

Future of the FM Band: Discussion Document

SUMMARY OF SUBMISSIONS

Radio Spectrum and Broadcasting Policy Group
Resources and Networks Branch
Ministry of Economic Development
WELLINGTON

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Introduction

1 In August 2001, the Ministry of Economic Development published a discussion document entitled, *“Future of the FM Band”*. The document sought feedback on proposals for the future of the FM band (88-108 MHz) and, in particular, the allocation of spectrum within the upper FM band (100-108 MHz). These were:

- i the proposal to reserve parts of the 100-108 MHz band for four priority programmes: National Radio, Concert FM, Maori radio and Pacific Island radio;
- ii the desired level of coverage for each of the four proposed programmes;
- iii the use of any frequencies remaining in the 100-108 MHz band after the coverage requirements of the four priority programmes have been met;
- iv the proposal to auction spectrum freed-up in the AM band and lower FM band as a result of the proposed new reservations;
- v opportunities for low power broadcasting in the top end of the 100-108 MHz band (i.e. 106.6-108 MHz).

2 Submissions on the document closed on 28 September 2001. A total of 89 submissions were received from a wide range of stakeholders including commercial broadcasters, iwi broadcasters, Access Radio and other non-commercial broadcasters, educational institutions, religious groups and Pacific Island communities. This paper provides a summary the submissions. It does not comment on or respond to any of the issues raised.

Non-commercial Services

3 The majority of the submissions considered that the upper FM band should be used to provide new and enhanced non-commercial broadcasting services. A number noted that there is already significant provision for commercial broadcasting in the lower FM band (i.e. 88-100 MHz)¹.

4 Some respondents considered that there should be a mix of commercial and non-commercial services in the upper FM band. Reasons for this included the need to fund infrastructure upgrades in the upper FM band and to provide incentives for the development of technology to allow radios in Japanese imported cars to receive stations in the upper FM band.

5 The views of commercial broadcasters were mixed. A number of the smaller independent broadcasters agreed that the upper FM band should be used for non-commercial services, as there was already a high level of competition in the industry.

6 Larger commercial broadcasters had varying views. Some felt that priority should be given to non-commercial broadcasting, but that there was a need for some FM frequencies to transfer existing AM commercial services to the FM band. Other large commercial entities wanted access to additional FM frequencies to enable the establishment of new services and/or complete partial nation-wide networks. One

¹ The current ratio of commercial frequencies to non-commercial frequencies for both the AM and FM band is two thirds to one third.

respondent noted that the use of the upper FM band for additional non-commercial services did not reflect demand as shown by current radio listener statistics.

Four Priority Programmes

7 Respondents were largely supportive of the four proposed priority programmes. Some questioned the need for additional frequencies for Maori radio given frequencies have previously been reserved and not all of them used. Some respondents also questioned the need to use the upper FM band for National and Concert FM given that these programmes already exist and have a high level of coverage.

8 One commercial broadcaster considered that if National Radio services were to be relocated from the AM to the FM band, commercial services using the AM band should also be given this opportunity.

9 A number of submissions suggested that Pacific Island radio was more suited to regionally based services in areas with a high number of Pacific peoples. A number of Access Radio broadcasters noted that they already carry programming for Pacific peoples and Maori. A few submissions queried why Pacific peoples should be given priority over other ethnic groups (e.g. Asian and Scottish).

10 Some Maori broadcasters considered that sufficient spectrum should be reserved in the upper FM band for improved coverage of existing iwi radio as well as the development of a nation-wide network with 92% population coverage (i.e. the equivalent of two of the available four networks). Several iwi also considered that there was a need for FM frequencies to improve and expand on existing coverage of iwi radio.

11 Access Radio broadcasters generally believed that Access Radio was not given sufficient priority in the proposals. A number of respondents suggested that Access Radio and other community-based services should be considered as a fifth priority.

Coverage

12 In general, most respondents considered that National Radio should achieve a very high level of population coverage (around 97-100% of the population). A number of respondents also felt Maori radio should have a high level of coverage, although a few suggested that coverage should be to regions with a significant number of Maori only. Some Maori broadcasters considered that the national Maori network should cover 92% of the population.

13 A number of respondents felt that Concert FM already had a good level of coverage. A high number of respondents considered that Pacific Island radio did not need comprehensive nation-wide coverage, but should target regions with a high level of Pacific peoples only.

Remaining Spectrum

14 The views on what the remaining spectrum should be used for were mixed, with some supporting non-commercial services and others supporting commercial services. Those who supported use for non-commercial services generally considered that priority should be given to Access and Community Radio. Other possible uses that were identified included iwi radio, education and training, radio-reading services, children's radio, student radio, parliamentary broadcasts, ethnic radio, BBC World and disability services.

15 Others strongly felt that some provision should be made for commercial services from this part of the upper FM band. Some, however, felt these frequencies should not be made available to the existing large commercial broadcasters.

16 When asked whether additional frequencies for commercial broadcasting would result in greater choice for listeners, the majority of respondents reported that they did not consider that it would.

Spectrum Freed-up from New Reservations

17 Most respondents felt that the frequencies freed-up as a result of new reservations should be auctioned. Some suggested that this should only take place once all the needs of non-commercial and Maori broadcasters have been met. One respondent considered that these frequencies should be used to convert commercial AM services to the FM band. A few respondents suggested that existing commercial broadcasters should not be able to access this spectrum. Another suggested that some frequencies should remain vacant for future use.

18 The majority of respondents considered that existing unused reservations should be freed-up for other uses, with many advocating a 'use or lose' approach to frequency allocation. One respondent considered efforts should be made to assist communities to more effectively use these frequencies.

Low Power Broadcasting

19 A large number of respondents expressed interest in using the top part of the upper FM band for both commercial and non-commercial 'localised' low power services. Some suggested that more spectrum should be allocated for this use, for example, in the lower FM band. A number of Access broadcasters, however, considered that these frequencies would not result in sufficient coverage to receive NZ On Air funding. Some commercial broadcasters also considered that low power frequencies would not provide sufficient coverage to be commercially attractive.

20 Some considered that low power frequencies should only be available to small commercial broadcasters and broadcasters who do not hold other commercial licences. Others considered that licences should only be short-term.

21 Nearly all respondents considered that there was a need to manage the use of these frequencies to ensure that they were used for their intended purpose and did not exceed power restrictions. Many felt that there was the potential for unregulated use to result in interference with other radio frequencies.

22 There were mixed views on whether these frequencies should be made available free of charge, or through the allocation of licences by auction or in return for a fixed fee. Several submissions considered that if this spectrum was used free of charge, it could result in unfair competition for existing small commercial broadcasters who have to pay licence fees and comply with broadcasting regulation.

Other Issues Raised

23 The following issues were also reflected in the submissions on the discussion document:

- Locating non-commercial services in the 100-108 MHz band will make them unavailable to some listeners, as Japanese cars are unable to receive services in this band.
- A long-term plan for introducing digital technology should be developed before spectrum in the 100-108 MHz band is allocated.
- Certainty over the future tenure of current licence rights should be provided before decisions are made about the allocation of spectrum in the 100-108 MHz band.
- Policy proposals for a youth radio network and New Zealand content quotas are likely to have a detrimental impact on the commercial broadcasting industry.
- A greater number of frequencies could be provided in the upper FM band if an alternative approach was taken to engineering the spectrum.
- AM spectrum should be discontinued from use, as it is not attractive to audiences.
- Satellite technology could be used to provide services to small communities.
- More high power FM transmissions may result in interference with mobile services.
- Access Radio already caters for youth, Maori and Pacific Island audiences.
- A policy of 'use or lose' should be introduced for the allocation of frequencies.
- Increased funding is required to enable Access Radio stations to transfer from AM to FM, open services in other areas, develop a national co-ordinating facility, and support capital structure.
- The allocation of frequencies should incorporate the cultural, social and commercial aspirations of iwi.
- It is unfair that some ethnic groups must purchase frequencies while others have them allocated free of charge.
- Additional funding (approximately \$7 million) is required for Maori broadcasters to produce Maori language programming and Maori language in English programming.
- Maori broadcasters would like to work with the Government to develop:
 - options for a separate national Maori radio network;
 - a 3-5 year strategic plan for Maori broadcasting (including, governance arrangements, frequency licensing and effective use of resources).
- The lower FM band should only be used for commercial services and the upper FM band should only be used for non-commercial services.
- Allocation of frequencies to non-commercial services will result in a loss of revenue to the Crown.
- Some commercial broadcasters are holding unused frequencies to prevent competition.
- There is a need to develop an overarching frequency plan for the AM and FM band before any further spectrum allocation takes place.
- It is vital that the use of the upper FM band does not cause interference to the aeronautical navigation and communication services in the adjacent band.
- Spectrum in the 100-108 MHz band, including frequencies used for low power broadcasting, should not be used for one way data broadcasting with subsequent use of the Public Service Telephone Network as a dial-up return channel.