

**WorldSpace (UK) Ltd. Contribution to  
Phase 1 of the Ofcom Consultation on Radio:  
Radio – Preparing for the Future**

**March 7, 2005**

1. **INTRODUCTION**

WorldSpace (UK) Ltd. (“WorldSpace UK” or “the Company”) is pleased to submit its comments to Ofcom on policy issues related to digital radio.

WorldSpace UK is a subsidiary of WorldSpace, Inc. (“WorldSpace”), a privately owned company incorporated in the state of Delaware (USA) and headquartered in Washington, DC. Founded in 1990, WorldSpace owns and operates the AfriStar and AsiaStar satellite radio networks, which currently provide a Satellite Digital Sound Broadcasting (S-DSB) service to markets in Africa, Asia, Europe and the Middle East.

2. **RESPONSE TO THE CONSULTATION PAPER**

As an S-DAB service provider, WorldSpace UK does not fall under the regulatory regime covering local analogue commercial radio. Therefore, we have limited our comments to the second set of consultation questions regarding digital radio.

**Facilitating the growth of digital radio**

**Q 8: Proposed allocations in VHF Band III to DAB-compatible use**

WorldSpace UK agrees with Ofcom’s proposals to allocate three blocks to provide local multiplexes and one or two blocks for national coverage. In the event that a total of four blocks become available for allocation, the Company agrees that preference should be given to provide local multiplexes in areas that currently do not have their own multiplex, and some areas that have existing DAB service.

**Q 9: Should local multiplexes be awarded as Broadcasting Act Licenses?**

The Company believes that local digital radio multiplexes should be awarded as Broadcasting Act Licenses, for those reasons enumerated in the consultation paper.

**Q 10: Should national multiplexes be awarded under the terms of the Wireless Telegraph Act?**

WorldSpace UK respectfully recommends that national multiplexes be governed under the same regulatory regime as local multiplexes. The Company believes that public policy considerations favour maintaining the allocated spectrum for digital radio services.

As noted in the consultation documents, the VHF Band III is more favourable than the L band for achieving wide-area coverage, such as national digital radio networks. The Company estimates that it would typically require several times as many L band towers to achieve the same coverage as VHF towers, although parameters other than spectrum also affect achieved coverage.

The increased capital and operational costs would likely inhibit national terrestrial DSB services from developing in the L band, the only other allocation for digital radio. Therefore, WorldSpace UK believes that sufficient spectrum (i.e., at least one more national block) should be maintained in the VHF Band III for award under the Broadcasting Act.

**Q 11: What demand is foreseen for nationally allocated DAB-compatible spectrum?**

While WorldSpace UK is not a terrestrial broadcaster, the Company notes that national allocation of DAB-compatible spectrum is also important for the complementary repeater networks of S-DSB service providers. Such repeater networks are likely to be deployed within the L band (1.5 GHz) allocation for satellite and complementary terrestrial digital radio services.<sup>1</sup>

The Company notes that the current criteria for award of national multiplex licenses under the Broadcasting Act (as described in Appendix E) do not address complementary terrestrial networks of S-DSB systems. WorldSpace UK respectfully recommends that the criteria be re-examined with a view to addressing this lacuna in the law.

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<sup>1</sup> The Satellite Action Plan Regulatory Group (SAP REG) previously submitted a contribution on this topic in response to the RA consultation document entitled: "Opportunities for Future Use of Spectrum within VHF Band III (174-230 MHz) and in the 1.5 GHz Band (1452-1492 MHz)." A copy of the January 2004 SAP REG submission is attached hereto for reference.

**Q 12: In the context of digital radio multiplexes, whether the 20% limit on non-programme related data should be raised**

The Company believes that digital radio services should not be confined to sound programme services only, but should also include data/multimedia services. However, consistent with international allocations in the sector, the additional services should be ancillary to the sound programme services. In this regard, WorldSpace UK believes the current 20% limit per multiplex is appropriate.

**Q 13: In the context of digital TV multiplexes, whether the 10% limit on non-programme related data should be raised**

WorldSpace UK believes that the current 10% limit should be maintained. The Company notes that digital TV multiplexes (e.g., DVB-T and DVB-H) are typically larger than DAB-compatible multiplexes, occupying 6-8 MHz (versus 1.5 MHz for DAB-compatible blocks). DVB-T and DVB-H are also more spectrum efficient than the current DAB standard, allowing more sound content to be transmitted within a given amount of spectrum. For example, assuming a 6 MHz-wide digital TV multiplex, the Company estimates that 10% of the multiplex capacity could carry more channels than both the current national DAB multiplexes combined.

While allowing digital radio to be transmitted via digital TV multiplexes could cause wider awareness of DAB services, the possibility also exists that the practice could lead to the “cannibalisation” of the DAB market. The company therefore believes that the 10% limit is adequate to meet the policy goals.

**Q 14: Whether the minimum bit-rate limit for DAB digital radio should be abolished**

WorldSpace UK agrees with Ofcom that a hard minimum bit-rate limit within licenses should be abolished, in favour of a system in which licensees are required to establish and apply appropriate criteria and practices for securing quality.

**Q 18: How important it is to develop a set of public purposes for Radio and what should those public purposes be?**

- WorldSpace UK agrees that public purposes developed for television can be a starting point, but there is a need to develop an independent set of purposes for Radio, as the two types of media are very different.
- WorldSpace believes that regulation should be simpler and allow real competition amongst stations.
- Competition is a key issue.
- Radio is possibly the fastest information channel, more neutral than television (no picture), relevant and more effective in periods of crisis).

### 3. **CONCLUSION**

WorldSpace UK thanks Ofcom for the opportunity to comment on the present consultation paper, and looks forward to participating in the next phase of the current radio review.