

Channel 4 response to Digital UK's consultation on the reorganisation of the DTT LCN listing and changes to Digital UK's LCN policy.

Channel 4 welcomes the opportunity to respond to Digital UK's consultation on the reorganisation of the DTT LCN listing and changes to Digital UK's LCN policy. As a general rule Channel 4 is in favour of the liberalisation of the LCN policy and believes that Digital UK should seek to add flexibility wherever possible while ensuring that appropriate protections are in place and regulatory benefits such as PSB prominence are recognised.

The following response sets out our support for Digital UK's proposals.

Question 1: Do you believe that Option A would be a suitable new LCN listing structure for the DTT platform?

Question 2: Do you believe that Option B would be a suitable new LCN listing structure for the DTT platform?

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

Question 4: Do you have any other comments on Digital UK's proposed changes to the LCN listing? Wherever possible, please provide evidence-based reasons for your response

Channel 4 agrees with Digital UK's assessment that Option A best delivers the policy objectives and guiding principles of Digital UK's LCN policy. Either option A or option B would be an improvement on the existing policy but Channel 4 believes that option A is superior as it delivers better protections to viewers by ensuring the Adult genre is appropriately distanced from the Children's genre.

By comparison, Channel 4 notes that option B may still raise protection issues as children moving between the Children's genre and the IP-delivered children's services would potentially be scrolling through the Adult genre.

Whilst the changes will involve some disruption for the Adult genre, Channel 4 does not believe this will be significant because Adult Channels are generally destination channels. Moving the Adult genre towards the end of the EPG will not only reduce the likelihood of having to move again at some point in the future but is also consistent with the Sky and Virgin platforms where Adult channels are found in the 900 range. This will further aid with discoverability for viewers seeking these channels.

While Channel 4 supports the proposed changes to the LCN (particularly in the form of option A), we believe it would be advantageous to implement a Shopping genre. This would deliver the benefit of facilitating viewers looking for shopping services as well as making the General Entertainment genre easier to understand (as its composition would better reflect its name – ie. containing only entertainment channels). It is also worth noting that currently DTT is not consistent with the other major platforms (Virgin, Sky & Freesat) which all have separate shopping genres.

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

Channel 4 supports the timing proposed by Digital UK.

Question 6: Do you agree with Digital UK's proposals regarding minimum broadcast hours?

Channel 4 supports Digital UK's proposals regarding minimum broadcast hours and agrees that Channels should be given two years, or until the end of their current DTT multiplex capacity agreement (whichever is later) to comply with the rules.

Question 7: Do you agree with Digital UK's proposed new launch process and timings?

Channel 4 agrees with Digital UK's proposed new launch process and in particular the proposals to shorten the length of time a channel can "hold" an LCN without using it.

Question 8: Do you agree with Digital UK's proposed approach to LCN sharing?

Channel 4 supports Digital UK's proposal on LCN sharing and believes this proposal will allow for a more efficient packaging of channels which is not achievable under the current guidelines.

Question 9: Do you agree with Digital UK's definition of 'common control'?

Channel 4 agrees with Digital UK's definition of common control. Indeed, Channel 4 would be minded to go further and propose that 50% qualifies without the need for a further common branding test.

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

Channel 4 supports Digital UK's proposal regarding the public service rule and believes that it provides a useful clarification for the first stage of the allocation of vacated LCNs.

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

Channel 4 broadly supports Digital UK's proposal for the associated channels rule. This proposal will encourage less fragmentation and will help to unite channel families on the EPG to the benefit of both viewers and the channels themselves.

Channel 4 agrees that there is a clear and substantial benefit in moving associated channels directly next to each other – or potentially within 2 places of each other. However, the benefit of moving associated channels to 3, 4 or 5 places from each other appears much less convincing. Consequently, Channel 4 supports Digital UK's proposal to reduce the associated channels rule to +2/-2.

Question 12: We would welcome stakeholder's views on the options for Stage 3 of the vacated LCN rules.

Of the two options put forward Channel 4 believes that a transactional model (option B), where the LCN is allocated to the highest bidder is the most likely to meet the objectives of Digital UK's LCN policy and has the highest chance of delivering positive outcomes for viewers.

Whilst the objectives of the beauty contest option (option A) are commendable, Channel 4 does not support this option as currently described and believes it would be impractical and introduces too much

subjectivity into the process which Digital UK rightly recognise *“All of these criteria would be objectively judged, but there would necessarily be an element of subjectivity involved in deciding which criteria to include.”*

Given the disruption and complexity of shuffle-ups, Channel 4 does not support the abolishing of stage 3 and instead believes that moving to some type of transactional model in place of stage 3 could see substantial benefits for the platform.

Question 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?

Channel4 agrees that it is sensible to apply a clear timeline to the process of moving LCNs and agrees with Digital UK’s proposal that Channels should have 8 weeks to complete a move.

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

Channel 4 is broadly in favour of further liberalisation of the EPG and as such is supportive of Digital UK’s proposals to further clarify and simplify the existing rules on channel swapping.

In particular Channel 4 supports Digital UK’s proposals around reordering channels before launch and agrees that this should help to minimise viewer disruption. Channel 4 also has no objection increasing the limit on the number of times channel providers can reorder to twice in a 12 month rolling period and agrees that Digital UK should be able to co-time any reordering with other changes to minimise viewer disruption.

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

Channel 4 supports the notion that public service channels should be permitted to reorder the channels they control within a genre. More specifically, we see the merit in allowing the BBC to reorder their channels (outside of positions 1-5 and their HD equivalents).



Question 16: Do you agree with Digital UK’s proposals around channels changing their name and/or content?

Channel 4 is supportive of Digital UK’s proposals around Channels changing their name and/or content and believes that the proposals are a good modernisation of the existing rules, and are clearer and

more easily understood while still providing appropriate limits by limiting changes to once every 12 months and ensuring the channel remains appropriate to its genre.

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

Channel 4 has no objection to Digital UK's proposal to reword the shuffle up rule.

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

Channel 4 supports Digital UK's proposals around the treatment of streamed services and believes the proposals will provide an effective streamlining of the rules.

Question 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