



Licensing in the 71-76 GHz, 81-86 GHz and 64-66 GHz bands

Notice of Ofcom's proposal to amend the Wireless
Telegraphy (Register) Regulations and the Wireless
Telegraphy (Spectrum Trading) Regulations

Consultation

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Section 1

Summary

Introduction

- 1.1 This document gives notice of Ofcom's proposal to make changes to the Wireless Telegraphy (Spectrum Trading) Regulations 2004 and the Wireless Telegraphy (Register) Regulations 2004. The following draft regulations have been prepared in order to reflect the substance of the changes. These are:
- the draft Wireless Telegraphy (Register) (Amendment) (No 4) Regulations 2007, amending the Wireless Telegraphy (Register) Regulations 2004 (SI 2004/3155) ("the Register Regulations"); and
 - the draft Wireless Telegraphy (Spectrum Trading) (Amendment) (No 4) Regulations 2007, amending the Wireless Telegraphy (Spectrum Trading) Regulations 2004 (SI 2004/3154) (the "Trading Regulations").

Purpose of these changes

- 1.2 Both the Register Regulations and the Trading Regulations have been previously amended twice¹. Ofcom is consulting on the implementation of the current proposals through further amendments, but is also possible that the proposed changes will be combined with other changes, or that the regulations and existing amendments will be consolidated into new regulations.
- 1.3 The regulations referred to above reflect the creation of a new class of tradable wireless telegraphy licence which will be added to the wireless telegraphy register established and maintained by Ofcom under the Register Regulations (the "Register"). The proposed regulations are brought together in a single consultation document because they both relate to the creation of a new licence class.
- 1.4 These regulations are intended to enable point to point broadband fixed wireless systems under the new licence class 'Self coordinated links' in the 64-66 GHz, 71.125-75.875 GHz, and 81.125-85.875 GHz bands to be tradable and to publish information to facilitate self coordination within these bands. With respect to the 71.125-75.875 GHz and 81.125-85.875 GHz bands, Ofcom has published a statement, dated 8th November 2006, which sets out a light licensed approach for broadband fixed wireless systems².

The Register Regulations

- 1.5 The Register Regulations provide for the establishment and maintenance of a register of relevant information relating to wireless telegraphy licences of certain classes which apply to a station or apparatus operating within certain specified frequency bands.

¹ The Register Regulations have been amended by SI 2006/340 and SI 2006/1808, and the Trading Regulations have been amended by SI 2006/339 and SI 2006/1807. A third amendment to each of the Register Regulations and the Trading Regulations is currently being consulted on and it is possible that those amendments will take effect before those proposed in this Notice of Proposals.

² <http://www.ofcom.org.uk/consult/condocs/71-86ghz/>

- 1.6 The Register Regulations specify the relevant information which Ofcom must maintain on the Register. Such information relates to the issue, renewal or variation of a wireless telegraphy licence of a range of specified classes which applies to a station or apparatus operating within any specified frequency bands.
- 1.7 The current Register Regulations were made by Ofcom under section 170(1) and (2) of the Act on 30th November 2004 and came into force on 23 December 2003.

The Trading Regulations

- 1.8 The Trading Regulations authorise, subject to Ofcom's consent, the transfer of all rights and obligations arising by virtue of a wireless telegraphy licence in a class specified which applies to a station or apparatus operating within any of the frequency bands specified.
- 1.9 The current Trading Regulations were made by Ofcom under sections 168(1) and (3) of the Act on 30th November 2004 and came into force on 23 December 2003³.

Proposed Amendments

- 1.10 The proposed amending regulations are intended to reflect the creation of a new class of tradable wireless telegraphy licence which will be added to the Register.
- 1.11 In compliance with the requirements of section 403(4) and (5) of the Act, this consultation document contains notice of Ofcom's proposal to amend the Register Regulations and the Trading Regulations and describes the general effect of the proposed amendments and invites stakeholders to make representations about them to Ofcom.
- 1.12 The proposed regulations to amend the Register Regulations set out:
 - the name and frequency bands of the new class of licence; and
 - extra relevant information which will be entered on the Register in respect of the new class.
- 1.13 The proposed regulations to amend the Trading Regulations set out the name and frequency bands of the new class of licence which will be tradable.

Consultation

- 1.14 Under section 403(4) to (6) of the Act, Ofcom is required to publish a notice of its proposal to make any 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 from publication of the notice. Accordingly, this consultation document includes a notice in respect of the proposed regulations, sets out their general effect and invites written views and comments by **21st January 2007**.
- 1.15 Draft proposed regulations to amend the Register Regulations and the Trading Regulations are attached at Annex 6 and Annex 7 respectively.

³ For Ofcom's Statement on Spectrum Trading, see http://www.ofcom.org.uk/consult/condocs/spec_trad/statement/

- 1.16 Section 2 of this document discusses Ofcom's proposals and notice of intention to make the proposed amendments to the Register Regulations.
- 1.17 Section 3 sets out the extent of application, scope and intended effect of the proposed Register Regulations amending regulations.
- 1.18 Section 4 discusses Ofcom's proposals and notice of intention to make the proposed amendments to the Trading Regulations.
- 1.19 Section 5 sets out the extent of application, scope and intended effect of the proposed Trading Regulations amending regulations.
- 1.20 Regulatory Impact Assessments (RIAs) for the proposed amendment regulations are included at Annex 8.
- 1.21 **We invite written views and comments on the draft regulations by 21st January 2007.** We would particularly welcome comments concerning suggested omissions or additions. After considering any representations Ofcom will publish a statement of response and proceed with implementation of the regulations.

Section 2

Notice of Proposal to Amend the Wireless Telegraphy (Register) Regulations 2004

- 2.1 In accordance with the requirements of section 403(4) and (5) of the Communications Act 2003 ("the Act") this document gives notice of Ofcom's intention to amend the Wireless Telegraphy (Register) Regulations 2004 (SI 2004/3155) ("the Register Regulations") through the creation of a new statutory instrument, the Wireless Telegraphy (Register) (Amendment) (No 4) Regulations 2007 ("the proposed register regulations amendment regulations").
- 2.2 Under section 170(1) and (2) of the Act Ofcom may by regulations make provision for the establishment and maintenance of a register of the relevant information specified in section 170(3) of the Act (the "Register").
- 2.3 The current Register Regulations were made by Ofcom under section 170(1) and (2) of the Act on 30th November 2004 and came into force on 23 December 2003.
- 2.4 The Register Regulations specify the information which Ofcom must maintain on the register. Such information relates to the issue, renewal or variation of a wireless telegraphy licence of a range of specified classes which applies to a station or apparatus operating within any specified frequency bands.
- 2.5 Ofcom is developing a new class of licence known as 'Self Coordinated Links' in certain frequency bands. This new class of licences will be subject to the Register Regulations.
- 2.6 The proposed register regulations amendment regulations reflect the addition of this new class of licences to the Register.
- 2.7 The amendments proposed fall into the following categories:
 - addition of new licence class to the Register; and
 - addition of further specified relevant information to the Register in respect of the new licence class.

Section 3

General Effect of the draft Wireless Telegraphy (Register) (Amendment) (No 4) Regulations 2007

The Proposed Regulations

- 3.1 Ofcom proposes to amend the Register Regulations by making the changes described in the following paragraphs and set out in the proposed register regulations amendment regulations. These reflect the addition of a new licence class to the Register and the inclusion on the Register of extra relevant information in respect of that class. The proposed regulations are included in Annex 6 of this document.

Extent of application

- 3.2 The proposed register regulations amendment regulations will apply in the United Kingdom. In future, replacement regulations could be made to cover the Channel Islands and Isle of Man if the island authorities wish to be included. They were not included in the Register Regulations.

Proposals

- 3.3 Addition of new licence class to the Register.
- 3.4 The new licence class 'Self Coordinated Links' operating in bands between 64 and 66 GHz, 81.125 and 85.875 GHz and 71.125 and 75.875 GHz will be added to the Register.
- 3.5 Addition of further specified relevant information in the Register in respect of new licence class.
- 3.6 Ofcom will be required to maintain the inclusion in the Register of extra relevant information as regards Self Coordinated Links that is not required as regards existing licence classes. This information will be:
- equipment which is authorised for use;
 - technical parameters relating to the antenna, transmitter and receiver; and
 - power of transmission.

Section 4

Notice of Proposal to Amend the Wireless Telegraphy (Spectrum Trading) Regulations 2004

- 4.1 In accordance with the requirements of section 403(4) and (5) of the Communications Act 2003 ("the Act") this document gives notice of Ofcom's intention to amend the Wireless Telegraphy (Spectrum Trading) Regulations 2004 (SI 2004/3154) ("the Trading Regulations") through the creation of a new statutory instrument, the Wireless Telegraphy (Spectrum Trading) (Amendment) (No 4) Regulations 2007 ("the proposed trading regulations amendment regulations").
- 4.2 Under sections 168(1) and (3) of the Act Ofcom may by regulations authorise the transfer to another person of the rights and obligations arising by virtue of a wireless telegraphy licence.
- 4.3 The current Trading Regulations were made by Ofcom under sections 168(1) and (3) of the Act on 30th November 2004 and came into force on 23 December 2003.
- 4.4 The Trading Regulations authorise, subject to Ofcom's consent, the transfer of all rights and obligations arising by virtue of a wireless telegraphy licence in a class specified which applies to a station or apparatus operating within any of the frequency bands specified.
- 4.5 Ofcom is developing a new class of licence known as 'Self Coordinated Links,' in certain frequency bands. This new class of licences will be subject to the Trading Regulations.
- 4.6 The proposed trading regulations amendment regulations reflect the creation of this new class of licences which will be tradable under the Trading Regulations.

Section 5

General Effect of the draft Wireless Telegraphy (Spectrum Trading) (Amendment) (No 4) Regulations 2007

The Proposed Regulations

- 5.1 Ofcom proposes to amend the Trading Regulations by making the changes described in the following paragraphs and set out in the proposed trading regulations amendment regulations. These reflect the creation of a new licence class which will be tradable. The proposed regulations are included in Annex 7 of this document.

Extent of application

- 5.2 The proposed register regulations amendment regulations will apply in the United Kingdom. In future, replacement regulations could be made to cover the Channel Islands and Isle of Man if the island authorities wish to be included. They were not included in the original regulations.

Proposals

- 5.3 The new licence class 'Self Coordinated Links' operating in bands between 64 and 66 GHz, 81.125 and 85.875 GHz and 71.125 and 75.875 GHz will be tradable in accordance with the Trading Regulations.

Annex 1

Responding to this Statutory Notice

How to respond

A1.1 Ofcom invites written views and comments on the issues raised in this document, to be made **by 5pm on 21st January 2007**. This timing is defined by the statutory requirements of section 403 of the Communications Act 2003.

A1.2 Ofcom strongly prefers to receive responses as email attachments, in Microsoft Word format, 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. The coversheet can be downloaded from the 'Consultations' section of our website.

Please send your response to alex.dixon@ofcom.org.uk.

A1.3 Responses may alternatively be posted or faxed to the address below, marked with the title of the consultation.

Alex Dixon
Riverside House
2A Southwark Bridge Road
London SE1 9HA

Fax: 020 7981 3333

A1.4 Note that we do not need a hard copy in addition to an electronic version. Ofcom will not acknowledge receipt of responses.

A1.5 It would be helpful if your response could explain why you hold your views and how Ofcom's proposals would impact on you.

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 Ofcom's consultation helpdesk on 020 7981 3003.

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, 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 Ofcom to use. Ofcom's approach on intellectual property rights is explained further on its website at <http://www.ofcom.org.uk/about/account/disclaimer/>.

Next steps

- A1.10 Following the end of the consultation period, Ofcom intends to publish a statement in 2007.
- 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

Ofcom's consultation processes

- A1.12 Ofcom seeks 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 Ofcom conducts its consultations, please call our consultation helpdesk on 020 7981 3003 or e-mail us at consult@ofcom.org.uk . We would particularly welcome thoughts on how Ofcom 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 Ofcom's consultation processes more generally you can alternatively contact Vicki Nash, Director Scotland, who is Ofcom's 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

Annex 2

Ofcom's consultation principles

A2.1 Ofcom has 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.
- 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 Ofcom would encourage respondents to complete their coversheet in a way that allows Ofcom 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/.
- 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

Summary table of changes to the Register Regulations

A4.1 Figure 1

Licence Class added to Register	Frequency Range
Self Coordinated Links	64-66 GHz 81.125-85.875GHz 71.125-75.875 GHz

A4.2 Figure 2

Information required to be registered for existing licence classes	Extra information required to be registered for new licence class
<ul style="list-style-type: none"> • Identity and contact address of the holder of a wireless telegraphy licence; • Reference number of a wireless telegraphy licence; and • Terms, provisions or limitation of a wires telegraphy licence which concern the following: <ul style="list-style-type: none"> • Frequencies assigned; and • Geographical area of transmission. 	<ul style="list-style-type: none"> • Equipment which is authorised for use; and • Technical parameters relating to the antenna, transmitter and receiver; and • power of transmission.

Annex 5

Summary table of changes to the Trading Regulations

A5.1 Figure 1

Additional class of licence to be tradable	Frequency Range
Self Coordinated Links	64-66 GHz 81.125-85.875GHz 71.125-75.875 GHz

Annex 6

Proposed register regulations amendment regulations

STATUTORY INSTRUMENTS

2007 No. [NUMBER]

ELECTRONIC COMMUNICATIONS

Wireless Telegraphy (Register) (Amendment) (No [4]) Regulations 2007

Made - - - - - ***

Coming into force - - - - - ***

The Office of Communications (“OFCOM”), in exercise of the powers conferred by sections 170(1) and (2) and section 403(7) of the Communications Act 2003⁽⁴⁾ (“the Act”), makes the following Regulations.

Before making the Regulations, OFCOM have given notice of their proposal to do so in accordance with section 403(4)(a) of the Act, published notice of their proposal in accordance with section 403(4)(b) of the Act, and have considered the representations made to them before the time specified in the notice in accordance with section 403(4)(c) of the Act.

1.Citation and commencement

These Regulations may be cited as the Wireless Telegraphy (Register) (Amendment) (No [4]) Regulations 2007 and shall come into force on [DATE].

2.Amendment of the Wireless Telegraphy (Register) Regulations 2004

The Wireless Telegraphy (Register) Regulations 2004⁽⁵⁾ are amended as follows.

In Regulation 4(1) for the words “relates to the matters set out in paragraph (2)” shall be substituted the words—

“

(a) in respect of Parts 1 to 8 of the Schedule, relates to the matters set out in paragraph (2); and

⁽⁴⁾ 2003 c. 21

⁽⁵⁾ S.I. 2004/3155 as amended by S.I. 2006/340 and S.I. 2006/1808

(b) in respect of Part 9 of the Schedule, relates to the matters set out in paragraphs (2) and (3).”

in regulation 4 after paragraph (2) there shall be added—

“(3) The matters are—

- (a) equipment which is authorised for use;
- (b) technical parameters relating to the antenna, transmitter and receiver; and
- (c) power of transmission.”

In the Schedule, after Part 8, there shall added the following Part—

“Part 9

Column 1

Column 2

Licence class

Frequency bands

Self Coordinated Links

64 GHz to 66 GHz
81.125 GHz to 85.875 GHz
71.125 GHz to 75.875 GHz”

[Date]

[Name]
Chief Executive of the Office of Communications
For and by authority of the Office of Communications

EXPLANATORY NOTE

(This note is not part of the Order)

These Regulations amend the Wireless Telegraphy (Register) Regulations 2004 (SI 2004/2155) (the “principal Regulations”).

The principal Regulations require OFCOM to establish and maintain a public register of relevant information relating to wireless telegraphy licences of certain classes which apply to a station or apparatus operating within certain frequency bands specified in the Schedule to the principal Regulations. Regulation 2 of these Regulations amends the principal Regulations by adding the Self Coordinated Links licence class and relevant frequency bands for that class, and additional relevant information prescribed for the purposes of section 170(2) of the Communications Act 2003 in respect of that class.

A full regulatory impact assessment of the effect that these Regulations will have on the costs to business is available to the public from the OFCOM Library at Riverside House, 2a Southwark Bridge Road, London SE1 9HA (Tel: 020 7981 3000) or on the Office of Communications Internet web site at www.ofcom.org.uk. Copies of the report have also been placed in the libraries of both Houses of Parliament.

Annex 7

Proposed trading regulations amendment regulations

STATUTORY INSTRUMENTS

2007 No. [NUMBER]

ELECTRONIC COMMUNICATIONS

Wireless Telegraphy (Spectrum Trading) (Amendment) (No [4]) Regulations 2007

Made - - - - - ***

Coming into force - - - - - ***

The Office of Communications (“OFCOM”), in exercise of the powers conferred by section 168(1) and (3) and section 403 (7) of the Communication Act 2003⁽⁶⁾ (the “Act”), makes the following Regulations:

Before making the Regulations, OFCOM have given notice of their proposal to do so in accordance with section 403(4)(a) of the Act, published notice of their proposal in accordance with section 403(4)(b) of the Act, and have considered the representations made to them before the time specified in the notice in accordance with section 403(4)(c) of the Act.

Citation and commencement

3. These Regulations may be cited as the Wireless Telegraphy (Spectrum Trading) (Amendment) (No [4]) Regulations 2007 and shall come into force on [DATE].

Amendment of the Wireless Telegraphy (Spectrum Trading) Regulations 2004

1. Part 5 of the Schedule to the Wireless Telegraphy (Spectrum Trading) Regulations 2004⁽⁷⁾ is amended by adding at the end—

“Self Coordinated Links	64 to 66 GHz
	71.125 to 75.875 GHz
	81.125 to 85.875 GHz”

⁽⁶⁾ 2003 c. 21

⁽⁷⁾ S.I. 2004/3154 as amended by S.I. 2006/339 and S.I. 2006/1807

[Date] [Name]
Chief Executive of the Office of Communications
For and by authority of the Office of Communications

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Wireless Telegraphy (Spectrum Trading) Regulations 2004 (SI 2004/3154) (the “principal Regulations”).

Regulation 2 of these Regulations amends the principal Regulations and authorises the transfer of rights and obligations arising by virtue of a wireless telegraphy licence in the Spectrum Access class within the Self Coordinated Links frequency bands.

A full regulatory impact assessment of the effect that these Regulations will have on the costs to business is available to the public from the OFCOM Library at Riverside House, 2a Southwark Bridge Road, London SE1 9HA (Tel: 020 7981 3000) or on the Office of Communications Internet web site at www.ofcom.org.uk. Copies of the report have also been placed in the libraries of both Houses of Parliament.

Annex 8

Regulatory Impact Assessments

- A8.1 The analysis presented here, when read in conjunction with the rest of this document, represents a Regulatory Impact Assessment (RIA), as defined by section 7 of the Communications Act 2003 (the 'Act'). You should send any comments on this RIA to Ofcom by the closing date for this consultation. Ofcom will consider all comments before deciding whether to implement the proposals.
- A8.2 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. This is reflected in section 7 of the Act, which means that generally Ofcom will carry out RIAs where proposals would be likely to have a significant effect on businesses or the general public, or where there is a major change in Ofcom's activities. In accordance with section 7 of the Act, in producing the RIA in this document Ofcom has had regard to such general guidance as it considers appropriate, including related Cabinet Office guidance.

Regulatory Impact Assessment – the draft Wireless Telegraphy (Spectrum Trading) (Amendment) (No 4) Regulations 2007

Proposal, purpose and intended effect

- A8.3 This Impact Assessment for the draft Wireless Telegraphy (Spectrum Trading) (Amendment) (No 4) Regulations 2007 relates to the creation of a new class of tradable wireless telegraphy licences. The purpose of these regulations is to permit the transfer of all rights and obligations relating to these licences.

Costs and benefits to business

- A8.4 Ofcom considered the benefits of spectrum trading in the Regulatory Impact Assessment in the Spectrum Trading and Wireless Telegraphy Register Regulations published in December 2004. 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 licences in the Self Coordinated Links licence class.
- A8.5 Ofcom considered whether all types of transfer should be allowed, i.e. total, partial and concurrent transfers. Ofcom can see no reason why its general conclusion that the benefits of trading are likely to substantially outweigh the costs would not be true for all types of transfer. It is unlikely that the additional coordination costs for third parties, that might arise as a result of concurrent or partial transfers, would be significant.

Costs to Ofcom

- A8.6 Ofcom 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 new licence class within the framework should require little additional cost.

Business sectors affected

- A8.7 The main business sector affected by this proposal is the provision of fixed communications services.
- A8.8 Other business sectors may benefit from a more efficient supply of communications services as a result of this proposal.

Conclusion

- A8.9 Ofcom has assessed the impact of allowing spectrum trading for Self Coordinated Links and has found that the benefits are likely to outweigh the costs for all types of transfer.

Regulatory Impact Assessment – the draft Wireless Telegraphy (Register) (Amendment) (No 4) Regulations 2007

Proposal, purpose and intended effect

- A8.10 In order to enhance the general development of a secondary market for the right to use spectrum, Ofcom has established and maintains a register about spectrum licences - the Wireless Telegraphy Register.
- A8.11 The intended effect of this proposal is to enable information about the Self Coordinated Links Licences to be published in this Wireless Telegraphy Register. In so doing (except where security considerations prevent publication of information) this should facilitate self coordination and spectrum trading by providing information which will enable other licensees and potential buyers to find out who holds what frequencies and the constraints on the use of the specific frequencies or bands.

Costs and benefits

- A8.12 Ofcom 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 Self Coordinated Links within the regulations. Ofcom therefore considers that the same arguments apply in assessing the impact of these regulations as in the original regulations.
- A8.13 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 Ofcom and business in establishing and maintaining the register, and in publishing information. Indeed, the costs to Ofcom 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 Ofcom would be minimal and limited to updating the register for Self Coordinated Links. 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.

- A8.14 Moreover, now that the register has been set up, the additional costs of including Self Coordinated Links within the register should be very small. As a result, the benefits are even more likely to exceed the costs.

Business sectors affected

- A8.15 The main business sector affected by this proposal is the provision of fixed communications services.
- A8.16 Other business sectors may benefit from a more efficient supply of communications services as a result of this proposal.

Conclusions

- A8.17 Ofcom's assessment is that the benefits of including Self Coordinated Links 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.