



Reorganisation of the DTT LCN Listing and Changes to DUK's LCN Policy

Response from Expert Media Partners

Background:

Expert Media Partners (EMP) is a management consultancy, EPG broker and professional services advisor to broadcasters. Its senior team has been managing LCN and EPG transactions since 1999 and is the UK's leading expert in the field. Recent transactions include brokering daypart capacity deals on Freeview, and managing the EPG sale on behalf of Irish State broadcaster RTE of channels 161 and 162 on Sky to Discovery. The management team at EMP provided research services to the last DCMS reviews of EPG methodologies. In addition, EMP's management team won the licence to build the UK's local television DTT multiplex.

Proposals to reorder the LCN listing

1. Do you believe that Option A would be a suitable new LCN listing structure for the DTT Platform?

Yes.

2. Do you believe that Option B would be a suitable new LCN listing structure for the DTT Platform?

Yes.

3. Do you have a preference for one option over the other?

Option A as it creates a larger Adult section, separated from other services, and the longer term anticipated growth in IP-based services is better dealt with.

4. Do you have any other comments on Digital UK's proposed changes to the LCN listing?

Some of the new capacity made available by Ofcom on the T2 multiplexes has a lack of clarity about its long-term availability. There is a possibility that the number of DTT channels over the medium term may fall, which, subject to relevant changes in the listings policy, would increase demand for IP-based channels to find an LCN. Option B is better placed to cope with that likely change.

5. Do you agree with Digital UK's proposed approach to the timing of any changes?
Yes.

Proposals to revise the LCN Policy

Proposed amendments to rules concerning the allocation of LCNs

6. Do you agree with Digital UK's proposals regarding minimum broadcast hours?
No. The use of minimal hours has allowed smaller broadcasters to test the platform, as the costs of entry are very high. Many have then increased their hours subsequently.

7. Do you agree with Digital UK's proposed new launch process and timings?
Yes. It helps avoid channels being off air for extended periods, and will require broadcasters to focus and prepare properly for a channel launch which is good for both broadcasters and platform owners alike.

8. Do you agree with Digital UK's proposed approach to LCN sharing?
No. There are many commercial models used by broadcasters to assist with mitigating the cost of DTT capacity, and this proposal will have a direct and negative impact on the secondary market in capacity. This market has provided opportunities for new broadcasters and innovation on the platform, and the listings policy should not risk damaging that or stifling innovative channel ideas. Freeview is a dynamic digital platform, and the ability to launch smaller new and exciting services at lower cost is part of that world. We are concerned that the proposal is an attempt to move the position backwards to make Freeview more of an analogue-style platform with fewer dynamic changes to content and channels.

Proposed changes to rules that govern channel moves and changes

9. Do you agree with Digital UK's definition of 'common control'?
Yes

10. Do you agree with Digital UK's proposal regarding the 'public service rule'?
Yes

11. Do you agree with Digital UK's proposal regarding the 'associated channels rule'?
Yes

12. We would welcome stakeholders' views on the options for Stage 3 of the vacated LCN rules.

The Transactional Model for Stage 3 is our strongly preferred model. This is an objective approach which has worked extremely well for many years on other platforms such as digital satellite. It has enabled a mix of existing channel operators and new entrants to launch onto, or move within, the platform on an equal basis. It allows growing channels with bigger audiences to improve further by investing in a higher profile LCN. The current approach has the effect of making the platform's lower LCNs available only to existing Freeview channel operators, which is a barrier to innovation, some growing channels and new entrants.

13. Do you agree with Digital UK's proposed timeline for channels to complete an LCN move following an allocation under the vacated channel rules?

Yes.

14. Do you agree with Digital UK's proposals to amend the rules around channel providers reordering channels within their channel portfolio?

Yes, broadly, but limiting channel providers to reordering their portfolio to two changes a year, every year, may be more disruptive than allowing a channel provider to make several changes once in one year, especially if it were timed with other major changes by other channel providers, or platform changes by DUK. There should be the opportunity to permit multiple reordering of a channel portfolio on a single occasion, if the alternative is 8 separate changes over 4 years, for example.

15. We welcome stakeholder views on whether public service channels should be permitted to reorder the channels they control within a genre.

EMP doesn't have a view on this point.

16. Do you agree with Digital UK's proposals around channels changing their name and/or content?

Yes.

17. Do you agree with Digital UK's proposal to retain but re-word the 'shuffle-up' rule?

Yes.

Policy clarifications

18. Do you agree with Digital UK's proposals around the treatment of streamed services?

No. EMP believes that this area requires a separate and detailed consultation. For example, the requirement for content to be 'licensed by an appropriate authority' is impossible to achieve when ATVOD has been abolished and Ofcom does not yet 'license' services in the way described. The principle that the proposal tries to achieve sounds sensible, but is ahead of the reality of licensing and regulation. We think this is likely to be an important and growing area for the platform, and should be the subject of further research and consultation.

19. Do you have any comments on the proposed new wording and structure of the LCN Policy, aside from issues you have mentioned in response to other consultation questions?

No.