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Dear Peter

The Future of Radio

We have read with interest, Ofcoms's document "The Future of Radio" and there are a number of issues of great importance outlined in the document that Arqiva suggests will require further consultation within the industry. We would divide these issues into three key areas:

1. Regulation

We note Ofcom's regulatory obligations of ensuring diversity and localness. It is these long-standing regulatory powers that have enabled consumers to benefit from a wide range of formats. However the landscape of commercial radio is undergoing considerable change and we believe that a lighter touch for analogue stations might be used to allow a balance to be struck between analogue and digital radio regulation. This would allow formats to change in order to address consumer demand and for attractive and innovative ancillary services to be provided.

2. Listening trends

We are very encouraged that digital radio listening is up but are concerned about the decline in listening amongst young people and, in particular, their failure so far to connect with digital radio. The more lightly regulated digital channels must be encouraged to produce content that is both innovative and attractive to young people. We would encourage Ofcom to pay particular attention to new innovative content in assessing the applications for new DAB Digital Radio licenses.

3. Spectrum

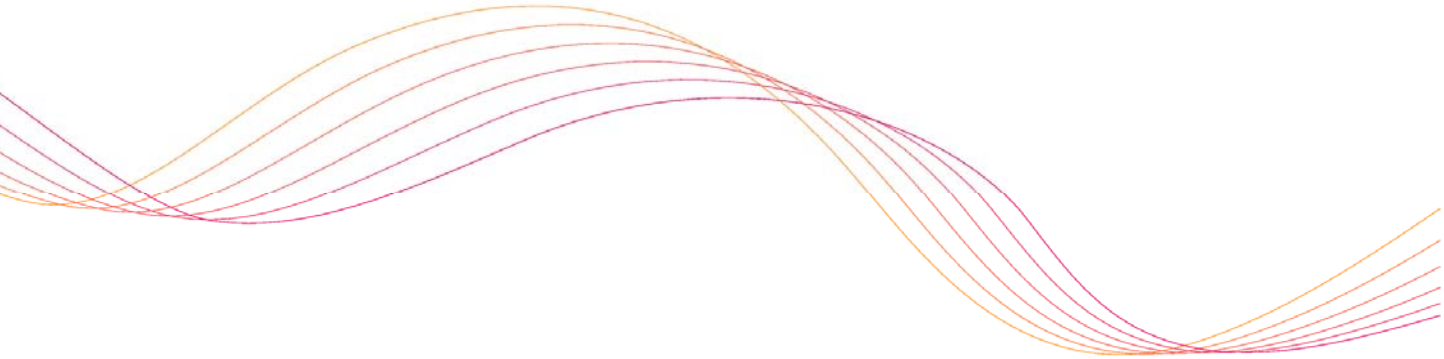
Ofcom considers the many options for spectrum reuse in the future. They correctly identify that the current policy of rolling relicensing of FM stations is incompatible with the reuse of this spectrum for DAB. We question whether it will be possible for all licensed FM services to migrate to DAB platforms and believe that it may be acceptable for smaller FM stations to remain on Band II if multi-standard receivers with platform agnostic EPG facilities become widely available.

The position with regards to the replacement of AM services with DRM is much clearer and a policy that allows current licensees to migrate to DRM during the term of their licence could be desirable and would encourage industry to begin more extensive long-term trials.

Next Steps

All of these areas merit further consultation and we would urge Ofcom to continue to work with the radio industry to ensure that the opportunities for fresh innovative content to be carried on new digital platforms can be realised.

Yours sincerely,

Paul Eaton

Head of Radio
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