

**Boxbeat Media Limited Reply to the Consultation by Digital UK on the
Reorganisation of the DTT LCN Listing and Changes to Digital UK's LCN Policy**

Summary

We have considered the above consultation document, and as a broadcaster solely of text services, and indeed as the broadcaster of 75% of the existing text services, we have primarily focussed on the impact of the proposed changes on this sector. We have also responded on the matter of the location of the adult genre and associated consumer protection issues.

It is our strong opinion that Option A is satisfactory and significantly preferable to Option B. Option A provides increased separation of the adult genre and does not require viewers to scroll through the adult channels to reach other non-adult mainstream channels, something beneficial for both consumer protection reasons and as an aid to development of new text and streamed services. Option A also allows for the future development of text services which Option B does not as Option B leaves only a single free LCN.

Background

Boxbeat Media Limited ("BBM") runs three of the four existing text services on the Freeview DTT platform, specifically 365 Travel (channel 201), Kiss Me TV (channel 207) and Proud Dating (channel 208). 365 Travel launched in December 2015 but was a continuation of the channel Holidays TV which had previously been running for many years. Kiss Me TV and Proud Dating were launched in September 2014. The channels are popular, profitable and successful, with hundreds of thousands of viewers interacting with the channels each year.

LCN availability

The exiting LCN listing provides for 25 text service LCNs between channel numbers 200 to 224. The text services were allocated to this number range in the 2012 review, and were not moved in the 2014 review. Of the 25 LCNs available for text services only four are in use. Option A reduces this to 10 LCNs, leaving six free, and Option B reduces it still further to just 5, the latter of these leaving just one free LCN.

Although text/data services are an older technology we have found that they are used by many viewers who are less comfortable the internet and other more sophisticated platforms, and the popularity and success of the channels runs by BBM supports this. BBM have advanced plans to launch additional text services, including the offer of additional bandwidth from a multiplex operator, an established business case and advanced technical evaluation. The adoption of proposal B would prevent us, or indeed any other broadcaster, from launching more than one additional channel which we consider to be unduly restrictive. Option A will leave 6 free LCNs available for the launch of future services which we consider to be acceptable.

We believe that by reducing the number of free LCNs for text services to just one whilst increasing the number of LCNs in other genres is contrary to the LCN policy of being fair, reasonable and non-discriminatory (FRND).

The estimate by Digital UK of the number of LCNs required for text services is five as set out in section 2.6.1 of the consultation, and our own plans show that this is incorrect. Although the number of text services has reduced from seven to four since 2012 this should not be interpreted as a reduction in the demand or use of text services, but rather of the exit from the market of a single broadcaster which operated the three closed channels (Daily Mail Group). It is our understanding that these channels were profitable and successful before closure and were closed for the broadcaster's strategic reasons rather than lack of popularity or use. Indeed, usage of the text services run by BBM is continuing to grow. We know that there are plans (our own) for new text services to be launched which would increase the number of text services from the existing four to at least six, something which would be possible in Option A but not with Option B.

Other factors

The existing four text services are located on LCNs 200, 201, 207 and 208. Option A would allow the channels to be allocated the LCNs 250, 251, 257 and 258, i.e. the change of just a single digit, which would minimise viewer confusion and assist with a smoother transition. This would not be possible under Option B due to the fewer LCNs available.

The text services LCN grouping

We believe that the distinction of text services as distinct from video services (and indeed streamed services) is not logical. Viewers will be primarily concerned with the content rather than the nature of the technology used to deliver a channel. It is our view that it should be possible for text services to appear amongst video channels based on the content, not the technology as is already the case with streamed services providing either children's or adult content. In addition, we believe that the proposed continuing separation of streamed services enabled through an MHEG application, but not other channels providing IP enabled content accessed from a DTT video channel which are grouped according to content, is discriminatory.

Adult services

BBM strongly support the separation of adult services from the non-adult content as proposed in Option A. This would be a significant improvement over the existing situation and over Option B. We believe this provides better protection for children as well as providing a more logical separation of the adult services from more general services. We concur with the comments made in section 3.3 of the consultation, and in particular that it is inappropriate for viewers to have to scroll through the adult section to reach non-adult content in the text and streamed services genres.

The Ipsos research quoted in the consultation shows that the two most popular methods of selecting channels are scrolling through channels (84%) and scrolling through the EPG (83%). We believe that many viewers when scrolling through the EPG or through channels will stop once they reach the adult section, both through a feeling of discomfort scrolling through these, but also in the mistaken belief that the adult section is the end of the EPG. Viewers are used to adult services being segregated and listed at the end in other media such as the Sky EPG, and will no doubt find it confusing that these currently sit in the middle of non-adult services.

We believe that both the current LCN listing and Option B will deter viewers from discovering and exploring text and streamed services (a possible reason for the slow take up of streamed services), and therefore find this a compelling reason for the adoption of Option A, in addition to the consumer protection issues set out above.

Detailed responses to the questions raised in the consultation

Question	Response
1	Yes - we believe that this has the following advantages over Option B: a) adult services are moved to a more appropriate location b) there are sufficient free LCNs in the text section to allow the launch of new services c) the moving of the adult genre to further down the listing will support the development of new streamed services
2	No for the following reasons: a) it is inappropriate for viewers to have to scroll through the adult channels to reach non-adult content, including streamed services and text services b) Option B provides for only one free text LCN which unfairly discriminates against broadcasters of text services and limits the ability to launch new channels c) the LCN structure in Option B provides a barrier to viewers discovering new streamed services and text services as the viewer has to scroll through the adult section
3	Option A for the reasons stated above
4	Yes, please see above
5	Yes
6	No comment
7	No comment
8	No comment
9	No comment
10	No comment
11	No comment
12	No comment
13	No comment
14	No comment
15	No comment
16	Yes
17	No comment
18	No, we believe that both text services and streamed services should be allocated LCNs within a genre appropriate to the content rather than the technology, as is already the case with adult and children's services. We believe that this would enhance the discovery, use and enjoyment of these services. We also believe that the proposals to keep streamed services segregated from other channels providing similar content

	based on whether then channel is accessed from a DTT video service or an MHEG application, as set out in both Option A and Option B, unfairly discriminates against streamed services accessed through an MHEG application.
19	No comment