Initial Report

Last Modified: 10/07/2014

1. Are you content for the Government to publish your response?

#	Answer	Bar	Response	%
1	Yes, I would like the Government to publish my response.		1	100%
2	No, I do not want the Government to publish my response.		0	0%
	Total		1	

2. Please explain why you regard the information you have provided in response to this consultation as confidential.

This question was not displayed to the respondent.

3. Name

Text Response
Philip Morris

4. Are you responding on behalf of an organisation?

#	Answer	Bar	Response	%
1	Yes		1	100%
2	No		0	0%
	Total		1	

5. Organisation name

Text Response
Cell:cm Chartered Surveyors

6. Contact email address

Text Response
philip.morris@cellcm.co.uk

7. Contact address

Text Response
12 Clarendon Place, Leamington Spa, CV32 5QR

8. Please select which category best describes you or your organisation

#	Answer	Bar	Response	%
1	Academia/research		0	0%
2	Broadcasting		0	0%
3	Consumer/user		0	0%
4	Consumer group		0	0%
5	Fixed communications provider		0	0%
6	Industry organisation		0	0%
7	Infrastructure provider		1	100%
8	Internet Service Provider		0	0%
9	Local Government or other public sector		0	0%
10	Mobile communications provider		0	0%
11	Satellite communications provider		0	0%
12	Technology company		0	0%
13	Other		0	0%
14	Business user or business group		0	0%
	Total		1	

9. If other, please give details.

This question was not displayed to the respondent.

10. Is this an appropriate role for Government?

#	Answer	Bar	Response	%
1	Yes		0	0%
2	No		1	100%
	Total		1	

11. Are there other high level principles the Government might adopt?

#	Answer	Bar	Response	%
1	Yes		1	100%
2	No		0	0%
	Total		1	

12. If yes, please give details.

Text Response
Leave it to the free market or adopt a very light touch only. The government should guide the market, not force it.

13. What resources do you consider the Government should aim to deploy to effectively manage its role?

Text Response
Town and country planning mechanism, encourage sensible dispute resolution between site providers and operators (arbitration and lands tribunal rather than the county court), steer clear of networks acquiring sites by compulsory purchase methods - such methods will interfere with an established, free market and dry up the supply of available sites for wireless network base stations and small cell sites.

14. What potential opportunities are there for Government to leverage its combined buying power to support policy objectives?

Text Response
Very few. Making use of combined buying power will stifle competition by having large central contracts only available to massive organisations with huge diseconomies of scale. More smaller contracts should be issued, with less red tape.

15. If migration to IPV6 is required, are there any barriers to that migration?

This question was not answered by the respondent.

16. How might these barriers be addressed?

This question was not displayed to the respondent.

17. Is an ongoing disparity of provision of broadband services across the country inevitable?

#	Answer	Bar	Response	%
1	Yes		1	100%
2	No		0	0%
	Total		1	

18. If so, should this be addressed?

#	Answer	Bar	Response	%
1	Yes		1	100%
2	No		0	0%
	Total		1	

19. How might this be done most effectively?

Text Response
By a very light touch and not forcing the market.

20. How symmetrical will digital communications networks have to be in the future? Will this differ across user types? What implications does this have for fixed and wireless broadband provision?

Text Response
Wireless coverage will never be perfect across national networks due to topography and the environment. Focus on local networks in rural areas and encourage unlicensed parts of the spectrum to be used such as 5.8GHz.

21. Which countries should be our benchmarks on communications infrastructure to ensure that business remains in the UK and continues to invest?

Text Response
Germany, France, India, China

22. What metrics do you think should or will become relevant in comparing network performance in different countries?

Text Response
No comment

23. What metrics should most appropriately be used as the basis to set objectives for Government policy?

Text Response
No comment

24. Do you agree with this scenario or elements within it?

#	Answer	Bar	Response	%
1	Strongly Disagree		0	0%

2	Disagree		0	0%
3	Neither Agree nor Disagree		1	100%
4	Agree		0	0%
5	Strongly Agree		0	0%
	Total		1	

25. Where do you agree/disagree? If you disagree what alternative scenario do you envisage?

Text Response
No comment

26. What are your views on the technology commentary underpinning this scenario? To what extent might the infrastructure/technology discussed evolve irrespective of demand and how far it be a direct consequence of the level of demand?

Text Response
No comment

27. Are there technologies not identified here that you think will have a major impact on the performance of existing infrastructure or the deployment of additional infrastructure in the next 10-15 years?

#	Answer	Bar	Response	%
1	Yes		0	0%
2	No		1	100%
	Total		1	

28. If yes, please give details.

This question was not displayed to the respondent.

29. Are there wider environmental issues not reflected in the scenario e.g. the price of availability of energy that will affect any of the scenarios?

#	Answer	Bar	Response	%
1	Yes		0	0%
2	No		1	100%
	Total		1	

30. In what way might these wider environmental issues affect any of the scenarios?

This question was not displayed to the respondent.

31. How likely is any unforeseen disruption to this scenario?

#	Answer	Bar	Response	%
1	Very Unlikely		0	0%
2	Unlikely		0	0%
3	Undecided		1	100%
4	Likely		0	0%
5	Very Likely		0	0%
	Total		1	

32. In what area might it occur?

This question was not displayed to the respondent.

33. Do you agree with this scenario or elements within it?

#	Answer	Bar	Response	%
1	Strongly Disagree		0	0%
2	Disagree		0	0%
3	Neither Agree nor Disagree		0	0%
4	Agree		1	100%
5	Strongly Agree		0	0%
	Total		1	

34. Where do you agree/disagree? If you disagree what alternative scenario do you envisage?

Text Response
No comment

35. What are your views on the technology commentary underpinning this scenario? To what extent might the infrastructure/technology discussed evolve irrespective of demand and how far it be a direct consequence of the level of demand?

Text Response

No comment

36. Are there technologies not identified here that you think will have a major impact on the performance of existing infrastructure or the deployment of additional infrastructure in the next 10-15 years?

This question was not answered by the respondent.

37. If yes, please give details.

This question was not displayed to the respondent.

38. Are there wider environmental issues not reflected in the scenario e.g. the price of availability of energy that will affect any of the scenarios?

#	Answer	Bar	Response	%
1	Yes		0	0%
2	No		1	100%
	Total		1	

39. In what way might these wider environmental issues affect any of the scenarios?

This question was not displayed to the respondent.

40. How likely is any unforeseen disruption to this scenario?

#	Answer	Bar	Response	%
1	Very Unlikely		0	0%
2	Unlikely		0	0%
3	Undecided		1	100%
4	Likely		0	0%
5	Very Likely		0	0%
	Total		1	

41. In what area might it occur?

This question was not displayed to the respondent.

42. Do you agree with this scenario or elements within it?

#	Answer	Bar	Response	%
1	Strongly Disagree		0	0%
2	Disagree		0	0%
3	Neither Agree nor Disagree		1	100%
4	Agree		0	0%
5	Strongly Agree		0	0%
	Total		1	

43. Where do you agree/disagree? If you disagree what alternative scenario do you envisage?

Text Response
No comment

44. What are your views on the technology commentary underpinning this scenario? To what extent might the infrastructure/technology discussed evolve irrespective of demand and how far it be a direct consequence of the level of demand?

Text Response
No comment

45. Are there technologies not identified here that you think will have a major impact on the performance of existing infrastructure or the deployment of additional infrastructure in the next 10-15 years?

#	Answer	Bar	Response	%
1	Yes		0	0%
2	No		1	100%
	Total		1	

46. If yes, please give details.

This question was not displayed to the respondent.

47. Are there wider environmental issues not reflected in the scenario e.g. the price of availability of energy that will affect any of the scenarios?

#	Answer	Bar	Response	%
1	Yes		0	0%
2	No		1	100%
	Total		1	

48. In what way might these wider environmental issues affect any of the scenarios?

This question was not displayed to the respondent.

49. How likely is any unforeseen disruption to this scenario?

#	Answer	Bar	Response	%
1	Very Unlikely		0	0%
2	Unlikely		0	0%
3	Undecided		1	100%
4	Likely		0	0%
5	Very Likely		0	0%
	Total		1	

50. In what area might it occur?

This question was not displayed to the respondent.

51. Are there factors, for example technical or unrelated to the regulatory framework, that could create bottlenecks and delay future infrastructure deployment in the UK in this timeframe, that would result in demand not being met or the UK not being seen as a leading digital nation?

#	Answer	Bar	Response	%
1	Yes		1	100%
2	No		0	0%
	Total		1	

52. Please give details.

Text Response
Interfering in a free market by introducing compulsory purchase compensation for telecoms networks, in the same way as electricity or water networks, will reduce the supply of available sites for communications networks. Current networks have developed in a free market with only a very light touch. the reason few cases have been decided in court under the code is because the market works without it. Compulsory purchase of comms network infrastructure sites will severely restrict the number of available sites for networks, leading to several years of disruption or delay to network roll-outs. The Nordicity report fails to take this point on board and paints an overly optimistic picture of the Comms Code changes to compulsory purchase style acquisition of sites.

53. Do you expect commercial providers to deliver future infrastructure and meet demand on a purely commercial basis, or is some form of public intervention likely?

#	Answer	Bar	Response	%
1	Commercial providers will meet demand on a purely commercial basis.		0	0%
2	Some form of public intervention is likely.		1	100%
	Total		1	

54. If public intervention is likely how might that work with the commercial provision of infrastructure? What form might that intervention take?

Text Response
Light touch - incentivise site providers more than network operators. Keep market value as the basis for calculating consideration payable by operators and networks to site owners.

55. Which current or draft legislation might prevent or facilitate the emergence of any of the scenarios?

Text Response
Proposals to introduce compulsory purchase style compensation will dry up the supply of available sites for network operators of wireless networks. Wireless networks have been developed so far by a free market with commercial rents and well drafted site leases being negotiated between willing site providers and willing operators. Interrupting that market will cause network roll-out to be delayed by several years, putting UK networks at a disadvantage compared to the rest of the world.

56. Do you have views on which scenario (or combination of scenarios) is most likely and should influence the development of future strategy?

#	Answer	Bar	Response	%
1	Scenario 1		0	0%
2	Scenario 2		1	100%
3	Scenario 3		0	0%
4	None		0	0%

57. Please give your reasoning for why you think this scenario or combination of scenarios is most likely.

Text Response
No comment

58. How might efficient investment in communications infrastructure be supported, for example by changes in the regulatory framework?

Text Response

if there is too much government intervention, private site providers and owners will be unwilling to agree to host communications infrastructure. The reason we have such a good market for wireless comms now is because the free market has prevailed and site providers are adequately paid and remunerated to provide infrastructure sites. Interfering with this market by introducing compulsory purchase compensation levels will disrupt and hold up network roll-outs for several years with a back-log of claims in the courts and tribunals.

59. Are any further measures necessary to incentivise the rollout of future mobile infrastructure in currently underserved areas?

#	Answer	Bar	Response	%
1	Yes		1	100%
2	No		0	0%
	Total		1	

60. Please give details.

Text Response
Government money/support should be diverted from BDUK's rural broadband initiative to the wireless networks MIP project to provide coverage in wireless network blackspots. The MIP project is underfunded compared to the results its expecting. The rural broadband initiative is overfunded with urban areas being targeted with rural support money (for example central Leamington Spa). There should also be better transparency of costs payable by operators to the main infrastructure provider in the MIP project, so site providers can better understand the service that they are providing to the wider community.

61. Is there a role for a revised USO or USC to ensure that minimum consumer demand requirements are met and to reduce the potential for a new digital divide? What might this look like?

#	Answer	Bar	Response	%
1	I think there is a role for a revised USO		0	0%
2	I think there is a role for a revised USC		0	0%
3	I think there is a role for both a revised USC and a revised USO		1	100%
4	I do not think a revised USO or USC are needed		0	0%
	Total		1	

62. What might this look like?

Text Response
2mbps fixed line broadband to 99% of the population, 2G wireless coverage to 98% of the population, ability for a user to leave a contract early if this is not available and an alternative provider can be found.

63. In terms of supporting future innovation and long-term investment in infrastructure, what areas of broadcasting regulation may have served its purpose by 2025 -2030 (or indeed earlier). What future technical developments may also

have longer term implications for regulation and wider public policy?

Text Response
Encourage competition in pay-per-view markets which take revenue away from networks to inefficient broadcasters. Encourage the BBC to explore revenue streams and ways to make the licence fee less anachronistic. However some form of licence fee should continue. The TV licence fee is one of the most important taxes we pay, to have a broadcaster free of private influence and agendas and free from government influence too.

64. Are there changes to the EU Framework that the UK might seek to encourage more competition in UK markets?

#	Answer	Bar	Response	%
1	Yes		0	0%
2	No		1	100%
	Total		1	

65. Please give details.

This question was not displayed to the respondent.

66. Should Government seek changes to the European Framework which put more reliance on competition law?

#	Answer	Bar	Response	%
1	Strongly Disagree		0	0%
2	Disagree		0	0%
3	Neither Agree nor Disagree		1	100%
4	Agree		0	0%
5	Strongly Agree		0	0%
	Total		1	

67. How might this be done?

This question was not displayed to the respondent.

68. In what ways can you see competition driving technological change in the UK in the future?

Text Response
Encouraging a free market to develop networks and site providers, not pressuring networks to reduce charges artificially, enabling networks to charge reasonable rates for improved network coverage/premium services.

69. How can the regulatory framework keep up to date with new business models and changes in technology?

Text Response
Don't go too radical to begin with. Technology changes fast so planning something that meets the market in 2025-2030 will be impossible at this stage, unless it is ultra-light touch. Government should guide the market, not force it. Regular reviews should be held say every 5 to 7 years.

70. Are there any changes to legislation other than the Communications Act that would incentivise the provision of communications infrastructure?

#	Answer	Bar	Response	%
1	Yes		1	100%
2	No		0	0%
	Total		1	

71. What might these changes be?

Text Response
Don't interfere too much with the communications code other than amending its dispute resolution process. Currently this is via the county court which is too expensive, lengthy and inexperienced to decide communications cases. Fear of setting an ill-thought out precedent stops site providers and operators from using it. A better and cheaper option will be to include arbitration as a means of dispute resolution with referrals to the lands tribunal being a second tier and resolution of disputed tribunal decisions possibly decided in the technology court There could be clearer distinctions between the Landlord and Tenant Act 1954 and the Communications Code as well. Possibly excluding all telecoms leases and licences from the protection of the LTA'54. That act was originally introduced to protect tenants from penalising and ransom rent increases on expiry. The Communications Code provides protection from that so long as the dispute resolution process is accessible to both sides - both site provider and operator.

72. Would there be benefits to investment from a focus on broadband only services? Are there any barriers to the emergence and adoption of broadband only services, whilst still providing necessary access to emergency services?

#	Answer	Bar	Response	%
1	Yes		0	0%
2	No		1	100%
	Total		1	

73. Please give details.

Text Response
No comment

74. Are there any barriers to the emergence and adoption of broadband only services, whilst still providing necessary access to emergency services?

#	Answer	Bar	Response	%
1	Yes		0	0%
2	No		1	100%
	Total		1	

75. Please give details.

Text Response
Allow Airwave to invest in long term technology by renewing or extending its current licence.

76. How might copper access networks evolve over time alongside other access technologies? Is there a role for policymakers in helping manage any transition from copper to other access networks?

Text Response
Investment in exchanges and FTTC to improve copper to the home will be relatively cheap compared to rolling out high speed fibre in all areas.

77. Views are sought on whether there are any additional actions the Government should consider to ensure that the provision of all areas of the UK's digital communications infrastructure remains competitive in order to ensure that the UK can take full advantage of growth opportunities in the Digital Age.

Text Response
Don't interfere with a free market. Local remote areas can source other technologies as alternatives to wireless not-spots. The MIP project will go some way to filling in wireless "not-spots" but topography and remoteness of population mean 100% coverage for wireless networks will not be possible. Government should encourage fixed line investment in remote areas but leave urban and economic centres to the free market.

78. Aside from legislation and adapting the regulatory framework in the broad sense which other actions should the Government take to encourage investment in communications infrastructure?

Text Response
No actions - UK infrastructure is close to world leading already. Its only that way because of very light touch and limited interference by government. Don't put too much downward pressure on pricing for network services.

79. Views are sought on whether there are any additional actions the Government should consider to ensure that potential investment in the provision of digital communications infrastructure offers a suitable risk and reward profile to ensure that they can be financed by the private sector.

Text Response

There is too much risk on site and infrastructure providers from the dominance of network operators if anything other than freely leased sites for wireless and fixed line communications is introduced. BT struggles to efficiently invest in its network infrastructure because its openreach arm has come from a nationalised network, unwilling to compete with commercial network roll-out. Modern wireless and fixed line networks have benefitted from a market free of government intervention.

80. Views are sought on the case for the UK to invest to gain 'early mover advantage'.

Text Response

The private sector will invest to gain "early mover advantage" in areas of strong economic growth without government interference.

81. Views are sought on what areas in particular the UK should aim to see investment in.

This question was not answered by the respondent.

82. Are there any actions not covered elsewhere in this report that the government should consider to ensure digital communications infrastructure is in place before it is needed and such that it helps generate need?

Text Response

Don't introduce compulsory purchase compensation for communications networks or any other means of payment other than commercial market value. To do otherwise will dissuade private site providers to host and develop telecoms infrastructure.

83. How might we maximise the current R&D and innovation UK landscape to help take advantage of the opportunities provided by future technologies? What needs to be done by Government and its agencies, and industry to tackle any gaps?

Text Response

Make available grant aid for development of transparent network innovation - from both the public and private sector.

84. In which future communications technologies that you consider the UK has, or could achieve, an international leadership position?

Text Response

No comment

85. What more might government and industry do to exploit future technologies, associated new applications and emerging business models?

Text Response
No comment

86. What role might local bodies have in facilitating the future delivery of digital communications infrastructure?

Text Response
Receipt of commercial income for hosting sites, as they have developed in the current market, thus encouraging their properties to be offered for such development. In most UK citites local authorities and public private partnerships own large amounts of high rise stock and public open space which is perfect for hosting rooftop installations and ground based mast sites. Encouraging the free market for operators to lease space on these properties at commercial rents will enable significant receipts to the public sector. This is a strong incentive to encourage local bodies to host network operators equipment.

87. How can councils maximise the digital communications infrastructure in their local area to support their work on economic regeneration?

Text Response
Be able to benefit from commercial income by providing their significant property assets to operators in exchange for commercial site rents and fees. Compare this with the new roads and streetworks act which allows networks to install apparatus on public highways at no cost to themselves. The cost to the local authority is significant in dealing with the administration of the sites but as no income is receivable they are not incentivised to make their sites available. Making sites available at commercial rents will bring in significant monies to the public purse which can be used to fund economic regeneration and efficiencies and savings elsewhere. It will also reduce the chaos of street furniture sites which are thrown up in places that provide the cheapest roll-out solution for an operator rather than the best coverage.

88. Please provide details of information you feel is relevant to the development of the Digital Communications Infrastructure Strategy and not already covered by the consultation questions.

Text Response
We refer you to our response and many of our clients to the Law Commission's consultation on the E-Comms Code consultation. Clients who responded to that included:- Leicestershire Police Nottinghamshire Police Central Scotland Police Bruntwood Limited Northern Trust Company Limited Bizspace Limited Highcross Strategic Advisors Ltd Aberdeen Asset Management Glasgow Housing Association Whitefriars/WM Housing UK Land Estates Leeds City Council By enabling a free market Bruntwood recently negotiated a multi sites deal to allow Vodafone and O2 to upgrade many of its sites in Manchester, enabling 4G wireless services to be brought to the city. Had this not been possible, due to the abolition of the commercial market for wireless networks, it is likely the deal would not yet be close to completion and bogged down in compulsory purchase case work. the following is a link to Bruntwood's press release for this :- http://www.bruntwood.co.uk/news/bruntwood-signs-deal-to-increase-4g-connectivity The main text of our clients responses to the consultation is as follows:- "Dear Mr Linney THE LAW COMMISSION CONSULTATION ON THE ELECTRONIC COMMUNICATIONS CODE (THE CODE) – RESPONSE ON BEHALF OF BRUNTWOOD Please accept this as an individual response to the above consultation on behalf of Bruntwood. Bruntwood own numerous properties which are licensed / leased on commercial terms to operators of electronic communications infrastructure. Substantial income is generated from licenses and leases to mobile phone network operators, broadcasters, wireless broadband operators and other private sector organisations. The value of these licenses and lettings makes their retention and operation worthwhile. The property assets have a value of in excess of ten million pounds. The majority of the licensees benefit from statutory powers under the Code. The proposals for the review of the remuneration methods in section 6 of the consultation cause us considerable concern. Income from licences to install communications apparatus on our land and buildings has been developed from unfettered negotiations between ourselves as willing site providers (licensors) and the operator occupiers as willing licensees. There is a very well established commercial market for at least 70,000 wireless base station leases or licences throughout the UK. Details of the transactions behind them are widely available. As parties to a licence, operators (both code operators and non-code operators) and site providers (which includes Bruntwood) rely on this evidence to agree market values. If the Commission's proposal to replace

market value consideration with compulsory purchase style compensation is allowed to go ahead, it will virtually destroy the income receivable from our properties. This, in turn, will vastly reduce their capital values. In the last two decades since Bruntwood started to offer space for electronic communications occupiers, our experience has been quite the opposite of that outlined in the Law Commissions' Consultation Paper. Most notably, terms (including rental levels) have always been agreed swiftly and amicably. The catalyst in reaching expedient and mutually acceptable agreements with electronic communications occupiers is the open availability of comparable transactional evidence on both sides. There are few property sectors, especially in recent years, where good comparable evidence is as freely available as in the electronic communications market. We therefore believe it essential to maintain the current regime for lettings and licences to install communications infrastructure based on market value consideration. To do anything other would destabilise an established, respected and freely operating market place. There is also no doubt the existence of a commercial market for wireless communications base station lettings and licenses has assisted with the development of communications networks. If operators were only obliged to pay compensation based sums for installing apparatus on our land and buildings it is likely they would not have been progressed in many locations, to the detriment of the wider public interest. We fully endorse the response to the consultation made by our agents, Cell:cm Chartered Surveyors. Yours sincerely" By separate email we will provide a copy of our response to the law commission consultation and our clients responses as well. Please call me on 01926 882480 to confirm receipt of this response and if you wish to discuss this further. Philip Morris MRICS ACIArb for and on behalf of Cell:cm Chartered Surveyors