

Spectrum for Programme Makers' Forum

Response to the Ofcom consultation:

PMSE clearing the 700MHz band – Support for PMSE equipment owners

SPMF welcome the opportunity to respond to Ofcom's consultation and contribute to the discussion, assisting PMSE users who will be affected by the 700MHz clearance programme.

In representing a wide range of PMSE interests and high profile stakeholders, SPMF aims to address the major issues that PMSE users face as a consequence of the proposed 700MHz band clearance and make Ofcom aware of issues that have not been fully considered in the consultation document.

The response is in two parts, first raising significant points that are not fully reflected in the consultation document and secondly direct responses to the consultation questions.

Hire companies

For large productions most PMSE stakeholders rely on expert third party hirers to supply multiple radio microphone and monitor systems. These are companies that have made a significant investment who will be relying on sufficient and timely funding for replacement equipment to ensure business continuity. Ofcom need to demonstrate that they are engaging fully with the hire sector to understand their specific concerns and ensure the health of the sector through the clearance process.

Alternative spectrum options

Following the 700MHz clearance it will become more difficult to accommodate the large numbers of required assignments for multiple complex shows, often being produced in adjacent studios and venues. The remaining 600MHz band on its own is unlikely to provide sufficient spectrum for studio complexes including Media City and Elstree, already making heavy use of the 700MHz and 600MHz bands. For the only alternative spectrum Ofcom are proposing above 960MHz it appears unlikely that there will be commercially available equipment before the end of 700MHz clearance in 2020. As a consequence PMSE users will be left managing a substantial reduction in available spectrum for the foreseeable future.

Only funding 'residual' value of PMSE equipment

Ofcom propose funding only the residual value of PMSE equipment when affected PMSE users will have to find full replacement cost of new equipment. This is a significant burden on PMSE users who have no choice but to migrate. Ofcom should be looking to fund the full cost of the 700MHz clearance as it affects PMSE users.

Costs beyond replacement of affected equipment

It cannot be assumed that the cost of migrating assignments out of the 700MHz band into alternative spectrum will simply be a case of replacing affected equipment alone. There is likely to be significant additional re-engineering and commissioning costs for both new equipment and new infrastructure, particularly moving into new spectrum bands. These costs are not allowed for in the funding proposals and Ofcom should look to also reimburse PMSE users for these additional costs and the administrative effort of PMSE users will have to devote when they claim under the grant scheme.

Compensation scheme timing

The Ofcom proposals state that the 700MHz clearance programme will be complete by May 2020 when PMSE access to the band will end. Ofcom propose launching the grant scheme in mid-2019. It is evident that affected PMSE users will be required to make significant investment well ahead of the start of the grant scheme in order to have completed the migration by May 2020. Ofcom therefore needs to bring forward the claims process to 2018 at the latest to enable affected PMSE users to have completed their migration by the time Ofcom require them to vacate the 700MHz band.

Early migration of COM7 and COM8 onto UHF channels 55 and 56

The proposal document does not highlight the impact of the earlier move of COM7 and COM8 DTT multiplexes onto SFNs on UHF channels 55 and 56 across much of the country, starting in early 2018. The Ofcom online lookup tool similarly does not reflect this imminent availability change. There is much use of Channel 56 in particular by PMSE, given it has been traditionally a lesser used UHF channel for broadcasting. As a result there is the risk of PMSE users being affected, starting in early 2018. Ofcom therefore urgently need to provide information to PMSE users so that they can determine whether they will be affected, what alternative spectrum options are open to them, 700MHz band, 600MHz band or elsewhere and how they are to be compensated.

Question 1: Do you agree with our proposed criteria for who should be eligible for the grant scheme?

Yes, it is appropriate that eligibility for funding to be limited to licensed owners or hirers of affected equipment in working order and purchased after the 2016 statement.

Question 2: Do you agree with our assessment of the impact clearance will have on equipment which operates exclusively below 694 MHz?

The proposal is not to allow grant applications in respect of equipment operating below 694MHz. The justification for this decision is based on the assumption that any equipment currently operating below 694MHz can simply and at no cost be retuned into alternative suitable spectrum. This may not always be the case and there are other relevant factors which relate to the reduction in utility of equipment operating below 694MHz after the 700MHz band is cleared.

- Affected equipment will have a reduced tuning range if it has to operate co-channel with new replanned DTT multiplexes moving below 694MHz. It may be possible to find alternatives for a handful of frequencies but for a complex event requiring many intermodulation free assignments the loss of utility will be significant and there will be a need to supplement further equipment operating in other ranges, not necessary prior to the 700MHz clearance.

- Additionally, operating co-channel with new DTT multiplexes the operating range of equipment will also be reduced where building penetration loss is low for indoor use and substantially so for outdoor use.
- The assumption in the proposal is that all equipment operating below 694MHz has a substantial retuning range, sufficient to move to alternative spectrum. It may be the case for much PMSE equipment but there are instances of equipment, notably some talkback equipment, that does not have such frequency agility and it may be unable to be retuned into suitable spectrum and therefore need replacing

The suggestion that affected equipment can simply be sold onto the secondary market and new equipment procured does not account for the costs involved in decommissioning then procuring, commissioning and installing more expensive new equipment. As a consequence claims for equipment operating below 694MHz should therefore be permitted as there is likely to be, in certain cases, a material loss to PMSE equipment owners.

Question 3: Do you agree with our analysis of the impact clearance will have on equipment which straddles the 700 MHz band and the spectrum below 694 MHz?

Where the tuning range of existing equipment straddles 694MHz loss of tuning range in the 700MHz band will reduce its utility as set out above. This will be significant for hire companies who require the maximum flexibility with their equipment for complex productions and result in an additional costs being passed onto the end users.

While equipment that straddles the 700MHz band boundary may have continue to have a limited use following clearance compensation should be available to reflect the loss of utility.

Question 4: Do you have any evidence that an alternative boundary for the tuning range of equipment should be drawn?

It is not yet clear how useful the 694-703MHz range will be for high value PMSE so compensation for PMSE users should in the first instance be based on the 694MHz boundary with the range 694-703MHz kept as a guard band to protect high value PMSE below 694MHz in the future.

Question 5: Do you agree with the proposed formula to estimate the level of funding?

The proposal is to fund only the residual value of PMSE equipment and only then by the time of clearance in 2020, with the funding scheme only launching in 2019. Affected users will instead need to fund the full cost of new replacement equipment, completing changes well ahead of these dates, in some cases as early as the

beginning of 2018 when COM7 and COM8 move to channels 55 and 56 across much of the UK.

The funding principle should be that the full cost of the 700MHz clearance be awarded to affected PMSE users and at the earliest opportunity, not after PMSE users will have had to have completed changes and incurred costs.

Question 6: Do you agree with our approach to calculating asset life?

While Ofcom have chosen an average asset life of 15 years, where affected users can demonstrate this is not appropriate to their circumstances they should be able to make a case for their funding to be determined according to their own average asset life.

Question 7: Are you aware of any developments which would mean data from the 2013 equipment survey or the 2010 Channel 69 statement are likely to misrepresent average asset life?

No response.

Question 8: Do you agree with the use of an average asset age for the estimation of funding entitlements? If not, do you have any suggestions for an alternative approach?

The proposal is to fund the residual value of affected equipment at the time of clearance, limiting it to approximately 47% of the cost of replacement equipment. This leaves the PMSE users to find the remainder of the equipment cost and additional costs to decommission existing equipment and install and commission the new equipment.

Question 9: Are we correct in our assumption that a large proportion of PMSE equipment owners will not have evidence of when they purchased their equipment?

There will be an administrative overhead for all affected PMSE users in collating the evidence of purchase for their equipment and presenting it in the format required by Ofcom. This is a further cost to PMSE users which should be reimbursed as part of the 700MHz clearance process.

Question 10: Do the data in the 2013 equipment survey provide a reasonable basis for calculating average equipment age? If not do you have an alternative approach for gathering relevant data for making this calculation?

No response.

Question 11: Do you have any comments on our proposals for how the claims handling process should operate?

The 700MHz clearance is a further burden on PMSE users soon after the 800MHz clearance. Although the claims process aims not to impose a disproportionate administrative work, what is set out in the proposal does appear onerous and that was experience of those who applied for funding as a result of the 800MHz clearance.

It is hoped therefore that Ofcom and the appointed scheme administrator can implement a simple and robust claims process that deals with applications quickly and efficiently.