

Channel 4's response to European Commission consultation: Transforming the digital dividend opportunity into social benefits and economic growth in Europe

Channel 4 welcomes the opportunity to contribute to the European Commission consultation on "Transforming the digital dividend opportunity into social benefits and economic growth in Europe".

Channel 4 plays a leading role in the provision of public service content in the UK. It is a commercially funded Public Service Broadcaster (PSB). The status of Channel 4 as a publicly owned corporation ensures that its priority is the delivery of its public remit and purposes. The remit of Channel 4 – enshrined in statute and its licence to broadcast – is to innovate, take risks and provide diversity.

Digital dividend in the UK

UK broadcasters have played a key role in creating the digital dividend. Channel 4, along with other PSBs, has been at the forefront in promoting digital television to UK viewers by providing greater choice as well as innovative services.

Channel 4 services can be found on all key digital platforms – including Digital Terrestrial Television (DTT), IPTV, cable and satellite. However, we regard the DTT platform as our principal distribution platform.

DTT is the most popular digital platform in the UK. According to Ofcom's 2009 Communication Market Report, there are 18 million homes using DTT. Around 9.7 million of these are free to view DTT only households and the remainder are households using DTT in satellite and cable homes.

Channel 4 recognises that spectrum is a valuable public resource. The UK broadcasting industry is working closely with Ofcom to ensure that switchover from analogue to digital is completed by the established deadline of 2012. The industry is also working to ensure that spectrum efficiency is maximised.

Channel 4 believes that decision making relating to the use of the digital dividend should primarily be taken at the Member State level, due to the diversity in market structures regarding broadcasting delivery platforms. However, we acknowledge in certain specific cases that greater co-ordination at EU level could lead to significant benefits for consumers and more efficient use of spectrum.

We welcome the implicit recognition in the Consultation Document of the need to support the continuous development of terrestrial broadcasting, thus enabling new services such as HDTV to develop.

However, Channel 4 believes that the forthcoming Communication on Digital Dividend will be a good opportunity for the European Commission to explicitly outline the need for Member States to support the continuous development of terrestrial broadcasting, including the need to allocate sufficient spectrum, and to allow consumers to make informed decisions about which delivery platforms to adopt.

It is also important that the European Commission acknowledges the significant contribution made by the DTT platform towards the Lisbon goals, not only by enhancing competitiveness and economic growth, but also meeting important social

and cultural needs through the provision of services on a free-to-air basis with universal coverage.

European Commission Proposed Elements for a Roadmap

UK PSBs, working closely with Ofcom, have already embarked on a process to deal with many of the key issues outlined in the European Commission's Proposed Elements for a Roadmap regarding the digital dividend.

The decision to release the digital dividend in the UK was initially taken in 2003. The plan at that time involved releasing a block of spectrum between 806-854 MHz. However, in February 2009, Ofcom announced plans to align the UK digital dividend with a number of other EU Member States, between 790-862 MHz (the so called 800 MHz Band).

Channel 4 understands the rationale behind Ofcom's decision to align the UK digital dividend with neighbouring Member States. We are currently working closely with Ofcom on the planning of this, to both minimise:

- the impact on consumers arising from the frequency re-allocation of the DTT multiplexes resulting in the need for the re-tuning of consumer equipment; and
- the time to complete the programme

We have limited our response regarding the Proposed Elements of a Roadmap to those issues that will have a direct impact on our activities:

4.1 MPEG 4 compression and DVB T2 transmission

UK PSBs have agreed to adopt the more advanced MPEG-4 compression and DVB T2 transmission standards for their forthcoming HDTV services, thus maximising the use of spectrum available on the DTT platform.

4.1b Setting standards for the ability of digital TV receivers to resist interference

Channel 4 welcomes any EU initiative that would lead to the establishment of standards for Digital TV receivers, resulting in improvements to the consumer experience. Together with the other PSBs in the UK, Channel 4 has fully supported equipment standardisation through the Digital Television Group and the D-Book (which sets out the detailed interoperability specifications for DTT in the UK).

4.5 Ensuring the continuity and further development of wireless microphone applications and other secondary uses of the UHF spectrum

Channel 4 would welcome EU co-ordination which would ensure the continuity and further development of wireless microphone applications due to their importance to the creative industry. However, we do not believe it is necessary for mandatory harmonisation measures at EU level, as this could reduce the flexibility for Member States in meeting the needs of the creative sector.

4.7 Addressing future challenges

Channel 4 supports the rationale behind the European Commission's proposal to establish a mechanism to monitor external developments affecting the Roadmap.

In the UK, the European Commission should be aware there is already strong evidence of consumers embracing HDTV. Around 93% of TV sets sold in the UK now are digital and "HD Ready".

Regarding the possibility of a higher growth of broadband wireless usage leading to a spectrum bottleneck, Channel 4 believes that it is vital spectrum efficiency should be sought by all sectors. It should also be noted that there may be alternative frequencies for wireless broadband, but this is not the case for DTT.

5.1 Accelerating analogue switch-off by 2012

Channel 4 is working closely with other UK PSBs and Ofcom to complete the switchover process to digital by 2012. We agree that Member States that have not yet committed themselves to analogue switch-off by 2012 should be encouraged to do so as soon as possible.

8 September 2009