

# SAVE OUR SOUND UK

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**Implied objection:** The Government says that any ‘decision must be made within the powers that have been laid out for Ofcom by Parliament’ and that there are concerns over what their ‘existing vires’ allow.

**Response 1:** If what is required cannot be done by Ofcom then surely the Government should deliver the package instead? Ofcom have stated that ‘any considerations beyond promoting spectrum efficiency are a matter for the Government to consider’.

**Response 2:** The Government is prepared to direct Ofcom in how to ‘divvy-up’ the airwaves, which will result in a huge windfall for the Treasury, but it is not prepared to step-in in this case. Why the inconsistency?

**Implied objection:** Need to avoid ‘setting unhelpful precedents on compensation’ where notice has been provided.

**Response:** The affected industry is unique and the current situation is unlikely to be replicated. Having recognised the risk of market failure, an exception has been made for this industry before; if it does not happen again, the creative and entertainment industries will be devastated. The ‘precedent’ argument would not be relevant if compensation was justified on the basis of public policy.

**Implied objection:** ‘residual value’ would result in a fairer outcome than ‘like-for-like’.

**Response:** ‘Residual value’ will leave those affected worse-off because the one-off major capital investment will be unaffordable for many, nearly all equipment will need to be bought new and existing equipment (whose use-value does not alter with age) has an extremely long lifecycle.

**Implied objection:** the ‘alternative view (to SOS) is that like for like would involve providing equipment of similar age and condition to existing equipment’. Like for like is a concept ‘that raises concerns over possible state aid’.

**Response 1:** there is little or no such alternative equipment because no security of tenure in alternative frequencies has been provided by the regulator.

**Response 2:** financial assistance can be provided to businesses and charities without it being against state aid rules. Has the Government looked-at and exhausted these options?