

Reorganisation of the DTT LCN listing and changes to Digital UK's LCN Policy

Response from the Commercial Broadcasters Association to Digital UK

January 2017



A VOICE FOR COMMERCIAL BROADCASTERS IN THE UK

Introduction

1. The Commercial Broadcasters Association (COBA) is the industry body for multichannel broadcasters in the digital, cable and satellite television sector, and their on-demand services. COBA members operate a wide variety of channels, including news, factual, children's, music, arts, entertainment, sports and comedy. Their content is available on free-to-air and pay-TV platforms, as well as on-demand.
2. COBA members are critical to the global success of the UK broadcasting sector and its "mixed ecology" of public and private investors. As arguably the fastest growing part of the UK television industry, they are increasing their investment in jobs, content and infrastructure:
 - Scale: In the last decade, the sector has increased its turnover by 30% to more than £5 billion a year. This is rapidly approaching half of the UK broadcasting sector's total annual turnover, and has helped establish the UK as a leading global television hub.¹
 - Employment: As part of this growth, the multichannel sector has doubled direct employment over the last decade.²
 - UK production: In addition, the sector has increased investment in UK television content to a record £725m per annum, up nearly 50% on 2009 levels.³
3. For further information please contact Adam Minns, COBA's Executive Director, at adam@coba.org.uk or 0203 327 4101.

¹ Ofcom International Broadcasting Market Report 2013

² Skillset, Television Sector – Labour Market Intelligence Profile

³ COBA 2014 Census, Oliver & Ohlbaum Associates for COBA

Response to consultation

Q1 Do you believe that Option A would be a suitable new LCN listing structure for the DTT platform?

1.1 Of the two options, our preference is for Option A. We feel that Option B potentially puts children at risk.

Q2 Do you believe that Option B would be a suitable new LCN listing structure for the DTT platform?

2.1 Of the two options, our preference is for Option A.

Q3 Do you have a preference for one option over the other?

3.1 Yes, as stated above, we prefer Option A.

Q4 Do you have any other comments on Digital UK's proposed changes to the LCN listing?

4.1 We support treating the genres moves in question independently. From a consumer protection viewpoint, moving the adult genre should be carried out as soon as possible and there is no need to link the move to other genre moves.

Q5 Do you agree with Digital UK's proposed approach to the timing of any changes?

5.1 Yes.

Q6 Do you agree with Digital UK's proposals regarding minimum broadcast hours?

6.1 Yes.

Q7 Do you agree with Digital UK's proposed new launch process and timings?

- 7.1 Launching a channel is of course a major undertaking and we would encourage Digital UK to allow broadcasters as much planning time as possible. If Digital UK wishes to shorten the window for applying for an LCN then it should consider how to provide meaningful guidance for prospective launches outside that period. This can only encourage further investment in the DTT platform.

Q8 Do you agree with Digital UK’s proposed approach to LCN sharing?

- 8.1 A blanket rule that public service and non public service channels may not share an LCN under any circumstances seems overly restrictive. The problem Digital UK outlines only arises in the event that a public service channel moves to another LCN, and rules should address this eventuality without prohibiting all LCN sharing.

- 8.2 More fundamentally, however, we are strongly opposed to making an exception to this restriction for associated channels. This will confer an undue advantage to non public service channels that share an LCN with a public service channel with whom they qualify as associated. This is precisely the opposite of what Digital UK says it aims to prevent when it states in the consultation paper that:

“If they [a public service channel] shared their current LCN with a non public service channel, that non public service channel could benefit from the public service channel’s improved prominence, which would be unfair to other services.”⁴

Q9 Do you agree with Digital UK’s definition of common control?

- 9.1 Yes

Q10 Do you agree with Digital UK’s proposal regarding the public service rule?

- 10.1 Yes.

Q11 Do you agree with Digital UK’s proposal regarding the associated channels rule?

⁴ Consultation Paper, page 29

11.1 Yes, we strongly support this proposal. We believe that limiting the application to two channels either side of the vacated LCN, rather than five, could result in a more dynamic market for LCN positions. This could in turn lead to more investment into the DTT platform in general as channels seek to capitalise on the opportunity to grow their audience share with the support of a better LCN.

Q12 We would welcome stakeholders' views on the options for Stage 3 of the vacated LCN rules.

12.1 Our overriding concern is that the process for securing LCNs must be transparent and objective. A transactional model would best achieve this, and we do not support a "beauty contest" approach.

Q13 Do you agree with Digital UK's proposed timeline for channels to complete an LCN move following an allocation under the vacated channel rule?

13.1 Yes.

Q14 Do you agree with Digital UK's proposals to amend the rules around channel providers reordering channels within their channel portfolio?

14.1 Yes.

Q15 We welcome stakeholder views on whether public service channels should be permitted to reorder the channels they control within a genre.

15.1 We have no objection to the BBC being able to reorder its public service channels but, for the reasons set out in the consultation paper, this must be limited to public service channels and not include associated channels.

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

16.1 Yes.

Q17 Do you agree with Digital UK's proposal to retain but re-word the shuffle-up rule?

17.1 Yes.

Q18 Do you agree with Digital UK's proposals around the treatment of streamed services?

18.1 Yes

Q19 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?

19.1 No, other than to welcome the generally clear and comprehensive nature of the consultation paper.