

PUBLIC CONSULTATION ABOUT THE RSPG OPINION ON EU SPECTRUM POLICY IMPLICATIONS ON THE DIGITAL DIVIDEND

BBC COMMENTS

The BBC welcomes the opportunity to present its comments on the Radio Spectrum Policy Group (RSPG) opinion about the EU spectrum policy implications on the digital dividend.

The BBC agrees that, on the issue of the digital dividend, there should be no attempt to determine a uniform solution which could apply to all Member States. It should be up to each individual Member State to decide on how the digital dividend will be used in their country. However, it is useful to consider whether a degree of coordination at European level might help maximise the digital dividend.

We share the views expressed in the submission from the European Broadcasting Union (EBU) but would like to emphasize a few points which seem to us particularly important.

1. The notion of digital dividend

The digital dividend is not “the spectrum made available over and above that required to accommodate the existing analogue services”. Such a definition does not reflect the reality of the broadcasting offer in countries which have already launched DTT, nor does it take into consideration the need, in the countries which have not yet done so, to give some form of incentives to consumers to get them to make the switch and invest in digital equipment. If consumers can only get the existing analogue channels in digital form, if there are no extra benefits for consumers in terms of increased number of channels, switchover will simply not happen by the deadlines set for it (2012 in the UK, 2015 EU-wide), and there will be no digital dividend at all.

2. The specific case of PSBs

Amongst the various duties which Member states assign to their PSBs, universality is essential. In the UK, it has been calculated by the Government and the regulator that for a variety of reasons, e.g. geographic (absence of line of sight to the satellite); planning constraints; or simply because they rent a property without any satellite installation, some consumers would have no access to television at all in the absence of a terrestrial platform. Only a combination of platforms maximises coverage. This is why, to ensure that no consumers lose television reception, the UK government requires that PSBs to reach the same level of coverage in digital terrestrial as they now reach in analogue, i.e. 98.5%. In doing so, PSBs are also required to minimise the need for replacing aerials and, therefore, the cost to consumers. Arguably, different decisions may have led to the release of a larger volume of spectrum and a higher “digital dividend”, but they would have also made switchover a more challenging proposition..

The optimum amount of the “digital dividend” depends on a broad range of factors. The success of switchover depends on striking the right balance between efficiency in spectrum use, technical robustness, and the appeal for consumers of services offered in an all-digital environment. Governments must manage trade offs through careful compromise, between a hypothetical maximum amount of spectrum which could be released (the whole spectrum currently used by analogue terrestrial channels), what is acceptable to consumers, and models which industry can find sustainable. Only a cost-benefit analysis of different options can lead to a decision on what the “digital dividend” should be.

3. The need to encourage take-up of digital services

As previously said, one essential element to consider is what would maximise the consumers’ willingness not only to take up digital services, but also to switch to digital-only viewing. Incentives include both a greater choice of services and better picture quality, such as the move to HD.

4. Some spectrum should be allocated to HDTV

Consumer expectation and demand indicate that HDTV is likely to be a requirement for all broadcast platforms going forward. In the UK, terrestrial HDTV tests have already been carried out and have been well received by the viewers.¹ However, it is not possible to introduce HDTV on a significant scale before analogue switch-off, because HDTV requires additional spectrum, over and above that allocated for standard definition services.

The sales of 'HD Ready' flat panel displays are growing rapidly. It is likely that all new displays will be HD capable in the near future. To-date, consumers do not get the full benefit of their investment: such displays require twice the bit rate as traditional CTR screens to offer comparable quality, even in standard definition (and four times as much in order to deliver HD quality). Without more spectrum, broadcasters cannot respond to consumer demand.

A move to a more efficient compression technology such as MPEG4 could help solve the issue. It would reduce the bandwidth needed to deliver good quality images on large panels.

However, in the UK, where three quarters of the households have already invested in digital equipment, consumers will not accept another technology change if they have no extra benefits. It would be damaging to the prospects of digital transition if consumers should only discover after acquiring expensive equipment that, in order to receive HDTV, they have no choice other than connecting to a specific platform. This might well create confusion and diffidence.

The offer of a few HD channels would incentivise DTT viewers to upgrade their equipment to MPEG4. There are ultimately new spectrum gains to be made, when the adoption of MPEG4 becomes universal.

5. PMSE

¹ Attach the HD DTTTrial report [if not the report at least its full reference and a web link if one exists] ?

The BBC believes it essential to ensure that sufficient spectrum is allocated to Services Ancillary to Broadcasting or Ancillary to Programme making (SAB/SAP) which are essential for program production activities, and are increasingly needed, due to the increase number of channels.

The VHF and UHF frequency bands are also intensively used for access services in stadiums and theatres. This is complementary to programme making and the continuity of these must be maintained.

If this should not be the case, switchover to digital would mark a deterioration in production capacity.

6. Non mandatory decisions for administrations to make available one or two layers for high field strength downlink services in a sub-band of UHF band, and for use by fixed/mobile services (including uplinks) in a sub-band of UHF band.

The BBC would like to emphasise, as detailed in the EBU submission, that such determination might be very difficult, as part of this spectrum is already used. The necessary re-planning task would be very complex and lengthy.

The BBC also believes it not realistic to plan for a conference of the Chester, or a fortiori a RRC-06-type conference, in the 2010-2012 timeframe, though more limited bi-or multilateral negotiations might be lead to some re-planning.

7. Non-broadcasting services

a. The issue of interference

The RSPG indicates the specific case of fixed/mobile applications (including uplinks) as non-broadcasting candidates for the digital dividend in the UHF band.

The BBC strongly supports the EBU's point that compatibility studies between the broadcasting service and the fixed/mobile services (including uplinks) should be carried out to assess the feasibility of sharing the bands, and emphasizes the need to protect broadcasting services from harmful interference. The need for adequate protection is paramount given the rapid failure characteristic of digital broadcast reception.

b. A global spectrum approach

There might be other bands available for non-broadcasting services which should also be taken into consideration, For example in the UK, OFCOM has just launched a consultation on proposals to auction licences to use three spectrum bands: 2500-2690 MHz, 2010-2025 MHz and 2290-2300 MHz. In total 215 MHz will be available, compared with 112 MHz for the DSO-related dividend. The BBC believes that the global approach followed by OFCOM is able to secure the optimal use of spectrum this finite and valuable natural resource. The BBC also believes that regulators should not only look at the "DSO dividend" but at the whole free or releasable spectrum to accommodate new services.

For additional information please contact Matteo Maggiore, Head of EU and International Policy, BBC, Rue Wiertz 50, B-1050 Brussels, Tel. +322 2869105, fax +322 2869107, email: matteo.maggiore@bbc.co.uk