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**ITC Community Digital Standard and Rules of Operation for
Digital Terrestrial Television**

Response from the Digital TV Group

In June 2002, responding to the ITC Consultation on the Applications for Multiplex Licences, the DTG wrote to the Secretary of the ITC in the following terms

"The DTG welcomes the interest shown in the re-advertising of the DTT licences from a number of organisations. Whilst not wishing to comment on the programming element of applications, the DTG would like to endorse the proposals to adopt a 16QAM rate 3/4 DTT mode. Our view is supported by the outcome of the recent DTG managed trials. We believe that this mode could be best able to improve DTT coverage and reception reliability."

This followed publication by the DTG of the results of testing various alternative modes over the ex-ITV Digital multiplexes transmitted from Crystal Palace. These tests were carried out by Crown Castle and NTL Broadcast, the two companies that operate transmitter sites, and BBC Research & Development, under the project management of the DTG, and with assistance from a number of receiver manufacturers. The work is being part-funded by the Department of Trade & Industry.

We believe that a strong DTT offering, both in sound technical implementation and in the provision of a wide range of reception equipment (adapter boxes and integrated digital television sets), along with an attractive range of services, is essential to migration of the consumer base from analogue to digital. If we are to achieve analogue switch-off at all, then a strong DTT platform, alongside the established satellite and cable platforms, is essential.

The ITC consultation asks for responses on the specific alternatives: should it allow multiplex operators freedom to choose between 16QAM and 64QAM or should it impose a change to 16QAM on existing multiplex licensees.

The DTG believes that there are more fundamental issues at stake and questions that need to be answered first. They are:

- (i) How can the ITC generate a situation where DTT multiplex licensees act in concert for the benefit of the platform as a whole and
- (ii) How can the ITC maximise coverage of all multiplexes in advance of analogue switch-off?

These questions are both technical and commercial. The ITC has a remit and an obligation to create a climate of confidence in Digital Terrestrial not only with consumers but also CE manufacturers, which are investing very large sums in what is still perceived to be an uncertain and risky venture.

Since the demise of ITV Digital, there has been a recognition that the platform needs a different business model based on the needs of the population still receiving only non-subscription analogue transmissions. There is a consensus that this is the right direction but there are differences of opinion amongst licensees as to whether the platform should have a “payTV lite” element, or not at the present time. It is important that the ITC recognises the legitimate aspirations of both ‘camps.’

The DTG regards an improvement in coverage – both in geographical spread, and in 'depth' or 'resilience' - as highly desirable. But to impose a mode change that undermines a multiplex operator’s business plan could be counterproductive in the long run since the true objective, increased coverage, will require substantial investment in transmitter building and improvement.

The market urgently requires a more consistent consumer proposition and the reduction in consumer confusion resulting from reception anomalies.. We therefore believe that it would be wrong for the ITC to impose mode changes whilst at the same time allowing its equalisation plans to be thwarted by one multiplex operator.

In a number other territories that have launched DTT, a single operator provides multiplex and transmission services to all programme providers. We have argued consistently that the British model is better but our current inability to develop the DTT transmitter network is very hard to explain or justify.

In its deliberations, we urge the ITC to seek to counter what we perceive as a climate of mistrust and antagonism. The ITC must engage with each of its licensees to find a way forward that offers both mutual benefit for all licensees and promotes the over-riding imperative of better coverage and reception.

ABOUT THE DTG

Established in 1996, the DTG is an Industry association whose members co-ordinated the UK launch of digital terrestrial television. Its membership has grown to more than 100 organisations representing all sections of the digital television industry including broadcasters, network operators, consumer electronics manufacturers and retailers, and consumer groups. Given the wide collective industry experience of its members, the DTG is ideally placed to comment on the most appropriate regulatory structure to deliver the Government's communications objectives.

This response has been drawn up in consultation with its members and represents a consensus of the views expressed. Individual members may, of course, have particular objectives and may submit their own responses to this consultation.