



JRC response to the Consultation on draft UK Regulations to implement the Radio Equipment Directive into UK law

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KEY POINTS

- JRC welcomes the opportunity to respond to this consultation.
- Overall, JRC believes that this Directive will make a positive contribution to improving radio equipment standards with the long term benefits of more efficient use of a scarce and valuable resource - the electromagnetic radio spectrum.
- JRC also believes that the introduction of mandatory radio receiver performance standards offers the opportunity of reducing interference into radio equipment in the longer term.
- JRC notes that this consultation is much delayed in relation to the required implementation date for the Directive (13 June 2017); and the time available to respond to this highly complex issue is very limited (and during the summer break).
- The list of organisations consulted in Annex 2 is very limited bearing in mind the scope of the Directive, and doesn't include organisation which might be expected to be directly consulted. JRC notes the omission of the Federation of Communication Services (FCS) which has been actively engaged in implementation issues surrounding the Directive, and the Joint Radio Company (JRC) ourselves, even though we have been in direct communication with BEIS about transposition of the Directive into UK law.
- Implementation of the Directive has been done on a compressed timescale such that adaption of harmonised European Standards to facilitate compliance have not all yet been published, making compliance difficult. We note that the Director General of the European Telecommunications Standards Institute (ETSI) has written to the heads of the various European Institutions recommending derogation of the implementation of the Directive until this process is more complete. JRC would therefore advise a UK implementation date of the full requirements of the Directive be delayed by 12 months until 13 June 2018 to facilitate compliance.
- UK industry needs certainty and the necessary time to adapt to this Directive. Although equipment being repaired does not have to be adapted to meet the requirements of the Directive, any new equipment supplied after its implementation date does have to comply. This creates problems for organisations operating large network of radio devices since it may not be possible to obtain complete replacement radio units for legacy systems. For

example, a utility operating a network of 1000 remotely controlled radio devices will suffer complete failures of radio terminal equipment from time to time from such events as lightning strikes on radio sites. If a manufacturer is unable to supply a direct replacement because the legacy radio has not been certified as compliant to the new Directive, the utility may not be able to obtain a replacement radio with software capable of being integrated into the network, but realistically cannot simply upgrade the whole network to the new standard due to the loss of one radio device. Some form of 'grand-parenting' arrangement would be helpful in implementing the Directive.

- The Compliance Cost Assessment in Annex 3 is clearly grossly understated at 'around £540 one-off cost per business and ongoing costs of £1350 per business'. Compliance costs for any Directive with the complexity of the Radio Equipment Directive and its associated standards is expensive in terms of the time of the specialists required to understand and assess the impact of the Directive, even if in the end there is no additional compliance activity required. Taking the bullet point above about safeguarding the operation of legacy networks, this has obliged many owners of large networks to acquire additional inventory lest their supply chain for replacement radios is interrupted. The real compliance costs are tens of thousands of pounds for most large organisations using specialist radio equipment. That said, the overall impression felt by JRC is that these organisations recognise the long term benefits of the Radio Equipment Directive in bringing radio receivers under regulatory control outweighs the short term costs.

The Joint Radio Company Ltd (JRC) background:

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 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.

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. These networks provide comprehensive geographical coverage to support installation, maintenance and repair of plant in all weather conditions on a 24 hour/365 days per year basis.

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.

JRC supports the European Utility Telecommunications Council's Radio Spectrum Group, and participates in other global utility telecom organisations. JRC participates in European Telecommunications Standards Institute (ETSI) working groups developing new radio standards, and also European telecommunications regulatory groups and workshops.

JRC also manages microwave fixed link and satellite licences on behalf of the utility sector.

JRC works with the Energy Networks Association's Future Energy Networks Groups assessing ICT implications of Smart Networks, Smart Grids & Smart Meters and is an acknowledged knowledge source for cyber-security in respect of radio networks.

Consultation questions and JRC's response

1. *Does the draft Impact Assessment (IA) adequately reflect the effect of the new Regulations on micro businesses (less than 10 employees) in the radio industry? (See accompanying copy of the IA).*

No. Small radio businesses will have to spend a significant amount of time studying the Directive and associated standards, and most probably have to seek external advice, to ensure compliance.

2. *Does the draft IA adequately reflect the effect of the new Regulations as a whole? (See accompanying copy of the IA).*

No. The challenge is understanding how compliance with the Directive can be managed, especially if harmonised standards covering the required equipment have not yet been published. In addition, the implications of equipment suppliers deciding not to certify legacy equipment as compliant with the Directive creates problems with systems where the radio unit fails and cannot be repaired for any reason.

The Impact Assessment focuses almost exclusively on consumer products, largely ignoring the vast amount of commercial radio equipment which will be impacted by the Directive. It then assumes product life cycles associated with the consumer industry of 18 months to 2 years, neglecting to note that commercial products have life cycles close to ten years in many cases.

The impact assessment also overlooks the data produced by ETSI itself showing how many standards have yet to be published in a modified form suitable for ensuring RED compliance. Where harmonised European Standards have been published, equipment still needs to be tested and certified which will take a finite time.

The Impact Assessment then concludes that improved receiver standards will enable more efficient use to be made of the radio spectrum neutralising the cost. This analysis fails to recognise that the costs of compliance fall on manufacturers and consumers whereas the benefit from additional spectrum sales accrues to Government.

3. *What is your estimate of the costs on a yearly basis for your business to comply with the draft Regulations?*

It is difficult to estimate costs. Currently, for JRC Ltd, an organisation of 10 people, the costs are roughly £10,000 per year studying papers, seeking advice and consulting industry contacts. JRC's utility members are most probably facing similar costs at present analysing the potential impact of the Directive.

Once the new Directive is fully implemented and suppliers and equipment are fully compliant, there would no longer be additional costs. However, current proposals for the UK to leave the European Union are likely to introduce significant additional costs as separate UK compliance to the principles of the Radio Equipment Directive will almost certainly generate duplicated processes and compliance costs; and obligations will fall on UK companies where they are currently borne by European suppliers.

4. *What is your estimate of the benefits on a yearly basis for your business to comply with the draft Regulations?*

There are no forecast yearly benefits from compliance with these Regulations. The benefits would derive from more efficient use of the radio spectrum (where benefits arise for government from potential additional income from radio licences) and less potential interference to radio systems which is not a forecast item for individual organisations on an annual basis.

5. *Have you any concerns about how the Regulations will be effectively enforced in view of the new responsibilities for distributors and importers? (See Annex 4: The New Legislative Framework).*

The major problem at present is that harmonised standards have not been published in respect of many radio products. This makes ensuring compliance with the Directive expensive and uncertain until the relevant standards are published.

6. *Could you suggest any areas covered by the Directive or the draft Regulations on which it would be beneficial to have more guidance for both consumers and manufacturers?*

There is still confusion surrounding precisely when equipment has to comply with the Directive for products already in the supply chain.

7. *In your view do the draft regulations impose requirements on you which go beyond the requirements set out in the Directive?*

No.

8. *Do you have any other comments that might aid the consultation process as a whole?*

In spite of the obligation to implement the Directive fully in the UK by 13 June 2017, taking into account the position we're currently in, bringing into force the Regulations on 13 June 2018 would allow sufficient time for organisations to facilitate compliance by the date of introduction, removing the current uncertainty and reducing implementation costs on industry.

This response is submitted by the Joint Radio Company Limited.

In preparing this response, JRC has consulted widely within the UK electricity and gas transmission and distribution sectors; convened utility industry meetings at which this Directive has been discussed; met with manufacturers and suppliers of radio equipment to the utility radio sector; and circulated this response in draft to utility organisations in the UK.

The Directive has also been discussed extensively in meetings hosted by Ofcom.

Adrian Grilli
Managing Director
JRC Ltd
13 August 2017