



RESPONSE OF CHANNEL 5 BROADCASTING LTD TO OFCOM'S CALL FOR INPUTS ON THE FUTURE USE OF THE 700MHz BAND

Channel 5 welcomes the opportunity to respond to this consultation. We set out our broad approach to the questions posed by Ofcom when we responded last year to its previous consultation about UHF strategy¹.

Our overarching concern is to ensure the future of a vibrant DTT platform with a broad range of channels and the same level of population coverage as now, plus room for the platform to grow. We would be strongly opposed to an outcome that resulted in some or all of the DTT multiplexes having their coverage materially curtailed, so that some viewers who currently enjoy channels transmitted on the three commercial multiplexes (including Channel 5's secondary channels) were no longer able to watch them. This would not only represent a loss to the viewers affected, it would undermine the long-term viability and competitiveness of the platform.

One key issue is whether it will prove necessary to transition the platform to the new transmission and encoding technologies (DVB-T2 and MHEG-4) in order to guarantee at least the same level of coverage for the six multiplexes as they enjoy today. If Ofcom's spectrum planning exercise demonstrates that all current services can be retained without transition to the new technologies, it will prove easier to transition the platform to a different set of frequencies.

However, if all existing services cannot fit easily into the new frequencies, a publicly-supported transition to the new technologies will be necessary. We would be strongly opposed to a partial transition to the new technologies, if this meant some viewers dependent on DVB-T/MHEG-2 technologies were left with a small rump of channels and denied the full range of DTT services to which they had been used.

In this paper, we group our responses under the different section headings in the Ofcom paper rather than trying to answer each specific question individually.

¹ *Response of Channel 5 Broadcasting Ltd to Ofcom's Consultation on Securing Long Term Benefits from Scarce Spectrum Resources, June 2012*

CONSULTATION QUESTIONS

Costs and Benefits of a 700 MHz Release (Questions 1-7)

We believe Ofcom has identified correctly the type of costs that need to be assessed in planning a release of the 700 MHz band. We are not well placed to comment on the likely benefits.

We would like to stress the importance of a well-funded communications and support programme for viewers. The experience of digital switchover demonstrated the importance of well-planned and properly executed communications and support activity, especially for vulnerable viewers.

If the spectrum plan requires a move to DVB-T2/MHEG-4 technologies, the extent of viewer support will be considerable. We do not see why viewers who have chosen the DTT platform during the last decade should be required to pay themselves for a technology upgrade in the next decade in order to continue to view channels on that platform. As the benefits of spectrum release will accrue to other industries, those industries (or the government) should pay to compensate DTT viewers.

We would caution against seeing too many parallels between digital switchover and a putative second switchover. The move from analogue to digital resulted in clear benefits to consumers as they experienced a several fold increase in the number of channels they were able to watch, so were mostly willing to buy digital receiving equipment themselves. It is not clear that transition to the new technologies will lead to viewers experiencing a comparative benefit. Those most likely to see benefits from adoption of the new technologies (such as an increase in the number of HD channels) may well purchase the necessary equipment voluntarily. But it is a distinct possibility that many viewers will be reluctant to invest in new receiving equipment in time for spectrum release to take place. Such households should have equipment bought for them.

The other specific issue on which we wish to comment is the importance of a robust coexistence regime. The need to protect DTT from interference from new users in the 800 MHz band was first raised by Ofcom in 2006² – but it was six and a half years later that a government scheme to effect such protection was announced³. We hope the related issues can be planned better and more speedily next time round.

The Timing of a 700 MHz Release Determined by Ofcom (Questions 8-13)

The crucial issue is to allow enough time for a smooth transition to new frequencies, with a properly co-ordinated and funded information and support campaign. Such activity will need to be on a much larger scale if a transition to the new transmission and encoding technologies is required.

² Ofcom, *Digital Dividend Review*, 19 December 2006, paragraphs 3.45-50

³ DCMS, "Minister sets out terms of scheme to tackle future TV interference", 10 July 2012

A Release Determined by Market Mechanisms (Questions 14-19)

We do not see any merit in Ofcom pursuing further these alternative approaches to the timing of spectrum release. This is because while the bidders for such spectrum may only be interested in its commercial value, the current principal occupants of the spectrum – the broadcasters – have a variety of public obligations that cannot be weighed purely in commercial terms.

The public service broadcasters, which form the bedrock of the DTT platform, have a wide range of obligations in terms of geographic coverage and universal availability which cannot be expressed in purely commercial terms. Moreover, the interlocking nature of the DTT platform, with multi-frequency networks all utilising the same frequencies, means it would not be possible for an individual multiplex operator to respond on its own to the commercial dynamics of the auctions postulated by Ofcom.

Impact of Changes on DTT Viewers (Questions 20- 23)

We think Ofcom has identified most of the issues that need to be addressed in preparing for any spectrum release. But Ofcom should not limit its horizons to simply ensuring DTT is able “to continue to deliver near-universal PSB coverage” (paragraph 5.17). To remain competitive and continue to offer viewers a valued service, the DTT platform needs headroom to expand and offer new services. In retrospect, one of the shortcomings of the original planning for digital switchover was the failure to anticipate demand for HD services on DTT (which as a result had to be retrofitted onto the platform). Because demand for future developments cannot be readily foreseen, provision needs to be made to allow room for the platform to adapt and grow.

We stressed the importance of a properly planned and resourced communications and support programme in the event of transition to DVB-T2/MHEG-4 in our introduction and in answer to Ofcom's first set of questions.

Geographically Interleaved Spectrum (Questions 24-26)

PMSE has long co-existed in the same spectrum as DTT. Adequate arrangements need to be made to ensure it can continue to do so.

Channel 5 Broadcasting Ltd

July 2013