

**Statement on the availability of radio spectrum to operators of digital multiplexes awarded licences under the Broadcasting Act 1996 between 30 May 2002 and the date on which the Government publishes its response to the review of radio spectrum management by Professor Martin Cave**

Following the surrender by ITV Digital of its licences to operate three of the six digital multiplexes, the ITC has issued an invitation to apply for licences under the Broadcasting Act 1996 to operate one or more of these multiplexes. In these circumstances, the Government wishes to give such indications as it can at this time as to how it might act in response to consultations which it has recently conducted.

The Digital Television Action Plan sets out a number of tasks intended to enable the Government to reach decisions on the future planning of the UHF spectrum for digital television. These include an overarching cost benefit analysis, analysis of the costs of implementing alternative spectrum allocations for broadcasters, defining how public service broadcasting will be delivered to all homes, and producing transition plan options. All of these tasks are due to be completed in the next 12 months. We have received 47 responses to the consultation *Digital Television: the Principles for Spectrum Planning*. This document and the responses to it are available at [www.digitaltelevision.gov.uk](http://www.digitaltelevision.gov.uk)

On the basis of the information currently available, we plan to instruct the ITC and the BBC, who are responsible for planning the spectrum for television services, to work on the following basis. Spectrum should be available, now and after switchover, for up to six national multiplexes: this will enable the continued operation of the three multiplexes operated currently by the BBC, Digital 3 and 4, and SDN, and the multiplexes to be licensed under the award process currently being run by the ITC. Six multiplexes should be accommodated in no more than 32 frequency channels, releasing at least 14 frequency channels nationwide for reuse. The two multiplexes used primarily for public services will be planned by converting two of the networks currently used to deliver the analogue public services. It is not yet clear which frequency channels are the best to clear for reuse, but those cleared will include Channel 35, Channel 37, and Channels 64-68.

A fuller statement addressing all the issues raised by the spectrum planning consultation and the responses received will be made when the other relevant tasks, including the cost benefit analysis, have been completed in the next twelve months. The planning assumptions set out in the preceding paragraph will be finalised when the cost benefit analysis is complete. However, as indicated in the consultation, we do not expect to place any minimum coverage requirement on the provision of commercial services.

The UK DTT spectrum plan is subject to amendment in the light of any decisions arising out of ITU World Radio Conferences which may open up some or all of the spectrum for uses other than Broadcasting. Similarly, the ITU Regional Radiocommunications Conferences scheduled for 2005 and 2006 will establish revised international sharing arrangements for Broadcasting spectrum. Together with the outcome of bilateral spectrum negotiations with neighbouring countries on the

basis of these revised spectrum sharing criteria, this may, to a greater or lesser extent, lead also to revisions to the UK post switchover DTT spectrum plan.

The administration of the radio spectrum is currently undertaken by the Radiocommunications Agency, but it is proposed that these functions will be undertaken by OFCOM as and when OFCOM is established. The proposed functions and powers of OFCOM are set out in the draft Communications Bill, as are the proposed powers of the Secretary of State to direct OFCOM subject to Parliamentary scrutiny.

The independent review of radio spectrum management by Professor Martin Cave for HM Treasury and the Department of Trade and Industry was published on 6 March with a request for any comments by 10 May. The Government will publish its response this summer.

In responding to the review, the Government will want to ensure that management of the radio spectrum takes account of all users of the spectrum. We cannot therefore say now how the Government will respond to all the recommendations which apply specifically to the broadcasters, and in particular to users of spectrum for digital television services. Under the terms of the Wireless Telegraphy Act 1998, licence fees are set to price administratively the use of spectrum on the basis of spectrum management considerations that reflect its economic value. Where this is not done, fees are set to recover the costs of administering the spectrum. When OFCOM assumes responsibility for the management of the radio spectrum, it will be required to take into account its costs for administering the spectrum in the charges that it applies to operators of digital multiplexes.

These licences are to be granted before the Government responds to the review of radio spectrum management by Professor Martin Cave published on 6 March 2002. We propose that any body granted a licence, from 30 May 2002 to the date on which the Government publishes its response to that review, to operate a digital television multiplex under the Broadcasting Act 1996 will not be subject to administrative pricing for the use of spectrum to support that multiplex before the date of renewal of the licence in 2014.