



Response to Ofcom's consultation on:

Maximising the benefits of 700MHz clearance

- **Enabling acceleration of 700MHz clearance and use of the 700 MHz centre gap**

(Issued by Ofcom on 11 March 2016)

BT plc and EE Ltd
20 May 2016

Introduction

BT/EE welcomes this consultation, which is timely given the draft legislative proposals for the 700MHz band as proposed by the European Commission as well as the need for industry to have early clarity of how the 700MHz centre gap spectrum may be used in order to prepare for Ofcom's proposed 700MHz band auction in late 2018/2019.

BT/EE recognises the importance of the DTT platform today and the importance of transitioning this to more efficient technology. The need for more mobile spectrum to deliver greater coverage and capacity of mobile services is also important and there is a need to find appropriate balance between these priorities. We broadly support the approach that Ofcom has taken, which is a pragmatic one given the expected European regulatory developments and the cost/benefit analyses that Ofcom has undertaken.

Responses to the consultation questions

Question 1: Do you agree with our provisional assessment of the case for accelerating completion of the 700MHz clearance programme by varying the frequencies allocated to the interim multiplexes?

BT/EE appreciates Ofcom's efforts in undertaking a cost-benefit analysis of the proposal. This is always laudable for any regulatory intervention, which will have an impact, one way or the other, on consumers and stakeholders. We believe Ofcom has got the order of magnitude right and that the benefits outweigh the costs.

In principle BT/EE supports Ofcom's proposal as it is a pragmatic solution to the problem of how the DTT platform rearrangement can be accelerated given the existing rights of the interim DTT multiplex licence holder. We have no objection to the proposal to vary the licensed frequencies for the interim DTT multiplexes for the interim period.

We consider that potential disruption to DTT viewers and reduction of PMSE use is an important matter to be considered and we appreciate the separate call for input Ofcom has published on 'Managing the effects of 700 MHz clearance on PMSE and DTT viewers'.

Question 2: Do you have any comments on our provisional assessment of the implications the proposed accelerated clearance would have for PMSE users?

As a broadcaster BT has an interest in ensuring that adequate PMSE spectrum remains available for the long-term and that any short-term impact that may arise from the accelerated DTT re-planning is minimised and where appropriate financially compensated. We will submit our views on the PMSE issues in response to Ofcom's Questionnaire that was issued alongside the consultation.

Question 3: Do you agree with our provisional assessment that SDL is likely to represent the optimal use of the centre gap?

We agree with Ofcom that there should be no reservation in the centre gap for PPDR. The UK's Emergency Services communications will be provided by the Emergency Services Network based on EE's LTE network and shared with commercial users. This means that PPDR will have access to any band deployed for LTE by EE, it does not need to be restricted to a narrow choice of dedicated frequencies.

In light of the European harmonisation efforts, the prospects for SDL and taking into account the projected benefits of mobile data use of the spectrum, this conclusion is cautiously supported.

Question 4: When is the demand for spectrum for SDL first likely to arise?

The timeframe for use of the 700MHz centre gap for mobile data will be driven by a number of factors including availability of mobile base station equipment and end use devices. This will in turn depend on volumes and pricing that results from a large European or global market. The draft EU harmonisation measures for the 700MHz band and the timescales attached to these will drive the timescales in which there is demand to use the spectrum for mobile data. It seems likely that the demand will arise post 2020.

Question 5: Do you agree with our provisional view that the interim multiplexes should not operate in the centre gap beyond the end of Q1 2020 (that is, shortly before we expect the 700MHz band to become available for mobile data, in line with our proposals)?

Continuation of the two redeployed temporary HD TV multiplexes in the centre gap beyond the mid-2020 date when mobile services are to be licenced in the paired 700MHz spectrum would be problematic given the risks of adjacent channel interference that Ofcom has identified. It would also delay the date from which SDL mobile could be operated using the centre gap frequencies and the benefits that could arise from such use.

BT/EE does not have a view on the argument put forward by Arqiva, namely that the continuation of the interim multiplexes until 2023 is important to the future of the DTT platform and in particular HD services on the platform.

Question 6: Do you have any evidence/analysis on the scale of the risk of DTT services in the centre gap causing harmful interference to mobile data services in the paired part of the 700MHz band?

BT/EE has no particular insight to this issue beyond the national and international work that Ofcom is already aware of.

Question 7: Do you agree with our working assumption that there will be significant demand for SDL spectrum in the centre gap in the early 2020s?

Given the projected growth in mobile data that drives requirements for additional spectrum, BT/EE agrees that there would be significant demand for SDL in the centre gap in the early 2020s. The scale of demand will be reflected in the auction bids.

Question 8: Do you have any further comments or views on other aspects of this consultation which are not covered above?

BT/EE continues to regard the UK DTT platform as of vital importance for UK citizens and consumers in the short to medium term, but recognises that in the longer-term other delivery options for TV may be increasingly relevant, including IPTV on fixed broadband, subject to the right network investments, consumer take-up and commercial arrangements.

As a general principle, we believe the multiplex operators should be strongly encouraged to convert to DVB-T2 to make more efficient use of the frequencies they use. If HD services are considered important to the DTT platform, the multiplex operators and broadcasters should work together and plan for the transition of more multiplexes to DVB-T2 within existing spectrum assignments.
