

Title:

Mr

Forename:

Matthew

Surname:

Halfin

Name and title under which you would like this response to appear:

Henry Scott, Chief Executive

Representing:

Organisation

Organisation (if applicable):

Simply Media TV Ltd

Email:

N/A

What do you want Ofcom to keep confidential?:

Keep nothing confidential

If you want part of your response kept confidential, which parts?:

Ofcom may publish a response summary:

Yes

I confirm that I have read the declaration:

Yes

Ofcom should only publish this response after the consultation has ended:

You may publish my response on receipt

Question 1: This executive summary sets out Ofcom's proposals for the release of the digital dividend. Do you agree with these proposals?..:

Simply Media is a digital entertainment company operating a range of broadcast, Internet and site based television networks servicing targeted communities. We have been approached about collaborating on the development of local TV services and so our interest is primarily in the provision for these services.

Whilst we welcome the proposal to package the interleaved spectrum in a way that would be suitable for use by local television services we have serious misgivings about the suggested approach to allocating this spectrum.

The poor quality of many local TV services is due to chronic under investment, a consequence of ongoing uncertainty about the future of RSLs and their digital successor. As a potential investor in this sector we are looking to OFCOM to make a firm commitment or otherwise to the future of these services. We believe auctioning this spectrum will unfairly advantage big broadcasters such as ITV who will use it as a back door to DTT capacity, have minimal engagement with local communities and commercialise services with generic transactional programming such as ITV Play & Quiz Call.

Question 2: Do you have any comments on our analysis of the essential constraints that will apply to the available UHF spectrum?..:

na

Question 3: Do you agree with the more detailed analysis and proposals regarding these technical constraints as set out in Annex 10?..:

na

Question 4: Do you have any comments on Ofcom's assessment of the potential uses of this spectrum? Are there any potential uses which should be considered that are not mentioned in this document?..:

na

Question 5: Do you have any comments on our analysis of the choice between a market-led and an interventionist approach to the release of this spectrum? Do you agree with the analysis of different mechanisms for intervening to remedy potential market failures?..:

See response to questions 1 & 10

Question 6: Do you agree with our proposals to continue making available channel 69 for use by low power PMSE devices? Do you agree with our proposal to make some or all of the spectrum available for use on a licence-exempt basis?..:

na

Question 7:Do you agree that there should be transitional protection for professional PMSE users to ensure that they can continue to access interleaved capacity until at least the end of 2012? Do you have any views on the mechanism for providing future access to this spectrum?..:

na

Question 8:Do you consider that additional spectrum from the digital dividend should be reserved for low power applications? If so, please provide as much evidence as possible about the nature of the application and its potential value to society.:

na

Question 9:Do you consider that it would be desirable to hold back some spectrum from award with a view to its potential use for future innovation? If so, please provide comments on how much spectrum should be held back, and for how long.:

na

Question 10:Do you agree with our proposal that we should package the interleaved spectrum in a way that would be suitable for use by local television services, but not reserve spectrum solely for this use?..:

As a digital entertainment group interested in developing commercially funded local television services we fully support the packaging of spectrum for use in this way for the following reasons:

We believe a presence on DTT is essential to maximize the reach and impact of any local TV service come digital switchover. Our model is based on creating high quality, relevant community programming to appeal to targeted audiences, and aggregating that audience for local advertisers who would not otherwise be able to afford TV advertising. The removal of DTT from the mix will have a significant impact on our ability to achieve a return on investment in programming and infrastructure. DTT offers the ease of discovery and access for a local TV service we believe is necessary to establish a new service and drive usage for more advanced interactive services we would offer through a complimentary broadband Internet portals.

Without a mass media distribution platform we believe Internet only services would face considerable difficulty in building the scale of user base necessary to be commercially viable. There remains no established way to navigate the Internet and this may make it difficult for some in the community to find and use such services (e.g. elderly/ disabled etc). DTT is likely to be the most ubiquitous digital platform by a long way after switchover, so must be the preferred platform for local TV. From our

experience in running Internet TV channels we have found that most UK broadband households do not in practice have sufficient/ reliable enough connections to easily run full TV programmes and we do not believe this situation will change any time soon.

However, we are deeply concerned by the proposal that interleaved spectrum should not be reserved for local TV services and allocated by auction

If compelled to compete on the open market for spectrum we fear that for companies like ourselves a disproportionate share of resources would be diverted into financing the spectrum leaving less for production of programming and making it more difficult to recover our costs.

As we have seen with the bidding process for national DTT spectrum there is evident discrimination in favour of big broadcasters such as ITV, C4 and other big media corporations who have the capital and manpower to 'outbid' smaller rivals whether or not they have a stronger business case. We believe that such broadcasters would look to use this capacity as a 'back door' to DTT capacity. The larger the media owner, the less likely they are to interact at a community or local level as evidenced by the reduction in regional programming from ITV, and they will seek to offset any investment by running generic transactional services like ITV Play and Quiz Call. Allocating spectrum purely on ability to pay risks allowing the most valuable franchises go to services that have no incentive to deliver social and public benefits.

In many regions the market for commercial local TV services is untested making it difficult for businesses like ourselves to assess the likely value of such spectrum. The risk again is that competition from big media companies will inflate the cost of spectrum and make it impossible for more innovative, community focused enterprises to compete.

Question 11:Do you agree with our proposal to package the spectrum in a way which does not preclude mobile broadband use, but to take no further action in relation to this use?..:

na

Question 12:Do you agree with our proposal that we should not intervene in the award of this spectrum to reserve spectrum for DTT? Do you agree that we should package the spectrum in a way which is suitable for DTT use?..:

See response to question 10

Question 13:Do you consider that we have included in our analysis the most material risks in relation to market failure?..:

na

Question 14:Do you agree with our proposal to auction licences for the use of the available UHF spectrum?..:

See response to question 10

Question 15:Do you agree with Ofcom?s proposals as to the timing of any auction? If not, what alternative proposal would you make and why, and what evidence and analysis can you provide in support of your alternative proposal?..:

na

Question 16:Do you have any views on which of the packaging options identified for the cleared spectrum would be most suitable?..:

na

Question 17:Do you have any views on which of the packaging options identified for the interleaved spectrum would be most suitable?..:

na

Question 18:Do you have any views on which of the auction design options would be most suitable?..:

na

Question 19:Do you agree with Ofcom?s proposals for the non-technical terms of the licences to be awarded for use of the UHF spectrum?..:

na

Question 20:Do you agree with the analysis of the options as set out in this Impact Assessment?..:

na

Additional comments: