefit from

<sup>4</sup> <http://www.ofcom.org.uk/consult/condocs/pricing06/statement/>

<sup>5</sup> <http://www.ofcom.org.uk/consult/condocs/brtrading/statement/>

sharing its assignment with other users where they can accommodate this alongside their own use;

- the ability to transfer individual assignments authorised under a licence (known as a partial transfer); and
- introduce trading to the UHF 1 band whilst complying with coordination obligations to RAF Fylingdales;

### **Area Defined licence class**

2.6 Those licences on issue that will be migrated to the Area Defined licence class are currently tradable and support the concurrent and the partial transfer of frequencies under a licence (with certain limitations). It is our intention to maintain current trading options for licensees within these classes, but also to use the flexibilities offered by the new Area Defined licence approach to:

- introduce trading to the UHF 1 band whilst complying with coordination obligations to RAF Fylingdales;
- allow the transfer of geographical elements of a licence to a minimum trading unit (50 km grid squares); and
- extend options for spectrum segmentation to a minimum channel width of 6.25 kHz.

### **Light licences**

2.7 We previously stated that we would not make the “light licences” (Business Radio Simple site, Suppliers Light and Simple UK) tradable. This was because there is currently no limit on how many of these licences can be granted thus no scarcity value to the spectrum and hence tradability would confer no advantage.

2.8 However, ownership of these licences does frequently change and the trading process provides for an efficient and transparent mechanism for dealing with this event. We therefore intend to make these licences tradable on the basis that this does not place any additional regulatory burden upon licensees rather it facilitates a more streamlined administrative process to deal with the surrender of an old licence and the issue of a new one in the new owner’s name.

### **Proposed register regulations**

2.9 The Communications Act also enables us to make regulations in order to establish and maintain a register of relevant information and to prescribe such “relevant information”. This information relates to the issue, renewal or variation of a wireless telegraphy licence within specified licence classes and also to stations or apparatus operating within any specified frequency bands. The current register regulations, the Wireless Telegraphy (Register) Regulations 2004 (SI 2004/3155), were made by us under section 170(1) and (2) of the Communications Act and came into force on 23 December 2003. They currently apply only to tradable licence classes. The proposed register regulations would amend the existing regulations to reflect the

creation of new, tradable Business Radio licence classes which will be added to the Wireless Telegraphy Register<sup>6</sup>.

- 2.10 The Wireless Telegraphy Register (WTR) is published on the Ofcom website and provides public access to the information about licences as stated above (eg contact names and address details, class of licence, band(s) of frequencies and, where relevant, geographic area of operation). The proposed changes to the existing register regulations will increase the number of tradable licences included in the WTR but it will not increase the amount of information that is being made available in relation to each licence. The proposed register regulations can be found in Annex 8.

### **Proposed pricing regulations**

- 2.11 The pricing statement made a number of decisions in relation to the fees charged for Business Radio licences. The WT Act not only enables us to recover the cost of managing WT Act licences by prescribing regulations under section 12 but, under section 13, also permits the use of market mechanisms. For non-auctioned spectrum, the WT Act permits us to use 'Administered Incentive Pricing' ("AIP"), whereby prices for annual licence fees are set above administrative costs to reflect a range of spectrum management objectives. This power discharges a range of duties under section 3 of the WT Act and section 154 of the Communications Act which require us to efficiently manage the radio spectrum.
- 2.12 We have set out a new pricing structure for the Business Radio sector to support the trading and liberalisation measures. The approach does, however, share the same basic valuation of Business Radio spectrum (£9,900 per a 2 x 12.5 kHz channel) and take into account similar factors, (such as geographical area of coverage, frequency band, channel width and congestion) as is currently in place.
- 2.13 The fee specifically takes in to account the following factors (excluding the light licence products):
- whether a location is highly populated;
  - the extent of coverage of a radio system;
  - whether the frequency band is heavily used;
  - the amount of spectrum used;
  - whether spectrum is shared with other users.
- 2.14 The following paragraphs summarise the BR fee approach further, more detailed information can be found in the pricing consultation and statement.

### **Categorisations used for Business Radio fee charging (Technically Assigned and Area Defined licence classes)**

#### Congested locations

- 2.15 We will adopt the use of population as proxy for identifying a congested area where the UK is divided in a grid of 50 km squares (the trading unit) and categorised the population in each square into one of three categories.

<sup>6</sup> <http://146.101.202.225/public-tnr/wtrSearch.do>



- High population category - This represents a population greater than 3 million (London currently - 7.8 million);
- Medium population category - This represents a population between 300,000 and 3 million (maximum population is around 2.33 million - Leeds);
- Low population category – This represents a population less than 300,000.

### Coverage categorisation

2.16 For the Technically Assigned licence class we will adopt three simple coverage categorisations. For an individual base station these will be based on the Effective Radiated Power (ERP) and antenna height, and for operational area use it will be the radius of the area used. If the use is indoor, underground or using a radiating cable type antenna then the lowest coverage category will be used.

### Bands categorisation

2.17 We intend to introduce three types of band categorisations (high, medium and low usage) where the medium usage and low usage bands will have a fee band modifier of 0.833333 and 0.3333 respectively. These modifiers ensure that licence fees encourage the use of the less popular bands, where possible and that the fees reflect some of the technical limitations on the use of a particular band.

2.18 The three categories are:

- High Usage Bands (HUB): VHF High band, UHF Band 1 and UHF Band 2
- Medium Usage Bands (MUB): 133 – 147 kHz Band, VHF Mid band and VHF Band III
- Low Usage Bands (LUB): Paging, VHF Band 1 and VHF Low Band

### Occupied bandwidth factor

2.19 We will define our fees in terms of a standard charge rate based on 1 x 6.25 kHz of spectrum. Therefore a spectrum modifier will apply to support the use of a wider range of technologies or narrow band. For example, a licensee deploying a 2 x 12.5 kHz channel would attract a fee of four times of the standard fee rate.

### **Shared assignment discount factor**

2.20 For the Technically Assigned licence class a licence fee modifier of 0.5 will be applied to assignments categorised as shared. Users who require exclusive access to the spectrum within a geographic area will be charged at the full rate for their assignment.

### **Fee charging**

#### Area Defined

2.21 The Area Defined licence fee for UK wide use will be £9,900 (for 2 x 12.5 KHz channel in a highly popular band) and for any licences for use in any of the Nations will be apportioned by the population which reside in that Nation. For example approximately 83.6 % of the UK population reside in England, therefore the fee will be 83.6 % of the national rate ( $0.836 \times 9900 = £8275$ ). For areas less than “Nations”

we set a fee for the 50 km grid squares within the three band categories. In the regulations these licence charges will be expressed per 1 x 6.25 kHz channel.

- 2.22 The band, population categorisations and occupied bandwidth modifiers will be used to calculate the licence fee. There will be a minimum fee of £75 for all Business Radio licences although individual assignments may attract lower fees.

### Technically Assigned

- 2.23 For the Technically Assigned licence class, all the above criteria will be used to determine the assignment fee.
- 2.24 For equipment that complies with Interface Requirement (IR) 2008, we will calculate the fee according to each 250 millisecond or 500 millisecond time slot for a 1 x 6.25 kHz channel. The fee will be 6.25 % of the appropriate technically assigned assignment fee.
- 2.25 The fee charges for each licence class can be found in the proposed regulations in Annex 7.

### Light Licences

- 2.26 In order to support a simplified light licensing system, light licences will be charged £75 per licence for a five year renewal period.

## **Implementation of the proposed changes to the Business Radio sector**

- 2.27 Although they will provide the necessary regulatory framework for the reform proposals, there will be no change to existing licensing arrangements when the Regulations come into force in August. To support the new licensing structure Ofcom is developing a new computer system and this is currently expected to be in place by the end of the year. It is at this time that we expect to implement the changes by varying existing licences to conform to the new licence structure and by making new licences available for applicants under the new fee arrangements.

## **Conclusion**

- 2.28 In line with our overall approach to spectrum pricing, (i.e. continuing and widening the application of AIP), we propose to modify the existing pricing regulations in order to enact our policy decisions. Having considered the costs and benefits of introducing the proposed changes, we consider that the cost of introducing a simpler, more transparent licensing regime for Business Radio outweighs the costs of making the changes to the existing trading, register and pricing regulations. The removal of regulatory burdens will benefit stakeholders by simplifying the licensing system.
- 2.29 To give legal effect to the policy decisions we have taken and published in the pricing and Business Radio trading and liberalisation statements, we must make regulations using the powers explained in the introduction to this section. The statutory notice will be open for comments until 10 July 2008. Subject to considering any representations, we anticipate that these regulations will be signed in July 2008 in order that they can come into force in August 2008. The changes to the Business Radio sector facilitated by these regulations will not however take place until the end of the year. The final version of the regulations may change slightly in appearance but we will not make any changes with material effect on the content of the regulations without further consultation.

- 2.30 The general effect of the spectrum pricing, trading, and register regulations is set out in the next three sections of this document.

## Section 3

# General effect of the Wireless Telegraphy (Licence Charges) (Amendment)(No. 2) Regulations 2008

- 3.1 The proposed pricing regulations (copy in Annex 6) will amend the existing legal framework for the spectrum pricing arrangements that applies to all Business Radio licence classes managed by us. In making the proposed pricing regulations, we have had regard to the matters specified in section 3 of the Wireless Telegraphy Act and are exercising our powers under sections 12, 13(2) and 122(7) of the Wireless Telegraphy Act, which enable us to set charges for Wireless Telegraphy licences, and section 403 of the Communications Act.

### Extent of application

- 3.2 The proposed pricing regulations will apply in the United Kingdom and subject to positive approval from the island authorities, the Channel Isles and the Isle of Man

### Proposed changes to the existing Regulations

- 3.3 The proposed pricing regulations will set out the relevant licence charges for Business Radio licence classes. They will amend the Wireless Telegraphy Act (Licence Charges) Regulations 2005.
- 3.4 Regulation 1 sets out the citation and commencement.
- 3.5 Regulation 2 provides for the amendment of the existing regulations.
- 3.6 Regulation 3 sets out the provisions concerning the interpretation of the regulations. Most of these relate to Schedule 2. For example, a new definition for “the 133 kHz – 147 kHz band”.

### Regulation 4

- 3.7 Regulation 4 amends the existing Schedule 2.
- 3.8 2 (a) removes the Business Radio Standard licence class.
- 3.9 2 (b) Inserts five new Business Radio licence classes; Business Radio (Simple UK), Business Radio (Suppliers Light), Business Radio (Simple Site), Business Radio (Area Defined), Business Radio (Technically Assigned),.
- 3.10 3 (a) sets out provisions concerning the interpretation of Schedule 2, such as the designation of column headed “class of licence” as “column 1”.

### Regulation 5

- 3.11 Regulation 5 inserts Schedules 9, 10 and 11.

- 3.12 Schedule 9 sets out the designations of high population, medium population and low population areas for the Business Radio (Technically Assigned) and Business Radio (Area Defined) licence classes.
- 3.13 Schedule 10 inserts new charges for high, medium and low usage bands for the Business Radio (Area Defined) licence class.
- 3.14 Schedule 11 relates to the Business Radio (Technically Assigned) licence class.
- 3.15 Part 1 of Schedule 11 designates new coverage categories.
- 3.16 Part 2 of Schedule 11 inserts new charges for each 6.25 kHz band in a highly popular band.
- 3.17 Part 3 inserts new charges for each 6.25 kHz band in a medium popular band.
- 3.18 Part 4 inserts new charges for each 6.25 kHz band in a low popular band.

## **Section 4**

# **General effect of the Wireless Telegraphy (Register) (Amendment) (No.2) Regulations 2008**

### **The Proposed Regulations**

- 4.1 We intend to make the changes described in the following paragraphs and set out in the proposed register regulations. These reflect the addition of a number of new licence classes to the Wireless Telegraphy Register and the inclusion on the Register of relevant information in respect of those classes. The proposed register regulations are included in Annex 8 of this document.

### **Extent of application**

- 4.2 The proposed register regulations will apply in the United Kingdom but will not extend to the Channel Islands or to the Isle of Man.

### **Proposed changes to the existing regulations**

- 4.3 The proposed register regulations insert the names of five new Business Radio licence classes. They amend the Wireless Telegraphy (Register) Regulations 2004.
- 4.4 Regulation 1 sets out the citation and commencement.
- 4.5 Regulation 2 provides for the amendment of the existing regulations and the addition of the following new Business Radio licence classes:
- Business Radio (Simple UK);
  - Business Radio (Suppliers Light);
  - Business Radio (Simple Site);
  - Business Radio (Area Defined);
  - Business Radio (Technically Assigned).

## Section 5

# General effect of the Wireless Telegraphy (Spectrum Trading) (Amendment) (No.2) Regulations 2008

### The Proposed Regulations

- 5.1 We propose to make the changes described in the following paragraphs and set out in the proposed trading regulations. These reflect the creation of a number of new licence classes which will be tradable. The proposed trading regulations are included in Annex 9 of this document.

### Extent of application

- 5.2 The proposed trading regulations will apply in the United Kingdom but will not extend to the Channel Islands or to the Isle of Man.

### Proposals

- 5.3 The proposed trading regulations extend the provisions for spectrum trading to five new Business Radio licence classes. They will amend the Wireless Telegraphy Act (Spectrum Trading) Regulations 2004.
- 5.4 Regulation 1 sets out the citation and commencement.

### Regulation 2

- 5.5 (1) provides for the amendment of the existing regulations.
- 5.6 (2) applies the authority to transfer all rights and obligations under a licence to the new Business Radio Licence classes.
- 5.7 (3) relates to partial trading in the Technically Assigned licence class.
- 5.8 (4) relates to geographical partitioning in the Technically Assigned licence class.
- 5.9 (5) and (6) are editorial updates.
- 5.10 (7) provides for partial transfer of rights and obligations relating to frequency bands which are a multiple of 6.25 kHz and to geographical area trading units of 50Km square in the Area Defined licence class.
- 5.11 (8) inserts new Parts 8.9 and 10 to the Schedule which set the new licence classes and their associated frequency bands.
- .

## Annex 1

# Responding to this Notice

## How to respond

- A1.1 We invite written views and comments on the issues raised in this document, to be made **by 5pm on 10 July**.
- A1.2 We strongly prefer to receive responses using the online web form at <http://www.ofcom.org.uk/consult/condocs/licencecharges/howtorepond/form>, as this helps us to process the responses quickly and efficiently. We would also be grateful if you could assist us by completing a response cover sheet (see Annex 3), to indicate whether or not there are confidentiality issues. This response coversheet is incorporated into the online web form questionnaire.
- A1.3 For larger consultation responses - particularly those with supporting charts, tables or other data - please email attaching your response in Microsoft Word format, together with a consultation response coversheet.
- A1.4 Responses may alternatively be posted or faxed to the address below, marked with the title of the consultation.
- Paul Chapman  
Floor: 3 desk 90  
Dept: Spectrum Policy Group  
Riverside House  
2A Southwark Bridge Road  
London SE1 9HA
- Fax: 020 7981 3000
- A1.5 Note that we do not need a hard copy in addition to an electronic version. We will acknowledge receipt of responses if they are submitted using the online web form but not otherwise.

## Further information

- A1.6 If you want to discuss the issues and questions raised in this consultation, or need advice on the appropriate form of response, please contact Mostafa Relmy on 020 7981 3128.

## Confidentiality

- A1.7 We believe it is important for everyone interested in an issue to see the views expressed by consultation respondents. We will therefore usually publish all responses on our website, [www.ofcom.org.uk](http://www.ofcom.org.uk), ideally on receipt. If you think your response should be kept confidential, can you please specify what part or whether all of your response should be kept confidential, and specify why. Please also place such parts in a separate annex.
- A1.8 If someone asks us to keep part or all of a response confidential, we will treat this request seriously and will try to respect this. But sometimes we will need to publish



all responses, including those that are marked as confidential, in order to meet legal obligations.

- A1.9 Please also note that copyright and all other intellectual property in responses will be assumed to be licensed to us to use. Our approach on intellectual property rights is explained further on its website at <http://www.ofcom.org.uk/about/accoun/disclaimer/>

### Next steps

- A1.10 Following the end of the consultation period, we intend to make the Regulations in August 2008.
- A1.11 Please note that you can register to receive free mail Updates alerting you to the publications of relevant Ofcom documents. For more details please see: [http://www.ofcom.org.uk/static/subscribe/select\\_list.htm](http://www.ofcom.org.uk/static/subscribe/select_list.htm)

### Our consultation processes

- A1.12 We seek to ensure that responding to a consultation is easy as possible. For more information please see our consultation principles in Annex 2.
- A1.13 If you have any comments or suggestions on how we conduct our consultations, please call our consultation helpdesk on 020 7981 3003 or e-mail us at [consult@ofcom.org.uk](mailto:consult@ofcom.org.uk) . We would particularly welcome thoughts on how we could more effectively seek the views of those groups or individuals, such as small businesses or particular types of residential consumers, who are less likely to give their opinions through a formal consultation.
- A1.14 If you would like to discuss these issues or our consultation processes more generally you can alternatively contact Vicki Nash, Director Scotland, who is our consultation champion:

Vicki Nash  
Ofcom  
Sutherland House  
149 St. Vincent Street  
Glasgow G2 5NW

Tel: 0141 229 7401  
Fax: 0141 229 7433

Email [vicki.nash@ofcom.org.uk](mailto:vicki.nash@ofcom.org.uk)

## Annex 2

# Our consultation principles

- A2.1 We have published the following seven principles that it will follow for each public written consultation:

### Before the consultation

- A2.2 Where possible, we will hold informal talks with people and organisations before announcing a big consultation to find out whether we are thinking in the right direction. If we do not have enough time to do this, we will hold an open meeting to explain our proposals shortly after announcing the consultation.

### During the consultation

- A2.3 We will be clear about who we are consulting, why, on what questions and for how long.
- A2.4 We will make the consultation document as short and simple as possible with a summary of no more than two pages. We will try to make it as easy as possible to give us a written response. If the consultation is complicated, we may provide a shortened version for smaller organisations or individuals who would otherwise not be able to spare the time to share their views.
- A2.5 We will normally allow ten weeks for responses to consultations on issues of general interest.
- A2.6 There will be a person within Ofcom who will be in charge of making sure we follow our own guidelines and reach out to the largest number of people and organizations interested in the outcome of our decisions. This individual (who we call the consultation champion) will also be the main person to contact with views on the way we run our consultations.
- A2.7 If we are not able to follow one of these principles, we will explain why. This may be because a particular issue is urgent. If we need to reduce the amount of time we have set aside for a consultation, we will let those concerned know beforehand that this is a 'red flag consultation' which needs their urgent attention.

### After the consultation

- A2.8 We will look at each response carefully and with an open mind. We will give reasons for our decisions and will give an account of how the views of those concerned helped shape those decisions.

## Annex 3

# Consultation response cover sheet

- A3.1 In the interests of transparency and good regulatory practice, we will publish all consultation responses in full on our website, [www.ofcom.org.uk](http://www.ofcom.org.uk).
- A3.2 We have produced a coversheet for responses (see below) and would be very grateful if you could send one with your response (this is incorporated into the online web form if you respond in this way). This will speed up our processing of responses, and help to maintain confidentiality where appropriate.
- A3.3 The quality of consultation can be enhanced by publishing responses before the consultation period closes. In particular, this can help those individuals and organisations with limited resources or familiarity with the issues to respond in a more informed way. Therefore we would encourage respondents to complete their coversheet in a way that allows us to publish their responses upon receipt, rather than waiting until the consultation period has ended.
- A3.4 We strongly prefer to receive responses via the online web form which incorporates the coversheet. If you are responding via email, post or fax you can download an electronic copy of this coversheet in Word or RTF format from the 'Consultations' section of our website at [www.ofcom.org.uk/consult/](http://www.ofcom.org.uk/consult/).
- A3.5 Please put any parts of your response you consider should be kept confidential in a separate annex to your response and include your reasons why this part of your response should not be published. This can include information such as your personal background and experience. If you want your name, address, other contact details, or job title to remain confidential, please provide them in your cover sheet only, so that we don't have to edit your response.

## Cover sheet for response to an Ofcom consultation

### BASIC DETAILS

Consultation title:

To (Ofcom contact):

Name of respondent:

Representing (self or organisation/s):

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

Signed (if hard copy)

## Annex 4

# Regulatory Impact Assessment relating to the proposed Wireless Telegraphy (Licence Charges) (Amendment) (No.2) Regulations 2008

## Introduction

- A4.1 In accordance with good regulatory practice, where a statutory regulation is proposed, a Regulatory Impact Assessment (“RIA”) must be undertaken. The analysis presented here, when read in conjunction with the rest of this document, represents a Regulatory Impact Assessment as defined by section 7 of the Communications Act 2003 (“the Communications Act”) for amending the Wireless Telegraphy (Licence Charges) Regulations 2005.
- A4.2 You should send any comments on this RIA to us by the closing date for this consultation. We will consider all comments before deciding whether to implement our proposals.
- A4.3 RIAs provide a valuable way of assessing different options for regulation and showing why the preferred option was chosen. They form part of best practice policy-making and are commonly used by other regulators. The requirement to carry out impact assessments is reflected in section 7 of the Communications Act, which stipulates that generally we have to carry out impact assessments where our proposals would be likely to have a significant effect on businesses or the general public, or when there is a major change in our activities. However, as a matter of policy we are committed to carrying out and publishing impact assessments in relation to the great majority of our policy decisions. For further information about our approach to impact assessments, see the guidelines, Better policy-making: Ofcom’s approach to impact assessment, which are on our website: [http://www.ofcom.org.uk/consult/policy\\_making/guidelines.pdf](http://www.ofcom.org.uk/consult/policy_making/guidelines.pdf)

## Background

- A4.4 We issued a consultation document and subsequent statement concerning modifications to spectrum pricing on the 6th of July 2006 and 10th January 2007 respectively. The consultation concerned making changes to a number of Wireless Telegraphy Act licence charges. The majority of these changes have already been implemented through separate regulations made in August 2007<sup>7</sup> and January 2008<sup>8</sup> the remainder are to be implemented through the Regulations to which this RIA relates.
- A4.5 Section 12 of the Wireless Telegraphy Act 2006 (“The WT Act”) permits the use of spectrum pricing by requiring us to prescribe in Regulations sums payable for WT Act licences. This power enables us to recover the cost of administering and managing Wireless Telegraphy Act licences. However, we also have a range of

<sup>7</sup> [http://www.opsi.gov.uk/si/si2007/uksi\\_20072326\\_en\\_1](http://www.opsi.gov.uk/si/si2007/uksi_20072326_en_1)

<sup>8</sup> [http://www.opsi.gov.uk/si/si2008/uksi\\_20080139\\_en\\_1](http://www.opsi.gov.uk/si/si2008/uksi_20080139_en_1)

duties under section 3 of the WT Act which require us to efficiently manage the radio spectrum. Consequently, section 13 of the Wireless Telegraphy Act 2006 permits us to recover sums greater than those it incurs in performing its spectrum management functions in order to provide incentives to licensees to use their spectrum more efficiently. This is known as Administered Incentive Pricing (AIP).

## **Proposal**

- A4.6 This RIA relates to the proposal to update and modify Wireless Telegraphy licence charges for WT Act licences. The current statutory instrument governing the licence charges for WT Act licences is “The Wireless Telegraphy (licence charges) Regulations 2005 (SI 2005 N0.1378) (“the existing Regulations”). This update will amend the existing Regulations. The nature of the changes is primarily to introduce new simplified licence classes in the Business Radio sector at both cost recovery and AIP levels.

## **The citizen and/or consumer interest**

- A4.7 We take account of the impact of our decisions upon both citizen and consumer interests in the markets we regulate. In proposing changes to the existing Regulations we have considered the wider impact beyond immediate stakeholders in the radiocommunications community. We believe that the proposals will be of benefit to consumers for the following reasons:
- i) continued use of AIP will encourage more efficient use of the radio spectrum making more spectrum available to potential new uses;
  - ii) simplified licence charges will facilitate fee payment and reduce costs to licensees by reducing the number of transactions;
  - iii) the measures proposed will reduce the regulatory burden for some licensees, offering them simplified, more flexible licences at a lower price.

## **Our policy objective**

- A4.8 We have a statutory obligation to make efficient use of the radio spectrum. The WT Act 2006 enables us to charge administered incentive pricing for Wireless Telegraphy Act licences. Additionally, we seek wherever possible, to reduce the regulatory burden upon our stakeholders, in this instance users of the radio spectrum. One way in which we can do this is to simplify and rationalise licence products available to consumers.

## **Options considered**

- A4.9 The options open to us in relation to the fees charged for WT Act licences generally fall into the following categories:
- i) Not to charge for WT Act licences;
  - ii) To charge cost recovery prices for WT licences;
  - iii) To charge the full rate of AIP identified by independent consultants; or
  - iv) a mixture of these options.

## Analysis of options

- A4.10 In order to continue to meet our spectrum management duties, we propose to continue to charge for licences using a mixture of these options. Although our general approach remains unchanged, in order to introduce a simplified, more flexible licensing approach, it is necessary to amend the way that licence charges are applied. We will continue to charge the AIP rate identified by Indenpen in the 2004 Spectrum pricing report. However, for some low power licences that do not require technical assignment, it is beneficial to both licensees and ourselves to charge on a cost recovery basis. For licensees who use a large amount of valuable spectrum, we believe that in recognition of its duty to use the spectrum efficiently it is important that the value of the spectrum is reflected in its cost.

## Benefits

- A4.11 In general, the proposed regulations will reduce the regulatory burden to licensees by simplifying the licence charging regime. Continued use of AIP, where relevant, will help to ensure efficient use of spectrum.

## Costs to business

- A4.12 The cost of certain WT Act licences will increase as a result of the introduction of these Regulations whilst others will decrease. These changes are necessary in order to introduce a simplified licensing regime. The increase in costs to some businesses needs to be offset against the benefits of introducing a simplified tradable licensing regime.

## Costs to us

- A4.13 There are one-off administrative costs associated with making a Statutory Instrument. We consider the implementation costs to be low and offset by the benefits outlined in section 2 of the consultation document<sup>9</sup>. There may be a slight reduction in spectrum management costs in certain areas.

## Conclusion

- A4.14 For the reasons identified in the preceding paragraphs, specifically in relation to the introduction of a simplified tradable licensing regime, we consider the benefits of making the Amendment Regulations outweigh the costs. We therefore propose to amend the Wireless Telegraphy (Licence Charges) Regulations 2005. We will review the decision to implement the changes when the licence charges are reviewed every 3-4 years.

---

<sup>9</sup> <http://www.ofcom.org.uk/consult/condocs/pricing06/>

## Annex 5

# Impact Assessment relating to the proposed Wireless Telegraphy (Register) (Amendment) (No.2) Regulations

## Introduction

- A5.1 In accordance with good regulatory practice, where a statutory regulation is proposed, a Regulatory Impact Assessment (“RIA”) must be undertaken. The analysis presented here, when read in conjunction with the rest of this document, represents a Regulatory Impact Assessment as defined by section 7 of the Communications Act 2003 (“the Communications Act”) for amending the Wireless Telegraphy (Licence Charges) Regulations 2005.
- A5.2 You should send any comments on this RIA to us by the closing date for this consultation. We will consider all comments before deciding whether to implement our proposals.
- A5.3 RIAs provide a valuable way of assessing different options for regulation and showing why the preferred option was chosen. They form part of best practice policy-making and are commonly used by other regulators. The requirement to carry out impact assessments is reflected in section 7 of the Communications Act, which stipulates that generally we have to carry out impact assessments where our proposals would be likely to have a significant effect on businesses or the general public, or when there is a major change in our activities. However, as a matter of policy we are committed to carrying out and publishing impact assessments in relation to the great majority of our policy decisions. For further information about our approach to impact assessments, see the guidelines, Better policy-making: Ofcom’s approach to impact assessment, which are on our website: [http://www.ofcom.org.uk/consult/policy\\_making/guidelines.pdf](http://www.ofcom.org.uk/consult/policy_making/guidelines.pdf)

## Background

- A5.4 We issued a consultation document and subsequent statement concerning Business Radio trading and liberalisation on the 6th of July 2006 and 10th January 2007 respectively. The consultation and subsequent statement led to a decision to implement the creation of a new simplified, flexible and tradable licensing regime. An amendment to the Wireless Telegraphy (Register) Regulations 2004<sup>10</sup> is required in order to bring this decision into effect.

## Proposal, purpose and intended effect

- A5.5 In order to enhance the general development of a secondary market for the right to use spectrum, we have established and maintain a register about spectrum licences - the Wireless Telegraphy Register.
- A5.6 The intended effect of this proposal is to enable information about the new Business Radio Licences to be published in this Wireless Telegraphy Register. In so doing,

<sup>10</sup> <http://www.legislation.gov.uk/si/si2004/20043155.htm>



this should facilitate spectrum trading by providing information which will enable potential buyers to find out, who holds what frequencies and the constraints on the use of the specific frequencies or bands.

## **Costs and benefits**

- A5.7 We carried out a regulatory impact assessment for the Wireless Telegraphy (Register) Regulations 2004, (published December 2004), which established the Register. This proposed amendment to those regulations only has the effect of including the frequencies designated for Business Radio use within the regulations. We therefore consider that the same arguments apply in assessing the impact of these regulations as in the original regulations.
- A5.8 Accordingly, the conclusions of the RIA for the Wireless Telegraphy (Register) Regulations 2004 on the costs and benefits are equally valid for these regulations. Those conclusions were that the benefits of a having a register exceeded the costs that would be incurred by business and ourselves in establishing and maintaining the register, and in publishing information. Indeed, the costs to us of the proposed regulations will be even lower than the previous assessment because the register has been established and is being maintained anyway. The additional costs to us would be minimal and limited to updating the register for the frequencies allocated to Business Radio use of spectrum. The RIA also noted that if a register were not established, there was a real risk that the effectiveness of spectrum trading would be damaged, transaction costs for businesses wanting to trade spectrum could be higher, and that commercial information providers might not bring the same benefits as an independent register.
- A5.9 Moreover, now that the register has been set up, the additional costs of including the Business Radio frequencies within the register should be very small. As a result, the benefits are even more likely to exceed the costs.

## **Business sectors affected**

- A5.10 The main business sector affected by this proposal is the Business Radio sector. However, other business sectors may benefit from a more efficient supply of communications services as a result of this proposal.

## **Conclusions**

- A5.11 Our assessment is that the benefits of including all Business Radio frequencies within the Wireless Telegraphy Register are likely to outweigh the costs. The benefits could be significant in terms of improving the effectiveness of potential spectrum trades and the costs would be minimal because the register has already been established.

## Annex 6

# Impact Assessment relating to the proposed Wireless Telegraphy (Spectrum Trading) (Amendment) (No.2) Regulations

## Introduction

- A6.1 In accordance with good regulatory practice, where a statutory regulation is proposed, a Regulatory Impact Assessment (“RIA”) must be undertaken. The analysis presented here, when read in conjunction with the rest of this document, represents a Regulatory Impact Assessment as defined by section 7 of the Communications Act 2003 (“the Communications Act”) for amending the Wireless Telegraphy (Licence Charges) Regulations 2005.
- A6.2 You should send any comments on this RIA to us by the closing date for this consultation. We will consider all comments before deciding whether to implement our proposals.
- A6.3 RIAs provide a valuable way of assessing different options for regulation and showing why the preferred option was chosen. They form part of best practice policy-making and are commonly used by other regulators. The requirement to carry out impact assessments is reflected in section 7 of the Communications Act, which stipulates that generally we have to carry out impact assessments where our proposals would be likely to have a significant effect on businesses or the general public, or when there is a major change in our activities. However, as a matter of policy we are committed to carrying out and publishing impact assessments in relation to the great majority of our policy decisions. For further information about our approach to impact assessments, see the guidelines, Better policy-making: Ofcom’s approach to impact assessment, which are on our website: [http://www.ofcom.org.uk/consult/policy\\_making/guidelines.pdf](http://www.ofcom.org.uk/consult/policy_making/guidelines.pdf)

## Background

- A6.4 We issued a consultation document and subsequent statement concerning Business Radio trading and liberalisation on the 6th of July 2006 and 10th January 2007 respectively. The consultation and subsequent statement led to a decision to implement the creation of a new simplified, flexible and tradable licensing regime. An amendment to the Wireless Telegraphy (Spectrum Trading) Regulations 2004<sup>11</sup> is required in order to bring this decision into effect.

## Proposal, purpose and intended effect

- A6.5 This Impact Assessment for the draft Wireless Telegraphy (Spectrum Trading) (Amendment) Regulations 2007 relates to our decision to implement a more flexible tradable licensing regime for Business Radio licences. The purpose of these regulations is to permit the transfer of all rights and obligations relating to all Business Radio licences, also known as spectrum trading. We intend to permit outright total transfers as well as concurrent and partial transfers.

<sup>11</sup> <http://www.England-legislation.hmsso.gov.uk/si/si2004/20043154.htm>

## **Costs and benefits to business**

- A6.6 We considered the benefits of spectrum trading in the Regulatory Impact Assessment in the Spectrum Trading and Wireless Telegraphy Register Regulations published in December 2004 (“the 2004 impact assessment”). It concluded that the likely benefits of spectrum trading greatly outweighed the costs. It also concluded that the costs to business would be proportionate, because the costs of spectrum trading would only fall on those who traded (and for whom the benefit of the spectrum trade should exceed the costs anyway). This analysis of the general benefits of introducing spectrum trading should also apply to all Business Radio licences.
- A6.7 We considered whether all types of transfer should be allowed, i.e. total, partial and concurrent transfers. We can see no reason why the 2004 impact assessment's general conclusion that the benefits of trading are likely to substantially outweigh the costs would not be true for all types of transfer in relation to all Business Radio licences.

## **Costs to us**

- A6.8 We would incur very little additional cost as a result of this proposal. The framework for spectrum trading has already been set up, and including the Spectrum Bands within the framework should require little additional cost. The cost of making the regulations is minimal in comparison to the expected benefits of introducing trading to the entire Business Radio sector.

## **Business sectors affected**

- A6.9 The main business sector affected by this proposal is the Business Radio sector. Other business sectors may benefit from the introduction of trading to all Business Radio licences by the implementation of these regulations.

## **Conclusion**

- A6.10 We have assessed the impact of allowing spectrum trading in all Business Radio spectrum and have found that the costs are likely to outweigh the benefits for all types of transfer. We will continue to monitor the effect of the introduction of trading to this sector.

**Annex 7**

**The draft Wireless Telegraphy (Licence  
Charges) (Amendment) (No.2)  
Regulations 2008**

**2008 No. 0000**

**ELECTRONIC COMMUNICATIONS**

**The Wireless Telegraphy (Licence Charges) (Amendment) (No. 2) Regulations 2008**

*Made* - - - -

\*\*\*

*Coming into force* - -

\*\*\*

The Office of Communications (“OFCOM”) make the following Regulations in exercise of the powers conferred by sections 12, 13(2) and 122(7) of the Wireless Telegraphy Act 2006(a), (“the Act”).

Before making these Regulations OFCOM have given notice of their proposal to do so in accordance with section 122(4)(a) of the Act, published notice of their proposal in accordance with section 122(4)(b) of the Act, and have considered the representations made to them before the time specified in the notice in accordance with section 122(4)(c) of the Act.

**Citation, commencement and interpretation**

**1.**—(1) These Regulations may be cited as the Wireless Telegraphy (Licence Charges) (Amendment) (No.2) Regulations 2008 and shall come into force on [date] [month] 2008.

(2) In these Regulations “the principal Regulations” means the Wireless Telegraphy (Licence Charges) Regulations 2005(b).

**Amendment of the Wireless Telegraphy (Licence Charges) Regulations 2005**

**2.** The principal Regulations shall be amended in accordance with the following provisions of these Regulations.

**Amendment of regulation 3**

**3.** In regulation 3 (interpretation)—

(a) In paragraph (1)—

(i) after the definition of “base station” insert the following definition—

““Coverage category 1”, “Coverage category 2” and “Coverage category 3” mean the three different sizes of geographical area within which wireless telegraphy may be authorised by a licence categories as identified in Schedule 11, Part 1 by reference to transmission power and antenna height which is authorised by a licence or by reference to the geographical area which is authorised ”;

---

(a) 2006 c.36

(b) S.I. 2005/1378 as amended by S.I. 2006/2894, S.I. 2007/2326 and S.I. 2008/139

- (ii) after the definition of “fixed mobile station” insert the following definitions—
- ““high population area”, “medium population area” and “low population area” mean, for a specified class of licence, such part of the British Islands being a unit listed in Schedule 9 and identified by reference to the grid squares of the 2<sup>nd</sup> series of Landranger maps published by the Ordnance Survey which is considered by OFCOM to have respectively a high proportion of the population, a medium proportion of the population and a low proportion of the population ;
- “high usage bands” mean any of UHF Band I, UHF Band II and the VHF High Band;”;
- (iii) after the definition of “licensee” insert the following definitions—
- ““low usage bands” mean the 133 kHz – 147 kHz band, the 26.225 MHz and 49.49375 MHz band, VHF Band I and VHF Low Band;
- “medium usage bands” mean VHF Band III and the VHF Mid Band;”;
- (iv) after the definition of “UHF Band II” insert the following definitions—
- ““VHF Band I” means that part of the radio frequency spectrum between 55.75 MHz and 68.0 MHz;
- “VHF Band III” means that part of the radio frequency spectrum between 177.20625 MHz and 207.49375 MHz;”.

## Amendment of Schedule 2

4.—(1) Schedule 2 (licence charges and payment intervals) shall be amended in accordance with the following paragraphs of this regulation.

(2) Under the heading “**Business Radio**”—

- (a) in relation to the licence class “Business Radio (Standard)”, omit all of the entries in Columns 1 to 4;
- (b) after the licence class “Business Radio (Remote Meter Reading Operator)” insert the following entries—

“Business Radio (Simple UK)	£75		60 months
Business Radio (Suppliers Light)	£75		60 months
Business Radio (Simple Site)	£75		60 months
Business Radio (Area Defined)		For each authorisation under a licence of use of a channel of 6.25 kHz of the radio spectrum for one of the areas set out in Column 1 of Schedule 10 in the high use band, medium use band or low use band, the sum payable is that indicated in Columns 2, 3, or 4 of Schedule 10, provided that where the total sum payable in respect of a licence is less than £75 in which case then the sum payable is £75.	12 months
Business Radio (Technically Assigned)		For each authorisation under a licence of use of a channel of 6.25 kHz of the radio spectrum for each base station or operational area in a high usage band, medium usage band or low usage band the appropriate sum payable in accordance with Part 2 of Schedule 11 as determined by (i) whether the authorised geographical coverage is Coverage category 1,	12 months

		Coverage category 2 or Coverage category 3; (ii) whether the authorised geographical area is located in a high population area, a medium population area or a low population area; and (iii) whether the authorised use of the radio spectrum is being licensed on a shared or exclusive basis, provided that where the total sum payable in respect of a licence is less than £75 in which case then the sum payable is £75.	
		For each authorisation under a licence of use of 6.25 kHz of the radio spectrum for transmission for only 250 milliseconds in each two seconds or for only 500 milliseconds in each four seconds for each base station in a high usage band, medium usage band or low usage band one eighth of the appropriate sum payable in accordance with Part 2 of Schedule 11 as determined by (i) whether the authorised geographical coverage is Coverage category 1 , Coverage category 2 or Coverage category 3; (ii) whether the authorised geographical area is located in a high population area, a medium population area or a low population area; and (iii) whether the authorised use of the radio spectrum is being licensed on a shared or exclusive basis, provided that where the total sum payable in respect of a licence is less than £75 in which case then the sum payable is £75.	

(3) In this regulation—

- (a) the column headed “Class of licence” in Schedule 2 to the principal Regulations shall be designated as “Column 1”;
- (b) the column headed “Fixed sums” in Schedule 2 to the principal Regulations shall be designated as “Column 2”;
- (c) the column headed “Variable sums” in Schedule 2 to the principal Regulations shall be designated as “Column 3”;
- (d) the column headed “Prescribed payment interval” in Schedule 2 to the principal Regulations shall be designated as “Column 4”;
- (e) where the amendments to Schedule 2 to the principal Regulations prescribed in the preceding paragraphs of this regulation are set out within a four column grid, the four columns of that grid are to be inserted as Columns 1 to 4 of that Schedule.

#### **Insertion of Schedules 9, 10 and 11**

5. After Part 3 of Schedule 8, insert the following—

“

#### **SCHEDULE 9**

#### **Schedule 2**

#### **DESIGNATIONS OF HIGH POPULATION, MEDIUM POPULATION AND LOW POPULATION AREAS FOR THE BUSINESS RADIO (AREA DEFINED) AND BUSINESS RADIO (TECHNICALLY ASSIGNED) LICENCES**

Designation of area		National Grid References for 50 kilometre by 50 kilometre areas			
High population area		TQ 000 500			
Medium population areas		NJ 500 000	SJ 000 500	SP 500 000	TA 000 000
		NO 000 000	SJ 500 500	SS 500 500	TF 000 000
		NS 000 500	SJ 500 000	ST 000 500	TG 000 000
		NS 500 500	SK 000 500	ST 500 500	TL 500 500
		NT 000 500	SK 500 500	ST 000 000	TL 000 000
		NW 000 000	SK 000 000	SU 000 500	TL 500 000
		NZ 000 500	SK 500 000	SU 500 500	TM 000 000
		NZ 000 000	SO 500 500	SU 000 000	TQ 500 500
		SD 000 000	SO 500 000	SU 500 000	TQ 000 000
		SD 500 000	SP 000 500	SX 000 500	TQ 500 000
		SE 000 000	SP 500 500	SX 500 500	TR 000 500
		SE 500 000	SP 000 000	SZ 000 500	
Low population areas		All other National Grid References for 50 kilometre x 50 kilometre areas			

#### SCHEDULE 10

##### Schedule 2

#### CHARGES FOR THE BUSINESS RADIO (AREA DEFINED) LICENCE CLASS FOR EACH 6.25 kHz OF RADIO SPECTRUM AUTHORISED

<i>Area</i>	<i>Charge for high usage band</i>	<i>Charge for medium usage band</i>	<i>Charge for low usage band</i>
UK	£2,475	£2062.50	£825
England	£2,068.75	£1723.75	£689.50
Wales	£122.50	£102.50	£40.75
Scotland	£213.75	£177.50	£71.25
Northern Ireland	£70	£58.75	£23.25
A high population area	£296.25	£247.50	£98.75
A medium population area	£37.50	£31.25	£12.50
A low population area	£3.50	£3	£1.25

#### SCHEDULE 11

##### Schedule 2

#### DESIGNATIONS OF COVERAGE CATEGORY 1, COVERAGE CATEGORY 2 AND COVERAGE CATEGORY 3 AND CHARGES FOR THE BUSINESS RADIO (TECHNICALLY ASSIGNED) LICENCE CLASS



## PART 1

### DESIGNATIONS OF COVERAGE CATEGORY 1, COVERAGE CATEGORY 2 AND COVERAGE CATEGORY 3

<i>Coverage designation</i>	<i>Effective radiated power of transmission (P) in watts and antenna height above ground level (Ah) in metres which is authorised by a licence</i>	<i>Area radius (R) in kilometres within which wireless telegraphy is authorised</i>
<i>Coverage category 1</i>	$P \leq 5 \text{ W}$ and $Ah \leq 10\text{m}$	$0 < R \leq 3$
<i>Coverage category 2</i>	$P \leq 5 \text{ W}$ and $10\text{m} < Ah \leq 30\text{m}$	$3 < R \leq 15$
<i>Coverage category 3</i>	$P > 5\text{W}$ and $Ah \leq 10\text{m}$ $P > 5\text{W}$ and $Ah > 10\text{m}$ $P \leq 5 \text{ W}$ and $Ah > 30\text{m}$	$15 < R \leq 30$

## PART 2

### CHARGES FOR THE BUSINESS RADIO (TECHNICALLY ASSIGNED) LICENCE CLASS FOR EACH 6.25 kHz OF RADIO SPECTRUM AUTHORISED IN A HIGH USAGE BAND

<i>Coverage area</i>	<i>Category 1</i>		<i>Category 2</i>		<i>Category 3</i>	
<i>Assignment type</i>	<i>Exclusive</i>	<i>Shared</i>	<i>Exclusive</i>	<i>Shared</i>	<i>Exclusive</i>	<i>Shared</i>
<i>High population area</i>	£50	£25	£185	£92.50	£370	£185
<i>Medium population area</i>	£25	£18.75	£50	£25	£75	£37.50
<i>Low population area</i>	£18.75	£18.75	£23.75	£18.75	£27.50	£18.75

## PART 3

### CHARGES FOR THE BUSINESS RADIO (TECHNICALLY ASSIGNED) LICENCE FOR EACH 6.25 kHz OF RADIO SPECTRUM AUTHORISED IN A MEDIUM USAGE BAND

<i>Coverage area</i>	<i>Category 1</i>		<i>Category 2</i>		<i>Category 3</i>	
<i>Assignment type</i>	<i>Exclusive</i>	<i>Shared</i>	<i>Exclusive</i>	<i>Shared</i>	<i>Exclusive</i>	<i>Shared</i>
<i>High population</i>	<b>£25</b>	£18.75	£92.50	£46.25	£185	£92.50

*trading area*

<i>Medium population trading area</i>	£21.25	£18.75	£42.50	£21.25	£62.50	£31.25
---------------------------------------	--------	--------	--------	--------	--------	--------

<i>Low population trading area</i>	£18.75	£18.75	£20	£18.75	£22.50	£18.75
------------------------------------	--------	--------	-----	--------	--------	--------

#### PART 4

#### CHARGES FOR THE BUSINESS RADIO (TECHNICALLY ASSIGNED) LICENCE FOR EACH 6.25 kHz OF RADIO SPECTRUM AUTHORISED IN A LOW USAGE BAND

Coverage area	Category 1		Category 2		Category 3	
<i>Assignment type</i>	<i>Exclusive</i>	<i>Shared</i>	<i>Exclusive</i>	<i>Shared</i>	<i>Exclusive</i>	<i>Shared</i>
<i>High population trading area</i>	£18.75	£18.75	£18.75	£18.75	£18.75	£18.75
<i>Medium population trading area</i>	£18.75	£18.75	£18.75	£18.75	£18.75	£18.75
<i>Low population trading area</i>	£18.75	£18.75	£18.75	£18.75	£18.75	£18.75

Date

Chief Executive of the Office of Communications  
For and by the authority of the Office of Communications

## **EXPLANATORY NOTE**

*(This note is not part of the Regulations)*

These Regulations amend the Wireless Telegraphy (Licence Charges) Regulations 2005 (S.I. 2005/1378 as amended by S.I. 2006/2894 and S.I. 2007/2326) (the “Principal Regulations”).

[     ]

DRAFT

**Annex 8**

**The proposed Wireless Telegraphy  
(Register) (Amendment) (No.2)  
Regulations 2008**

---

STATUTORY INSTRUMENTS

---

**2008 No.**

**ELECTRONIC COMMUNICATIONS**

**The Wireless Telegraphy (Register) (Amendment) (No. 2)  
Regulations 2008**

*Made* - - - - 2008

*Coming into force* - - 2008

The Office of Communications (“OFCOM”) make the following Regulations in exercise of the powers conferred by section 31(1) and (2) and section 122(7) of the Wireless Telegraphy Act 2006(a) (“the Act”).

Before making the Regulations OFCOM have given notice of their proposal to do so in accordance with section 122(4)(a) of the Act, published notice of their proposal in accordance with section 122(4)(b) of the Act and have considered the representations made to them before the time specified in the notice in accordance with section 122(4)(c) of the Act.

**Citation and commencement**

1. These Regulations may be cited as the Wireless Telegraphy (Register) (Amendment) (No. 2) Regulations 2008 and shall come into force on 2008.

**Amendment of the Wireless Telegraphy (Register) Regulations 2004**

2. Part 1 of the Schedule to The Wireless Telegraphy (Register) Regulations 2004(b) is amended by inserting at the end of Column 1, “ ”.

“Business Radio (Simple UK)  
Business Radio (Suppliers Light)  
Business Radio (Simple Site)  
Business Radio (Area Defined)  
Business Radio (Technically Assigned)”

2008

For and by authority of the Office of Communications

---

(a) 2006 c. 36

(b) S.I. 2004/3155 as amended by S.I. 2006/340, S.I. 2006/1808, S.I. 2007/381, S.I. 2007/3389 and S.I. 2008/689

**EXPLANATORY NOTE**

*(This note is not part of the Regulations)*

**Annex 9**

# The proposed Wireless Telegraphy (Spectrum Trading (Amendment) Regulations 2008

---

STATUTORY INSTRUMENTS

---

**2008 No.**

**ELECTRONIC COMMUNICATIONS**

**The Wireless Telegraphy (Spectrum Trading) (Amendment)  
(No. 2) Regulations 2008**

*Made* - - - - 2008

*Coming into force* - - 2008

The Office of Communications (“OFCOM”) make the following Regulations in exercise of the powers conferred by section 30(1) and (3) and section 122(7) of the Wireless Telegraphy Act 2006(a) (“the Act”).

Before making the Regulations OFCOM have given notice of their proposal to do so in accordance with section 122(4)(a) of the Act, published notice of their proposal in accordance with section 122(4)(b) of the Act and have considered the representations made to them before the time specified in the notice in accordance with section 122(4)(c) of the Act.

**Citation and commencement**

1. These Regulations may be cited as the Wireless Telegraphy (Spectrum Trading) (Amendment) (No. 2) Regulations 2008 and shall come into force on 2008.

**Amendment of the Wireless Telegraphy (Spectrum Trading) Regulations 2004**

2.—(1) The Wireless Telegraphy (Spectrum Trading) Regulations 2004(b) shall be amended as follows:

(2) In regulation 4 in paragraph (3) after “Parts 1 to 6 of the Schedule” insert “and Parts 8 to 10 of the Schedule”;

(3) In regulation 6(a) in paragraph (iv) substitute “Column 1 of Part 2, Column 1 of Part 4 or Column 1 of Part 9 of the Schedule” for “Column 1 of Part 2 or Column 1 of Part 4 of the Schedule”;

(4) In regulation 6(a) in paragraph (v) substitute “Column 1 of Part 2, Column 1 of Part 4 or Column 1 of Part 9 of the Schedule” for “Column 1 of Part 2 or Column 1 of Part 4 of the Schedule”;

(5) In regulation 6(a) at the end of paragraph (5) delete the word “or”;

(6) In regulation 6(a) at the end of paragraph (vi) substitute “or” for “and”

(7) In regulation 6(a) add two new paragraphs as follows:

(vii) “part frequency channels which have in each case a bandwidth of 6.25 kHz or a multiple thereof and the same start or end frequency limit as a licensed frequency

---

(a) 2006 c. 36

(b) S.I. 2004/3154 as amended by S.I. 2006/339, S.I. 2006/1807, S.I. 2007/380, S.I. 2007/3387 and S.I. 2008/688



channel under one of the licences of a class specified in Column 1 of Part 8 of the Schedule which apply to a station or apparatus operating within any of the frequency bands specified in Column 2 of the same Part;

- (viii) a geographical area being a fifty kilometre square part of the total geographical area in which the holder is authorised to establish, install and use radio transmitting and receiving stations or apparatus under one of the licences specified in Column 1 of Part 8 of the Schedule which apply to a station or apparatus operating within any of the frequency bands specified in Column 2 of the same Part; and”

(8) After Part 7 of the Schedule add Part 8 , Part 9 and Part 10 as follows-

### “PART 8

<i>Column 1</i>	<i>Column 2</i>
<b>Licence classes</b>	<b>Frequency bands</b>
Business Radio (Area Defined)	26.2 – 87.50 MHz
	136 – 208 MHz
	425 – 470 MHz
	132 – 134 kHz
	146 – 148 kHz

### PART 9

<i>Column 1</i>	<i>Column 2</i>
<b>Licence classes</b>	<b>Frequency bands</b>
Business Radio (Technically Assigned)	26.2 – 87.50 MHz
	136 – 208 MHz
	425 – 470 MHz

## PART 10

<i>Column 1</i>	<i>Column 2</i>
<b>Licence classes</b>	<b>Frequency bands</b>
Business Radio (Simple UK)	26.2 – 87.50 MHz
Business Radio (Suppliers Light)	136 – 208 MHz
Business Radio (Simple Site)	425 – 470 MHz

”

2008

For and by authority of the Office of Communications

**EXPLANATORY NOTE**

*(This note is not part of the Regulations)*