

Peter Reid.

Shared Vision.

Digital Dividend Review Response.

“This review is one of the most important decisions Ofcom has ever had to take.”

“Ofcom’s primary duty is to further the interests of citizens and consumers.”

“These key duties... define our principle objective for the Digital Dividend Review - to maximise the value of the Digital Dividend Review to society”

(All quotes taken from Digital Dividend Review (DDR) consultation document P3.)

For sure, administration of the allocation of spectrum upon digitalisation is a historically important decision for Ofcom to take. It will have a social, cultural and economic impact on the UK for decades to come. It is very important therefore, that Ofcom gets it right.

All around the world countries are developing local and community television (LCTV) networks. The USA, for example, already has over 1500 LCTV channels. A similar per capita ratio here would result in there being over 300 LCTV channels in the UK. These channels make large and vital contributions to their communities and societies.

For instance they:

- Provide local news and information.

- Provide locally produced programmes and entertainment.

- Contribute to the development of local identity

- Represent people who are rarely seen or marginalised in the mainstream media.

- Engage, facilitate and empower people in the lives of their communities thereby promoting social cohesion.

- Provide access to training, production and broadcasting facilities.

- Provide a sphere in which to produce innovative programs.

- Enhance democratic engagement and participation.

- Feed all of this into the social and cultural life of the country.

This is just the beginning of some of the many real advantages that arise from LCTV. Ofcom seems to acknowledge this and admits that such benefits cannot be measured by pounds and pence. [1.35, 1.36, P10 DDR Consultation document.]

In spite of the fact that there is, as yet, very little in the UK in the way of LCTV the public recognises this as well.

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During the late 1990s Selkirk, in the Border Television region, was provided with a more locally oriented news service on an experimental basis, as it was lucky enough to have its own dedicated transmitter. That local news service was able to attract a 90% share of the 'tea time' television audience. Regionalism has long since been failing the British public because it has rarely, if ever, been local enough. There exists a genuine thirst for local programming.

This is confirmed in Ofcom's own DDR Consumer Research.

The spectrum is a public asset. Ofcom recognises its duties as being to the citizen, the consumer and society. When asked by Ofcom, the public clearly stated a firm and unambiguous interest in the development of LCTV. Why therefore, is Ofcom putting forward proposals that would stifle this clear expression of public interest?

The refusal to allocate spectrum for local, community and public uses and to insist on allocation purely by auction to the highest bidder will obviously result in the stillbirth of LCTV in the UK. This would be a clear neglect and abnegation of its stated duties by Ofcom.

Ofcom gives several reasons for its refusal to allocate spectrum to LCTV:

1. Opportunity cost. Consideration must be given to what would be lost if channels were allocated for LCTV.

This is about the use of one or two channels out of a total of how many - 30, 40, 50? When the public were asked whether they would prefer LCTV to an extra channel of commercial television their response was unsurprising and unequivocal. Local programming is regarded as much more important. [DDR Consumer Research P9 2.18, 2.20.]

Equally the case should be made from the other side of the coin. Ofcom should assess the lost opportunity cost of not supporting LCTV very carefully before allocating spectrum. Once it has been sold it will not be recoverable. It is highly unlikely that any other broadcaster would ever provide a comparable service.

2. Loss of incentive or competitive rigour. In other words, local projects allocated spectrum would be complacent and inefficient as their spectrum is guaranteed and there would be no pressure upon them to perform to the best of their ability.

Self-evidently, competitive pressure can be applied through a competitive licensing regime, as was the case with the television RSLs.

3. Lack of flexibility. In other words inability to change over time in changing circumstances.
4. Risk of getting things wrong - allocation proving unsuccessful.

As with 2 above, safeguards against both of these could be included in the licensing regime.

The 'interleaved spectrum' option is not an acceptable option for the development of LCTV. LCTV, especially in a 'not for profit' approach is public service broadcasting (PSB) par excellence. It has

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PSB written in to its very DNA. If LCTV's value is recognised and its PSB status is accepted, as it should have been long ago, then clearly it should be universally available. No part of the country should be denied these facilities and allocation should not be on the grounds of technical good fortune. The 'add/drop' option is therefore the preferred option for LCTV development. This is especially true as serious doubts are now being raised about the usefulness of the interleaved spectrum due to problems caused by 'out of group signals' and 'aerial restrictions'.

Equally the allocation of spectrum for LCTV by auction is not acceptable. Alternative methods for spectrum allocation will have to be assessed. I have yet to meet anyone from the voluntary and community sector (VCS) who believes they could raise a six to seven figure sum of money (possibly more) for a speculative bid at auction for spectrum. To expect 'not for profit' organisations to enter into this is verging on the derisory. Clearly, a spectrum allocation process for LCTV that ruled out 'not for profit' organisations from the VCS would be nonsensical.

Ofcom's suggestion that LCTV could develop on other platforms such as broadband could be equally applied to any applicant for spectrum. I would suggest that LCTV should not be singled out for marginalisation in this way and perhaps Mr Murdoch could be encouraged to redirect some of his channels that way. The television remains at the heart of family life and LCTV, coming from the heart of the community and playing a central part in local life, should have a place there.

In summary then:

- Ofcom recognises its duties to the citizen, the consumer and to society.
- Ofcom has recognised the potential benefits of local and community television.
- Ofcom's own research has confirmed the public interest in and support for the development of LCTV.
- Ofcom should therefore put forward new proposals to support the development of LCTV in the UK.
- These should include;

The recognition of LCTV as public service broadcasting (PSB).

The allocation of spectrum for LCTV on a national/PSB multiplex using the 'add/drop' method.

The allocation of spectrum for LCTV by means other than auction to the highest bidder.