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the department for Enterprise

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The Rt. Hon. Lord Young of Graffham  
Secretary of State for Trade and Industry

The Rt Hon Douglas Hurd CBE MP  
Secretary of State for the Home  
Department  
Home Office  
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Prime Minister <sup>2</sup>  
Both Douglas Hurd  
and Brian Griffiths  
have now indicated they  
are content with  
this approach.

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Dear Home Secretary,

THE CHOICE OF FREQUENCIES FOR MVDS

Paragraph 6.39 of the Broadcasting White Paper addressed a number of possible options for the choice of frequency band for MVDS in the new technology - neutral local delivery franchises, but left open a final decision. This letter suggests a way forward for inclusion in your April statement on local services.

Officials have reviewed the frequency options, and have found little difficulty in narrowing the options to the two bands around 12 GHz and 40 GHz, although they recommend that we leave open the possibility of 2.5 GHz for exceptional use in Northern Ireland where particular considerations apply. The choice between 12 GHz and 40 GHz is rather less obvious, particularly since they offer rather different characteristics and a different balance of advantages and disbenefits. Indeed, the right answer may well be to offer frequencies in both bands.

These are, however, important decisions, and we have therefore been particularly anxious to establish from the potential users of MVDS - who at this stage can really only be identified as the cable interests - the ways in which they





would in practice be likely to want to deploy MVDS, and the technical characteristics to which they would as a result attach highest priority.

The cable operators have, however, not shown much interest in MVDS (except at 2.5 GHz in advance of legislation which, as you know, is not possible for content reasons as well as spectrum constraints). This may, at least in part, be caused by uncertainty over the local services regime after legislation and, in particular, the White Paper proposal that in order to be allowed to use MVDS, an operator would no longer be allowed to retail the services on his system.

Without a better indication from the potential customers for MVDS as to what they want, I am reluctant to allocate frequencies and thereby tie them up for many years. I propose therefore to issue a consultative paper early next month so that all interested parties can consider the narrowed choice of options in the light of our revised and now definite proposals for the overall local services regime.

I recognise the undesirability of continuing uncertainty, but I think it better that we address the decision informed by the views of the prospective users of MVDS rather than risk forcing the new service into a technical mould unsuited to the commercial realities.

... I attach a form of words which you may wish to include in your statement.

I am sending copies of this letter and of its attachments to the Prime Minister, to our MISC 128 colleagues and to Sir Robin Butler.

Yours sincerely,



(Approved by the Secretary of State and signed in his absence)

DRAFT PARAGRAPHS ON THE CHOICE OF FREQUENCIES FOR MVDS FOR INCLUSION IN THE  
APRIL STATEMENT ON LOCAL SERVICES

We have given further thought to the choice of frequencies for MVDS. We have concluded that the pressures on the 2.5 GHz band, the uncertainties surrounding possible future international developments and the limited amount of spectrum that could at best be made available combine to make this band unsuitable for MVDS. We have also ruled out the band 27 - 29 GHz since the 40 GHz band has similar characteristics and the significant advantages of larger amounts of spectrum, no existing incumbents and is, in part, internationally designated for broadcasting.

The White Paper also canvassed the possibility of frequencies being made available in the 12 GHz band. This band and that at 40 GHz have different characteristics and competing advantages and disadvantages. We shall need to consider further from which band, or bands, frequencies should be allocated to MVDS.

In order to assess the reactions of potential users, now that the rest of the local services regime has been decided, the Department of Trade and Industry will issue a short discussion paper early in May. We fully recognise the undesirability of continuing uncertainty over the choice of frequencies for MVDS, but this is an important decision which needs to take account of the interests of all parties, including other potential users of the spectrum, from whom the Government would welcome views.