



The BBC's response to Digital UK's consultation on the reorganisation of the DTT LCN Listing and changes to Digital UK's LCN Policy

5 January 2017

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The BBC welcomes the opportunity to respond to this Digital UK consultation on the reorganisation of the DTT LCN Listing and changes to Digital UK's LCN Policy, and commends Digital UK for the thorough approach adopted in this consultation.

The DTT EPG should provide easy access and discovery for viewers, and having the best quality content in the most prominent EPG positions is in the best interests of the DTT platform and viewers. Whilst recognising Digital UK's need to meet its regulatory obligations, we welcome any opportunities by Digital UK to simplify and future-proof the LCN Policy and give more flexibility to channel providers to manage their channel portfolios on the DTT EPG and deliver positive outcomes for viewers and listeners.

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?

The BBC believes that Option A would be suitable as a new ordering of the LCN genres for the DTT platform. We believe it provides ample capacity for potential growth in the number of general entertainment services, provides a greater distance between Adult and Children's services (thus satisfying the requirement for consumer protection). We also believe it provides sufficient capacity for any temporary increase in the number of interactive services that the BBC may provide (given that to date the BBC has been the primary provider of such services in this particular DTT listing genre). We believe option A provides an optimum solution to the issues at stake but with minimal interruption.

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

The BBC believes that Option B could be suitable as a new ordering of the LCN genres for the DTT platform. We believe it provides ample capacity for potential growth in the number of general entertainment services and by virtue of the News genre, provides some distance between Adult and Children's services (thus helping in some way to satisfy the requirement for consumer protection). As a minor point, we would note that 20 slots may be a little excessive in terms of anticipated capacity in the interactive services genre based on the unique deployment of services by the BBC in that genre to date.

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

The BBC has a preference for Option A over Option B on the clear grounds of strengthening consumer protection. Given that this review is being conducted now, we are of the firm opinion that Digital UK should make the most of this opportunity and address the consumer protection issue in the best possible way.

Option A locates Adult content further away from Children's TV content and of the two options we believe provides the best solution in terms of consumer protection. Whilst Option B retains a genre between the Children's and the Adult genre sections, we would note that on some DTT devices (and particularly given the relatively low number of channels in the News genre - presently four) and even with the inclusion of Adult genre 'bookends', there would still exist a strong potential for any viewers, especially children, navigating to the end of the Children's section to be exposed to the LCN listings and metadata for Adult services on screen. Option A is also consistent with viewer expectations (as per the IPSOS Connect research, where 89% of respondents¹ thought "it was important that 'Adult channels should be kept apart from Children's channels' "

¹ Digital UK Consultation document 18 October 2016, p 74

We would also observe that Option A would strengthen consumer protection – it would move the Adult genre and locate it behind any IP-delivered services including Children’s IP-delivered services such as those on YouView². Moving the Adult genre as per Option A would mean that children would not have to scroll through the Adult section to find General Entertainment or Children’s IP-delivered content, if scrolling through the EPG were their preferred method of navigation.

Finally we would refer to the positioning of the Adult genre on the majority of other television platforms in the UK. Adult content being placed thus does not seem to have materially affected the respective content providers who have still sustained a business model for their channels on the other platforms despite their numerically less prominent positioning on the EPG. Please refer to Appendix I for supporting evidence on this point.

We would express one slight concern in relation to the positioning of Adult services in Option A – that Adult services would move closer in proximity to BBC Radio 1 and BBC iXtra, occupying the two most prominent slots in the Radio genre and both of which are attractive to younger listeners. Given the planned expansion in range of the Adult genre in Option A, we would like to explore with Digital UK, the possibility of re-using of the Adult bookend slate for several instances at the back of the Adult Genre to thus reduce the likelihood of a listener to Radio 1 or iXtra scrolling back down the EPG into the start of Adult services proper. If implemented for the Radio genre, then the introduction of a ‘viewer navigation tool’ at the genre-head LCN for Radio (i.e. LCN 700) of the likes that the consultation document suggests for the News and Children’s genres would be helpful in this regard.

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

Given the sensible ‘major review’ cycle, the DTT platform needs an LCN listing and policy which can provide continuity for a number of years and which therefore minimises audience and commercial disruption over the period. As such, the BBC is wholly supportive of proposals around extending genre capacity where expansion is anticipated in order to avoid a recurrence of any further overflow sections which result in a fragmented EPG.

‘Demotion’ of public-service content, especially public-service Children’s and News content : Whilst mindful of the benefits of segmenting the DTT EPG into genres, a consequence of the move of the Children’s and News genres in both options is once again to further demote, and make less prominent, BBC public service content. It is also unfortunate that the need to create space for additional General Entertainment channels has once more resulted in a move and a less prominent, higher LCN positioning for the Children’s and News genres and coming so soon after the moves in September 2014. We understand that some viewers in particular, especially younger viewers, do remember how to tune to their preferred channels by reference to their LCNs.

² We understand the YouView ISPs presently offer up to 10 pay-TV Children’s channels as part of their channel packages.

All this withstanding, the BBC understands Digital UK's overall rationale for the genre moves and is considerably more comfortable with this proposal than with the listing arrangements on other platforms where public service broadcaster ("PSB") prominence for Children's and News is not fully recognised. In maintaining PSB channels at the beginning of the genres, Digital UK has thus adequately delivered against the Ofcom requirement for appropriate prominence. We are also pleased that the large number of General Entertainment LCNs created should hopefully avoid further disruption to the Children's and News genre in the window before the next major DTT LCN review

IP channels : We recognise that the majority of DTT platforms users presently navigating the DTT EPG do so through largely on broadcast-centric devices. We similarly recognise that in terms of Freeview Play, the platform is nascent and there are presently no IP channels on Freeview Play requiring LCN allocation. However, we encourage Digital UK to continue monitoring audience behaviour and relevant channel/platform developments in order to undertake further reviews when appropriate to define the future organisation of IP channels. This is particularly important given Freeview Play's development and strong growth potential and the number of other hybrid DTT-IP TV platforms (such as Vodafone and EE) that are emerging and their ability to choose not to adopt the DTT LCN Policy & Listing and instead implement a hybrid listing of their own design. As Freeview Play gains traction and other connected platforms continue apace, the BBC believes there will be an ever-increasing pressure to keep the DTT EPG competitive in the face of those other platforms.

We would note that given the strong potential/likelihood of DTT broadcast and IP linear channels effectively merging in the DTT EPG at some point in the future as the industry moves towards a more hybrid model, we believe that the IP genre on Freeview Play (LCNs 300-599) represents a green field opportunity where effectively the future model for the wider DTT EPG could start to be planned. This may include planning in earnest for the required content genres that may be needed to accommodate and help the user to navigate an expanded number of services. The BBC believes this type of radical change to the whole of the DTT EPG will feature in the overall direction of travel of the DTT platform of the future. As the largest and most clearly defined sub-set within General Entertainment, we would also expect a shopping genre in particular to be created at that time, alongside any other prevalent content genres.

Reservation of genre-head LCNs : We recognise that the genre movements predicated in Options A and B provide a timely and important opportunity to reserve the genre-head slots and could be crucial to facilitating the creation of the type of a more sophisticated navigation tool that a connected environment like Freeview Play enables. We see a particular symmetry in reserving the 'xx0' numbered LCN at the top of each genre given the way LCNs 0 and 100 are already allocated. Indeed, if Digital UK is to proceed with the genre-head LCN reservation, we would want to see Digital UK go further than their current proposal and afford itself the flexibility to reserve the genre-head LCN for other DTT LCN genres where considered appropriate, in anticipation of a wholesale introduction of the potential navigation tools to all genres on the DTT EPG. Enabling this flexibility is important

- we appreciate that there may appear to be no viewer benefit or platform value in making such reservation for every single genre but it may be that the facility could prove itself to be beneficial to more than just Children's and News genres as the consultation document currently proposes and having the extra flexibility could help shape the future of the DTT EPG. We would note a particular secondary benefit of the proposed genre-head LCN reservation if applied to the Radio genre (and as referenced in our response to consultation question 3) – in the case of our preferred option A for the genre line-up, reserving and deploying LCN 700 for such navigational purpose would provide an additional buffer between the Adult genre and the start of the Radio genre with the youth-focussed BBC services Radio 1 and IExtra.

However, we would observe that reserving the head LCN at the top of each genre, will likely further inconvenience viewers in the short-term at least, particularly those of Children's and News channels, in that all the digits of those channels' LCNs would change. There is a particular convenience factor for some viewers in only having to remember that the first digit of a Children's or News channel's LCN has changed (e.g. in the case of BBC News from 130 to 230.) We also note that there are no formal proposals as to how the reserved head LCNs will be deployed and we would like to understand some of the potential benefits and critical impacts further : for example, how much broadcast capacity will be required to deliver those navigational tools to the viewer and how that will be provided. Furthermore, without any consideration to usage of the genre-head LCN, and absent any evidence as to the benefit of reserving the relevant LCNs, the navigational tools that might be deployed there and the viewer benefit that may (or may not) accrue from these features, it is difficult to pass fair and effective judgement right now on whether the reservation proposal would be in the best interests of the DTT platform and its viewers. Indeed, when the notion of 'bookend' slates has been consulted on previously, there has been no conclusive evidence to show their worth. We believe Digital UK could have offered some more evidence this time round to support this proposal – if no solution is implemented for whatever reason, this could effectively lead to a temporary sterilisation of valuable EPG real estate.

The BBC would insist that were the reservation of the genre-head LCNs to proceed, then Digital UK must be clear that these are reserved for future use by Digital UK, Freeview and/or Freeview Play only, and that in no circumstances will they be allocated to any channel, whether a public-service channel deserving appropriate prominence or any commercial service. Were the reservation to be removed (and we would only see this being contemplated following any major DTT LCN Policy consultation in the review cycle) then in accordance with Digital UK's approach to prominence of public service content, we would expect to continue to see the respective slots to remain unallocated.

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

We strongly believe that in order to minimise viewer disruption to DTT users, Digital UK should minimise the number of change events and ideally, concentrate the number of changes into one event. This would have the added bonus of being able to coordinate

viewer marketing and communications and provide maximum impact – this fact is underpinned by Digital UK’s own research into the efficacy of the changes undertaken in September 2014 and their subsequent minimised impact on the services implicated in the News and Children’s genre moves.

We would also note that the timing of any such changes should be taken into account with other significant DTT-related events - be that programmes of work such as the 700 MHz Clearance project, or any retunes required for new service or channel launches (for example, the BBC has for several years run a ‘summer of sports’ campaign offering extra content over DTT broadcast channels that have been listed in the EPG and for which a retune has been required.)

Proposals to revise the LCN Policy

6. Do you agree with Digital UK’s proposals regarding minimum broadcast hours?

The BBC fully supports the intention behind Digital UK’s proposals regarding minimum broadcast hours and that the proposal should prevent valuable LCNs being occupied by in the most extreme case, channels running for just a few minutes of the day. In this way, we understand Digital UK’s rationale for introducing a minimum broadcast hours requirement as it should prevent channel providers from being able to game the current policy and block valuable LCNs from being used by other content providers. However, we believe that Digital UK could have gone further in its proposal. We have seen a number of third-party channels, typically +1 hour timeshift channels³, that have launched into the DTT EPG in recent years broadcasting for a limited number of hours of the morning and effectively squatting LCNs. We would question the value of these limited hour timeshift services to viewers wanting to access content at that time of night, given the prevalence of DTT-based PVR equipment (c. 4m of 11.43 primary-set DTT homes with PVRs) and DTT-receiving equipment able to access catch-up players (4.9m primary-set DTT homes and forecast to increase to 7.2m by 2020⁴). Rather, we would contend that these services are being launched in order to hold on to valuable LCNs for later purposes: be that for a potential exploitation at a later date under the associated channels rule; whilst alternative channel plans are being developed; whilst waiting for extra capacity to become available or most cynically, to prevent other content providers from being able to access those LCNs. Whilst we welcome the move by Digital UK to minimise valuable EPG real estate being squatted by minimal duration services, we would suggest that Digital UK as an open platform could have strengthened its approach, in the same way that Sky has, in order to prevent valuable and scarce LCNs being occupied with low-benefit services.

In relation to those channels already broadcasting less than two hours per day, we agree with Digital UK’s proposal to allow those channels a grace period to align with the minimum broadcast hours rule. Similarly, we believe Digital UK having the right to review this grace

³ From our own records, we estimate that at least 10 such ‘limited broadcast hours’ services have launched since April 2013 alone

⁴ 3Reasons data, Autumn 2016 multichannel model (both datapoints)

period in light of any increase in the number of such channels before publication of its final consultation statement, is a sensible suggestion.

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

As long as Digital UK have enough time internally to process technical launches, make any required decisions and still be acting in compliance with its regulatory obligations, then we welcome any moves which make it quicker for channels to launch and for LCNs to be allocated in a fair, timely and more efficient manner.

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

We agree with Digital UK's proposed approach to LCN sharing and specifically that :

- non-public service channels should not be allowed to share with public-service channels (given the potential for a non-public service channel to attempt to claim benefit from any increased prominence of the relevant public-service channel by virtue of the sharing arrangement.)
- there should be rules to govern what happens in the circumstances where in the case of two channels sharing an LCN and one channel's coverage expands. We are aligned with Digital UK's proposal as to what the fairest rule would be in such circumstances.
- in the case of shared channels, only the associated channel that is sharing should be allowed to take advantage of any move closer to the channel with which it is associated. We also agree with Digital UK's further proposal that non-public service channels should only be allowed to share LCNs with other channels with which they are associated. We recognise that geographically sharing LCNs can help minimise the potential number of LCNs become effectively part-sterilised in particular areas of the country. However, if both the channels sharing an LCN were not associated then one channel could potentially seek to benefit from the other's association when the associated channel rule were applied – thus we support Digital UK's further proposal on LCN sharing in that it should help minimise any ambiguities.

Where geographic boundaries of transmission patterns facilitate, we therefore see no reason why channels should not share LCNs in order to maximise the value of the LCN real estate, to help make PSB services more prominent in the case of the Local TV PSB services (and thus helping to meet prominence requirements in the Ofcom Code on Electronic Programme Guides) and also to conserve what is a scarce resource.

Furthermore, we would note that particularly in the English regions where multiple Local PSB services exist, allowing the Local PSB services to geographically share an LCN (be that LCN 7 or 8) could ultimately facilitate joint marketing programmes.

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

The BBC agrees with Digital UK's definition of common control. Our analysis of the definition is that it would permit the application of the rules that govern channel moves and changes (such as the 'associated channels rule') in a way that results in outcomes that would be in the expectation of viewers and/or to the benefit of viewers (for example, in facilitating the creation of or further building of channel families within the DTT EPG in a manner that viewers would expect). We believe having an objective measure like the definition in the Companies Act should make the requirements and outcomes much clearer in a variety of channel ownership scenarios.

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

The BBC agrees with Digital UK's proposal regarding the 'public service' rule. We see the new clarificatory wording as reaffirming Digital UK's intentions to fully honour its commitments to public service broadcasters as captured in the Ofcom Code on Electronic Programme Guides. Digital UK's approach along with the proposed enhancement to the public service rule crucially aligns with user expectations around the prominence of valuable public-service content, as well as reflecting the way other television platforms afford appropriate prominence to public-service channels and services.

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

The BBC agrees with Digital UK's proposal regarding the associated channels rule but only when that is allied to a more liberalised approach to Stage 3 of the vacated LCN rules. Whilst we see a benefit in retaining an associated channels rule that will continue to help establish channel families on the EPG, we also see a value in adopting a more liberal approach to the allocation of vacated channels particularly as we understand new DTT channel entrants are often dissuaded by the high LCNs available to be allocated to them at the back end of the relevant genres, with little opportunity to improve on that position. This is unlike the case with say listing on the Sky or Virgin Media platform EPGs where more commercial, liberal regimes are in place.

However, to realise and maximise the benefits of a new approach to stage 3 in the vacated channels process, we believe Digital UK will need to expand the opportunity for such new stage 3 to be triggered – the simplest way of doing that whilst maintaining an associated channels rule (and the inherent benefits that in itself provides), we believe that the associated channels process should only be implemented up to + / - 2 LCNs on the EPG.

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

The BBC can see the potential holistic benefits for the DTT platform and for viewers in providing a new approach to the allocation of vacated LCNs, particularly once stage 1 has

been passed. In conjunction with a revised Stage 2 which would be fulfilled by examining up to a maximum of 2 LCNs above and below the vacated LCN as referenced in our response to question 11, we believe that a refreshed approach to Stage 3 could offer significant benefits to the DTT platform.

An auction process (i.e. Digital UK's Option B) could provide two potentially favourable outcomes : (i) for new channel providers, an opportunity to potentially come on to the DTT platform with a more favourable prominence position whose allocation will be determined by market forces alone, and (ii) for existing channel providers, an opportunity to improve their channel positions in the EPG, either by increased prominence or through assistance in the establishment (further or new) of channel families. In the case of (i) where a new Stage 3 could mitigate against what is perceived to be a current 'barrier to entry' to content providers, we believe a wider variety of content will only serve to enhance the attractiveness of the content offer and strengthen the DTT platform in terms of meeting viewers' needs and in the case of (ii), viewers will feel happier with a DTT platform on which they can more easily navigate content. Both cases will thus result in more favourable outcomes for the platform and viewers alike.

We can also see the potential benefits around option A where, by virtue of a beauty parade process, Digital UK could seek to address any 'content gaps' in the DTT offer. We would observe though that, given the horizontal nature of the Freeview/DTT offer, Digital UK does not presently control the platform content offer and that the content offer on DTT is market-driven. We believe the market is in a good position to determine what is most likely to succeed on the DTT platform.

As a point of principle, the BBC would expect that any new approach to Stage 3 would need to take into consideration Digital UK's Funding Principles⁵. In this particular regard, an auction process of the type considered in Option B might seem at odds with those principles.

We look forward to the future consultation in summer 2017 dealing specifically with any revised Stage 3 and proposed mechanisms, and welcome the opportunity to engage further on this matter.

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?

The BBC agrees that a more expedient timetable would be better for the DTT platform and viewers.

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

⁵ http://www.digitaluk.co.uk/_data/assets/pdf_file/0003/86718/Funding_Principles_-_Final_published_8Jul13_v2.pdf

The BBC agrees with Digital UK's proposals to amend the rules around channel providers reordering channels within their channel portfolio. Channel providers, who are incentivised to increase their viewing share, are best placed to determine the relevant prominence of their channels within their own portfolios. Acting rationally, we would expect channel providers to place their better, more valued content at lower-numbered positions in the EPG thus making that valued content more prominent and more readily available on the EPG to the viewer, which would thus be in the benefit of viewers, the content provider and the DTT platform alike.

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

In accordance with our response to question 14, we would maintain that all channel providers - including public service channels - should have the right to reorder channels within their portfolios. As presently worded, we believe that the wording in relation to one of the channels to be swapped not being able to be a public service channel effectively and, most likely, unintentionally discriminates against the BBC being able to swap its services. It is worth noting that the wording in the current DTT LCN Policy has been in place since July 2012 and was introduced post-publication of the consultation statement. Whilst there is no clear evidence as to why a permutation of two or more public service channels were excluded from having the ability to swap LCNs, we believe that the explicit intention behind the swapping clauses was not to prevent a BBC-only services swap but rather a swap between any public-service channel and a commercial service (thus rightfully preventing a public-service channel from trading the prominence it had been afforded through legislation.)

We believe the BBC like any other channel provider should have the flexibility to order its services within the DTT EPG as it sees fit, and in exactly the same manner as any other channel provider can manage its portfolio of channels and their LCNs on the DTT EPG. We would also highlight the fact that the BBC would only swap its channels if it were in the best interests of the platform and of viewer expectations – this would be assessed in accordance with industry standard industry viewing data and objective audience needs, alongside other television platform practices (the BBC and other channels have objective evidence to support this argument). On that last point, it is important to note that elsewhere on other UK television platforms, there are no similar formalised obstacles to public-service channel swapping. We thus consider that Digital UK reviewing and amending its rules around public-service channel swapping would result in a regime in line with all other major platform practices.

By way of specific example : whilst the BBC has no plans to do so at the time of writing, we do not understand why, if the BBC were to choose to increase its investment in CBeebies, we should not be able to make that service more prominent in the EPG than its slightly-older-audience counterpart CBBC, in much the same way as any commercial channel portfolio provider, investing in content and acting rationally, would be able to do without fetter. Such an outcome would clearly be in the best interests of our viewers and the DTT platform overall and in alignment with Digital UK's own LCN Policy objectives.

We note that, given the ‘public service rule’, public service channels already enjoy the ability to launch at the best available DTT LCN number and also move up the list in terms of prominence when new LCNs become available through vacation. However, these features are borne of legislative requirements and reflect Digital UK’s approach to honour its commitments to appropriate prominence for public-service channels as stipulated by Ofcom’s Code on Electronic Programme Guides. We would note that public-service channels warrant to undertake a number of duties and obligations in return for (amongst other things) the prominence they enjoy in EPGs. Such prominence is therefore a legal right of the PSBs and should not be linked to any other specific policies or rules that each TV platform chooses to apply towards the listing channels and their order in their EPGs. It should not be an obligation or a requirement for TV platforms or EPG policy holders such as Digital UK to balance appropriate prominence against any other rights PSBs have been awarded. Similarly, we believe that it is inappropriate that the commercial interests of other channels on any TV platform should influence decisions on the reduced prominence of any PSB channels.

For the avoidance of doubt, it is important to emphasise that the sole reason for the BBC to consider swapping its channels would only be motivated by viewer expectations and objectively justifiable platform interests (e.g. to support ease of navigation, discoverability for viewers, to avoid confusion, to bring consistency with all other major TV platforms in the UK, etc).

In summary, we firmly believe that public service broadcasters should be permitted to reorder the public service channels they control within a genre.

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

In line with Digital UK’s guiding principles, the BBC can see some benefits in giving channel providers the flexibility to change content on their channels without having to surrender and/or apply for a new LCN. However, we would note that channel providers would, in the case of the proposed wording, no longer be under any requirement to continue offering the same service to Freeview.

There is a risk that this new flexibility could in effect lead to ‘channel dumping’ or ‘content dumping’ onto the DTT platform, if third-party pay-TV platforms prove willing to pay a premium for certain channels and/or content to become pay-exclusive. At worst, this could result in a channel reducing its hours to the minimum possible [two hours per day in Digital UK’s new proposal] and offering a subset of the original channel’s content under a different name, all still whilst retaining its LCN and preventing that number from being reallocated to a service more beneficial to viewers and the DTT platform. Whilst we see no evidence of this having happened before, we believe a relaxing of the requirements to retain an LCN could facilitate such circumstances arising.

We would note that pay-TV platforms often go to significant lengths to contract with channel providers to supply certain channels given their benefit to the DTT platform and viewers - under the new proposed wording the DTT platform would now have no protection against channel providers withdrawing from the DTT platform for a higher price paid elsewhere and with no subsequent 'penalty' (such as the loss of right to list at an LCN, as is the case in current policy).

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

The BBC agrees that the proposed new wording provides an appropriate clarification on the intention of the 'shuffle-up' rule within the current LCN Policy – it should afford Digital UK the flexibility and discretion to conduct shuffle-ups when appropriate and prevent any unnecessary gaps from persisting in the EPG. At the same time, we welcome the clarification that, in the case of any channel provider foregoing the opportunity to be 'shuffled up', then any vacant LCN could be offered to another channel.

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

The BBC agrees with Digital UK's proposals around the treatment of streamed services and as a point of order welcomes the new naming for the genre of this type of service which it hopes will be clearer to all parties.

The BBC agrees that for consumer protection reasons both Adult and Children's streamed services should sit with the respective content genre as is the case with HD channels.

However, we would reiterate points made in response to question 5 - we would welcome Digital UK addressing the issue of IP-delivered channels at some point certainly before the planned timing of the next major consultation. Whilst we note that no IP-delivered channels presently exist, we believe that Digital UK should prepare adequately, given the potential for a gradual move to IP transmission and the potential for new entrants to launch with IP-only non-DTT broadcast services, both of which will be facilitated by Freeview Play.

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?

We welcome the simpler and more liberal approach that Digital UK is proposing to adopt in the draft version of the LCN Policy. We would, however, make the following observations and clarifications:

Minimum broadcast hours and IP content : the BBC notes a particular risk coming from a particular permutation of changes that some of the liberalised elements could now facilitate: we see nothing to prevent a currently-listed channel in, for example the General Entertainment genre, changing its broadcast hours down to the minimum two hours of video

per day (potentially consisting of a simple video loop and in the middle of the night in order to comply with the LCN Policy's minimum broadcast hours rule) and then have a full IP channel linking off the back of it, given the absence of defined limits around how much IP content can be linked to a broadcast channel. This could allow a predominantly IP-streamed channel to have a more prominent position in the EPG in the General Entertainment section, rather than in the Streamed Services area where IP channels with no DTT broadcast video content are currently placed.

IP Channels : we note Digital UK's approach in the consultation in wanting to clarify policy wording around hybrid channels (eg in the Streamed Services genre, or where extra content is delivered via IP outside of a channel's DTT broadcast hours). However, given that in the draft LCN policy, there is no formal consideration on the handling of pure IP channels on Freeview/Freeview Play, effectively this results in having three categories of IP-delivered channels all being handled in differing ways which could lead to some complexities, confusion and/or gaming of the policy to achieve outcomes that may not be in the best interests of the platform and/or viewers. We encourage Digital UK to continue monitoring any unintended consequences this construct could lead to, as well as monitoring audience behaviours, so that Digital UK are able to propose amendments to the LCN Policy if deemed necessary.

LCN Trading : the BBC notes that Digital UK in its consultation document state that LCN trading is not permissible, but we believe a statement in due course on the consequences and potential outcomes for any parties attempting trade an LCN may be helpful to act as a deterrent to any attempts.

Channel Changes : The BBC notes that in the proposed LCN Policy there appears to be no wording around changes in broadcast hours as there is in the current LCN Policy (in relation to rules around evolution of channels). We would ask whether it could be helpful for Digital UK to have knowledge of any broadcast hours changes, for example to resolve any viewer queries. The BBC agrees that a post-implementation review of the new rules around channels changing name and/or content should be undertaken to ensure that liberalising the rules around changes in the proposed manner has not had any adverse or unintended effects on the platform or led to any disbenefits to viewers.

SD/HD Swapping : The BBC believes that SD/HD swapping, in line with the policy position taken by other UK television platforms, should be enabled on the DTT EPG where the HD version is a direct simulcast of an SD channel, be that a national channel or a regional variant of a channel. We maintain that HD swapping is crucial in ensuring that audiences get to enjoy the full benefit of the substantial investment that channel providers have made in the production and distribution of their services in high definition. It simultaneously enables viewers to realise the benefit of the investment that they themselves have made in their choice of television receiving equipment.

Flexibility : whilst we realise that content providers will be naturally be seeking a stable DTT LCN policy, we do see a strong benefit in Digital UK maintaining as flexible a position

as possible in order to adapt to any number of changes or developments that could arise over the next period. We welcome the moves towards liberalising of the Policy but would caution against Digital UK finding themselves locked into a position such that the only route out is to conduct a further consultation.

In summary, whilst supportive of the approaches Digital UK are suggesting in this consultation document, the BBC believes that more radical changes will be required in the medium- to long-term to satisfy consumers' increasingly sophisticated navigation expectations and as platforms evolve and channel offerings continue to expand. Other TV platforms and devices are already deploying increasingly sophisticated navigational tools as the breadth of content available increases. Digital UK will thus need to develop the navigability of the DTT EPG in the longer term to protect and maintain the value of the DTT platform and to ensure that those third-party services that rely on the DTT EPG continue to follow the listing.

APPENDIX I

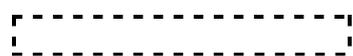
Analysis of distance between Childrens/Kids and Adult Genres on UK broadcast TV platforms

Notes :

Analysis by distance in terms of genres or by distance in terms of number of slots delivers generally the same results – here, our colour charts analyse distance by number of slots.

We consider the total available number of slots rather than number of occupied slots – note that the current Children’s vs Adult genre placement issue on the DTT EPG is actually amplified by there being only four (4) News channels in place.

Key :



indicates 'no-go' zone for Adult with respect to Children's



indicates placement of Adult genre



Close - worse placement for Adult genre in relation to Children's

Distant - more optimum placement for Adult genre to Children's

Sky

| | Genre range | Start of Genre | End of Genre | Distance from Kids Genre |
|-------------------------------|----------------|----------------|--------------|--------------------------|
| Religious | 580-599 | 580 | 599 | |
| Kids | 601-649 | 601 | 649 | |
| Shopping | 650-689 | 650 | 689 | |
| News (overflow 2) | 690-699 | 690 | 699 | |
| Box Office | 701-779 | 701 | 779 | |
| International | 780-860 | 780 | 860 | |
| Gaming and Dating, Specialist | 861-899 | 861 | 899 | |
| Adult | 900-949 | 900 | 949 | |
| Regional | 951-975 | 951 | 975 | |
| Sky Info | 996-999 | 996 | 999 | |
| Radio | 0101-0214 | 1101 | 1214 | |

Virgin Media

| | Genre range | Start of Genre | End of Genre | Distance from Kids Genre |
|-------------------|----------------|----------------|--------------|--------------------------|
| News | 601-699 | 601 | 699 | |
| Kids | 700-739 | 700 | 739 | |
| Shopping | 740-799 | 740 | 799 | |
| International | 801-850 | 801 | 850 | |
| Audio Description | 851-860 | 851 | 860 | |
| Local | 861-900 | 861 | 900 | |
| Radio | 901-963 | 901 | 963 | |
| Adult | 969-981 | 969 | 981 | |
| Information | 985-989 | 985 | 989 | |

Freesat

| | Genre range | Start of Genre | End of Genre | Distance from Kids Genre |
|---------------|----------------|----------------|--------------|--------------------------|
| Music | 400-499 | 500 | 599 | |
| Children | 501-599 | 600 | 649 | |
| Specialist | 601-699 | 650 | 699 | |
| Radio | 700-739 | 700 | 739 | |
| Shopping | 740-799 | 800 | 849 | |
| Gaming/Dating | 801-850 | 850 | 869 | |
| Adult | 851-860 | 870 | 899 | |
| On Demand | 861-900 | 900 | 949 | |
| Regional | 901-963 | 950 | 999 | |

| DTT Current | Genre range | Start of Genre | End of Genre | Distance from Kids Genre |
|----------------------------|----------------|----------------|--------------|--------------------------|
| HD | 101-119 | 101 | 119 | |
| Children's | 120-129 | 120 | 129 | |
| News | 130-149 | 130 | 149 | |
| Adult | 170-199 | 170 | 199 | |
| Text | 200-224 | 200 | 224 | |
| Streamed Services | 225-299 | 225 | 299 | |
| IP-delivered services | 300-599 | 300 | 599 | |
| Interactive Services | 600-620 | 600 | 620 | |
| Currently Unused | 621-699 | 621 | 699 | |
| Radio | 700-750 | 700 | 750 | |
| Testing Area | 751-799 | 751 | 799 | |
| Reserved for manufacturers | 800-999 | 800 | 999 | |

| DTT Option A | Genre range | Start of Genre | End of Genre | Distance from Kids Genre |
|-------------------------------|----------------|----------------|--------------|--------------------------|
| HD | 101-139 | 101 | 139 | |
| General Entertainment | 140-199 | 140 | 199 | |
| Children's | 200-229 | 200 | 229 | |
| News | 230-249 | 230 | 249 | |
| Text | 250-259 | 250 | 259 | |
| Streamed Services | 260-299 | 260 | 299 | |
| IP-delivered services | 300-599 | 300 | 599 | |
| Interactive Services | 600-609 | 600 | 609 | |
| SD Simulcast Area | 610-669 | 610 | 669 | |
| Adult | 670-699 | 670 | 699 | |
| Radio | 700-750 | 700 | 750 | |
| Testing Area | 751-799 | 751 | 799 | |
| Reserved for manufacturer use | 800-899 | 800 | 999 | |

| DTT Option B | Genre range | Start of Genre | End of Genre | Distance from Kids Genre |
|-------------------------------|----------------|----------------|--------------|--------------------------|
| General Entertainment | 140-199 | 140 | 199 | |
| Children's | 200-229 | 200 | 229 | |
| News | 230-249 | 230 | 249 | |
| Adult | 250-269 | 250 | 269 | |
| Text | 270-274 | 270 | 274 | |
| Streamed Services | 275-299 | 275 | 299 | |
| IP-delivered services | 300-599 | 300 | 599 | |
| Interactive Services | 600-620 | 600 | 620 | |
| SD Simulcast Area | 621-699 | 621 | 699 | |
| Radio | 700-750 | 700 | 750 | |
| Testing Area | 751-799 | 751 | 799 | |
| Reserved for manufacturer use | 800-899 | 800 | 999 | |

In DTT Option B, Adult is still effectively as close to Children's. Also, Option B does not solve the IP-delivered Kids services issue as exists in DTT Current (i.e. requires having to scroll through Adult services to get to IP-delivered services including IP-delivered Children's.)