

Independent Audit of Spectrum Holdings: Initial consultation letter

In the 2004 Pre-Budget report, the Chancellor of the Exchequer asked me to undertake an independent audit of public sector spectrum.

The terms of reference for this audit are now finalised, and are set out below. I am seeking initial views on these areas to inform the work of the audit team. My intention is to publish emerging findings in the summer for further consultation, leading to a final report to be published in late autumn before the 2005 Pre-Budget Report.

This audit follows the 2002 Review of Spectrum Management, which I also led. My 2002 Review concentrated mainly on the rationale for and means of introducing market mechanisms to the management of commercial spectrum holdings. Although the 2002 Review did identify some principles for promoting more efficient use of spectrum held by the public sector, it did not examine specific spectrum allocations in any detail.

Our task this time is a comprehensive assessment of that section of spectrum held by public sector organisations, with the aim of maximising efficiency of use into the future. The Audit will also consider at a high level the economic efficiency of other major allocations such as the fixed services spectrum.

As efficiency considerations will depend on the needs of current and potential users in both the public sector and private sectors, we are keen to hear perspectives from all interested parties on the areas outlined in the Terms of Reference for this audit, which are as follows:

1. To identify the major spectrum holdings for consideration¹.
2. To audit the use of and the operational need for major spectrum holdings, having regard to the potential future demand, with a view to identifying spectrum that could possibly be opened for other use.
3. To recommend a strategic approach for making such spectrum available, taking into account operational, financial, technical and international factors, and to indicate possible timescales. This could include proposals for spectrum clearance projects.
4. To review the effectiveness of ongoing incentives for public sector users to maximise efficient use of the spectrum and whether this could be enhanced, including through the treatment of shared bands and the means of meeting new spectrum requirements of public sector spectrum users.

This audit runs alongside and is complementary to the policies set out in Ofcom's Spectrum Framework Review, including spectrum liberalisation and

¹ My initial view is that it is likely to be most productive to concentrate on the frequency range below 15 GHz.

the existing plans for new spectrum releases set out in the recent Spectrum Framework Review Implementation Plan.

Initial views are invited to responses@spectrumaudit.org.uk by 10th April. If you would like to contact the audit team, you can do so at the same address or by calling Helen Watson (020 7783 4942) or Sam Whittaker (020 7783 4937).

All information about the audit, including a copy of this letter, will be posted on a dedicated website www.spectrumaudit.org.uk. Responses to the consultation will be published unless respondents specify otherwise.

I look forward to hearing from you.

Professor Martin Cave