

FUNDING PRINCIPLES

Published 8 July 2013

This document sets out the principles by which Digital UK is funded for the services it provides on the Digital Terrestrial Television (DTT) platform. Rate cards for specific services will be published separately on the Digital UK website. This document will be reviewed regularly and may be revised at any time.

1. General Principles

- 1.1 Digital UK facilitates the operation of the UK's DTT platform by supporting the information and technical requirements of audiences, multiplex operators, channels and equipment manufacturers. The DTT platform is comprised of six UK-wide national multiplexes and multiplexes in Northern Ireland and Manchester. A further multiplex providing local TV services is scheduled to launch later in 2013. Other multiplexes may be licensed by Ofcom.
- 1.2 Digital UK is funded by its four members – the BBC, ITV, Channel 4 and Arqiva – who bear the central costs of Digital UK's DTT platform operations. These central costs include viewer support, most communication and staff and office costs.
- 1.3 In addition, there are multiplex specific costs. These are related to network management and platform support (including the operation of the central service information system that underpins the platform's technical operation), and costs connected with technical development and platform innovation.
- 1.4 In general, multiplex specific costs are split six ways between the members according to the number of national multiplexes operated by each member. However, Digital UK does require some contribution from all multiplex operators to:
 - Cover the incremental cost of their integration into the central service information system
 - Cover some of the annual costs of operating the central service information system
- 1.5 Digital UK may also seek to recover costs incurred in platform support and development, and communication activity requested by channels moving LCN position, but will not seek to make profit on its activities.
- 1.6 All charges will be made on a fair, reasonable and non-discriminatory basis, in keeping with Digital UK's Ofcom Licence obligations.
- 1.7 To support a commitment to transparency, all standard charges will be published on the Digital UK website.

2. Charging Principles for Supporting Multiplexes

- 2.1 The overwhelming majority of the costs of operating the DTT platform are borne by the members of Digital UK. This includes underwriting the funding of the central service information system, which integrates all platform multiplexes into the single service information data stream and forms part of the DTT service.
- 2.2 However, Digital UK charges non-member multiplexes on the platform a multiplex services charge to cover the incremental cost of their integration into the central service information system, and an annual contribution towards the costs of operating the central service information system. This charge is banded according to the UK coverage of the multiplex. Multiplex services charges will be published on the Digital UK website.
- 2.3 Digital UK's members fund the postcode checker that informs viewers and trade of DTT coverage at any given address. Digital UK does not charge any multiplex for its inclusion into the Digital UK postcode checker, which will include all available multiplexes where the multiplex makes available any necessary data.
- 2.4 As per Digital UK's 'Guidelines for Communicating Platform Changes', Digital UK's members fund the communications and support provided for required changes. Digital UK will continue to charge all multiplexes (including member multiplexes) at incremental cost for communications and support for any changes a multiplex requests where that support is agreed by Digital UK. Such charges will be agreed on a case-by-case basis.

3. Principles for Supporting DTT Channels

- 3.1 Digital UK's members fund the support services it provides to channels by way of reporting and general support. These services will be provided to support the continuously improved operation of the platform.
- 3.2 Digital UK may offer channels optional new platform features. Where these generate incremental cost Digital UK may make a charge for use of such features towards cost recovery of the investment made. Standard charges for any optional platform feature will be published on the Digital UK website.
- 3.3 As per Digital UK's 'Guidelines for Communicating Platform Changes', Digital UK's members fund the communications and support it provides for required changes. Digital UK will continue to charge all channels (including member channels) at incremental cost for communications and support for any changes a channel requests, where that change is agreed by Digital UK. Such charges will be agreed on a case-by-case basis.

4. Principles for Supporting Third Party DTT Platforms

- 4.1 Digital UK charges third parties to incorporate the Digital UK Postcode Checker data and interface with their own website.

- 4.2 Digital UK may charge third-party DTT platforms for any contractually agreed support arrangements it may provide to assist the smooth running of their platform.
- 4.3 Digital UK will continue to fully recover all costs incurred as a result of specific development requests from third-party platforms.

5. Principles for Supporting Manufacturers

- 5.1 Digital UK's members may fund new platform features to support the ongoing development of the DTT platform. Digital UK wishes to encourage manufacturer adoption of such features and will not charge manufacturers for access to any new platform feature.
- 5.2 Digital UK would fully recover any costs incurred as a result of fulfilling any specific manufacturer request to access service information or other data.