



Consultation on a proposal to amend the LCN Policy to reserve logical channel numbers within content genres for HD-only channels

Published: Wednesday, 16 December 2015

Responses by: Friday, 22 January 2016

CONTENTS

| | | |
|----------|--|----------|
| 1 | Introduction | 3 |
| 2 | Proposal for LCN reservations for HD-only channels..... | 3 |
| | 2.1 Background | 3 |
| | 2.2 Proposal | 4 |
| 3 | Consultation | 5 |
| | 3.1 Question | 5 |
| | 3.2 Timetable and next steps for responses..... | 5 |
| 4 | Proposed amendments to the LCN Policy..... | 6 |

1 Introduction

Digital UK supports viewers and channels on the Freeview digital terrestrial television platform (the "**DTT Platform**"). We hold an Ofcom licence to manage the logical channel number ("**LCN**") listings, and we maintain a listing policy (the "**LCN Policy**") in accordance with the requirements of the Communications Act (2003) and Ofcom's Code of Practice on Electronic Programme Guides. It is a requirement under that code of practice to carry out periodic reviews of the LCN Policy, and this consultation forms part of that process.

Our objective is to develop our listing and apply the LCN Policy for the long-term benefit of the DTT Platform and in the interests of viewers. We also seek to ensure that any agreement with channel providers is made on fair, reasonable and non-discriminatory terms.

We have published this consultation to set out our proposal to amend the LCN Policy to provide for the reservation of LCNs for HD-only channels within the appropriate content genre (e.g. General Entertainment or News). By "**HD-only**" channels, we mean high definition channels that are not simulcast as a standard definition ("**SD**") channels on the DTT Platform.

In this consultation document, we use the terminology 'lower LCN' to refer to smaller number which is further up the channel list. Conversely, 'higher LCN' is used to refer to a larger channel number which is further down the channel list.

2 Proposal for LCN reservations for HD-only channels

2.1 Background

In 2013, we consulted on whether to maintain a separate HD technical genre; or to substitute SD channels with HD channels where technically possible (e.g., such that BBC One HD would appear automatically at channel 1 for viewers with HD receivers). The arguments for and against were finely balanced, and the conclusion was to maintain a separate HD genre in the DTT channel listing for the time being.

While there are no imminent plans to review this position we note that the main public service broadcasters do continue to investigate the feasibility of deploying regionalised HD channels - the technical complexity of which was one of the main reasons for maintaining a separate HD genre. HD technology is quickly becoming widely adopted across devices, and we therefore believe it prudent to consider whether some small steps should be taken to make provision for any future decision to integrate the HD technical genre into the content genres.

While any future decision would be a matter for consultation, we anticipate that any integration of the HD genre into the content genres would be implemented, if it were to happen at all, by substitution of an SD channel in a content genre for the equivalent HD channel (where available). Each HD channel would therefore need to have either: (i) an SD channel simulcast in the appropriate content genre; or (ii) a reserved LCN in the appropriate content genre to which the HD channel can be reallocated.

Almost all HD channels on the DTT Platform currently have an SD channel simulcast, with the only exception being QVC+1 HD which launched as an HD-only channel on the DTT Platform in April 2015. Following the launch of Arqiva's second HD multiplex (COM8) we can reasonably expect further HD-only channels to launch on the DTT Platform.

2.2 Proposal

We consider there to be two approaches available to us at present with regard to the issues identified above.

Option 1: Maintain the status quo.

If a decision is made in future to integrate the HD channels into the content genres (thereby closing the HD genre) the HD-only channels would be allocated the lowest available LCNs at the end of the appropriate content genres in line with the normal allocation process under the LCN Policy.

This could result in an HD-only channel being allocated a higher LCN position relative to other SD channels launched after the HD-only channel had launched.

Option 2: Reserve LCNs in content genres for HD-only channels, whilst continuing to allocate in the HD technical genre.

At the time of the launch of the HD-only channel, we propose to reserve the lowest available LCN at the end of the content genre in which the HD-only channel would otherwise be placed, in line with the normal allocation process under the LCN Policy. If a decision is made in future to implement HD substitution, each HD-only channel could then be reallocated to its reserved LCN in the relevant content genre and the HD technical genre could be closed. This would therefore avoid the shortcoming identified in relation to Option 1.

This process would not require any reallocation of LCNs for SD channels, and would ensure that HD-only channels are not disadvantaged vis-à-vis their simulcast peers.

New channels launching into the content genres would not be disadvantaged, as they will still be allocated in the same way as currently. Note also that LCNs reserved under this process would not be visible to viewers prior to integration.

The proposed changes would only apply to the General Entertainment and News genres, as Children's HD and Adult HD channels are already allocated LCNs in their respective content genres, rather than in the HD technical genre for consumer protection reasons. Whilst reservation of an LCN in a content genre would prevent its use for other channel launches, there is sufficient capacity within the General Entertainment and News genres, with 17 and 14 vacant LCNs respectively (at the time of writing).

As is consistent with LCN allocations, channel providers would have no right to LCNs reserved under this process, and none of the benefits of the LCN Policy would apply to those reserved LCNs (for example the potential to swap associated channels).

If an SD simulcast of the HD-only channel is launched, it would be treated the same as any other new channel launch and would be allocated the next available LCN in accordance with the LCN Policy – it would not be eligible to launch into the reserved LCN. As the reservation process is restricted to HD-only channels, the reservation would be closed and the previously-reserved LCN would become available for allocation. If the HD-only channel closes, then the reservation would also be closed.

Recommendation

We recommend implementing Option 2. We believe this is the best course of action to support prudent LCN management in the event of any future decision to enable full substitution of HD channels. To enable this, we recommend making the changes to the LCN Policy as set out in Section 4 below.

We have provisionally reserved LCN 75 for QVC+1 HD applying Option 2. That reservation is subject to the outcome of this consultation. Should any further HD-only channels launch before this consultation concludes, we will also provisionally reserve LCNs in the appropriate content genres for those channels.

3 Consultation

3.1 Question

Do you agree with Digital UK's proposal set out at Option 2?

3.2 Timetable and next steps for responses

We invite responses from all stakeholders in the DTT Platform - particularly channel providers, multiplex operators, consumer groups and viewers – setting out how respondents believe they may be affected by the proposals.

We encourage respondents to consider how they may be affected by the proposals, and to provide evidence based responses to describe any effect. We will publish all non-confidential responses on our website. Please indicate on your response whether none, some, or all of your response can be published. In the absence of indication to the contrary, responses will be treated as non-confidential.

To be considered, a response must reach Digital UK by 17:00 on Friday 22 January 2016.

Responses can be emailed to consultation@digitaluk.co.uk or mailed in hard copy to the following address:

FAO: Sarah Fox
Digital UK
2nd Floor
27 Mortimer Street
London W1T 3JF

We expect to publish a statement in February 2016 setting out our decision. This will be sent to all respondents and posted on the Digital UK website.

4 Proposed amendments to the LCN Policy

The proposed amendments to the LCN Policy are summarised below:

1. At paragraph 1.8 after the words "*After an LCN allocation*" insert "*or reservation*".
2. After paragraph 2.10, insert the following:
 - 2.11 *If a channel is allocated an LCN in the HD genre and has no standard definition simulcast channel on the DTT platform, Digital UK may also reserve the lowest available LCN in the genre in which such simulcast channel would otherwise have been allocated an LCN.*
 - 2.12 *Digital UK may at any time elect to revoke or amend any reservation made under paragraph 2.11 if it considers it appropriate for prudent LCN management, and channel providers will have no rights to any reserved LCN. For the avoidance of doubt, paragraphs 6, 7.6 and 8 shall not apply to reserved LCNs.*
 - 2.13 *Reservations made under paragraph 2.11 will automatically be revoked if a standard definition version of the channel is allocated an LCN on the DTT platform, or the channel is withdrawn.*