

**Question 1: do you have any comments on the application of the protection clause to all new licences for the 600 MHz band and geographic interleaved spectrum'?**

The Scottish Government has no significant comments on this proposal. It appears to be a sensible safeguard which should help to provide certainty both to existing DTT broadcasters and also to new licensees.

**Question 2: Do you have any comments on our approach to technical licence conditions for the 600 MHz band and for geographic interleaved spectrum?**

No. The Scottish Government has no comments on this issue, although Ofcom may wish to consider whether such a guard band would always be necessary in extremely sparsely populated areas where transmission densities are likely to be low.

**Question 3: do you have any evidence using frequency offsets with DVB-T2 EC signals might have an adverse impact on uses of adjacent interleaved spectrum?**

No.

**Question 4: do you have any evidence mobile services using the 600 MHz band and geographic interleaved spectrum could cause harmful interference to cable television ?**

No.

**Question 5: Do you have any comments on protecting PMSE in channel 38?**

No.

**Question 6: do you have any comments on non-technical licence issues and the way we propose to approach them?**

No.

**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?**

The Scottish Government agrees with Ofcom's assessment of the most likely uses of the 600 MHz band and geographic interleaved spectrum. In particular, it sees potential for the spectrum to be used for local television and mobile broadband, and believes that it is important for any auction to be undertaken in a way which recognises the likely needs of potential local television broadcasters and mobile broadband providers (e.g. by ensuring the spectrum is packaged in such a way that is conducive to these uses in Scotland).

The consultation event held in Glasgow on 24 April 2010 also included discussion of the possible use of spectrum for smart grids and for television services which might be beneficial for healthcare. Although it is unclear whether either of those would be good uses of the available spectrum, they demonstrate the fact that socially beneficial uses of spectrum may exist which have not been considered fully in Ofcom's consultation document, and we therefore welcome the openness of Ofcom's consultation process.

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

The Scottish Government recognises that Ofcom has already undertaken work to identify specific opportunities or considerations which arise in the nations and regions of the UK. We welcome this work, which has, in particular, identified the possibility that two additional Scottish multiplexes might be established by the use of interleaved spectrum. It is important that the auction process is able to take account of specific additional services which might be available in Scotland as a result of the comparative abundance of spectrum capacity in Scotland.

The two multiplexes which could be created in Scotland would cover 84% and 52% of the population respectively. The first of these multiplexes only covers 84% of the population because it would not be available to people who receive their television signal from relay transmitters. This fact once again highlights disparity in choice available to viewers in Scotland, depending on whether they are served by a relay transmitter or a main one. There is an argument that some of the revenues obtained by spectrum sales should be put towards an upgrade of the transmitter network although we recognise that an ultimate decision on this matter would need to be made by the UK Government rather than Ofcom.

**Question 9: Do you have any comments on our continued inclusion of Channel 36 in the award of the 600 MHz band?**

No.

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

The Scottish Government recognises that Ofcom usually maintains a market-led approach to awarding spectrum. It also recognises that this auction process is used in order to deliver the maximum possible benefit to society in the spectrum allocation process.

The Scottish Government believes that there is a possibility that some uses of spectrum could deliver a social benefit, without being sufficiently profitable to justify a large bid at any auction. It is also possible that some commercially profitable activities could deliver minimal social benefits to Scotland. For example, certain types of television content (relying on imported material, repeats or music) may not add much to the range of choice already available to viewers in Scotland, but could still be more commercially lucrative than other uses of spectrum, such as community television or mobile broadband. In addition, spectrum "hoarding" could potentially result in spectrum not being used.

If there is a serious danger of socially beneficial uses of spectrum being outbid by more commercially valuable, but less socially beneficial, uses then Ofcom may need to consider whether to establish a minimum "social value" test for bids.

The Scottish Government recognises that the level of interest in some spectrum - especially the interleaved spectrum - may not be strong enough for clashes of this kind to arise. An alternative possibility is that organisations whose proposals are all socially valuable, but very different, could end up competing for the same spectrum. For example, both local television and mobile broadband provision are purposes which potentially deliver real social benefit. In those circumstances, the market-led

approach outlined by Ofcom may well be a suitable means of determining how to choose between different uses which may all have significant value to society.