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Response to Ofcom consultation:

UK preparations for the World Radiocommunication Conference 2015

Friday, 19 September, 2014

- Attached for information: '*World Radiocommunications Conference 2015 - The consequences of a co-primary allocation for the 470-694 band*' (April 2014)

This response is submitted by Digital UK on behalf of its Members – the BBC, ITV, Arqiva and Channel 4 - the holders of the terrestrial Broadcasting Act and Wireless Telegraphy Act licences.

UK preparations for the World Radiocommunication Conference 2015

1. Introduction

About Digital Terrestrial Television (DTT)

Digital Terrestrial Television (DTT) is the UK's most popular TV platform. At the heart of DTT in the UK is Freeview – a universally available service offering a range of more than a hundred free-to-air TV, radio and text-based services. It is watched in more than 19 million homes, three-quarters of the total. Freeview is the sole television platform in more than 10 million homes (40 per cent)

Prior to digital switchover (DSO), more than four million UK households could not access Freeview and elsewhere signal strength was variable. Thanks to industry investment in excess of a billion pounds, switchover made Freeview available to 98.5 per cent of homes.

Viewers are overwhelmingly satisfied with the Freeview service, and post-switchover research demonstrated viewers enjoyed the selection of channels, picture quality and functionality.

About Digital UK

Digital UK supports the UK's terrestrial TV service and its viewers.

The company is responsible for day-to-day operational management, including the Freeview electronic programme guide, and leads on developing platform strategy, working with its broadcast partners and industry. It also provides viewers with information and advice about terrestrial TV channels, services and reception.

Digital UK is owned by the BBC, ITV, Channel 4 and Arqiva

2. Executive Summary

We welcome and support Ofcom's proposal to oppose a co-primary allocation in the 470-694MHz band at World Radiocommunication Conference (WRC-15).

This will be a critical conference in shaping the future of DTT. It will confirm that more spectrum currently exclusively allocated for broadcasting – the 700MHz band - will be made available to mobile services. This development comes just three years after digital switchover saw broadcasters release more than 100MHz of spectrum for new uses, including mobile broadband.

We therefore believe it is premature to signal the start of a process of handing over remaining UHF spectrum for mobile broadband by amending the Radio Regulations to allow mobile services to use some or all of 470-694MHz band. Should the WRC approve such a change, it could effectively start a countdown to switching off terrestrial television.

As we and a wide range of other DTT stakeholders have argued for some time, there is little evidence to support further major spectrum releases beyond those already being planned. We attach for reference the paper we submitted to the DCMS and Ofcom in April this year detailing our concerns about the impact of a co-primary allocation for the 470-694MHz band.

Such a move would run counter to Ofcom and the UK Government's stated desire to see popular terrestrial services such as Freeview and YouView continue to meet viewers' needs. These services are especially important in providing universal access to public service television and commercial services which together provide a rich mix of free to air services.

Far from promoting flexibility in the deployment of new services as some claim, a co-primary allocation allowing different approaches by neighbouring countries would cause very considerable challenges in terms of international co-ordination.

As we set out in our answers to the relevant consultation questions, there are a number of reasons why this position is likely to secure the best outcome for UK consumers and citizens, most of whom use DTT on at least one television. This position reflects a number of features relating to the DTT platform, in particular:

- The important role of DTT in the UK's broadcasting ecology
- The strong economic case for DTT
- The need for commercial certainty to support continuing investment in DTT

These and other considerations helped shape the recommendations of the report to the European Commission by Pascal Lamy, chair of High Level Group convened to deliver strategic advice on future use of the UHF band. As Ofcom will be aware, the report acknowledges the continuing importance of DTT as the 'backbone' of the European audio-visual model for the foreseeable future and the need for broadcasters to be given reasonable reassurances over future investment in the platform. Of particular relevance to this consultation is the report's recommendation to provide safeguards for broadcaster access to spectrum to 2030 and its clear call for 'a consistent EU position at future WRCs (starting at WRC-15) against co-primary allocation of the spectrum below the 700MHz band'.¹

¹ *Results of the work of the High Level Group on the future use of the UHF band (470-694 MHz)*, p8

We note that the report has also been supported by the UK Secretary of State who, in a speech to the Royal Television Society on 9 September 2014, welcomed its recommendations against co-primary status for the sub-700MHz band and voiced his view that 'we should not undermine our much-valued DTT network'.

More widely, there appears to be growing momentum elsewhere within ITU Region 1 to oppose a co-primary allocation in 470-694MHz. This is notably the case across Africa, where a number of countries have now formally signalled their intention to take this position at WRC-15. We expect other African countries to follow suit. In that context, we would suggest that the UK has an opportunity to take a leadership role within CEPT to ensure that European countries similarly safeguard the future of DTT. Some administrations will inevitably make the case for a co-primary allocation and Ofcom and the UK government should take advantage of opportunities in the run up to WRC-15 and at the conference itself to ensure it is part of a strong, well informed international alliance able to counter such arguments in support of more than 19 million UK viewers who watch DTT.

Our other focus in responding to this consultation is to ensure that any future mobile use of the 700 MHz band is implemented in a way that minimises the risk of harmful interference into DTT services in Channel 48 and below, ensuring that coverage and capacity of the existing terrestrial broadcasting is maintained in a post 700MHz cleared world.

Finally, having cleared the 800MHz band and, now, potentially the 700MHz, it is vital that the limited remaining spectrum available for DTT is not compromised or subject to further 'salami slicing'. We urge Ofcom to use its influence in the CEPT and other international fora to resist both a co-primary allocation and any alternative measures which would see DTT squeezed out of any part of the 470-694MHz band. Should the clearance of the 700MHz band go ahead, any further loss of spectrum would inevitably lead to a diminished DTT service, undermining the central appeal of the platform and its ability to deliver the public benefits policy makers seek.

We set out our response to this consultation and specific questions below and look forward to working with Ofcom and the UK government to ensure a successful WRC-15 outcome for the UK and for DTT viewers.

Responses to questions follow.

3. Responses to questions

Question 1: Do you have any comments on the mechanism for UK preparation for WRC-15 and the role of Ofcom in this process

Ofcom has established a largely effective process for co-ordinating views of UK stakeholders ahead of wider WRC engagement. However, we suggest below a few steps which could further benefit Ofcom and industry stakeholders in this process:

- In March 2013, Ofcom published a Call for Inputs, *Future demand for mobile broadband spectrum and consideration of potential candidate bands*. A number of stakeholders, including UK multiplex operators responded to help inform Ofcom's position on Agenda item 1.1. We suggest it might be helpful if future consultative processes conclude with a response to stakeholders' views
- The International Frequency Planning Group (IFPG) Working Group D is the forum in which stakeholders discuss preparations for WRC-related meetings considering agenda items 1.1 and 1.2. Ofcom indicated in discussions with the BBC that it may consider submitting some UK papers to WRC preparatory meetings without reference to IFPG Working Groups. We believe IFPG meetings are vital to the process of WRC preparation and urge Ofcom to ensure members have the opportunity to review all relevant papers
- Finally, in order to allow reasonable preparation time, we would suggest that IFPG papers are circulated to stakeholders no less than three working days prior to a meeting

Question 2: Do you agree with the prioritisation of the agenda items, as shown in Annex 6 and, if not, why?

We agree with Ofcom's prioritisation in Annex 6, in particular the recognition of Agenda items 1.1 and 1.2 as being of high importance as well as the priority that needs to be given to identifying Agenda items for the next WRC.

Question 3: Do you agree with Ofcom's general approach on WRC agenda item 1.1?

While we agree with Ofcom's proposed position on this agenda item, both it and the UK Government will need to make concerted efforts to influence the position of CEPT countries on this crucial issue. It is unfortunate that while Ofcom has been formulating its position, a disparity has developed between the view set out in its Mobile Data Strategy (that clearing 470-694MHz is not a priority for the foreseeable future) and the CEPT position which has not precluded identifying this band as a candidate for IMT.

Ofcom will, of course, be aware that studies undertaken as part of the CEPT process demonstrate two key findings:

- There are significant cross-border interference issues in deploying high power broadcasting services at the same time as IMT based systems. These demonstrate that there is no real scope of rolling out both networks at an individual administration level
- Most administrations in Region 1 intend to use *at least* the spectrum 470-694MHz for terrestrial broadcasting services for the foreseeable future²

It is, therefore, clear that this band should not be supported as a potential candidate band in the CEPT and ITU process. As highlighted above, we would hope that Ofcom will use this and other evidence to mount a strong case internationally and to build a consensus against co-primary allocation of the 470-694MHz band among other CEPT members.

Question 11: Do you agree that we should oppose a co-primary allocation at WRC-15 for the band 470-694MHz?

We welcome Ofcom's proposal to oppose a co-primary allocation for 470-694 MHz at WRC-15. We have long argued that a co-primary allocation is not only unnecessary but also creates serious risks for the UK's most popular television platform. Far from being a mere enabling measure for mobile, it would have a profound and negative impact on the terrestrial broadcasting sector.

Our views on the implications of a co-primary allocation have been well rehearsed since agenda item 1.1 was formulated at the last WRC. However, we set them out in brief below in the context of this consultation.

The UK policy position on DTT

Over the past two years, a number of documents have been published in the UK confirming that free to view television will be sustained by DTT for the foreseeable future. We welcome this objective from Ofcom and Government and note, in particular, that Ofcom's May 2014 discussion paper (The Future of Free to View TV) set out the public policy benefits delivered by a strong free to view offer:

- Free at the point of access (i.e no subscription)
- Universal availability
- Direct access to audience unencumbered by "gatekeepers"
- A competitive channel choice

² ITU Document 6A/325-E, 6 November 2013

These public statements provide some comfort for the DTT sector in preparing for the future and clearly should set the foundation for a number of subsequent policy positions, such as those relating to spectrum access.

DTT returns greater value from spectrum than mobile

We are explicitly not arguing that DTT should have access to UHF spectrum because of an incumbency right of use. In January 2014, Communications Chambers published a report³ that we commissioned outlining, on an incremental basis, the greater economic value for DTT use of UHF spectrum in the UK in comparison to mobile.

That report will shortly be augmented by an Aetha study with a wider geographical scope, assessing the case for using the 470-694MHz band across all 28 EU Member States. In this report - commissioned by EBU, BNE, BBC and Arqiva and due to be published in full in October 2014 – the value of broadcasting use of 470-694MHz in the EU is shown to be significantly greater, over a fifteen year period, than for mobile.⁴

This analysis utilised the most aggressive mobile data demand forecasts being used to assess the mobile value of UHF. The consultants concluded that, on this basis, there is no case for a co-primary allocation for mobile in 470-694MHz at WRC-15.

The Aetha report finding is consistent with Ofcom's own Mobile Data Strategy findings which concluded that 470-694MHz is not a priority for clearance for mobile services before 2030.

Mobile data demand forecasts are uncertain and have an established history of being overstated

We have previously set out in some detail our concerns with current mobile data demand and spectrum forecasts⁵. It is important that this issue is effectively addressed as the pressure on policy makers to find ever more frequencies for IMT has been created, in no small part, by impressive and improbable demand forecasts by the mobile sector and (some) analysts.

With that in mind, Ofcom's Mobile Data Strategy suggestion that data demand will, at a mid-rate, increase by a factor of 45 between now and 2030 was of interest. This is somewhat lower than forecasts being developed at the ITU and, once more, highlights the risks of basing immediate policy decisions on forecasts that will always be tentative in nature and subject to change. Indeed, the ITU forecasts, themselves, have recently been subject to

³ *The value of Digital Terrestrial Television in an era of increasing demand for spectrum*, January 2014

⁴ The key finding of the report was published at the September 2014 IBC, namely the value of EU DTT use of 470-694MHz is calculated as £38.5bn compared with £0-10.3bn for mobile.

⁵ In particular, our response to Ofcom's *Call for Input on WRC Agenda Item 1.1* in May 2013

http://stakeholders.ofcom.org.uk/binaries/consultations/cfi-mobile-bb/responses/UK_DTT_Multiplex_Operators.pdf

rigorous challenge by LS Telcom *et al* in a paper⁶ which casts doubt on data demand forecasts being adopted formally by an ITU working group.

This is in an environment, as Ofcom will now be well aware, where other industry mobile data demand forecasts⁷ have been reduced in recent years. Separately, but related, the extent of Wi-Fi off-load has been found to be much greater than originally envisaged⁸.

The DTT platform needs certainty when planning for its future

Ofcom's 'The Future of Free to View TV' discussion paper sets out the challenges facing DTT over the coming years. We and our members are focused on rising to those challenges and ensuring DTT evolves to meet the expectations of audiences. This includes developing a Freeview-branded connected proposition, launching more HD services and increasing spectrum efficiency.

Reasonable security of spectrum access is critical to delivering these and other changes which will ensure DTT is able to fulfil its potential. Uncertainty over access to UHF frequencies for future mobile use, notably the 470-694MHz band, would inevitably have a significant impact on platform operators' and channel providers' ability to make investment decisions in the future⁹.

A UK position against co-primary is therefore a critical element in providing the vital long-term security for DTT to plan its future.

Question 12: Do you agree that the UK should continue to support harmonisation of 694-790MHz for mobile broadband and an out of band emission limit for protection of DTT reception in an ITU-R Recommendation, alongside an acknowledgement that 694MHz should be the lower frequency boundary for the band?

If the UK remains committed to clearing the 700MHz band then it should ensure that this is done on a harmonised basis. This would ensure maximum spectrum efficiency as it would relate to any future mobile services as well as facilitating adequate protection to DTT from any IMT services that are deployed in the 700MHz band.

We fully support the UK position with regards to any potential use of the guard band between 694-703MHz, namely that any use of these frequencies should be at the discretion of individual administrations.

⁶ See ITU Document 4-5-6-7/573-E, 18 February 2014

⁷ See, for example, <https://gigaom.com/2013/02/09/is-cisco-stacking-the-deck-with-its-mobile-data-numbers/>

⁸ For example, In its April 2013 report for the European Commission, *Study on Impact of traffic off-loading and related technological trends on the demand for wireless broadband spectrum*, WIK and Aegis stated "Taken as a whole, the data off-load ecosystem turns out to be much larger, richer, and more complex than expected".

⁹ As we referenced in a recent letter to DCMS, the German broadcaster RTL, facing the same uncertainty in spectrum access, made an announcement that it would leave the DTT platform. Only an announcement by the German government that it would not support co-primary allocation for 470-694 MHz at WRC-15 led to a reversal of that decision.

Moreover, we endorse the UK's approach that all IMT services should use spectrum within the 700MHz band plan *above* 703MHz.

However, we do also note that the spectrum between 694-703MHz could be used on a harmonised band for PMSE on a non-interference, non-protected basis which we support.

To minimise the risk of harmful interference into DTT services in channel 48 and below, we encourage Ofcom to consider additional mitigation measures to limit out of band emissions from IMT services. Possible ways of achieving this can be investigated as part of future consultations on 700MHz auction design.

Finally, the use of the duplex gap should not be overly restricted and Ofcom may wish to consider whether DTT could be allowed to use channels 55 and 56 to enable further DTT service provision.

Question 42: Do you have any comments regarding UK positions for future WRC agenda items?

Agenda item 1.1 has created significant difficulties for the DTT sector, creating uncertainty and a serious threat to the services we provide. We understand that UK colleagues from other sectors have experienced similar issues caused by the seeming constant challenge to ongoing spectrum access by demand for spectrum for mobile. We set out elsewhere the specific nature of our concerns but, clearly, agenda items such as 1.1 could have a chilling effect on future investment decisions for a number of different industries.

As a result of this, we would urge Ofcom to oppose any future agenda item with such a broad and ill-defined scope. In particular, we believe that *any* future agenda item which seeks to find additional spectrum for IMT is rigorously informed by evidence that demand for mobile services actually require additional spectrum to those already available to mobile operators.

In terms of any outcome as it relates to 470-694MHz, studies have conclusively demonstrated DTT and IMT cannot co-exist and that administrations intend to use this band for DTT for the foreseeable future. As a result, we would not expect future agenda items to propose co-primary on that basis.