



**OFCOM CONSULTATION: COEXISTENCE OF NEW SERVICES IN THE  
800 MHZ BAND WITH DIGITAL TERRESTRIAL TELEVISION  
RESPONSE OF BRITISH SKY BROADCASTING GROUP PLC**

1. This submission constitutes the response of British Sky Broadcasting Group plc (“**Sky**”) to Ofcom’s consultation on the coexistence of new services in the 800 MHz band with digital terrestrial television (“**DTT**”), dated 2 June 2011 (the “**Consultation**”).
2. Sky recognises that there is strong demand for spectrum in the 800MHz band for a range of uses that would be of benefit to consumers. Sky would, therefore, caution Ofcom against imposing any measures that would unnecessarily slow down the progress of new products and services to market. In this regard, Sky refers Ofcom to its submissions in response to Ofcom’s call for input on developing a framework for the long term future of UHF spectrum bands IV and V, 15 June 2011.
3. The Consultation sets out Ofcom’s observations on the extent of the interference problem and its suggestions for how interference should be mitigated. Sky’s submissions address these two issues.

***The interference problem may be overstated***

4. At the outset, Sky observes that the danger posed to DTT by interference from new services in the 800 MHz band is a matter of some debate. Ofcom states that “*760,000 households might lose the ability to receive some of all DTT services*”.<sup>1</sup> Sky is aware that others in the industry have estimated a higher figure. Before taking any steps, Ofcom and the industry need to come to some consensus on the number of homes potentially affected by interference in order to ensure that measures taken to mitigate the effect of interference are proportionate to the problem.
5. Sky believes that these numbers may be overstated and not sufficiently verified having learnt that Ofcom’s modelling was carried out on the basis of some very cautious assumptions. **[CONFIDENTIAL]**.
6. The fact is that old, sub-standard (offering little or no screening or poorly installed with low grade cable and accessories) and obsolete DTT reception equipment will naturally be replaced with newer, better insulated equipment over time. This natural evolution will result in a reduced risk of interference from LTE services without the need for active intervention by Ofcom. In determining what mitigation measures are offered to homeowners, Ofcom should be able to take this natural evolution of equipment into account. To base its conclusions on studies which use old, sub-standard and ultimately obsolete equipment will result in disproportionate mitigation measures being undertaken.
7. Correctly gauging the extent of interference is important as it has a direct bearing on the type of mitigation measures pursued, the extent of remedial action necessary and, the cost

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<sup>1</sup> Consultation, paragraphs 2.8 and 4.7.



of such action which may ultimately be passed on to consumers. Sky is, therefore, gratified to see that Ofcom intends to engage with industry to investigate this matter further.

8. It is also appropriate that Ofcom ensures that the burden of mitigation doesn't solely fall on the 800 MHz licensees where measures taken by the broadcast infrastructure providers, such as upgrading existing equipment to current standards, would be more effective, more efficient and could minimise the impact on consumers.

***Addressing the problem should not unnecessarily hold up development***

9. Licensees of spectrum in the 800 MHz band require certainty if they are to get new products and services to market to meet and foster consumer demand. It is, therefore, important that mitigation measures are correctly identified and costed and that any costs are correctly apportioned.
10. Sky recognises the likely need for a certain amount of customer-based mitigation. There is, therefore, a need to ensure consumers are aware of the issues and how to remedy them. In some cases there may be a need to provide special assistance for the most vulnerable of consumers who experience difficulties. As such, Sky recognises the benefit of a central independent 'MitCo' to perform customer-based mitigation activities.
11. In terms of network-based mitigation, Sky is more sceptical that a role for a MitCo is so clearly warranted. Just as it would be disproportionate for the majority homeowners to have obsolete DTT reception equipment upgraded out of MitCo funds, neither would it be proportionate to upgrade older DTT broadcast and re-broadcast network equipment, which substantially underperforms current state-of-the-art equipment, out of MitCo's budget. DTT Network operators, not a central independent MitCo, are best placed to determine how network equipment should naturally evolve to meet the needs of DTT broadcasters.
12. Ofcom should ensure that both customer- and network-based mitigation costs are kept to a minimum. In this regard, Sky cautions that passing additional costs on to 800 MHz licensees risks directly inhibiting the progress to market of new products and services to meet and foster customer demand. Any costs of mitigation borne by 800 MHz licensees, should be necessary and proportionate to the danger from interference posed by any new services.
13. In determining the scope of MitCo's powers and responsibilities it seems logical to draw an analogy to Digital UK, the body set up to manage digital switchover ("**DSO**") in the UK. DTT broadcast network operators are already accustomed to "*us[ing] all reasonable endeavours to cooperate in all respects, including promptly and in good faith, with*" Digital UK in the context of DSO, pursuant to specific obligations contained in Multiplex operators Broadcasting Act licences.<sup>2</sup> Indeed, as the work of Digital UK naturally comes to an end in 2012, it may be logical for a small part of Digital UK to continue and take on the role of MitCo in due course and for the relevant provisions of the DTT Multiplex operators' Broadcasting Act licenses to be amended accordingly. It should be clear, however, that

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<sup>2</sup> See, for example, Annex A Part 8 of Arqiva's Multiplex C Broadcasting Act licence.



MitCo's role is to 'enable' the use of new technologies and that MitCo should not see itself as the guardian/protector of DTT

14. Moreover, Digital UK is well set up for some of the activities that Sky believes will be a necessary part of MitCo's remit, such as consumer education/awareness and providing assistance to vulnerable groups. There are, however, clear distinctions between the work of Digital UK and that of MitCo. Most importantly, the number of households potentially affected by interference is far smaller than those affected by DSO. As a result, MitCo's funding and budget should be determined at the outset to minimise the impact on the value of the spectrum.
15. In setting out MitCo's terms of reference, it is key that knowledge and experience gained by Digital UK in the DSO process is not lost or replicated but that the scope of MitCo's activities is tightly defined to avoid any risk of 'mission creep'.

**Sky**

**17 August 2011**