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Dear Graham

HD on DTT content management proposals

As you know, Ofcom is strongly committed to enabling the successful upgrade to DVB-T2, MPEG 4 and High Definition (HD) TV technologies on the Digital Terrestrial Television (DTT) platform, which will enable a wider range of attractive services to be delivered to consumers.

In response to a letter from Alix Pryde of August 27 setting out proposals on behalf of BBC Free-to-View Ltd for HD content management arrangements on the DTT platform, Ofcom consulted on a Multiplex B licence amendment that would be needed to allow the BBC to restrict the licensing of intellectual property rights it owns in HD service information Huffman look-up tables to receiver manufacturers who adhere to the Digital Television Group's Copy Management specification.

Ofcom received a large number of responses to this consultation, in particular from consumers and consumer groups, who raised a number of potentially significant consumer 'fair use' and competition issues that were not addressed in our original consultation. In view of these responses we have decided not to approve a multiplex licence change without giving these issues further consideration. We remain keen to support the successful introduction of HD services on the DTT platform and are willing to consider a further round of consultation on the licence amendment if you could provide more information and evidence in the following three areas:

1. The anticipated benefits to citizens and consumers, and to the DTT platform, of the proposed approach;
2. How you propose to address the potential disadvantages to citizens and consumers associated with the impact on the receiver market under the proposed approach;
3. An explanation of potential alternative approaches that would impact less on the receiver market, and the extent to which those alternatives would be able to deliver similar outcomes and benefits for citizens and consumers.

We are keen to provide early clarity on the licence amendment to all stakeholders affected by the DVB-T2, MPEG 4, HDTV upgrade on the DTT platform and would welcome your early response on these three issues. Until we reach a final decision on the licence amendment the HD service information broadcast on Multiplex B should be provided in a free to air format. If Huffman compression is used then the related tables should be made available to receiver manufacturers without the need for a licence for Huffman look-up tables from the BBC.

Yours sincerely

David Harrison

cc. DCMS, BIS, BBC Trust