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## **JRC Response to the BIS Consultation on Proposed new duties on Ofcom in relation to Infrastructure following “Digital Britain” Report.**

### **Key Points**

- ❑ JRC welcomes the opportunity to comment on the proposed new duties for Ofcom.
- ❑ Investment in infrastructure is by its nature, a long term function: JRC welcomes the recognition that excessive concentration on short term objectives may compromise delivery of infrastructure in the longer term interest of the nation.
- ❑ JRC believes that alongside ‘efficiency’, equal importance should be attached to ‘resilience’; as our society becomes increasingly dependent on communications infrastructure to sustain our lifestyle, it is not in the citizen/consumer’s interest for that communications infrastructure to be unreliable, but competitive markets provide poor mechanisms for the consumer/citizen to evaluate network – and thus incentivise – networks to provide resilience.
- ❑ As we move to a more interconnected society, especially one based on fibreoptic communications technology, the interdependence of the underlying electricity networks and resilient communications must not be overlooked. It is not in the consumer/citizen’s interest for the integrity of the electricity supply network to be compromised by the lack of resilient communications infrastructure.

### **Specific Questions**

#### **Duty to promote efficient investment in infrastructure**

##### **Question 1: Can you identify any specific benefits, or risks, arising from the new duty to promote efficient investment in infrastructure?**

JRC welcomes recognition of the need to focus on the longer term issues surrounding network infrastructure, but recommends that the importance of resilience is recognised within the new obligation for the long term benefit of the consumer/citizen.

It is important to consumers that communications infrastructure is not only efficient and competitive, but also reliable.

JRC also confirms that there is a view that Ofcom takes too narrow a perspective in reaching regulatory decisions, and that the public interest would be better served by a broader vision.

**Question 2: Are the proposed limitations on the new duty, such as the reference to 'efficient' investment appropriate, and can you identify others?**

JRC believes that the new duty should include some reference to the importance of resilience of communications networks in regulatory decisions, acknowledging that the vision of a digital future captured by the 'Digital Britain' Report will result in consumers and citizens becoming more dependent on the reliability of communications networks in the future.

**Question 3: It is possible that the new duty will lead in some circumstances to conflicts with other duties. If so do you agree that the framework in the Communications Act provides sufficient flexibility for Ofcom to be able to resolve these?**

JRC does not foresee any conflict between the new and existing duties.

**Question 4: How might the new investment duty influence the investment decisions your business takes?**

The new duty is unlikely to have a direct influence on any decisions taken by JRC itself; JRC's member companies will continue to make their own investment decisions independently of JRC.

## **Duty to Report**

**Question 5: Can you identify any specific benefits, or risks, arising from the new duty for a biennial report?**

Reporting of the status of communications networks, especially their resilience should enable businesses, consumers and citizens to evaluate their dependence on communications networks in order to assess the risk and consequences of failure of any particular element of the communications infrastructure.

**Question 6: Are the general areas (coverage, quality, resilience, competitiveness) covered by the reporting duty appropriate? Would you add or remove any?**

JRC supports inclusion of the four elements listed above, and believes that the removal of any of the elements would undermine the value of the process.

**Question 7: Do you agree with the proposal that the specific measures to be reported on should be the subject of further consultation between Ofcom and industry?**

Further consultation should only be necessary if substantial changes are made to the consultative proposals, or there is widespread disagreement in the responses to the consultation.

**Question 8: Are there any specific measures which you can identify at this stage and which should be considered as part of this process?**

Not at this time.

**Question 9: Do you agree with the proposed frequency of the report, and the proposal that a non-confidential version of the headline conclusions only should be made public?**

JRC does not have any contribution on this question at present.

**Question 10: Government are proposing to give Ofcom power to require information from operators to enable them to compile this report. Any information provided for this purpose will be fully exempt from disclosure.**

Providing that the final information reported is sufficiently comprehensive JRC agrees with the proposed exemption from 'Freedom of Information' disclosure and recommends that Ofcom considers whether other data that it holds is similarly exempted.

**In relation to both duties described here,**

**Question 11: What is your estimate of the economic impact to consumers and business of the proposed changes to Ofcom's duties?**

We do not have this information

## **Background**

A. JRC Ltd is a wholly owned joint venture between the UK electricity and gas industries specifically created to manage the radio spectrum allocations for these industries used to support emergency and safety critical operations. JRC also represents gas and electricity interests to government on radio issues.

B. JRC manages small blocks of VHF and UHF spectrum for Private Business Radio applications and for telemetry & telecontrol services. JRC created and manages a national cellular plan for co-ordinating frequency assignments for a number of large radio networks in the UK.

C. The VHF and UHF frequency allocations managed by JRC support telecommunications networks to keep the electricity and gas industries in touch with their field engineers throughout the country. The networks provide comprehensive geographical coverage to support the installation, maintenance and repair of plant in all weather conditions on a 24 hour/365 days per year basis.

D. JRC's Scanning Telemetry Service is used by radio based System Control And Data Acquisition (SCADA) networks which control and monitor safety critical gas and electricity industry plant and equipment throughout the country. These networks provide resilient and reliable communications at all times to unmanned sites and plant in remote locations to maintain the integrity of the UK's energy generation, transmission and distribution.

E. Because of the increasing interdependency of communications networks and energy networks, JRC has a vital focus on the resilience of communications networks and their essential role in underpinning safe and reliable energy networks.

***Adrian Grilli***

Managing Director

JRC Ltd

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