

**Question 1: The executive summary sets out our proposals for the digital dividend geographic interleaved award. Do you agree with these proposals?:**

We do not agree at all that the spectrum released by digitisation of television broadcasting should be auctioned off in such a manner. Especially as the geographic interleaved spectrum has so much potential to be used for local TV services which could make a real difference to communication in local communities.

The spectrum is a public asset and should be allocated for local and national use if it is no longer required for delivery of national public services and not auctioned off to the highest bidder. Or at least conduct the auction based on only on community benefit grounds instead of a purely economic basis.

The whole Digital Dividend Review has had particular significance at this point in time in Scotland as we have been considering legislation regarding the government's approach to support for and access to cultural activity. This has included reference to citizens' cultural rights as enshrined in international treaties.

Television broadcasting is a form of cultural expression and one of the forms that most people have access to and contact with on a daily basis. It also has the major function of communicating with people and providing ways of informing and linking the community.

Voluntary arts and crafts practice is one of the major ways people choose to participate in cultural activity ? with over half the adult population in the UK doing so ? well over 2 million people in Scotland. In research undertaken for the Cultural Commission in Scotland, it was identified that the voluntary cultural sector offered over 100 opportunities per day for people to take part in the arts and crafts, and there are at least 263,400 volunteers giving their time to do so. These activities are available throughout the country and in rural areas, frequently the only regular form of cultural activity is provided by voluntary effort.

It is important that any broadcasting channel reflects the society it is part of. This includes the voluntary effort that goes into providing cultural activity as well as other important services and accessibility in our communities. In Scotland, we also have the focus on the local environment through the community planning partnerships, which are meant to underpin any governments agencies' work in any given geographical area. Television would be able to play a significant role in supporting these developments. The societal value of ensuring that at least a portion of the spectrum to be made available is used for public services has the potential to be immense.

With a little work there would be no issue with the availability of content for any public aspect of broadcasting. Local news, information, events, examples of how people can get involved ? there is already a wealth in any community to be explored. And for those communities that do not feel they are rich in such offerings, this could be the kind of incentive to work on creating such opportunities for young and old.

Tony Blair said himself that ?A nation that cares about art will not just be a better nation. In the early 21st century it will be a more successful one?. Instead of selling

off the potential, this once in a generation opportunity has the potential to unlock such great creativity of the citizens of this country. Where have market-led principles got us so far anyway? Who is the market that the advocates of a complete sell off are talking about? And where would the funding come for non-commercial concerns to bid in an open auction?

Remember these market forces are the same that led to the scraping of the licence fee in New Zealand. The concern is that the arguments against preserving part of the newly available spectrum for public service broadcasting is predicated on the continuation of a licence fee in the UK! The New Zealand experience is that the public broadcaster is now competing against commercial operators to secure advertising and currently not doing too well. Plus the commercial operators are not too concerned about the quality of their programming according to people who are expected to consume it.

Apparently there is no directive from the European Union to have to sell off the spectrum and we should also take heed of the damaging effects of other privatisation sell-offs such as school playgrounds or the rail tracks. We are not convinced that Ofcom have reached the right conclusions based on their work so far.

For example: Paragraph 1.16 of the consultation document states 'It is important that the geographic interleaved award promotes both competition and efficiency in the award and use of the geographic interleaved spectrum'. Where is the evidence for this statement? To whom is this important? Has competition created a better service for the local consumer? Recent changes by Ofcom have allowed commercial operators to start withdrawing from providing locally based programming ? so is creating more opportunity for this to happen really in the interests of the public?

Section 2.1. of the consultation document: 'We confirmed our proposal to take a market-led approach to awarding the digital dividend and in doing so we decided to auction this spectrum, hence giving users flexibility to decide its optimum use. Auctions are the most open, transparent and non-discriminatory way of determining who should hold licences.'

The Scottish Broadcasting Commission have reported a great interest from the public in Scotland to see more Scottish culture in their broadcasting mediums. How will the auction process help bring this desire from the market about? Especially when the main conditions of taking part seemed predicated on whether you can find £10,000 for the deposit or £25,000 for the reserve price rather than if you have the ability to supply the content people appear to be looking for. These are prohibitive amounts of money and do discriminate. Commercial viability seems to have been determined on a private business model rather than a community / volunteer style operation which the concept of local TV could be supported by.

It is possible that as so much of the national media is dominated by what happens within the M25, that Ofcom, as an organisation based in London, has not had the opportunity to fully appreciate that local TV is a major way people could experience voices and activities happening closer to home in different parts of the UK ? rather than being the bit tagged onto the end of the 'national' news. Research, not based around the Digital Dividend Review issues, has brought up evidence that people do

want to hear more about what is happening in their locality. And the possibilities this opens up for local groups ? particularly those in the arts and crafts areas for us ? would be worth more than any auction bids could bring in. But if we continue down the path proposed by Ofcom in this consultation document and others, we will selling off any chance to see these possibilities ever come to be ? unless funding is made available for community based consortia to take part in the process ? which has not been supported either.

Retaining some, if not all, the digital dividend spectrum for public service would be a good thing and in the long term, the right decision.

**Question 2: Do you have any comments on our assessment of the most likely uses of the geographic interleaved lots? Are there any potential uses which should be considered that we have not mentioned?:**

**Question 3: Are there any other types of DTT transmission that should be protected from potential cognitive devices or other factors that we should take into account?:**

**Question 4: Are there any potential future PMSE applications, other than currently available wireless microphones, in-ear monitors and talkback systems, that you consider should be protected from potential cognitive devices?:**

**Question 5: Is there sufficient evidence to require protection for other services such as mobile television, bearing in mind the potentially negative implications of such protection for deployment of cognitive devices?:**

**Question 6: What levels of coverage and aggregation are of interest to you?:**

**Question 7: Do you agree that the median option offers an acceptable balance between protecting reception of DTT services and maximising new DTT services using geographic interleaved lots?:**

**Question 8: Do you agree with the proposal for a series of awards of spectrum lots - an award of lots for Caldbeck, Winter Hill and Wenvoe in late 2008 or early 2009, a single award in 2009 of large lots and awards of lots for other locations linked to DSO?:**

**Question 9: Do you agree with the proposal to hold the combined award for large lots of geographic interleaved spectrum shortly after the cleared award in 2009? What should the time interval be?:**

**Question 10: Do you agree with our approach to expressions of interest in order to finalise the spectrum lots appropriate to allocate by auction?:**

**Question 11: Do you agree that we should run single unit ascending bid auctions for the award of each of the spectrum lots for Caldbeck, Winter Hill and Wenvoe?:**

**Question 12: Do you have comments on whether the initial auctions of spectrum lots for Caldbeck, Winter Hill and Wenvoe should be run in sequence or in parallel?:**

**Question 13: If the initial auctions are run in sequence do you have a preference for the order in which they run?:**

**Question 14: Do you consider that a combinatorial clock auction would be more suitable than a simultaneous multiple round auction for the combined award of large lots suitable for aggregation?:**

**Question 15: Do you agree with the proposal that the phased award of medium/small spectrum lots at locations linked to the DSO timetable should be by single unit ascending bid auctions? If not, which would be your preferred auction format and timing?:**

**Question 16: Do you agree with the proposals for the main rules that we are minded to adopt for each of the three single unit ascending bid auctions?:**

**Question 17: Do you have any comments on the technical licence conditions we are proposing to include in the licences?:**

**Question 18: Do you agree that the licences for the geographic interleaved spectrum should not allow the co-ordination threshold to be exceeded?:**

**Question 19: Do you agree that where the geographic interleaved spectrum is used for the operation of a DTT multiplex, we should replicate the ownership restrictions from the Broadcasting Act regime relating to (a) local authorities, (b) political bodies, (c) religious bodies and (d) bodies exerting undue influence but not replicate restrictions relating to (e) broadcasting bodies and (f) advertising agencies?:**

**Question 20: Do you agree that we should facilitate interoperability between existing DTT multiplex operators and new operators using cleared spectrum?:**

**Question 21: We welcome views on the merits of the proposed approach to information provision:**

**Question 22: Do you agree with our approach to assessing whether the awards of geographic interleaved spectrum fully promote competition and efficiency?:**

**Question 23: Do you have particular concerns about possibilities for award outcomes to fail to fully promote competition in downstream markets or to result in inefficient use of spectrum? If so, please explain what these are and provide supporting evidence.:**

We think that Ofcom proposing no 'use it or lose it' condition for the successful bids is an abrogation of its regulatory duty and if Ofcom is unable to make such decisions, then local and national local authorities and government should take direct responsibility for the spectrum to serve their local areas and/or countries.

**Question 24: Do you agree with our proposals to include an information provision licence condition to help facilitate efficient secondary trading?:**

**Question 25: Do you agree with our view that we should not apply any general remedies other than for information provision in the geographic interleaved award?:**

**Question 26: Do you agree with our initial assessment that we should not intervene in the geographic interleaved award to remedy any potential impact on competition resulting from the holding of geographic interleaved spectrum by either Sky or NGW/Arqiva?:**

**Additional comments:**

About Voluntary Arts Scotland

There are an estimated 2 million people in Scotland who participate in the arts and crafts, nearly 9,400 organisations (or 18.8% of the general voluntary sector) and 263,400 volunteers in the voluntary cultural sector. Voluntary Arts Scotland was created to support the efforts of these people and their groups to provide cultural activity in their communities through development and advocacy. Voluntary Arts Scotland is part of the Voluntary Arts Network (VAN), the development agency for the voluntary arts across the UK and the Republic of Ireland. Our full aim is 'working throughout the UK and Ireland towards an empowered, participative, fulfilled and healthy civil society by promoting practical participation in the arts and crafts.'