

**Radio – Licensing Policy for  
VHF Band III, Sub-band 3**

**A response to Ofcom by**

**Arqiva**

**16<sup>th</sup> November 2005**

# **Arqiva's response to: Radio – Licensing Policy for VHF Band III, Sub-band 3**

## **Introduction**

Arqiva is the recently separated broadcast division of ntl Group and is now owned by a consortium led by Macquarie Communications Infrastructure Group. We can trace our involvement in the radio industry back to the very beginnings of commercial broadcasting in the UK. We provide transmission services to more than three-quarters of the analogue commercial radio stations and to more than 90% of the local DAB multiplex operators. Arqiva is also a shareholder in Digital One who will respond separately from their own viewpoint.

We provide services to the majority of our customers through Total Broadcast Contracts whereby we own and operate the infrastructure on behalf of the broadcast licence holders. Our total investment in analogue and digital radio approaches £100 million. No organisation has invested so heavily in Digital Radio infrastructure and we have worked extensively with the industry to help enable a stable and flexible platform.

## **Industry Position**

Since the launch of Independent Local Radio in 1973, Arqiva and our predecessor organisations have worked with industry to enable the construction of innovative broadcasting infrastructure. This has particularly been the case since the launch of digital radio in the late 1990s where we have worked in collaboration with suppliers to design and build the world's first software based DAB multiplex platform. This system is now used by Arqiva to provide services to Digital One as well as 42 of the local DAB multiplex operators. It is this innovation and far sightedness that has provided the flexibility needed to add new services, including data, EPG and the BT Livetime pilot service that will ensure that DAB platforms in the UK continue to address the needs of broadcasters, multiplex licensees and listeners.

Arqiva is active in a number of areas, supporting the development of digital radio broadcasting including:

- Standards setting through our involvement with WorldDAB.
- Service Planning. Together with the BBC and Ofcom, Arqiva has developed state-of-the-art coverage modelling software to enable DAB network designs to be evolved.
- Measurements of the effects of adjacent channel interference on coverage. This work is seen by the industry as essential to allow the field strength of existing services to be increased to meet listeners' expectations.

- Shareholder in Digital One providing investment to establish and develop innovative DAB platforms.
- Design, development and construction of cost-effective low power DAB installations, to enable urban coverage improvements. This is an essential step towards improving in-building coverage.
- Provision and operation of an experimental L-Band DAB service in London to allow industry the opportunity to experiment with new services including EPG as well as allowing ourselves and the BBC to improve the accuracy of our coverage modelling software.
- Design and operation of a nationwide network to interconnect service providers, multiplex centres and transmitters in a flexible manner, enabling the industry to address future developments quickly and efficiently.

## **Band III**

In our response to the Radiocommunications Agency/Radio Authority consultation 'Opportunities for Future Use of Band III Spectrum' published on 17<sup>th</sup> October 2003, we strongly supported the assignment of Band III sub-band 3 for DAB Digital Radio. In responses from other organisations, there was clear consensus for sub-band 3 to be allocated to T-DAB services. In the subsequent consultation document, 'Radio - Preparing for the Future', Ofcom recognised and built upon this proposal but sought further information from industry as to the best way to licence new services in an expanded Band III allocation. Again there was strong support for additional local and national spectrum.

We welcome publication of Ofcom's further proposals on the optimum use of this spectrum and particularly support Ofcom's enthusiasm and support of DAB Digital Radio as the primary digital radio platform for the future.

## **Local DAB**

We endorse Ofcom's proposal to allocate three blocks of spectrum in VHF Band III, sub-band 3 for local radio multiplexes under the licensing process set out in the Broadcasting Act 1996. This will allow for a significant expansion of services into areas where currently no local services are available.

This new spectrum will become available towards the end of 2006 however there is some scope to advertise new licenses at an earlier date. Ofcom has previously stated that, although there are areas that can make use of existing Band III spectrum, they were thought to be too small to support a commercially viable multiplex. Much progress has been made with developing lower cost DAB Digital Radio networks which would improve the viability of such licenses. Licence awards in these areas could be made in advance of RRC 06, thus we would encourage Ofcom to consider bringing-forward the licensing timetable to allow local groups to apply for licenses where new spectrum is not required.

## **National DAB**

Our response to Ofcom's proposal in 'Radio - Preparing for the Future' that national spectrum should be licensed under the terms of the Wireless Telegraphy Act (WTA), was that we would prefer a solution that puts the interests of the Listener first such as provided under the Broadcasting Act.

From this most recent consultation, "Radio – Licensing Policy for VHF Band III, Sub-band 3", it seems that Ofcom's powers to impose specific requirements on WTA licensees in areas such as coverage and listening choice are similar to those that are enforceable under the Broadcasting Act and that Ofcom is minded to make such stipulations to the licensee of a new national frequency block. This goes a long way towards addressing our concerns that the spectrum could otherwise be used for purposes unrelated to the broadcast radio business however the further step of now proposing to licence new national spectrum under the BA is welcomed as further evidence of Ofcom's commitment to Radio Broadcasting in the UK.

## **Conclusion and summary of response**

We have previously supported the allocation of new spectrum to DAB Digital Radio and we are pleased to reiterate that position. At a time when the UK public has really started to embrace DAB as their primary means of radio reception, it is important to encourage further network and service developments to demonstrate that the industry is firmly behind this platform. Several new and innovative data services have been trialed in 2005 with great success and these, together with a wide choice of radio services will further drive consumer demand. We still believe that the principal benefit of this spectrum is that it can be used to provide radio services to listeners using existing DAB Digital Radio receivers and that to allocate it for any other primary purpose would not make the best use of this asset.

It is most important that access to valuable spectrum is enabled at an early date and we would encourage Ofcom to consider bringing-forward their timetable by advertising licenses in areas that could use existing Band III spectrum in advance of RRC 06. This would enable the radio industry to judge where viable multiplexes could be supported and drive forward development of lower cost network infrastructure.