

inter media

SETTING THE AGENDA IN COMMUNICATIONS POLICY



JOURNAL OF THE INTERNATIONAL INSTITUTE OF COMMUNICATIONS

FEB 2006 Vol.34/No1

www.iicom.org



An independent, non-profit, dynamically-engaged forum for industry, government and academia to analyse and debate trends in communications and their impact on society.

Mission: to provide a global framework for dialogue and to promote access to communications for all people of the world

President

Mr Arne Wessberg, Finland

Vice President

Prof Franco Morganti, Italy

Treasurer

Mr Michel Huet, France

Board Members

Ms Marina Osterlund-Karinkanta, Finland

Dr Javed Jabbar, Pakistan

Mr Mandla Langa, South Africa

Ms Andrea Millwood-Hargrave, UK

Dr Delbert Smith, USA

Mr Bernard Courtois, Canada

IIC STAFF

Brian Quinn
Director General

Carol Geldart
Programme Developer

Rex Winsbury
Editor, Intermedia

Andrew Weir
Projects Executive

Annual subscriptions: £169.00 for 12 months and £310.00 for 24 months.

Middle and low income countries: £75.00 for 12 months.

International Institute of Communications, Regent House, 24-25 Nutford Place, London W1H 5YN, UK

Telephone: +44 (0)20 7323 9622 Facsimile: +44 (0)20 7323 9623

Intermedia online: <http://www.iicom.org> Archive password: halibut

Printed in England by H. Charlesworth & Co Ltd, 254 Deighton Road, Huddersfield, HD2 1JJ

The IIC publishes Intermedia to provide a forum for a wide range of people and views;

Intermedia does not necessarily reflect the opinions of IIC officers, trustees and members.

Credit quotations as source: Intermedia, Journal of the International Institute of Communications © 2006 ISSN 0309 11 8X

Front cover shows
Motorola Canopy
broadband network
radio antenna
reflectors being
installed on a
mountain top in
Macedonia



Welcome to the February-March issue of InterMedia. New software, new computer, and a new editor have brought the usual glitches. But in this issue we seek to highlight the vigorous activity of several of the national chapters of the IIC (France, Italy, Canada, the UK - see pages 29, 26 and 23), as well as the on-going debate about the desirable (or not) regulatory framework for the newer branches of the communications industries (see pages 7 and 10).

But we also focus clearly on matters of content - the operation of major TV markets outside the USA (see page 18), the questions of how matters of harm and offence are to be viewed and analysed in relation to very new means of distribution such as mobile telephony and, even newer, mobile TV on the new-style mobile communications devices of the near future (see page 32).

In both cases, the challenge lies in the multi-screen environment - satirised in the picture above - in which various means of delivery to the TV customer compete, perhaps, for the same scarce talent and big-name popular series (see page 38).

But there is also an important debate in progress in the UK, which we believe to be of great interest also to many people outside the UK, about intellectual property rights in this new digital era (see page 14).

There is also interesting news on the regulatory front (see page 4) and a list of forthcoming IIC events, including the annual conference, to be held in Malaysia (inside back cover). We hope that you find much of interest inside. Do comment, either way.

Rex Winsbury, Editor

European Commission's spectrum liberalisation plans get hostile response from broadcasters

The European Commission broke new ground at the end of last year when it called for spectrum liberalization in a third of the frequency ranges by 2010, including the mobile and broadcasting bands. While the mobile sector is increasingly warming to the idea the reaction from broadcasters has been very negative. They regard the proposals as unworkable and seemingly designed to solve a non-existent problem.

'Could please somebody explain to me how trading broadcast spectrum will work in practice?' asks Phil Laven, Technical Director for the European Broadcasting Union. 'I haven't heard anybody come up with a practical example of how to use it.'

A major practical problem for developing trading in the broadcast bands is the limitations imposed on these frequency ranges. The difficulty is that individual licence holders do not have access to the same band across the whole country. Broadcasters use different frequencies in different parts of the country to achieve universal coverage and prevent international interference.

This means that should a broadcaster have unused spectrum that they wish to trade it is likely to be only in a limited local area, limiting its value and usefulness. It is also likely that freeing up one of these "islands" of spectrum would require large numbers of consumers to retune their TV sets, although this is easier with digital TV.

Furthermore, the use of this spectrum could interfere with TV signals in neighbouring countries. This is a particular problem in places like Belgium where almost the whole country is in frequency planning terms close to a border. Laven points out that when UK broadcasters released VHF band III for mobile radio very little use was made of it because it interfered with TV signals in Northern Europe.

The European Commission will not comment directly on the broadcasters' objections because it is still assessing the responses to its communications issued towards the end of

last year, all of which cover the liberalisation of the broadcast bands. (See below) However, few within the Commission are surprised by the strength of broadcasters' opposition. It is generally seen as the typical reaction of incumbents to the opening up of a market. Telecoms operators, it is argued, gave the same reaction to the liberalisation of their market 15 years ago.

Interference: broadcasting a special case?

Within the Commission the problem of interference to broadcast signals is not seen as any more serious than that experienced by any wireless operator. The recent communications put much faith in new techniques to prevent interference, as do most arguments for liberalisation.

What the Commission does recognise, however, is the need for Europe-wide frequency planning to avoid interference between neighbouring countries. This is one of the areas being worked on by the European regulators organisation, CEPT.

Some observers have argued that broadcasters' real fear is that spectrum liberalisation means they will be forced out of the terrestrial market by telecoms companies. The Commission has tried to calm these fears by talking 'the special nature of public service broadcasting.' The Commission also tries to give each member state the opportunity to implement its own approach to public service broadcasting, recognizing that trading and spectrum flexibility 'are options and not obligations' (Communication on a Market-based approach to Spectrum Management p8).

Even assuming that the interference problems can be overcome, in practice would there ever be a functioning market? Do broadcasters have spare spectrum to sell? The BBC says no, pointing out that there is already a shortage of capacity in the UK digital TV and radio multiplexes.

The universal service contradiction

The majority of European public service broadcasters are obliged to cover the whole country and this greatly constrains their ability to release spectrum. To reach the majority of the population who live in urban areas takes a relatively small amount of spectrum, but regulators and governments usually demand about 98% coverage. Reaching remote areas requires much greater frequency usage: in the UK the last 700 TV transmitters only increase coverage by about one per cent of households.

Maximising spectrum efficiency and providing a universal service can be contradictory objectives. The Commissions' suggestion is to consider using other technologies. 'It may [...] be necessary to reassess the assumption that broadcasting as a public interest automatically requires terrestrial spectrum, since coverage obligations increasingly can be fulfilled by means other than terrestrial wireless transmission, given the growing reality of convergence and multiple platforms.' ([Communication on a Market-based approach to Spectrum Management](#) p8)

But what's in it for broadcasters? Many in the industry feel the current direction of policy will only benefit the wireless and mobile industries. 'It seems to be proposed as a one way street: there is some broadcast spectrum - would non-broadcasters like to use it?' says Phil Laven. 'But then you say, "What about broadcasters using other spectrum?" And they say "You couldn't possibly use other spectrum it's not suitable because broadcasters use high power transmitters"'

Broadcasters have needs too – principally terrestrial HDTV – but the treatment of ancillary broadcasting services like radio mics and wireless cameras is also causing concern with some services in some countries being pushed aside to make way for 3G.

In a market based economy would broadcasters ever be able to pay more than mobile companies for the spectrum to broadcast terrestrial HDTV? The BBC for example is certain it will not be able to sell any spectrum under a liberalised regime and will have to pay millions for the spectrum it currently uses. It estimates the total cost as £300M over 2 years. Until broadcasters feel that spectrum liberalisation will

also benefit their consumers, their commitment to the Commission's new policy will be half hearted at best.



New networks need supervisory body

Consultants commissioned by the UK regulator Ofcom have called for the immediate establishment of an industry body to supervise the transition to next generation networks (NGNs) or all-IP networks carrying both voice and data. These promise better and sophisticated services for both consumers and businesses particularly in the areas of cheaper VoIP calls, video on demand and cheaper switchboard services.

However, the transition to NGNs involves redesigning network architecture and smaller industry players fear this will give operators the opportunity to restrict access by competitors. The necessary investment will also create new economic barriers to entry.

Spectrum Strategy Consultants say the purpose of the NGN supervisory body should be to "develop a joint vision and framework for the transition to NGNs that encompasses commercial, technical and operational issues" and issue recommendations to industry. It should be industry funded, with members drawn from all stakeholders and run by an 8-10 member board and a "strong figurehead as chairman". Members should be able to participate in various workgroups "independent of size and degree of infrastructure ownership."

Spectrum emphasizes the need for "a stringent governance and organisational structure" and says the NGN body should be independent from the regulator although Ofcom will need to play a leading role in the set up stages. The consultants say the body should be established immediately and will need to last for up to 4 years.

BT, who would be the UK's largest but not only NGN operator, recently set up Openreach, a separate arm to run its network and made legally binding undertakings to ensure equality of access to its competitors. However Spectrum Strategy Consultants and the 32 industry leaders they interviewed to research the study clearly felt that additional guidance was needed to supervise the move to NGNs.

The whole issue of NGN's also has a European dimension after the InfoSoc Commissioner Viviane Reding said she was looking

into the possibility of a 'regulatory holiday' to stimulate investment in NGNs. This has already been agreed in Germany for Deutsche Telekom's new fibre network.

However, Reding said she would 'continue to see a need for regulation in cases of market dominance, as otherwise we risk to stifle competition and innovation.' (See Intermedia December 2005)

The idea of a 'regulatory holiday' has been strongly criticized by the European Competitive Telecoms Association (ECTA). NGN is a term with a range of meanings and can be applied to most new network equipment. ECTA say network operators need no incentive to replace existing equipment which is nearing the end of its working life.

It will be interesting to see if the Commission incorporates the idea of an industry advisory body as recommended by Spectrum Strategy Consultants when it comes to finalise its position on NGNs in spring this year.

Monopoly danger in new broadband technology?

The Organization for Economic Cooperation and Development is due to sound a warning over the potential for providers of unlicensed WiMAX networks to effectively monopolise broadband access in rural areas.

"There's a debate about whether WiMAX would be best in licensed or license-exempt spectrum," said Taylor Reynolds, the author of the upcoming report. "If countries want to use more of a licence-exempt type of allocation, like Wi-Fi, one of the problems we see is there would be this big first mover advantage." By switching up the power of its transmissions, the first company to start broadcasting could block out signals from other operators.

Indeed, the WiMAX community - from regulators to operators to technology suppliers - seems to have very little appetite for the unlicensed approach which many feel has stimulated the rapid growth of WiMAX. Licenses mean power can be turned up, which keeps infrastructure costs down, and they also mean service providers can rely on certain technical specifications - such as minimal interference from adjacent bands.