



Ofcom Consultation on “The Future of Digital Terrestrial Television”

Digital Terrestrial Television (DTT) is the cornerstone of S4C's multi-platform strategy and we are keen to ensure its future success. We agree that there is a window of technical opportunity for the DTT platform which should be fully exploited at this time.

Universal coverage and the accessibility of High Definition (HD) public service content in the Welsh language are key issues for S4C. Any proposals and possible solutions should take account of the increasing recognition given to indigenous language services and to content production in the nations of the UK.

We have provided responses to the formal questions posed in the consultation. However we wish to highlight the following points:

1. At digital switchover S4C will have a significant HD library. HD content has been commissioned by S4C from independent production companies for several years and this policy has contributed to the decision of production and resource companies in Wales to invest in HD resources. The current HD library consists mainly of international co-productions (factual and children's programming) and drama series.
2. The Ofcom consultation sets out a plan for reallocating the services on DTT multiplexes to allow one HD multiplex to be created. At best this plan will only be able to carry 3 HD services at launch. There is therefore not enough capacity available to accommodate all PSB services, even after completion of DSO in 2012. Given the current and future availability of HD content commissioned by S4C the possibility of a shared HD resource should be considered.
3. There should be more emphasis on the regionalisation capability of the HD multiplex. (A 3 or 4 Nations type split).
4. The proposal to carry 9 channels on Multiplex 2 is feasible though we are concerned to ensure that appropriate quality levels are maintained. In addition, the proposed capacity allocation for S4C does not include provision for the digital text service which we currently provide on Multiplex A. Ofcom's proposal does not therefore even allow S4C to replicate our current service.
5. Ofcom do not present any realistic option as to how universal coverage for S4C2 could be achieved in Wales if it is to remain on Multiplex A. Services currently provided on S4C2 include broadcasting of the National Assembly and extended coverage of major national events. The future use of S4C2 has been the subject of an S4C Authority consultation "Serving Children in the Digital Age" published in May 2007. The proposals include the establishment of three new services to address the distinct needs of children and young people by means of a dedicated service based on UK original production. Given the central role public service broadcasters should have in relation to children's programming it would be a retrograde step not to make this universally available.
6. To date, S4C have been requesting that S4C services are made available on DTT throughout the UK.

Question 1: Which services are most likely to drive take up of DTT consumer reception equipment using new technologies? In particular, are HD services the most likely to do so?

S4C are confident that HD will be a major driver of further take up of the DTT platform. The lack of HD on the platform will not only slow take up but may ultimately result in defection of viewers to other platforms.

Question 2: Do you agree with Ofcom's assessment that it would be beneficial for the DTT platform to begin to upgrade to new technologies – DVB-T2 and MPEG-4 - to make more efficient use of spectrum and to allow for the introduction of new services?

Yes. However platform quality should not be compromised and should be avoided by over compression carriage of too many services. DTT should not be regarded as a lower quality platform than cable or satellite. This is particularly true of the HD services and would negate the whole point of having HD on the platform.

Question 3: Ofcom is particularly interested in hearing from multiplex operators and programme providers as to whether they are interested in using DVB-T2 and / or MPEG-4, and whether Ofcom should consider permitting their use on DTT?

We believe that it is essential to use the new technology as soon as viable. To delay it would be to miss a window of opportunity and would make the inevitable transition to such improved technology at a later date much more difficult.

Question 4: Do you agree that the earliest possible availability and adoption of the technologies is in the interests of consumers and citizens?

Yes. However it would be wrong to adopt it before it was proven as the risk to the DSO programme would be immense. It would also be wrong to adopt MPEG4 with DVB-T as an intermediate measure as this would create much confusion and dissatisfaction amongst the public. Ultimately this would lead to a three tier platform with all the complexities and inefficiencies that would entail.

Question 5: Do you agree with Ofcom's view that DVB-T2 MPEG-4 reception equipment could be commercially available in time for DSO in Granada region in late 2009?

We believe the timing is tight but possible providing that final Ofcom decisions are made early enough to give the supply chain adequate time to design and manufacture the product. The risk is that delays and indecision would allow slippage of several months so missing the 2009 window.

Question 6: Do you agree that some form of intervention is required in order for the DTT platform to commence an upgrade to new technologies without delay?

Yes. S4C do not believe this would happen within 2009 without intervention.

Question 7: Do you have any proposals for launching MPEG-4 services on a DTT multiplex using DVB-T in advance of the proposed 2009 timetable and if so can you provide details of how such a service would not undermine the proposed MPEG-4/DVB-T2 launch in 2009?

There is much pressure from the supply chain industry to promote the use of MPEG 4 and DVB-T as a way of achieving early HD on DTT. We feel that this would be only a half way step. It would not extract the best value out of the platform and would inevitably block further progress on DTT for several years. It would also create confusion amongst the public as a further upgrade would inevitably have to be done some years later. There is also no easy next step to DVBT-2 without taking services off to re-engineer. By then the released spectrum would have been sold and be in use by other services. This would effectively block any stepping stone approach to migrating to a new modulation standard.

Question 8: Do you agree with Ofcom's proposed approach for adding SD and HD versions of MPEG-4 and DVB-T2 profiles to the list of permitted standards for DTT in the spring, and that Ofcom's consent must be sought prior to adoption of these standards?

Yes. This is a pragmatic way forward.

Question 9: Do you agree with Ofcom's proposal that Multiplex B should be cleared and upgraded to new technologies?

S4C understand the reasons for selecting Multiplex B. We are in agreement that this is the best multiplex to clear and upgrade based on Ofcom's criteria as set out in the consultation. An alternative proposal from the other PSB's is known to S4C. We would wish to consider the merits of this alongside the Ofcom proposal. The merits of any other scheme which emerges from the consultation should also be discussed openly before adoption.

Question 10: Do you agree with Ofcom's proposal that all multiplexes should be required to upgrade to 64QAM at DSO in order to make the most efficient use of spectrum (i.e. that the mode change should not merely be optional)?

S4C would normally favour an optional approach. However in this case it would not be possible to deliver the proposal without all multiplexes adopting 64 QAM, hence we would support the mode change becoming a mandatory requirement.

Question 11: Do you agree with our proposals for accommodating Five, S4C, TG4 and GDS on Multiplex 2?

The primary consideration for S4C is that all current S4C services are carried, and the terms, quality and reliability of the carriage are acceptable to S4C. Universality is key. We support the proposal as it relates to the other indigenous language services in Scotland and Northern Ireland, GMS and TG4.

Question 12: Do you agree with our assessment that nine SD services can operate on Multiplex 2? If not, do you have an alternative proposal?

We feel that nine services is a tall order for accommodation on this multiplex. We also point out that digital text services are part of S4C's services and will need to be carried. We re-iterate our concerns regarding the issue of technical quality, particularly with ever larger screens being the norm. Suitable tests will prove the viability or otherwise of this proposal. One alternative would be to reduce the number of channels to allow all core PSB services to be carried on Multiplex 2 as a priority over other channels.

Question 13: Do you agree with our proposals for the reorganisation process for the existing multiplex services set out in the central case scenario?

S4C understand the criteria for choosing to vacate Multiplex B. We would however like to compare this with any counterproposals tabled from the other PSB's.

Question 14: Do you agree with the principles / conditions that Ofcom proposes to use to evaluate counterproposals for the reorganisation process?

S4C do agree with the principles and conditions proposed to evaluate the counterproposals.

Question 16: Do you agree with Ofcom's assessment of the options for allocating the upgraded capacity?

Yes we do. In particular we agree that in the interests of maximizing public value and access to others on fair basis the allocation should be done by a neutral organization and not the BBC Trust or the BBC.

Question 17: Do you agree with the proposal that HD broadcasting on the DTT platform should use the more efficient progressive format, rather than the interlaced format?

S4C supports the progressive format for High Definition and have done since 2005. It is S4C's preferred HD acquisition standard for our HD programme commissions. The S4C HD technical guidelines for independents supports progressive scan over interlace. The document is available on our production website

http://www.s4c.co.uk/production/downloads/guidelines/e_highdefinition.pdf

Question 18: Do you agree with the proposal that Ofcom should not mandate the use of the capacity for any particular service type (SD or HD) but allow the broadcasters to make proposals?

Yes. S4C would prefer that flexibility is retained for this platform. This would allow the broadcasters to propose the best creative uses for the resource.

Question 19: Do you agree with the proposal that the capacity should be allocated in three UK-wide blocks initially, rising to four blocks at DSO?

In the current proposal Ofcom is considering the allocation of the HD blocks on a 24 x 7 basis. S4C would wish to see a more flexible approach being adopted including consideration of the allocation of HD blocks in a day part manner. This would allow more PSB's to gain access to the HD multiplex.

Question 20: Do you agree with the proposed criteria for the comparative selection process?

Yes we do. In particular criteria 3 referring to catering for diversity and the interests of serving nations and regions. We also believe an 80% target of HD origination by 2012 is fully achievable.

Question 21: Do you have any comments on Ofcom's proposals for the upgraded multiplex?

S4C believe that Ofcom is right to take a conservative approach to the bit rate required for HD by 2010. However we believe that at 10Mbps the quality will not compare well with satellite, cable or DVD. Hence at least at the start of the service a bit rate of 15 Mbs would be more appropriate. The allocation of 2HD and some SD blocks may be more effective initially. There is therefore even more reason to consider a day part allocation model of the HD capacity to allow more PSB's to have access to HD transmission.

Question 22: Do you agree with Ofcom's impact assessment?

Yes we do.

Question 23: Do you agree with Ofcom's assessment of the potential benefits, risks and mitigations strategies relating to the impact of these proposals on the DSO programme?

Yes we do. However we feel the complexity of the DSO programme is such that the risks to the programme being delayed due to technical complications being introduced by the new standards at this stage may have been underestimated.