

PMSE Pro-User Group: Guide to the DDR Consultation Submission

It is essential that the Programme Making and Special Events (PMSE) community responds to Ofcom's Digital Dividend Review (DDR) consultation with one clear, concise and coherent voice.

The PMSE sector is a disparate, diverse and diffuse community. We must overcome this fact and ensure that we make a successful response to the consultation, as a community and not as individuals. **We must be unified.**

The PMSE Pro-User Group has prepared this short document to help the PMSE community make a unified and cohesive response to the consultation.

What you have to do and When:

Ofcom invites written views and comments on the issued raised in the consultation document, to be made by 5 pm on **March 20th 2007.**

You can submit your response to the consultation in three ways;

- a) Using an online web format at <http://www.ofcom.org.uk/consult/condocs/ddr/howtorespond/>
- b) By emailing responses to Paula.guest@ofcom.org.uk attaching your responses in word format together with a consultation cover sheet
- c) Via post to the address below, marked with the title of the consultation and a coversheet.

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Ofcom
Riverside House
2A Southwark Bridge Road
London SE1 9HA

You do not need to provide a hard copy as well as an electronic version.

Ofcom has presented the consultation in the form of twenty questions. While we encourage the PMSE sector to respond to those questions, we feel it is more important to articulate our sector's key points in a clear, decisive and robust manner. **We should not be constrained by a format devised by Ofcom.**

We therefore strongly advise you to use the key points below as we feel they tackle the key issues that need to be understood by Ofcom. You can put them into your own words or simply cut and paste them into a word document. Attach them to the cover sheet included in this document and send them to Ofcom via one of three ways.

Your future is in your hands.

Your Submission Must Include:

1. ***It is unanimously agreed that is impossible for the PMSE sector to enter an auction system for spectrum release.***
 - i) Ofcom must acknowledge the inability of the PMSE sector to compete at auction. The PMSE sector is a disparate, diverse and diffuse community of content producers, manufactures and rental organisations. Many of its members are extremely small and there is no way they could compete at auction. They possess neither the financial resources nor is there a mechanism to coordinate bidding for the collective needs of this community. The PMSE sector encompasses many different spectrum users. Last year spectrum managers JFMG recorded 600 spectrum license applications. These may range from large high end spectrum users such as TV broadcasters, London Theatres or live events to much smaller local community users. Currently there are around 180,000 wireless units which utilise this spectrum, used at 45,000 different events ranging from those on a small scale using just one single frequency, to much larger live events, which excluding unique events such as the Olympics, might use up to 240 frequencies. There is also a growing trend in live entertainment

towards much larger live events which require greater frequency capacity. On average though most typical professional live events will use between 16 and 30 TV bands.

- ii) The PMSE sector feels that for them, an auction mechanism for the release of spectrum is deeply flawed. Even if the sector were able to find a means for entering a spectrum auction, an auction system is in itself totally unacceptable. In engaging in an auction system, the PMSE sector would be initiating a process that would lead to market failure. It is the PMSE sector's genuine belief that they could not be successful in securing spectrum at auction. Therefore the industry would be without access a critical component of content production. Without access to spectrum the industry could not operate at current levels and would cause severe damage to the functioning of the British Entertainment Industry.
- iii) The certainty of losing in an auction process is increased by the value of the likely bid. Ofcom's supposition that this spectrum is likely to be of only limited value is discredited by both a letter from Dell Corporation Ltd regarding spectrum's value and by the Vodafone RSPG Public Consultation document on the implications of the Digital Dividend.
- iv) The PMSE sector would therefore propose the concept of 'gifting' of spectrum on an annual rental basis to a successor to JFMG. This successor would be independent of Ofcom, and Ofcom would not therefore be responsible for the organisation, charging and policing of authorised spectrum usage by the PMSE sector, as these responsibilities would pass to JFMG's successor. The successor organisation would be charged with licensing the usage of frequencies used by Local TV and the PMSE sector.

2. Current Ofcom estimates as to the value of the equipment currently used by the PMSE sector are wildly inaccurate.

- i) The suggestion by Ofcom that there is at present around £10 million worth of equipment that would become redundant as part of the DDR, is wrong and underestimates the figure by at least a factor of five. One single medium sized company *Autograph Sound* alone has around £7 million worth of possibly affected equipment. Any analysis of other major manufacturers, for example the companies *Shure* or *Sennheiser*, would show that Ofcom's estimates are entirely incorrect.
- ii) One of the consequences of these calculations is that Ofcom have drawn together an unrealistic account of the ability of and time needed for the PMSE sector to adapt to proposed changes. Instead the PMSE sector must be given sufficient time that would fairly allow them to amortize the value of current equipment that will become redundant under current plans. In addition due consideration must be given to the fact that a considerable amount of this equipment will be unsuitable for upgrading due to the restrictions imposed by the RoHS directive.
- iii) Ofcom also needs to acknowledge that even equipment, for which full depreciation has taken place, continues to hold value within the industry because of the longevity of the equipment itself and the rental nature of part of the PMSE sector. This means that equipment filters down through the industry. Proposed changes would abruptly end the life cycle of this equipment by making it entirely redundant.
- iv) Ofcom needs to provide a timetable for spectrum release that is sufficiently long to allow the manufacturing industry to produce in sufficient quantity, equipment capable of utilising newly available frequencies in such a way as does not disrupt their production. It would take between 10-15 years for a company in the industry to build up an inventory of stock to match current levels. Therefore 2020- 2025 is a more suitable date to complete the transitional period of the DDR.

3. De-Regulated Channel 69.

- i) The PMSE sector is opposed to the deregulation of Channel 69 because existing PMSE needs, as well as those of amateur users require interference free use of spectrum. If the PMSE sector continues to use Channel 69 for professional use it is certain that sound production will suffer from interference. It is an absolute fundamental that the spectrum used by the PMSE community is licensed and coordinated by the successor to JFMG.

CONTACT DETAILS

Consultation title: Digital Dividend Review

To (Ofcom contact): Paula Guest

Name of respondent:

Representing (self or organisation/s):

Address (if not received by email):

CONFIDENTIALITY

What do you want Ofcom to keep confidential?

Nothing	<input checked="checked" type="checkbox"/>	Name/contact details/job title	<input type="checkbox"/>
Whole response	<input type="checkbox"/>	Organisation	<input type="checkbox"/>
Part of the response	<input type="checkbox"/>	If there is no separate annex, which parts?	

If you want part of your response, your name or your organisation to be confidential, can Ofcom still publish a reference to the contents of your response (including, for any confidential parts, a general summary that does not disclose the specific information or enable you to be identified)?

DECLARATION

I confirm that the correspondence supplied with this cover sheet is a formal consultation response. It can be published in full on Ofcom's website, unless otherwise specified on this cover sheet, and I authorise Ofcom to make use of the information in this response to meet its legal requirements. If I have sent my response by email, Ofcom can disregard any standard e-mail text about not disclosing email contents and attachments.

Ofcom seeks to publish responses on receipt. If your response is non-confidential (in whole or in part), and you would prefer us to publish your response only once the consultation has ended, please tick here.

Name

Signed (if hard copy)