

Question 1: Do you have any comments on our cost allocation methodology and proposed approach for setting cost based fees?:

The methodology used for setting cost based fees for the local TV multiplex operator is to use a bottom-up approach, estimating the full spectrum management costs of supporting local TV services. In the absence of actual data to determine the reasonableness of these estimates and subject to our answer to question 3, we consider this to be a reasonable methodology.

Question 2: Do you have any comments on our proposed licence fee for national DTT multiplex operators?:

No comments.

Question 3: Do you have any comments on our proposed licence fee for the local TV multiplex operator?:

The local TV multiplex operator should not be required to pay a licence fee: we believe that the arguments for affording the local TV multiplex operator ("Comux") a period of adjustment to the proposed fees, as set out in the consultation document, are sufficiently compelling that Comux should not be required to pay a licence fee at all.

In the event that Ofcom determines that a fee should be payable following the conclusion of this consultation process, Comux suggests that the following should be considered:

1. During the period of adjustment, the two years ending 31 December 2015, no licence fee should be paid, the effective discount being 100%.
2. The proposed licence fee of £23,900 should be allocated to all the proposed 47 local TV services, an average cost of approximately £500 per service. This fee should be charged per licensee per annum based on the number of local TV services launched. During the period of adjustment, the discount of 50% proposed by Ofcom or the discount of 100% suggested by Comux in 1 above should be applied.

Comux further requests Ofcom to advise how it will determine and report the reasonableness of the estimates used to calculate its proposed fee and to advise to what extent this may, or may not, affect its proposed fee structure in the future: it is important to avoid any latent licence fee increase.

Question 4: Do you have any comments on our proposed licence fee for the Northern Ireland DTT multiplex?:

No comments.

Question 5: Do you have any general comments on our approach for implementing the proposed licence fees?:

No comments.