

The Future of Digital Terrestrial Television

Enabling new services for viewers

DTG Summit
7 March 2008

Agenda

- Status of DSO
- DTT reorganisation consultation

Status of DSO

- Whitehaven switchover completed successfully
- Spectrum planning & coverage predictions consistent with experience on the ground
- Government and Ofcom policy for switchover is to ensure that coverage of the three public service multiplexes matches that of the existing analogue terrestrial service
- The latest assessment from the Joint Planning Project confirms that this will be achieved (currently predicting 98.7%)
- The switchover plans are based upon the assignments made in the Geneva 06 Agreement and have been incorporated into the Multiplex and Wireless Telegraphy licences issued by Ofcom
- International co-ordination of these plans is proceeding well with all major countries meeting regularly to agree detailed implementation
- The UK considers that the GE06 plan has been hugely important in enabling Europe to implement switchover and is at the centre of our DSO implementation and has no plans to review its adoption and implementation

Future of DTT - The opportunity

- The DSO process and recent developments in broadcasting technologies mean that there is a very significant opportunity to build on the success of the DTT platform
- The introduction of new technologies to the platform would promote
 - A more efficient use of the valuable spectrum already allocated to DTT
 - A significant increase in the capacity available on the platform
 - An opportunity to introduce new services to the platform, potentially including high definition (HD) services
- This would in turn bring significant benefits for
 - consumers & citizens
 - broadcasters and the DTT platform as a whole
 - the UK economy – of £4-6bn over 25 years

New technologies

- Ofcom has identified two technological advances that could together result in a more than doubling of the capacity on the DTT platform:
 - **MPEG-4:** an improved audio and video compression standard, which, over time, is expected to increase the efficiency of the current MPEG-2 standard by up to 100%
 - **DVB-T2:** a new transmission standard, still in development, but expected to be finalised end March 2008. It is expected to deliver a 30% increase in multiplex capacity over the current DVB-T standard
- The benefits of introduction of these technologies to DTT could be huge
- But their introduction must be managed carefully to ensure that:
 - it is managed in a way that minimises the displacement of existing services
 - incentives for consumers to upgrade their reception equipment are strong
 - coordination between relevant stakeholders, including retailers, manufacturers, broadcasters and other organisations such as Digital UK is strong

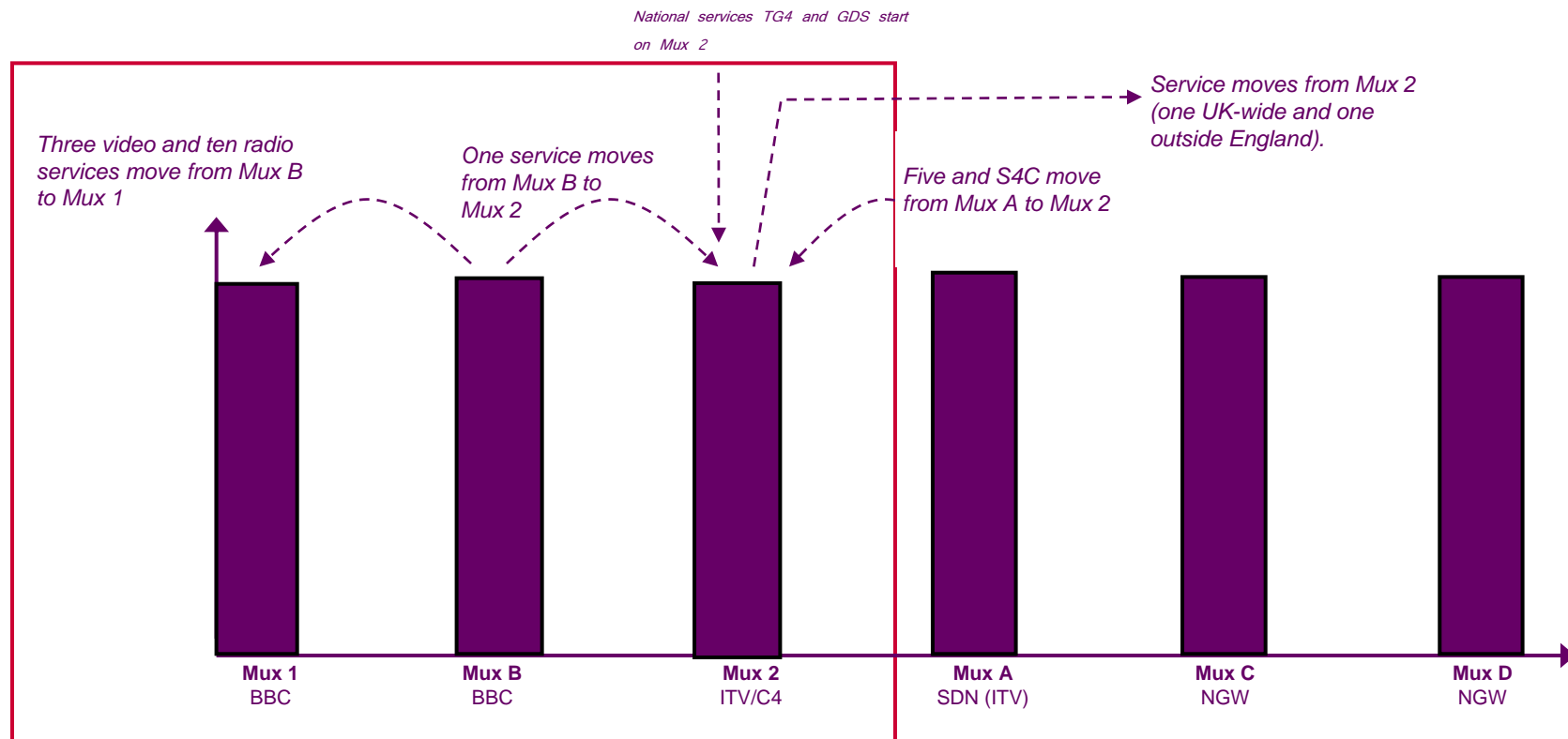
The proposals

- We propose that Ofcom should intervene to upgrade one multiplex in order to set in motion the longer term upgrade of the platform to these new technologies
- There are three steps required in order for this opportunity to be realised



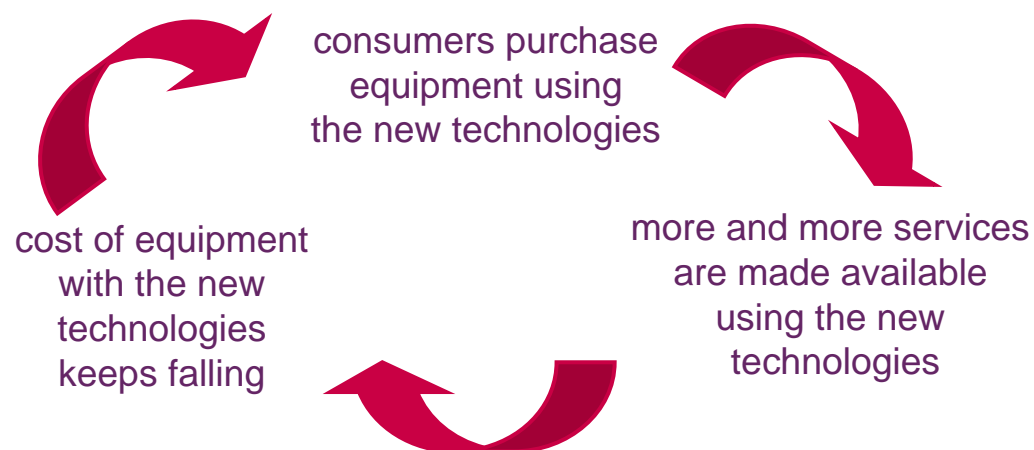
- Ofcom has carefully considered each of these steps.
- These were examined in more detail in Ofcom's consultation published in Nov 2007

Proposed reorganisation of DTT platform



Longer term development of DTT

- The benefits of upgrading the DTT platform will be greatest if we can achieve a 'virtuous circle'



- However, the process is one that will need to be managed carefully by Ofcom, to promote the best interests of viewers:
 - PSB services must continue to be available universally to DTT viewers with existing equipment for the foreseeable future
 - Any change in technical standards on commercial multiplexes will be evaluated carefully to ensure that it does not unacceptably diminish the range, variety and quality of services available to DTT viewers

Wide range of consumer/industry issues

- Will existing equipment (including aerials) carry on working ?
- What changes are likely to existing services – changes to current line-ups / quality implications ?
- Will the new DVB-T2 standard be ready in time and will consumer equipment be available by 2009?
- What new equipment will be available to receive the new services - set top boxes, personal video recorders (PVRs) and integrated digital TV (iDTVs) ?
- How to ensure consumer messaging to enable informed purchasing decisions
 - How will this fit in within the range of current equipment logos (HD ready, Full HD, HDTV, digital tick etc) ?
- What needs to be done pre, post and during DSO?

Management of Risks

- The proposed process is complex and will rely on a large number of organisations working closely together over the next few years
- Ofcom is continuing its discussions with a large number of key stakeholders to assess how this process is proceeding
- A key element to the successful implementation of these proposals is the need to assess the technical characteristics of the services and to allow manufacturers to test early prototypes in a real world situation
- Ofcom is therefore proposing that a trial be established to test all elements of the chain starting in the lab and moving out into the field as soon as possible.
- We will provide some (modest) financial support to support this and will also endeavour to identify suitable spectrum which could be used to allow over-air field trials of the service to be mounted
- We would hope to be able to work with all parties to make this a success.

Next steps

- Consultation closed 30 January 2008 –
- 88 responses received, public ones have been posted on Ofcom's website
- Statement issued end March 2008
- If we decide to proceed:
 - issue an invitation to the PSBs to make proposals for use of the cleared capacity
 - allow two months for PSBs to submit proposals, to be received by end May 2008;
 - conclude the comparative selection process by end July 2008
- Implementation would follow during the rest of 2008 and 2009
 - clear Multiplex B and reorganise displaced services
 - new services available on Multiplex B in late 2009 or early 2010
- We will continue to work closely with DCMS throughout this process
- Will also work closely with Digital UK, PSBs (and other relevant stakeholders) to provide clear consumer messaging

Proposals - in summary

- Implementation of Switchover is proceeding well with Copeland switchover a success
- The adoption of the Geneva 06 plan is central to the UK and most of Europe's DSO plans
- Major upgrade of DTT proposed to allow it to stay at the forefront of digital TV broadcasting
 - Creating capacity for new services, such as HD
 - No new radio spectrum required
 - Existing Freeview services protected
 - Early trial of technology and services proposed
 - Services could be available in late 2009 / early 2010 and across the UK as DSO is rolled out