

British Entertainment Industry Radio Group (BEIRG)

Response to Communications Review Pre-Consultation Open Letter

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Introduction

This is the British Entertainment Industry Radio Group (BEIRG) response to the Secretary of State for Culture, Olympics, Media and Sport's open letter regarding the Government's review of the regulatory regime for the UK communications sector. This response will focus on the social, cultural and economic benefits that the Programme Making and Special Events (PMSE) industry creates for UK consumers, and the importance of balancing these benefits with expansion of the communications sector.

BEIRG is a non-profit making organisation set up to represent all users of radio spectrum in the PMSE sector. BEIRG's members are involved in the production of all areas of television content, at national, regional and local level. They are essential in the production of content at live music and sport events, as well as in theatre and film.

The PMSE sector is a diverse and diffuse community of content producers, manufacturers, rental organisations and freelance engineers. Responsible for content production for live and recorded entertainment, it plays a crucial role in the on-going success of the British entertainment industry, which contributes at least £15 billion a year to the UK economy. The PMSE sector is critical to the production of content which is exported around the world.

This sector relies upon wireless equipment such as wireless microphones, in-ear monitor systems, talk back and instrument systems. In the past thirty years there have been vast improvements in production values and safety levels as a result of advances in wireless technology. The PMSE sector currently relies on use of the interleaved spectrum that resides between existing TV broadcast channels, and from 2012 dedicated nationwide PMSE channel 38.

On a daily basis this sector is responsible for the production of content that attracts a global audience and receives world-wide acclaim. A vast array of organisations are reliant on radio spectrum for the production of their content including performing arts, broadcasting, news gathering, independent film and TV production, corporate events, concerts and sports events. Other sectors that utilise UHF spectrum include the National Health Service, education, local government, political programming and conferencing.

PMSE benefits to consumers and citizens

Government must consider the benefits that existing users of spectrum deliver to citizens and consumers when developing a framework for further growth in the communications industry. This growth must not be fostered at the expense of valuable services which improve the cultural life of UK citizens.

Consumer demand for content produced by the PMSE industry is extremely high and growing. The PMSE industry is an essential component of the £15 billion p.a. British entertainment industry. Content generated by the British entertainment industry is also consumed worldwide, and many successful live formats have been sold across the world. If Britain wants to maintain its position as a global leader in live entertainment, continuing to develop new and innovative productions, then growth in the PMSE industry will be essential. For example the West End of London, which uses PMSE equipment to produce much of its content, attracts visitors from Britain and tourists from across the world. The current annual turnover of the West End is estimated at £500 million, and it receives around 15 million visitors a year. This figure is continuing to grow. However as more spectrum is sold off, demand is already starting to exceed the amount of content PMSE users can produce in the spectrum they have available to them.

As more spectrum is allocated to communications companies, the amount of spectrum available for PMSE use is being diminished. It is becoming increasingly difficult for them to produce world-class content that is so integral to the success of the British entertainment industry. The Government must recognise this trade-off between consumer and citizen interests when developing a strategy for future communications growth. While selling more spectrum may enable

communications growth, it will undoubtedly have an adverse impact on the British entertainment industry's ability to produce world-class content. It is simply not clear that consumers would prefer increased communications services at the expense of the high quality live entertainment which they currently enjoy.

The Government must also recognise the inability of the PMSE industry to compete at auction for released spectrum. The PMSE is a disparate and diffuse industry comprised of a plethora of small organisations, which has no mechanism to coordinate bidding for the collective needs of the industry. It does not have the organisational capacity to compete with large communications companies at spectrum auctions. Ofcom has recognised this, and as such has established a frequency management policy using a band management contractor with obligations to the PMSE industry. In a competitive auction, the PMSE sector would never be able to compete against the financial might of multinational communications companies. This would lead to a severe reduction in the total amount of spectrum available for PMSE users, and would reduce the sectors ability to meet the demands of consumers.

It must be conceded by the Government then, that if it wishes to follow a more market-led approach to spectrum, there is a significant risk of very severely damaging the PMSE industry, and the British entertainment industry as a whole.

Response

Q1. What could a healthier communications market look like? How can the right balance be achieved between investment, competition and services in a changing technological environment?

The Government must not consider growth in the communications market in isolation. If this growth is only to be achieved by the sale of spectrum currently used by the PMSE industry then the Government must carefully consider the implications of this.

A further reduction in the amount of spectrum available to the PMSE would risk its ability to continue to produce world-class content for consumers and citizens. This would clearly adversely affect the British entertainment industry, potentially jeopardising its world renowned status.

Q6. What are the competing demands for spectrum, how is the market changing and how can a regulatory framework best accommodate any rapidly changing demands on spectrum and market development?

Over the past five years the environment in which PMSE users have been operating has been radically changed. The clearance of PMSE from the 800 MHz band, as part of the Digital Switchover (DSO), has already caused a great deal of disruption to the entertainment industry, and has had a high financial cost. This clearance resulted in the eviction of PMSE users from channel 69, which had for many years been the dedicated channel for UK-wide operation of PMSE equipment. From 2012, PMSE users will instead use channel 38. Although PMSE users will retain a dedicated channel post-2012, this channel is still not available nationwide. The industry has suffered considerable disruption as a result of the clearance. In particular, PMSE users have lost all access to the white space in the 800MHz band. BEIRG has serious concerns about the availability of useable interleaved spectrum for PMSE post-DSO.

BEIRG is concerned about the planned sale of the 600 MHz band in 2012. BEIRG does not believe this band should be sold until it is clear that there will be sufficient access to spectrum for the PMSE industry to meet growing demand its for content. This is made even more important by plans in Europe for the harmonisation of the 700 MHz band for telecommunications. If the 600 and 700 MHz bands were to be sold as well as the 800MHz band, the PMSE industry would be only have access to channel 38. This would effectively wipe out wireless content production in the UK, meaning the British entertainment industry would no longer be able to produce much of its live content. This would result in serious

financial and cultural losses to UK plc. BEIRG believes that until the fate of the 700MHz is decided, no auction of the 600MHz should be undertaken. No decision should be made which could leave this valuable industry without access to such a key resource in its operation.

The PMSE industry's operating environment is also being threatened by Ofcom's plans to allow unlicensed White Space Devices (WSD) to operate in UK spectrum. BEIRG understands that these devices are in part designed to facilitate growth in the communications industry. The introduction of WSD carries with it a significant risk of interference to existing licensed PMSE users of spectrum. PMSE usage is heavily reliant on access to clean, interference free spectrum. Any interference caused by WSDs would diminish PMSE professionals' ability to produce content.

Given the current threat posed by WSDs, and the recent upheaval caused by the clearance of the 800MHz band, BEIRG has serious concerns about the future of the PMSE industry should it be subjected to further disruption. Any future move to re-allocate spectrum away from PMSE would severely disrupt an already hard-pressed industry.

Q7. How should spectrum be managed to deliver our growth objectives whilst also meeting our policy of furthering the interests of citizens and consumers in relation to communications matters?

Government must take into account the cultural, social and financial benefits that the PMSE industry delivers when considering the development of the communications market. Spectrum must be managed to ensure there is sufficient PMSE access to spectrum so the industry can continue to deliver world-class content to people worldwide. More and more spectrum is being allocated to the communications sector, BEIRG is concerned that if further spectrum sales take place, the entertainment industry will face irreparable damage.

Q8. How should the UK engage on EU/International level in relation to spectrum?

In light of the PMSE industry's experiences of the u-turn on channel 69 BEIRG believes that any future decisions made on harmonisation should be conducted with relevant European bodies. The PMSE faced increased disruption in their eviction from channel 69 due to Ofcom's decision to rush ahead of European developments. Any future framework should thus be more cautious.

BEIRG believes that the UK should be pushing for a harmonisation of broadcast in the 700MHz band across Europe, rather than allocating evermore spectrum to the communications sector. This would be the best means of ensuring that PMSE users retain sufficient access to spectrum and that consumer and citizen demand for live entertainment content is met.

Creating the right environment for the content industry to thrive

BEIRG is seriously concerned that the drive towards faster communications and faster delivery of content will be irrelevant if the quality of the content itself is irrevocably damaged. Having a communications sector offering a multitude of different broadcasting techniques would be irrelevant if the quality of content it broadcasts is severely diminished. This will be the case if further sales of UHF spectrum occur, and the PMSE industry's access to spectrum is further diminished.

Whilst broadcast may be able to operate on alternative platforms, the PMSE industry relies on UHF spectrum to produce content. Were the 600, 700 and 800 MHz bands to be sold, the PMSE industry would have no spectrum to operate its wireless equipment on, effectively forcing content production levels to revert to those of 30 years ago.

Government must find a balance between fostering innovation in the communications sector and ensuring that existing high levels of content production are upheld.

Conclusion

There is a significant risk of causing severe damage to the British entertainment industry if evermore spectrum is sold to the communications sector. BEIRG believes that growth in the communications sector is only desirable for consumers, if the benefits of such growth clearly outweigh the costs it will inflict on the services they currently value. Government must be aware of the very real threat to the British entertainment industry. Demand for PMSE derived content is rapidly increasing whilst PMSE access to spectrum is declining. It is not clear how further sale of spectrum to the communications sector, at the expense of a successful existing industry, can be justified as being in consumers interests.

Government must also realise that sale of spectrum is irreversible. Once sold, spectrum bands cannot be re-acquired. Any damage caused to the British entertainment industry now will be binding.