## Additional information provided in support of the BBC's response to Ofcom's consultation 'Review of rules for prominence of PSB and local TV'

This note details supplementary evidence provided by the BBC in response to Ofcom's consultation in respect of the approach to HD channel prominence and SD/HD swapping.

## <u>SD/HD</u>

In the BBC's response we agreed with Ofcom's proposals that would allow broadcasters to swap HD simulcast variants of SD designated channels, as long as the decision to swap is left up to broadcasters and not to platforms.

We note that platforms including Virgin Media and Sky specifically reference the BBC's approach to HD in their responses. We therefore provide the following additional information to Ofcom on a confidential basis.

## Viewers should see the content intended for them

It is in the audience's best interests that they should get the appropriate regional version of a BBC service at the top of the EPG without the need for user intervention.

We are therefore concerned that both Virgin's and Sky's responses suggest that provision of an HD channel is more important than delivering local content to audiences and would reflect this in their platform's prominence if the decision to promote HD channels was left to platforms.

This could lead to a situation where viewers in England were receiving a regional variant of BBC One without their local content available on it. To access the content intended for them, they would have to go elsewhere (e.g. on Sky to the 800s section of the Sky EPG). We strongly believe this would not be in audiences' best interests and as per our response, we think it is appropriate for PSB's to determine when to swap rather than platforms.

Sky further seek to introduce a platform parity argument and suggest that if a regional HD variant is available for a channel on another platform they want to put that at the more prominent channel number above any regional variant. In line with this, they have specifically called out the decision to launch BBC Two Northern Ireland HD on some platforms, and include iPlayer in their definition of platforms on which an HD service is made available. Whilst the BBC is mindful of platform parity, we have set out in our Distribution Policy that cost is also a consideration when determining our approach to launching on platforms. The approach from Sky would lead to a detrimental situation

whereby the BBC had to hold back introducing services on iPlayer because it would lead to adverse consequences on other platforms.

## The BBC is committed to delivering HD variants where this is cost effective

We want audiences to access our content in HD, but as we set out in the Distribution Strategy, delivering HD via broadcast should only be implemented if and when the costs are proportionate to the audience value they would deliver.

We are continuing to work to overcome these cost restrictions  $\times$ .

For the purposes of Ofcom's decision, we think it is relevant that the most promising and cost effective solution may involve IP delivery. For example, delivering HD channels over IP or developing IP insertion for regional news on BBC One in England. We estimate the cost of delivering the remaining 14 variants of BBC One in HD (there are in total 15 for English regions and one for each Nation) and the remaining BBC Two feed in HD (there are in total one for each home nation<sup>1</sup>) via satellite would be  $\gg$  – significantly higher than the cost would be via IP.

The treatment of linear IP channels in respect of the prominence rules is therefore relevant. We would strongly support updated rules being technology agnostic in respect of the distribution network used for delivery ensuring that BBC One HD channels could benefit from prominence requirements whether they were delivered over the air or via IP – or a mix of the two.

<sup>&</sup>lt;sup>1</sup> We already broadcast two of the four BBC Two feeds in HD ('network' and Wales), and BBC Two Scotland feed is soon to close and be replaced by BBC Scotland channel, leaving just the BBC Two NI feed not broadcast on satellite.