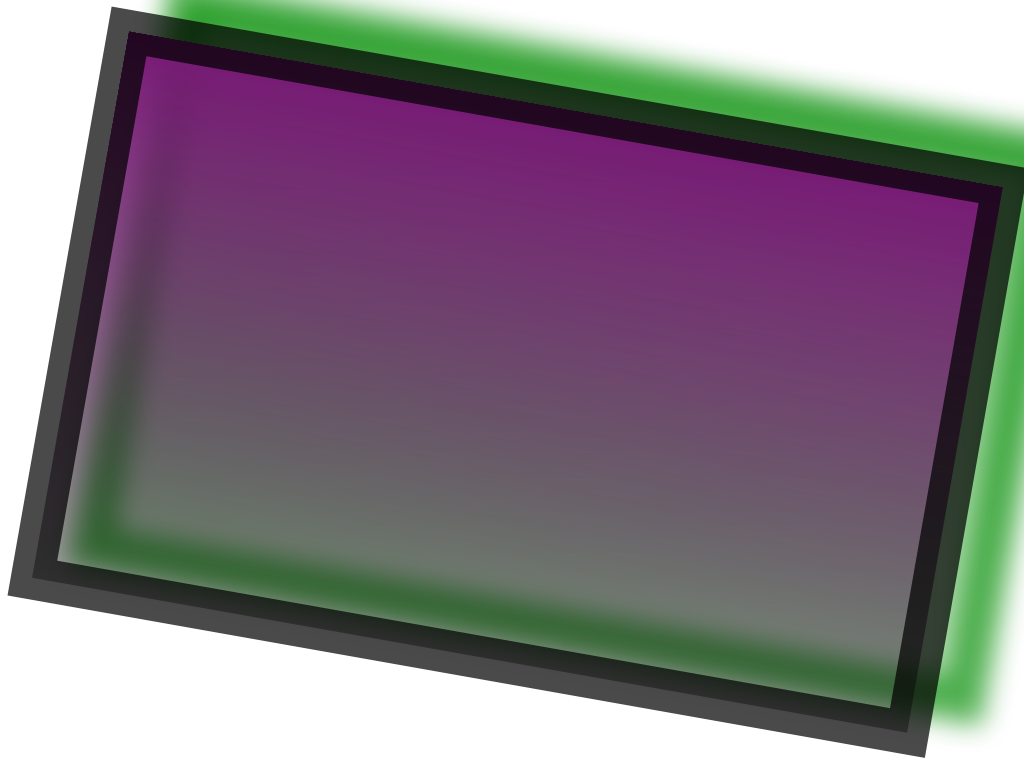


**Response • Ofcom's Digital dividend: 600MHz band and geographic interleaved spectrum • from the Institute of Local Television**



**Response • Ofcom's Digital dividend: 600MHz band and geographic interleaved spectrum • from the Institute of Local Television**

## List of Attachments as Background

I've attached some recent submissions on local public service television made in response to consultations during and following the Digital Britain consultation

### *Digital Britain Response. pdf*

The submission to Digital Britain from the Scottish Local TV Federation

### *dcms-response.pdf*

Responding to the DCMS IFNC consultation. This response adds to a submission initially prepared by the South of Scotland local TV working-group.

### *IFNCExtract.doc*

An excerpt from the South of Scotland News Federation proposal/bid for a discreet 'South of Scotland' IFNC pilot.

### *IFNC Response – APPENDIX 5.pdf*

The more recent South of Scotland News Federation submission made via the Institute of Local Television to address the regional news deficit in the South of Scotland. The 'South of Scotland question' was trailed as something to be addressed by the IFNC pilots<sup>1</sup>.

### *Technical and Scotland Response to Roger P.doc*

I have also attached the Institute of Local Television's response to Roger Parry's City TV proposals made for the Tories in June 2009. This response was drafted at the suggestion of Jeremy Hunt's office, to address technical issues for the delivery of local TV across the UK and to outline the opportunities offered by the 'abundant spectrum in Scotland' (Arqiva)

### *ILTCALMANCOMBINED.pdf*

Two responses on broadcasting to the Calman Commission on Devolution, advocating the principle of subsidiarity for 'regulation/oversight' of broadcasting conducted on a local and community scale.

## Introduction to background attachments

(My apologies for the volume of background papers. But I've avoided re-submitting consultation responses forwarded to Ofcom since 2007-08.)

In the intervening years following the Ofcom consultations our emphasis has remained to secure 'local public service television' for Scotland (and with colleagues, for services across the UK). Many of the submissions reproduced here as attachments have been made in parallel with responses made by colleagues in ULTV (United for Local Television).

However, some distinguishing features of the 'Scottish deficit' have been drawn out further over the past two or three years. Differences of approach have emerged in anticipation of the impact of collapsed advertising revenue on regional and local newspapers (and the subsequent local newspaper support apparent for local TV in Scotland) as well as the crises in regional television and the compounded crises of STV outside ITV as a 'Channel 3' component. In particular from Scotland we have been able to respond to the Westminster Government's initiatives to enlist local TV to help maintain public accountability at the civic scale, most recently through the IFNC (Independently Funded News Consortium) pilot submissions and on-going local TV working-group development in Scotland.

- *What is the 'South of Scotland Question'?*  
Scotland does not have a commercial nation-wide TV regional or nation news and current affairs service to match BBC Scotland's news service. The public resistance

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<sup>1</sup> Stuart Purvis has been copied the documentation we submitted as part of the IFNC process.

to the merger of Border TV with TyneTees has added additional weight to the call for a 'South of Scotland TV' service (that has control over news from within this area of Scotland). The IFNC Panel stepped back from addressing the missing South of Scotland news, although the early IFNC PQQ documents did flag up the Government's desire to find a satisfactory solution to deliver relevant news and programming for the South of Scotland.

- *A nation-wide Scotland service?*  
Ofcom and DCMS have expressed a view that at the next ITV licence round in 2014 a Scotland-wide commercial franchise should be offered. Regardless of the Tory approach to favour City TV it is unlikely that commercial TV for each *nation* will be abandoned (?). A City TV service in Scotland based solely on a single service from each transmitter would provide a service reaching half the population from Scotland's largest of its fourteen transmitters. We suggest nation-wide Scotland service including the South of Scotland should be accompanied by a more civic scale of local TV. Perhaps then the regional TV cuckoo will leave the local TV nest.
- *A thousand flowers bloom*  
Spectrum in and around the television bands in Scotland is abundant. On written advice from Arqiva we understand that spectrum is sufficient to provide an additional mux (the 'seventh mux') that is capable of delivering between 3 and 7 channels (or video streams) throughout Scotland offering near to universal access on a relevant local scale. Careful selection of the mux modulation at each transmitter will optimise the balance between the number of channels transmitted on each mux and the distance covered by signal from each transmitter.
- *Scotland is a different, diverse and large but mostly it's a low populated place*  
The Scottish Government believes that *local television should not compete for spectrum if it is to offer a public purpose*. The Scottish Parliament approves local public service TV. Local TV is also supported by the Cross Party Scottish Broadcasting Group in Westminster and the Cross Party Media and Culture Group in Holyrood. There have been tentative moves towards regulating Scottish programmes from closer to the nation (Calman). The Scottish Broadcasting Commission is another tentative supporter of local TV. The 2008 and 2009 TNS System Three polls show public support favouring a more local scale of TV than regional TV is able to deliver (on the single Channel 3 frequency).

## Summary

Our response is directed towards the following Consultation questions:-

**Question 7:** *Do you have any comments on our assessment of the most likely uses of the 600 MHz band and geographic interleaved spectrum? Are there any potential uses we have not mentioned that should be considered?*

**Question 8:** *Are there any distinctive considerations and uses for this spectrum in the nations and regions of the UK?*

**Question 11:** *What information can you provide on packaging and award-design considerations?*

But on ...

**Question 10:** *Do you have any comments on our intention to maintain a market-led approach to awarding the 600 MHz band and geographic interleaved spectrum?*

our view is unequivocally ...

- ***re-think this approach!*** Before introducing a market-led approach to spectrum access Ofcom should ensure that universal coverage can be achieved in each civic area. Universal coverage is vital for ensuring public purpose is achieved by local public service television
- The market-failure of regional TV news (and the threats to newspapers advertising revenues) have given rise to the recent the IFNC pilots with public funds. Following *Digital Britain* the IFNC proposals supported the engagement of local TV in the inclusion of local as well as regional news scales in future public service news media.

The 'new' public service priority to include 'localities' should now be factored into public service spectrum requirements by Ofcom before introducing a market-led approach to control spectrum as the universal means of distribution for local TV - ***because a market-led approach could exclude those public service developments/consolidations recently acknowledged as being important and subject to offers of public finance.***

While on ....

**Question 12:** *When would you like to start operating new services using the 600 MHz band and/or geographic interleaved spectrum?*

.... we would suggest 2012 as the start date for new services in Scotland on the assumption that by 2012 Ofcom will have conducted (or have underway) an assessment of the scope of regional Channel 3 licences (in Scotland) in the run-up to licence renewal in 2014.

In the balance of our response we will address **Questions 7, 8 and 11.**

Our focus remains 'on Scotland' but on some technical matters several of the contributions (as attached) have a UK-wide relevance.

## Response

The Institute of Local Television is responding to Ofcom's request for '*input on potential uses of the spectrum and on their level of interest in acquiring it*' (1.2).

We hope that the attachments provide a strong indication of the extent of our interest (and that of the many stakeholders we have tried to represent in Scotland)<sup>2</sup>. We hope that together with the legacy of long-standing submissions made to Ofcom, the regulator will read an unambiguous and strong view from Scotland - of the economic and social purposes to which in-band spectrum – if offered appropriately – will be put.

Our interest in this is not framed by commercial objectives but by public interest.

We believe that a strong public purpose model and enthusiasm for an equality of provision requires Ofcom to re-frame '*how we (Ofcom) design its (spectrum's) award*' (1.5).

Alan Stewart at Ofcom Scotland has been able to provide a partial clarification of one particular point that I think is crucial to how the 'abundant' spectrum in Scotland is used. I asked Alan whether the abundance of spectrum in Scotland necessitates competition to determine its use. Or, might the competing uses identified (some at the meeting in Scotland

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<sup>2</sup> As identified in our attachments and submissions to Ofcom since February 2008.

on Friday 23<sup>rd</sup> April) be accommodated all-together – perhaps with some public purpose priority to differentiate in-band from out-of-band.

Our public purpose view is that services that require new receiving technologies should not occupy bandwidth in each relay and transmission area that can be used for services for reception on the installed base of domestic TV aerials.

We suggest that together with public investment in TV transmission (via licence fee directly) and individually in the installed base of domestic TV receiving aerials there is significant public value located in the ‘in-band’ spectrum.

Should in-band spectrum be constructed to offer a *public service multiplex* then we believe this asset has overwhelming democratic ‘citizen’ potential that should not be sacrificed in favour of a partial cherry-picked commercial or market ideology.

As Ofcom says (3,23) ... ‘*local TV has the potential to deliver public purposes*’.

But without universal access public purpose is frustrated and *public purpose reduces massively if a service is unable to offer universal access in its local arena*<sup>3</sup>.

I think Alan Stewart was able to make a sufficiently positive response on universal coverage in Scotland. But the lingering vagueness does suggest that Ofcom should carry out a comprehensive analysis of how all services that require in-band spectrum to deliver public purpose might be accommodated. Furthermore, we suggest that Ofcom should steer those new services that *do not require TV aerials and in-band signals* to the remaining parts of the interleaved spectrum.

Alan wrote (29/04/10):-

Regarding the potential coverage going beyond 84% and the position of Arqiva, I confirm we don’t know for sure what level of coverage could be achieved if the relays are included.

In addition, is there sufficient spectrum to avoid competition for spectrum between possible services?

The best answer I can provide to this is maybe. It depends where the various uses are expected to be deployed. For example broadcast use on a particular channel does knock out its use for broadband for quite a large radius around the broadcast site due to interference. The answer would depend upon coverage aspirations and required protection for each of the technologies. There are almost certainly frequencies outside the optimised channels that could be used for non-broadcast use. Where and how much would depend upon the uses envisaged and the degree of protection we want to give to broadcast reception.

It seems to me that for this Consultation we should be closer to knowing the capacity and location of the released spectrum, and particularly to know before submission whether or not Arqiva’s positive view of the ‘seventh muxes’ to offer ‘universal coverage’ is in fact ‘accurate’.

In point 1.8 Ofcom suggest that the spectrum would be cleared for new services to start in 2012. This date is close to the date when decisions will need to be made about the future scale and scope of the Channel 3 licences coming up for renewal in 2014. We suggest that a comprehensive and integrated analysis of local/regional/nation TV delivery capacity for

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<sup>3</sup> For example, the willingness of the two councils in the South of Scotland to support local TV development is dependent upon the service achieving universal coverage, enabling them to support a service available to all but also to enable local public services to be delivered to all.

public service/public purpose TV should be undertaken – to provide a ‘national-local public service TV plan’ with local as an equal component.

This plan should accompany greater public clarity on Ofcom’s part on the availability of in-band spectrum. The work needs to be undertaken to ensure that sufficient in-band spectrum is available from the digital dividend to ensure that local and regional TV (where still applicable) as well as nation TV can be delivered on a PSB scale from 2014 onwards.

So on the Consultation’s point 2.5 we *disagree as strongly now as ever with the view that all the spectrum be taken to market*. We believe Ofcom should peek over the tops of its internal silos and acknowledge that the IFNC initiative accepted and promoted the need for public intervention to support local public media and that this intervention has removed the commercial monopoly on delivering solutions for local TV – certainly for those services that have always maintained that their objective is to serve ‘public purpose’.

All spectrum use is fundamentally a ‘local use’. Though no spectrum regulation (yet) is subject to local determination. ‘UK regulation’ needs to turn its ‘spectrum telescope’ the ‘right way around’ to ensure that local purpose includes ‘locally accountable use’.

**In-band spectrum capable of delivering local TV on a universal and civic scale represents a massive public, social and economic benefit, warranting this spectrum’s separation from the remaining spectrum that can *only* provide a maximal or cherry-picked service and from that spectrum that is out-of the local broadcast band.**

**The spectrum in Scotland that has been represented by Ofcom and Arqiva as able to comprise a ‘seventh mux’ is of outstanding public value and must not be allocated by markets that would destroy its local *and* nation-wide integrity.**

**By breaking up the ‘seventh mux’ or by abusing its network capabilities Ofcom would be making a political decision to deny this universal communications platform delivered on the in-band seventh mux spectrum. Correctly planned, in Scotland there is sufficient spectrum to satisfy both public and commercial demands.**

### **On the Consultation’s Developments since 2008 (Section 3)**

I would add the following to Ofcom’s points outlined at the start of Section 3:-

- *Digital Britain* emphasized the Government’s support for local TV – directing local TV to find partners in the IFNC pilots
- Since 2008 the DCMS has encouraged local TV to work with local newspapers to find a common cause to achieve a non-competitive local news and current affairs solution that might add-to rather than subtract-from local news services
- The Manchester and Cardiff spectrum auctions were not a success – there is no evidence that these ‘assets’ will be sold-on if not used (Government adviser Martin Cave suggested: trade would be the underpinning logic that would deter spectrum hoarding under self-regulation. This seems unlikely in the current circumstances <sup>4</sup>).

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<sup>4</sup> See ILTCALMANCOMBINED.PDF page 4/5 ‘Support for markets as communications regulators for spectrum is presented as offering positive social as well as economic outcomes for national (UK) benefit. “Trading [spectrum] will give firms an incentive to husband the nation’s resources of spectrum and direct it into the most profitable uses” (Cave 2006:6)... As the Government’s principal adviser on spectrum trading, Martin Cave did not demonstrate how communications markets would improve spectrum efficiencies over regulation. In linking ‘improved efficiency’ with commercial incentive, Cave and Ofcom have effectively conflated the objective to achieve an ‘efficient use of spectrum’ with ‘spectrum’s commercially efficient use’. A real test of spectrum efficiency in the public interest is whether or not specified and declared public objectives can be achieved by commercial means, following the removal of public intervention, planning and regulation’.



- The Scottish Government supports local public service television accessing spectrum without commercial competition

On the Consultation's point 3.9 we would reiterate that the IFNC pilot process has failed to address the inclusion of local TV by favouring the big bidders, by accommodating ITV and following European process – and by putting these ahead of support for service demand and local capacity to innovate and to deliver.

In point 3.19 we acknowledge the evidence Ofcom has found for *'the growing importance of content aimed at local audiences and the potential for new models of delivering such content.'*

On point 3.22 we draw Ofcom's attention to work to identify different scales of local TV – not least the work of TNS System Three to distinguish local from regional in Scotland (2008 and 2009 in reports commissioned by the Scottish Government).

The forty-year long self-serving 'difficulty' of distinguishing 'regional' from 'local' should not now be replaced by the false confusion of a local scale with community or neighbourhood <sup>5</sup>.

We support the balance of point 3.23

3.23 As regards local television, we noted it has the potential to deliver public purposes, whether through commercial or not-for-profit services. The success of community radio in particular shows voluntary and community-based local-television services may play an important role in the local-media sector in the future.

But we would suggest that spectrum is placed on an even plane to enable not-for-profit (that is - not-for-profit-distribution) and social enterprise solutions to succeed in accessing spectrum alongside but not in competition with commercial players. As noted, Ofcom has not penalized those hoarding spectrum gained by those spectrum auctions in advance of the recession (that some economic advisers seemed to believe would never again intercede).

Work undertaken for the IFNC pilot bids provides ample evidence that there is initiative/commitment to be un-locked once access on Freeview in each home (in each identified local area) is no longer a hurdle that stands in the way of local TV.

The view made in point 3.24 is noted. From our studies and meetings throughout Scotland <sup>6</sup> a social enterprise licence (as the local equivalent of a PSB licence) can include commercial as well as public/community stake-holders. This approach will avoid identifying service opportunities that might benefit only the metropolitan easily reached (commercial scale) viewer at the expense of the (less commercially viable) rural more difficult to reach viewers.

Local commercial media participants (say a local newspaper as part of a newspaper group) can be involved in a social enterprise without compromising their own business model and without adding unduly their own commercial risks to the overall viability of this new *public service* venture.

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<sup>5</sup> Regulation in the past has deliberately confused and conflated local (See *Mapping Regional Views*. IBA/ITC 1989) and efforts to distinguish the two (*Pride of Place*. ITC 2002). Both seem to have been thwarted by regulatory dictat. most recently according to a conversation with researcher/author Jane Sancho about the ITC's role in intervening to redirect findings in her study *Pride of Place*.

<sup>6</sup> Annual Local TV Forums held across Scotland and more regular local TV working group meetings as well as e-mail dialogue with local authorities, enterprise companies, newspapers, producers, educational bodies and community organisations since 2005.

We also favour the hybrid local TV approach proposed by Ofcom in point 3.25...

3.25 .... a hybrid service. Local-television stations would broadcast content specific to their local area, but at the same time they could join together to create syndicated content, available to viewers of all member stations. Syndicated content could be broadcast at specific times, or member stations could decide when to schedule it themselves.

However, we do not think that the consequences of proposals in 3.28 and its footnote have been sufficiently thought through:-

3.28 Another approach would be to use geographic interleaved spectrum for local-television services. Use of this spectrum could enable local television to be delivered in a large number of locations across the UK, but it would not deliver universal coverage. Operators might use the spectrum to create a network of local stations around a single sustaining feed of content. Alternatively, operators might bid for individual lots of interleaved spectrum to run local services independently of each other.

*Ofcom footnote to the above:* The Conservative Party published a consultation on 15 July 2009 on creating viable local multimedia companies (LMCs) in the UK (see news release). It proposed LMCs would operate DTT services under local-television licences. The most effective way of allocating these new licences would be for us to award them as a single bundle, by auction, to a band manager responsible for assigning individual licences to LMCs. The licences would be based on the 81 localities we provisionally identified for the geographic interleaved awards in June 2008.

And we have addressed these and similar suggestions offering improvements that might be made in our response to Roger Parry's paper for the Conservatives <sup>7</sup>.

However, we agree(ed) with the spirit of point 3.29 ... *but find that in spite of efforts at meaningful local intervention in the IFNC this has yet to come to pass:-*

3.29 The Government's proposals for IFNCs could also create an important platform for the future development of local-television services by providing cost synergies that could make it more economically attractive to set up local-television services alongside regional news.

Having worked to be included in the IFNC process we would draw attention to the IFNC panel's inability to support 'new' and 'small' participants, because the process favoured the large-scale incumbents and suppliers (to recruit in the 'local'). This characterization was a self-criticism levied from within by an adviser to the IFNC panel <sup>8</sup>.

On point 3.38 we support Lord Calman's (limited) view that *'the influence and responsibilities of Ofcom Scotland should be strengthened, and there should be specific representation for Scotland on the Ofcom Board at UK level'*.

Over the last two years Ofcom has refined its approach to public services in the nations and regions by adding 'localities'. How spectrum is allocated and parceled after this current Consultation will illustrate whether there has been at Ofcom a more relevant and appropriate representation of Scotland (and of its localities).

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<sup>7</sup> See - Technical and Scotland Response to Roger P.doc

<sup>8</sup> We think that the IFNC fund was a potentially good and necessary intervention but suffers from poor assessment of regional TV and TUPE implications, suffered poor execution under pressure of too limited a time-frame. However we responded to the sympathy of the panel to see a new approach but were saddened that this appeared to be overtaken by the burden and consequence of process.



We are keen to see a stronger more locally sensitive regulation.

In our representations to Calman<sup>9</sup> we suggested the appropriate regulatory emphasis for local public service television/media should be based on the principle of *subsidiarity* – that is to bring local (public service) channels under local (independent) control - rather than (merely) to offer devolution to each nation's parliaments/assemblies: from a local viewpoint that would simply exchange one remote urban centre for another.

In response to the Consultation's Section 4, 4.1 we would reiterate that the spectrum comprising the 'seventh mux' should be packaged to provide national as well as local universal delivery, providing universal access for each of the sixteen local TV stations identified by the Scottish Local TV Federation and as outlined in the attached *Digital Britain Response.pdf*.

By name/area these sixteen stations are:-

- Shetland TV
- Orkney TV
- Central TV
- Highland TV
- Glasgow (Clyde) TV
- Western Isles TV
- Argyll & Bute TV
- Ayr TV
- Lanarkshire TV
- Edinburgh (Lothians) TV
- SoSTV (Dumfries & Galloway)
- SoSTV (Scottish Borders)
- Fife TV
- Perth & Kinross TV
- Angus & Dundee TV
- Aberdeen/shire TV
- Moray TV<sup>10</sup>

We would suggest that for Scotland these sixteen local TV channels should be introduced in the run-up the ITV/STV licence renewal of 2014 when the local channels can be joined by a Scotland-wide service on Channel 3 (possibly with news running as a joint local-national venture).

## Engineering

In the paragraph titled 'Scotland' Ofcom assume use of the 64QAM modulation whereas there are a number of modulations that can be mixed and matched to provide appropriate range and density of coverage. For instance, for rural areas it is necessary to favour distance reached over the number of channels carried on the mux to all redistribution from the outlying relays.

In a detailed discussion underway with Arqiva on behalf of the South of Scotland an

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<sup>9</sup> ILT-CALMANCOMBINED.pdf

<sup>10</sup> A map appears in the *Digital Britain Response.pdf*

alternative modulation was recommended for this area <sup>11</sup>. Modulation can be varied transmitter by transmitter and this will help ensure that relays at the outer edge of a transmission area are reached with signal.

### Scotland

4.64 Optimising interleaved spectrum in Scotland would give higher coverage than the straightforward aggregation of Scottish geographic interleaved lots (the NGW study referred to in paragraph 4.11 shows this). In light of this and responses to our June 2008 consultation on the geographic interleaved awards, we authorised Digital UK to proceed with a revised DSO plan in Scotland. If the five optimised channels were used for two additional new DTT multiplexes, coverage could be as shown in table 2 (assuming 64QAM). Note these coverage predictions are just examples of what could be done with the optimised spectrum. They also depend on the outcome of the international negotiations on clearing the 800 MHz band. Our provisional view is the relative abundance of spectrum in Scotland and its geographic distance from neighbouring countries makes it likely the revised DSO plan will still deliver a number of channels cleared across Scotland.

It is essential for new national Scotland channels (eg MG Alba and the Scottish Digital Network) as well as for local public service television that relays are enabled to carry services. We have explored the rationale and engineering conceptualization in great detail in our early submissions to Ofcom and more recently for *Digital Britain* (and as copied here).

As a general rule on point 4.64, urban populations receive a relatively high percentage of television delivery from each area’s main transmitter.

Rural populations are much more heavily dependent upon relays.

The mass of Scotland’s population is served by one transmitter – Blackhill. Its coverage includes much of Edinburgh, Central Scotland, Glasgow and parts of the South West and Northwest-wards out as far as the southern Western Isles.

Ofcom’s Table 2 (under point 4.64) indirectly illustrates this imbalance.

Two of Scotland’s 15 transmitters – Blackhill and Craiggelly - serve Central and West Scotland and Edinburgh, Lothians and southern Fife and together reach 52% of the total population – without use of their own relays.

**Table 2. Potential coverage from optimising interleaved spectrum in Scotland**

Multiplex	Coverage of Scotland (households)	Notes
First additional	84%	Using 15 transmission sites
Second additional	52%	Using Black Hill and Craiggelly only (i.e. covers Glasgow and Edinburgh)

This leaves 13 transmitters in Scotland to serve the balance of 48% of the population. A higher percentage of homes within the balance of the population are unable to receive a

<sup>11</sup> ‘Initial indications show the preferred modulation scheme would be 16QAM1/2 - giving 12 Mbits which should be able to provide 4 standard definition services’ [for a local TV service proposal for the south of Scotland]. (Conference call note. Arqiva. 19/11/10)

signal from their local transmitter directly (a large portion of the missing 16% that results from deducting the 84% coverage from >100%).

For many rural households coverage relies disproportionately on access to relays. For example without relays, the Caldbeck and Selkirk transmitters barely reach 50% of their populations in the South of Scotland. Scotland's northern transmitters reach roughly 70% of homes directly while in Central Scotland reach is closer to 95% from transmitters only.

It is the relatively high penetration of the central belt transmitter signals that makes these a more attractive cost-effective commercial proposition.

A commercial service for Central Scotland could reach large numbers of economically active viewers as required by advertisers without the cost of introducing relays. Such a new service (or collection of services) could compete with STV. Alternatively STV might wish to pre-empt that competition and 'compete with itself'. ITV could bring its portfolio of non-Scottish programmes into the advertising heartland of Scotland, so reducing a reliance on carriage by STV, and by stealth a crumbling commercially driven process abandons the rural audience.

*These scenarios are still to be played out – but they need do not need to be played out at the expense of local or even 'new nation' public service television in Scotland. There is an abundance of spectrum.*

The difference of view between ourselves and Ofcom is that we do not believe Ofcom's maximalist to secure commercially viable audiences approach should not be favoured over a public service approach when there is evident public demand, poor alternative public service and market failure (in news delivery). Putting commercial services first will leave an incoherent rump of spectrum that cannot deliver public service. If Ofcom is sincere about public purpose and local television it must put universal access ahead of commercial sub-division and cherry-picking spectrum and to abandon the differentiation of audiences on an easy to reach basis.

The choice in Scotland might be less confrontational than elsewhere *if there is sufficient in-band spectrum to satisfy commercial (Ofcom's market-led approach) ambitions after satisfying the public service objectives for Scotland?*

We would suggest that including relays with the 'first additional' multiplex (otherwise known as the 'seventh mux') would provide close to the 98.5% coverage of the three national (UK) PSB muxes. This will leave a 'commercial' market-led ambition to be satisfied for Scotland on the 'second additional' multiplex serving Central Scotland (52% of the population).

#### Local television

4.66 Local television is, by definition, aimed at serving relatively small geographic areas that are likely to be more tightly defined than the current regional and sub-regional services of ITV and the BBC (e.g. a city, a local-authority district or a smaller location such as a neighbourhood or housing estate). The geographic interleaved spectrum is well suited to supporting such services. In our December 2007 statement on our approach to awarding the digital dividend, we concluded demand for interleaved spectrum to provide local television could best be enabled – without precluding other, potentially more valuable services – by identifying and awarding suitably designed lots, each providing coverage of a defined area. Separate (and not

necessarily contiguous) geographic interleaved spectrum could be aggregated to form a network of local-television stations. An aggregated multiplex might also provide additional opportunities for local television or other operators to negotiate access to a video stream. But it would also be suitable for other non-local or geographic services based on a location significantly broader than a local area.

It is useful to differentiate the approach to local public service television shared by ULTV and the Scottish Local TV Federation, to distinguish this approach from that evident in the introduction and take up of community radio.

Local TV as PSB envisages a national Scotland and UK network of local channels supporting rural and urban areas with shared programming, advertising sales and market research. There are opportunities for more scattered and more highly localized (and even short-term or trial/pilot) TV services to use spectrum that will be allocated by the PMSE band-manager.

The universal scale and ambition of local public service television cannot be satisfied by an ad hoc gap-filling approach. Local radio is comparable to the scale envisaged by local television, but with TV incorporating (we suggest) a stronger public service and participatory and local accountability ethos than the radio equivalent.

Ofcom's looseness of definition for local TV at this stage is not helpful '(e.g. a city, a local-authority district or a smaller location such as a neighbourhood or housing estate)'. Over the last two decades several attempts have been made to identify and characterise an appropriate scale and content for a specifically 'local TV' in the UK<sup>12</sup>.

However, the following is very helpful ...

4.67 Most responses to our June 2008 consultation agreed DTT was the most likely use of the geographic interleaved spectrum. Local-television stakeholders argued it would provide local stations with a visibility difficult to achieve through other platforms and so create critical mass for the local-television sector. We recognise the significant interest they continue to show in developing local television on DTT and will take this into account in developing proposals for spectrum packaging and award design.

## Conclusion

We are currently in an interesting transitional period in advance of advertising the unified Scottish nation territory for the commercial Channel 3 franchise in 2014. The DCMS and Ofcom have provided a 'direction of travel' to include the South of Scotland in Scotland for 2014.

Without a developed local TV news and programme making capacity before 2014 the South of Scotland and other rural areas of Scotland will become (or remain) hostage to Glasgow, and less able to address their own news needs.

With our local and group newspaper partners – in the South of Scotland and throughout Scotland – we believe that viability for commercial TV news locally and regionally requires access to a full channel of Freeview air-time so that commercials revenue can be drawn

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<sup>12</sup> See for example K Siune H J Kleinsteuber, quoted extensively in Rushton, D. *Local Television Renewed. essays in local television, 1994-2005* (2005). ILT or the studies carried out by the IBA, ITC and Ofcom. The Local TV Reader.pdf also offers some guidance on description and scale based on UK and European experience and can be downloaded from <http://www.maccess.org.uk/members/ilt.html>

from across programming to support local news and current affairs.

The pressure in the IFNC process was to have bidders look to a longer-term commercial objective for the pilot to continue points to securing advertising minutes. These minutes are not being offered by ITV or STV on the single Channel 3. Local TV channels provide that extra capacity and a specifically local space for day-to-day TV journalism to guarantee supply that can be aggregated for the Channel 3 slots (or for a national news bulletin shared by the local channels).

We believe that local TV and local TV news is the foundation for long-term engagement by commercial news partners and on which to base a national (Scottish) news network and to underpin a more decentralized programme making capacity. Without a local requirement to deliver television news 'locally' each local outlet among the newspaper groups will continue to under-achieve because locally under-occupied and under-rehearsed.

Our *IFNC Response – APPENDIX 5.pdf* demonstrates that the combination of commercial, community, public and educational partners is incentivized to deliver an independent local public service media.

Our *Digital Britain Response.pdf* indicates that a public contribution of £10m is required to support Scotland's proposed sixteen local TV channels. This figure can be found in our earlier Ofcom submissions. It is necessary to secure an equality of news provision, by leveling the cost of the varied extent of access to spectrum required across Scotland to enable transmission for relay-hungry rural areas as well as the more transmitter-friendly urban areas <sup>13</sup>.

We welcome the 600MHz consultation but are concerned that the reaction to the market failure of ITV/STV to deliver news is not understood by Ofcom to a) cover a local TV service within the regions/nations and b) that that failure of regional TV is not understood as being in part due to its being insufficiently local (and that as a local service better able to partner with existing more local media (press and radio). We suggest local TV might be less of a market failure than regional TV – where newspapers are engaged in their own territories.

Clearly there is also pressure to deliver a plural Scotland-wide 'commercial' TV alternative to BBC Scotland. In addition the South of Scotland has expressed a desire to be more self-sufficient and also to be integrated on its own terms as equal partners in delivering news in Scotland.

These needs should be addressed in the light of the commercial failure regionally of commercial TV and locally (of newspapers), and in Scotland in terms of the commercial insecurity of ITV and STV (and between the two). In Scotland spectrum is available to intervene and to resolve a future public television service constructed for the public good and not in defence of older commercial 'accidents' of analogue spectrum allocation.

Resolving these 'public service' priorities – with public funds – requires Ofcom to put to one side its priority to put spectrum into the markets.

We believe Scotland's public service requirement must be addressed first, requiring a coherent PSB scale of delivery platform for local TV; to provide a local base for news and skill-acquisition; to allow an aggregated news and programming service to construct a national platform (for simultaneous and time-shifted delivery of national and in effect – to provide context for the Scottish Digital Network programming.

Scotland's own well-identified public service objective(s) should not be compromised to

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<sup>13</sup> We have not been able to quantify spectrum or transmission costs but a significant element of this sum is allocated to these as on-going costs.

satisfy a UK market or central UK regulatory view.

Public purpose must be the priority, not 'the markets': these have failed and on the limited evidence to date the interleaved spectrum market has also failed to guarantee its purpose of efficient spectrum use.

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