



**Response
by JRC Ltd
to the Ofcom
Draft Annual Plan 2011/12**

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Summary of main issues

- Resource allocation
- Radio spectrum allocation

Resource allocation

1. JRC recognises that in the current economic climate, the savings in Ofcom's budget by 2014/15 of 28.2% real-terms, based Ofcom's current annual funding cap of £143m are necessary (section 1.10), but will involve hard choices.
2. JRC recognises that many elements of Ofcom's radio spectrum activities – international representation, national spectrum management, interference investigations, etc – are essential requirements for a national spectrum regulator and must be protected.
3. JRC values Ofcom's role in protecting microwave radio links from potential degradation due to the effect of inappropriate placement of wind turbines. JRC wishes to see this work continue, and acknowledges that Ofcom is well placed to undertake this task.
4. However, if the wind farm co-ordination activity were to be reviewed as part of the budget reduction activities, JRC would hope that the work would be outsourced, not abandoned completely. A number of commercial operations already undertake a similar function to Ofcom in respect of wind turbine co-ordination and could assimilate the task currently being performed by Ofcom.
5. Any reduction in the protection of microwave links would jeopardise their ability to provide resilient communications in support of critical national infrastructure just at the time when radio is being recognised as a valuable complement to fixed networks: radio infrastructure can be warranted and tested for resilience, something impossible with diverse fixed data networks.

Radio spectrum allocation

6. JRC welcomes the new principle of promoting the efficient use of public assets and the focus on spectrum issues and developments.
7. JRC welcomes Ofcom's recognition in section 3.8 et al that "the market alone is unlikely to secure efficient allocation and use of public assets like spectrum and numbering in all cases" "the scarce nature of these assets requires us to ensure their maximum value to society. There continues to be a role for longer term planning and direct management to achieve this. For example, the international harmonisation of spectrum can add significantly to its overall social value".

8. JRC supports the Confederation of Communications Services (FCS) where it has argued that there is need for a direct approach to spectrum allocation for Critical National Infrastructure and Business Radio users following a comprehensive study of this sector published as a contribution on the Strategic Future of Business Radio in 2010.
9. Ofcom refers to its resource limitations in sections 3.14, 15 and 4.11. We note that there have been reductions in the Business Radio policy section of Ofcom in the past few months and hope that no further cuts are made to this area.
10. Spectrum auctions figure prominently in the draft plan. In section 5.12 Ofcom refers to the auction of spectrum at 600 MHz and we would welcome elaboration on the detail of the spectrum to be released and the potential uses that it may have other than TV broadcasting.
11. In section 6.20 Ofcom confirms its intention to proceed with proposals for spectrum trading and leasing. We caution that the proposals for leasing should not interrupt current business models such as SMOs, Common Base stations and Short Term Hire.
12. JRC is concerned that the costs associated with trading and leasing procedures do not outweigh any benefits that could be derived.
13. JRC's experience that in some respects, business radio spectrum is already overpriced compared with market valuations. Any interventions in the market by Ofcom should support competitive access to the spectrum and not artificially inflate prices or create barriers to entry for SMEs.
14. Ofcom's engagement within European and other international fora on radio spectrum matters, referred in Section 6.24, such as CEPT/ERC, BEREC, RSPG and RSC is essential and should continue.
15. JRC supports Ofcom involvement in any future Government action to make changes to the RSPP to provide for dedicated spectrum for the Critical National Infrastructure community; this would include UK government action at the EU Commission, Parliament and Council.
16. In section 6.28 Ofcom sets out plans to continue current Spectrum Enforcement action to recover unpaid licence fees. Licensing renewals have been subject to some degree of confusion in the past two years and the sympathetic approach currently being taken is supported.
17. JRC welcomes Ofcom's confirmation in section 7.5 et al that it has a duty to investigate and take action upon interference cases. JRC notes that only a government spectrum regulator has the necessary legal authority to conduct interference investigations and obtain the conclusive evidence of malpractice.

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 operational, safety and emergency communications. JRC also represents gas and electricity interests to government on radio issues.

B. JRC manages blocks of VHF and UHF spectrum for Private Business Radio applications, telemetry & telecontrol services and network operations. 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. 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. JRC assesses wind farm applications to ensure that they do not have the potential to interfere with the UHF Scanning Telemetry links referred to above, and on behalf of the majority of the energy sector also evaluates the potential for wind turbines to interfere with utility microwave fixed links.

G. JRC is a member of the Federation of Communications Services (FCS), the European Utility Telecom Council (EUTC) and US Utility Telecom Council (UTC) international group.

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