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## **Re: Consultation on changes to Digital UK's LCN Policy**

Dear John,

I hope you are well.

At Together TV we broadly support this LCN Policy consultation and appreciate the bold and clear steps it recommends. The ambition of this consultation is welcome as we are at a point where incremental change will not address the structural changes and challenges in the television and media ecosystem.

We agree with your statement of intent that: *Offering viewers a compelling foundational TV service on to which OTT services can be added, the [Freeview] platform plays a critical role in delivering consumer choice and supporting the UK's broadcasters by driving share and prominence. The principle of ensuring universal and free access to the best of the nation's content for all UK viewers continues to drive Freeview's evolution in a changing media landscape.*

For Freeview and free to air television to remain relevant in viewers' lives we recognize that the current model needs to evolve to meet audience habits and expectations that are already here.

Please find our answers below.

### **1. Do you agree with Digital UK's proposed amendments to the LCN Policy, to enable HD/SD substitution for devices that support CLM?**

Yes, we agree that HD simulcast channels should sit in the most prominent position available for audiences. The proposed approach will bring Freeview into line with other TV platforms which have moved to this model already. This move brings viewers the benefits associated with improved HD delivery. Retaining existing HD area LCNs and the new SD area LCNs makes sense for all devices that cannot handle CLM.

However the proposal limits the IP delivery of HD channels only to Freeview Play partners. Whilst Digital UK is working hard to reduce the barriers to entry for smaller channels, removing the mandatory requirement to be a Freeview Play partner may make it more feasible for independent channels to provide IP-delivered HD streams and improve their audience offer.

### **2. Do you agree with Digital UK's proposed amendments to the LCN Policy, to enable IP fallback channels for devices that support CLM?**

We agree with the proposed amendments regarding IP fallback channels for viewers who may not be connected to an aerial or have regional availability of some channels, subject to the rules you propose and appropriate licencing as per 2.6 of the LCN policy.

We also welcome the minimum broadcasts hours to be raised to 6 daily hours as proposed in 3.6, to retain the integrity of the DTT offer (ensuring channels do not secure a 1-99 LCN only to broadcast for a couple of hours with the rest as fallback) along with the rationale that this is needed to prevent 'LCN banking' (channel providers occupying multiple LCNs in order to sell them later).

We should also be aware of the potential financial harm that comes with higher levels of video streaming, as some people may find their broadband bills increasing unexpectedly and un-affordably. IP services should signpost both the potential additional costs to consumers and provide clear opt out options should people feel unable to afford the internet costs.

We also need to recognize that not everybody has access to high-speed broadband and as the consultation states 20% of the population has no internet access. As the focus moves towards IP-delivery we must ensure these people are not left behind. If Freeview wants to ensure universal and free access to the best of the nation's content it will need to work with government, telecoms and broadcasting partners to extend low or no cost broadband to those who need it – and provision of universal and free television should be woven into the government's Building Digital UK and strategy to provide 85% of homes with gigabit broadband by 2025.

### **3. Do you agree with Digital UK's proposed amendments to the LCN Policy, to enable IP-delivered channels for devices that support CLM?**

We support the proposed amendments to the LCN Policy to enable IP-delivered channels for devices that support CLM, and agree that IP-only channels should require a valid broadcast licence or equivalent, and provision of EPG information. As per our answer above, widening this amendment so that it is not mandatory for a channel provider to be a Freeview Play Content Provider may be helpful.

As per 1.3.3 of the consultation, each Freeview Play channel provider will be allocated 10 LCNs in 300-449 (General Entertainment), five in 450-499 (Childrens) and five in 500-599 (News). It would be useful to have the rationale for this allocation, whether it amounts to 'LCN banking' (which Digital UK is wary of as per section 3.6 on LCN trading/banking) and at which point vacant LCNs will be vacated.

It would also be useful to understand the anticipated use of these first 50 general entertainment channels by the PSBs whether they will be used for regional variations, pop-up services, to migrate existing portfolio channels from DTT or to launch brand new services.

### **4. Do you agree with Digital UK's proposed amendments to the LCN Policy, to remove restrictions on the number of times channel providers may reorder their LCNs or change the names of their channels?**

We agree that in principle this will provide increased flexibility to channel providers, enabling the Freeview line-up to be continually optimized and offering refreshed channel names driven by re-brands or seasonal name changes.

However if this new liberalization of channel swaps and names results in excessive frequency of changes it could become very confusing to viewers, who expect some stability and familiarity in their channel lineup.

With each change Digital UK, Freeview, multiplex operators and EPG providers need to manage platform changes (to LCNs, EPG provision, channel logos, Freeview website / online listings) and so care should be taken to prevent excessive use of channel swaps and name changes. As such there could be a cap that provides a reasonable level of changes that a channel provider could require – for example limiting changes so that any one channel can be reordered or name changed up to six times a year.

We also suggest that 'reasonable single fee' is defined more clearly, as some channel providers may have different interpretations of this (what is reasonable to a provider with £1b+ turnover may not be reasonable to smaller channel providers).

We suggest that Digital UK should not seek to generate income from trading fees, and the reasonable single fee is simply Digital UK's administrative cost passed on to the channel providers.

### **5. Do you agree with Digital UK's proposed amendments to the LCN Policy, to remove rules that prohibit LCN trading between channel providers?**

We agree with the proposed amendments to the LCN Policy, removing the prohibition on LCN trading within the same genre, with trading subject to agreement between Digital UK and the parties involved.

Currently channel groups can optimize their channel positioning through internal channel swaps, effectively trading LCNs within their portfolios. This is not possible for single channel providers, and so LCN trading is a welcome move as it will enable smaller, single channel providers the option of future LCN trading should opportunity and finances allow.

In theory LCN trading should result in an optimal channel line-up as the PSBs already have strong prominence across their portfolios and the major channel groups can trade LCNs driven by where there is audience demand to justify the investment.

One unintended consequence could be that creating 'genre neighbourhoods' (e.g. a grouping of factual channels, a grouping of shopping channels) is not possible, though under the existing LCN rules it is difficult to do this in any case.

Prominence remains one of the most powerful audience-drivers to Freeview channels. As an independent TV channel improving our prominence could transform our viewership and impact - and so we welcome this proposal.

**6. Do you agree with Digital UK's proposed amendments to the LCN Policy, to increase the minimum broadcast hour requirement for new channels?**

Yes, as per our answer above, Digital UK has recognized that there could be an incentive for 'LCN banking' and otherwise licencing short DTT hours in order to secure an LCN whose primary purpose is an IP fallback channel. As such requiring channels to show six hours a day of DTT broadcast material feels like a strong enough measure to counteract these two potential risks.

I hope our response proves useful as you finalize the new LCN Policy, and we look forward to reading it when it is published.

Yours faithfully,



Alexander Kann  
Chief Executive

**togetherTV**