

Your response

Question	Your response
<p>Question 1: Do you agree with our approach to considering appropriate prominence and our analytical framework? Please provide your reasoning, and if possible, any supporting evidence.</p>	<p>[REDACTED]</p> <p>Currently, in the UK, LG Channels Service is already supporting the free exposure of four PSB apps in consideration of public value. Under these circumstances, requiring additional exposure is practically equivalent to making the operation of our platform business impossible. Therefore, LG cannot agree to this proposal.</p> <p>In order to maintain its TV business in the UK, LG undertakes a significant number of activities that require cost investment, including hardware development, testing, and validation. From a software perspective as well, LG must maintain business viability through various commercial areas. In seeing that LG is now required to provide commercial areas free of charge to Public Service Broadcasters (PSBs) and others, however, the resulting damage would be strikingly significant.</p> <p>For LG's UK TV streaming business model to be sustainable, there must be an appropriate balance struck between the rights of public service broadcasters and the interests of TV manufacturers. Under the current proposed structure, however, the damage that would be incurred by the latter in continuing the business would be critically large.</p> <p>The following chart from 2024 demonstrates the reliance of service revenues to manufacturers as compared to hardware revenues (and is good evidence):</p> <p>REDACTED</p> <p>This table has also been enlarged on page 20 for OfCom's convenience.</p> <p>The above data, however, must be viewed in context of the same being for the global SmartTV Advertising market. Globally, the USA accounts for the vast majority of global revenue. The whole of Europe combined accounts for a mere tenth of the USA market. The additional substantial requirements outlined by Ofcom will stifle economic growth in the UK TV industry.</p> <p>REDACTED</p> <p>The above image is enlarged on page 21.</p>

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<p>Question 2: Do you agree with our proposals on app menus, and our assessment of their associated impacts? Please provide your reasoning, and if possible, any supporting evidence.</p>	<p>██████████</p> <p>Mirroring the answer provided to Question 1, currently, in the UK, LG TV is already supporting the free exposure of four PSB apps in consideration of public value. Under these circumstances, requiring additional exposure is practically equivalent to making the operation of our platform business impossible. Therefore, LG cannot agree to this proposal.</p>
<p>Question 3: Do you agree with our proposals on primary content areas, and our assessment of their associated impacts? Please provide your reasoning, and if possible, any supporting evidence.</p>	<p>██████████</p> <p>The Hero Banner is not a promotional area, but rather a space utilized commercially by LGE. The Hero Banner is used by LGE for general market creatives and is not reserved for OTT-specific placement. Accordingly, its use does not confer any preferential benefit on any individual OTT in particular. Advertising durations and campaign periods are determined in consultation with advertisers, and any restriction on these would result in discriminatory treatment of those current advertisers.</p> <p>LG's operating policy does not discriminate against any specific partners.</p> <ol style="list-style-type: none"> 1. Direct revenue loss: loss amounts to ████████ of the banner advertising revenue 2. PSB advertising operation costs: costs amount to ██████ of banner advertising revenue <p>The above figures are calculated based on LG's 2025 data, and as inventory increases, operating costs will also increase accordingly.</p> <p>If, as suggested by Ofcom, additional restrictions are imposed on advertising operation such as limitations on airtime, days of the week, or similar conditions, it is estimated that a significantly greater revenue impact would occur.</p> <p>Please note that the PSB advertising operation costs do not include HQ labour costs or other fixed costs and therefore reflect only the minimum costs considered.</p>
<p>Question 4: Do you agree with our proposals on search, and our assessment of their associated impacts?</p>	<p>██████████</p> <p>No LG does not agree. Using the search function is an active act, a user journey that should be cherished. LG agrees as to the fact that the most important factor to be considered in the search results</p>

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<p>Please provide your reasoning, and if possible, any supporting evidence.</p>	<p>should be the degree of relevance. Regardless of the content nature, whether it be a public service content or not, the most relevant content should have the most prominence within the results.</p> <p>However, there are also commercial areas within the Search area and these result in a title starting with 'Sponsored', letting users know that the content is being placed due to commercial agreements. In this case the 'Sponsored' content is still a relevant result to the query and it might get prioritization in the order of being exposed. Considering this fact, LG have also maintained a special, unique shelf that only show PSB content which appears on first or second row of the results. LG already provides prominence to Public Service Content that exceeds the given guidelines.</p>
<p>Question 5: Do you agree with our proposals on listed channels, and our assessment of their associated impacts? Please provide your reasoning, and if possible, any supporting evidence.</p>	<p>██████████</p> <p>1. Non-discriminatory Provision of Channels</p> <p>On the premise that Public Service Broadcasters (PSBs) provide their DTT IP channel feeds to connected TV (CTV) platforms under conditions equivalent to those offered to Freely -with no discrimination in channel provisioning-LG could consider granting DTT IP channels a more prominent placement than other IP channels delivered via the LG Channels service. However, any form of discriminatory treatment in the provision of channels to CTV platforms would be unacceptable.</p> <p>2. Technical and Operational Constraints</p> <p>With respect to specific areas where the content of LG's FAST service (LG Channels) is displayed (such as the LG Channels app or the LG Channels area within the webOS Home), the information shown is strictly limited to what is supplied by the LG Channels service server. Therefore, rather than focusing solely on the inclusion of DTT IP channels, the key issue lies in how such channels should be operated within the existing FAST platform. If the proposed approach does not enhance compatibility with our current platform, it will result in increased operational costs.</p> <p>3. Development Effort, User Convenience, and Business Operations</p> <p>From a development effort perspective, there is a concern that OfCom may ultimately expect full implementation of all requested requirements. In this context, LG believes it is important to continuously balance user convenience with business operational feasibility.</p>

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	<p>In particular, if users are allowed to arbitrarily change channel numbers, LG would need to consider additional management measures following software updates, as well as the operational complexity arising from being the service provider. This is why, in the case of RF channels, channel number changes are rarely required in practice.</p> <p>Furthermore, to support the requested functionality, significant development work would be required, which is most likely up to platform change and there is a risk that such changes could cause customer confusion by UX perspective. Considering the operational complexity for the service provider, as well as the importance of maintaining a consistent user experience, this matter requires further detailed review.</p>
<p>Question 6: Do you agree with our proposals on attribution, and our assessment of their associated impacts? Please provide your reasoning, and if possible, any supporting evidence.</p>	<p>██████████</p> <p>LG will make every effort to implement this to the extent feasible on our side. However, sufficient attribution requires each DIPS partner to supply the necessary metadata, and LG also need to factor in the development time once the metadata is delivered.</p>
<p>Question 7: Do you agree with our proposal on alternatives to visual information, and our assessment of its associated impacts? Please provide your reasoning, and if possible, any supporting evidence.</p>	<p>██████████</p> <p>Accessibility is already well supported by current TV technologies, and further regulation is unnecessary. The UK should simply align with the EU Accessibility Act to ensure common, interoperable solutions across markets.</p>
<p>Question 8: Do you agree with our proposal on text and image enlargement, and our assessment of its associated impacts? Please provide your reasoning, and if possible, any supporting evidence.</p>	<p>██████████</p> <p>As noted in response to Question 7, this functionality is already largely implemented. However, the code should specify that only appropriate UI elements must support enlargement-requiring all elements to do so is impractical and technically unsound.</p>

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<p>Question 9: Do you agree with our proposal on distinctible text and images, and our assessment of its associated impacts? Please provide your reasoning, and if possible, any supporting evidence.</p>	<p>██████████</p> <p>The position remains consistent with responses to Questions 7 and 8. Existing accessibility measures already address these requirements effectively.</p>
<p>Question 10: Do you agree with our proposal on information on accessibility features, and our assessment of its associated impacts? Please provide your reasoning, and if possible, any supporting evidence.</p>	<p>██████████ ██████████</p> <p>As per our responses to Questions 7 and 8, LG agrees that voice functionality should not be mandated. However, manufacturers that voluntarily implement voice features should receive additional credit, which should be considered when assessing overall accessibility compliance.</p>
<p>Question 11: Do you agree with our proposal on labelling of accessible content, and our assessment of its associated impacts? Please provide your reasoning, and if possible, any supporting evidence.</p>	<p>██████████</p> <p>LG partially agrees. While labelling accessible content has some value, its practical benefit to users is often overstated. Many viewers with disabilities continue to watch content that does not fully meet their accessibility needs-for example, deaf viewers frequently watch sports even without subtitles.</p>
<p>Question 12: Do you agree with our proposal on enabling use of the available accessibility features, and our assessment of its associated impacts? Please provide your reasoning, and if possible, any supporting evidence.</p>	<p>██████████</p> <p>Respectfully, LG finds this proposal unclear and overly duplicative. The number of accessibility-related requirements above is already unnecessarily high, particularly given that the TV industry has largely met these obligations through existing standards and technologies.</p>
<p>Question 13: Do you have any views or evidence on the effectiveness or impact of any other actions in relation to making use of the RTSS and finding/making</p>	<p>██████████</p> <p>LG have no additional views or evidence to provide on this matter.</p>

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<p>use of accessible programming? Please provide your reasoning, and if possible, any supporting evidence.</p>	
<p>Question 14: Do you agree with our proposed draft Guidance, and our assessment of its associated impacts? Please provide your reasoning and, where relevant, any supporting evidence.</p>	<p>██████████ ██████████</p> <p>LG strongly oppose paragraph 5.40 of OfCom's draft proposal, which suggests that PSBs may charge RTSSs for access to linear IPTV streams. This proposal contradicts the long-standing principle of open access to PSB linear services and is unsupported by the Media Act 2024. PSBs already provide these streams to Freely, Sky, and Virgin, and any attempt to restrict access would distort competition, undermine the UK market's fairness and openness and stifle economic growth in the UK TV industry. LG fully agrees that all matters relating to audience data are additional terms.</p> <p>LGE provides a specialized home screen tailored for UK TV users, and the operating, A/S, device testing costs of this platform are covered through our business models.</p> <p>Under these circumstances, fundamentally blocking the ability to charge fees would undermine the sustainability of the platform business. This would not only make it impossible to provide high-quality services to UK TV users but also suffocate further economic growth.</p>
<p>Question 15: Do you agree with the assessment of the combined impact of our proposals when considered as a package? Please provide any relevant evidence that supports your position.</p>	<p>██████████ ██████████ LG disagrees with the assessment of the combined impact of the proposals when evaluated as a unified package. Specifically, LG anticipates a substantial negative effect on Hero Banner revenues, which would materially impact overall platform revenue.</p> <p>While LG acknowledges that each component of the proposal offers distinct benefits to PSBs; the overall effect significantly undermines the current audience experience and harms existing partnerships. The economic implications are damagingly significant, not moderate.</p> <p>Additionally, this proposal results in the loss of opportunities to monetize our assets, a consequence that cannot be readily absorbed by RTSS. Rather than imposing asymmetric pro DIPS demand, OfCom should facilitate a balanced and mutually beneficial partnership between DIPS and RTSS', ensuring fair value exchange.</p>

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<p>Question 16: Do you agree that 12 months is a reasonable period for all providers to bring themselves into compliance? Please provide your reasoning, and if possible, any supporting evidence.</p>	<p>██████████</p> <p>The 12-months period is difficult to accept given LG's business and development environment. LG operates on a two-year contract cycle with contents partners, so such a sudden change would cause significant confusion, potentially leading to contract terminations or renegotiations with existing partners and PSBs.</p> <p>Furthermore, considering the physical development process, one year is far too short. To ensure the requirements are reflected without issues, a reasonable implementation timeline aligned with our product development cycle must be guaranteed.</p> <p>Furthermore, if this guidance is applied retroactively to previous legacy models that have already been sold, it will require significant engineering resources.</p> <p>Consequently, if LG is forced to update past models, it will be impossible to comply within the 12-month timeframe. LG finds it hard to believe that such a forced rule would ever be envisioned in the UK, a leading country in the entertainment, and content distribution, industry.</p>

Please complete this form in full and return to mediaact.part2@ofcom.org.uk.

In addition to the above, LG also wish to respectfully submit the following points as set out below. Everything as provided below is be considered *in tandem* with the responses to the questions above. LG note that Ofcom, in exercising statutory functions in relation to the Media Act 2024 and associated consultation on the draft Code of Practice and guidance, is required to conduct this analysis/ response to OfCom's published consultation in accordance with its duties as prescribed under the Communications Act 2003, as well as the general principles of administrative law that govern lawful consultation, including the requirement to properly consider representations made by consultees prior to reaching a final decision.

First, LG shall provide OfCom with its legal rationale as to concerns that have arisen on LG's part following a thorough reading of OfCom's published consultation on the draft Code of Practice and guidance. This shall be followed thereafter by the practical implications that the same draft Code of Practice and guidance would have on LG's business model as a Regulated Television Selection Service (RTSS) were the same consultation, as currently envisioned by OfCom, to be implemented.

LG thanks Ofcom for its time in reviewing this submission.

LGE UK Ltd's Legal Response to OfCom's Draft Code of Practice and draft Guidance on the Agreement Objectives.

It is LGE UK Ltd's (LG's) respectful submission that Ofcom's proposal significantly overreaches with respect to what the British Parliament envisioned when referring to "appropriate prominence" in the Media Act 2024.

To LG, Ofcom's current proposal instead suggests a landscape that more closely resembles *dominant prominence* for public service broadcasters (PSBs) as opposed to this prominence being "*appropriate*."

It is LG's legal understanding, from a reading of the Media Act 2024, that Parliament intended a far more flexible approach to PSB prominence limitations than Ofcom appears to have interpreted. The reasoning for this position is based on, *inter alia*, the following provisions, which indicate clear statutory evidence of the Media Act's intended flexibility:

1. Section 362AO(2) of Media Act 2024- this section indicates that the same degree of prominence is not mandated everywhere in the UK, and that the degree of prominence may vary by region. This provision, therefore, recognizes that a uniform approach to prominence was not intended by Parliament i.e. indicating that Parliament intends that the approach for implementation of the Act be flexible.

2. Section 362AM(1)(c) of Media Act 2024- this section provides that arrangements made under the Act should not disproportionately restrict how the provider of a RTSS may innovate in the way that users select and access internet programme services and programmes included in those services. This wording appears to reflect Parliament's intention that the regulatory framework should preserve meaningful freedom for an RTSS to innovate in user interface (UI) design and content presentation, i.e. a further example of a flexible and non-rigid approach being envisioned.

3. Sections 362AP(6) and 362AQ(1)-(2) demonstrate that the statutory scheme provides what may be described as a regulatory safe harbour. Section 362AQ(2), in particular, highlights that the failure by a RTSS to act in accordance with the Code of Practice does not, in and of itself, make that RTSS liable to legal proceedings before a court or tribunal. This strongly implies that both the Code of Practice and the Media Act 2024 itself were intended to operate with a degree of flexibility, rather than imposing rigidly prescriptive requirements.

Notwithstanding the foregoing, it appears that Ofcom have interpreted "*appropriate prominence*" under the 2024 Act in a manner that effectively amounts to PSB dominance.

Evidence of this can be found in OfCom's consultation document, where it is suggested that:

- (i) PSB player apps should be immediately visible within the first nine slots available on the Homepage¹;

¹ OfCom Prominence and Accessibility on Connected TV Platforms Consultation Page 5

- (ii) listed PSB channels (of which there are seven) should appear within the first seven slots²; and
- (iii) public service content must be at least as prominent as other content³.

From examples (i) and (ii), above, Ofcom, in practical terms, proposes that

- a) PSB apps should occupy approximately 66% of the available placement within the first nine tiles, and
- b) (ii) that PSB channels should occupy 100% of the placement within the first seven channel slots.

Even when viewed purely from a mathematical/logical perspective, as opposed to solely from a legal one, these percentage figures strongly suggest that the proposed framework goes significantly beyond ensuring "*appropriate*" prominence and encroaches over into a *dominant* position for PSBs.

This does not appear to reflect the flexible and proportionate approach contemplated by the statutory framework itself.

Point (iii), above, represents, in LG's view, the starkest example of OfCom overstepping the mark in relation to what Parliament intended regarding appropriate PSB prominence and the introduction of the Media Act 2024.

This point strongly implies, at least from LG's interpretation (LG welcomes correction if this interpretation is mistaken) that LG's Hero Banner may even fall within the scope of the area in which PSBs receive, what Ofcom envisions as, "appropriate prominence."

Due to the nature of the business model through which Hero Banners operate, both necessity and logic dictate that the content and/or applications advertised within the homepage Hero Banner of any RTSS represents the content or application that is the most prominent as displayed on the screen/UL

This is because business partners with whom an RTSS will have contracted will have paid fees to obtain this level of prominence, with the earnings generated from the same providing the necessary revenues to keep the RTSS (like LG's) platform going and enabling further investment in innovation.

For an RTSS to then be required to give no less prominence to PSBs, where those broadcasters have not paid for such placement, would appear manifestly unfair.

It is not only unfair to the RTSS, with the proposal effectively amounting to a mandate that an RTSS must give away premium advertising real estate without compensation, but it is also unfair to those commercial partners who have contracted with the RTSS and paid to have their own content or applications promoted through that same Hero Banner.

Consequently, as a matter of pure logic, this rigid approach will stifle areas of economic growth in the UK.

² OfCom Prominence and Accessibility on Connected TV Platforms Consultation Page 5

³ OfCom Prominence and Accessibility on Connected TV Platforms Consultation Page 5

Moreover, Ofcom's own report acknowledges that users themselves generally understand that the Hero Banner represents promotional advertising space⁴. In those circumstances, it is extraordinarily difficult to see the policy justification for PSBs receiving access to such advertising space free of charge, particularly where other participants in the same ecosystem must pay for that same level of visibility.

Considering all the above, it is LG's submission that if Ofcom were to proceed with the proposal in its current form, serious questions would arise as to its compatibility with established competition law principles and OfCom's decision would be subject to Judicial Review under the grounds of failing to consider the same.

Of course, as the European Court of Justice held in *Conorzio Industrie Fiammiferi v Autorita Garante della Concorrenza e del Mercato*⁵, competition law does not apply where anti-competitive conduct is strictly required by national legislation.⁶ Notwithstanding the foregoing, this same case also established the principle that competition law may still apply where undertakings retain the possibility of "autonomous conduct."

*"Articles 81 and 82 [of The Treaty establishing the European Economic Community 1957] may apply, however, if it is found that the national legislation does not preclude undertakings from engaging in autonomous conduct which prevents, restricts or distorts competition."*⁷

A similar principle was articulated in *Ladbroke Racing v Commission*⁸, where the EU Court of Justice explained that:

*"Articles 85 and 86 [of the Treaty of Rome- which later became Articles 81 and 82, referred to in the Conorzio Judgment above] applies only to anti-competitive conduct engaged in by undertakings on their own initiative ...If anti-competitive conduct is required of undertakings by national legislation or if the latter creates a legal framework which itself eliminates any possibility of competitive activity on their part, Articles 85 and 86 do not apply... Articles 85 and 86 may apply, however, if it is found that the national legislation does not preclude undertakings from engaging in autonomous conduct which prevents, restricts or distorts competition."*⁹

The Articles governing these judgments, cited above, are now set out and mirrored under Articles 101 and 102 Treaty of the Functioning of the European Union and remain good law. The aforementioned judgments also remain part of UK law. Pre-Brexit CJEU case law has

⁴ OfCom Prominence and Accessibility on Connected TV Platforms Consultation, paragraph 3.35(e) Page 26

⁵ *Conorzio Industrie Fiammiferi v Autorita Garante della Concorrenza e del Mercato*, Case C-198/01, 9 September 2003,

⁶ *Conorzio Industrie Fiammiferi v Autorita Garante della Concorrenza e del Mercato*, Case C-198/01, 9 September 2003, Paragraph 40

⁷ *Conorzio Industrie Fiammiferi v Autorita Garante della Concorrenza e del Mercato*, Case C-198/01, 9 September 2003, Paragraph 40

⁸ Judgment of the Court of 11 November 1997. *Commission of the European Communities and French Republic v Ladbroke Racing Ltd*, Joined cases C-359/95 P and C-379/95 P.

⁹ Judgment of the Court of 11 November 1997. *Commission of the European Communities and French Republic v Ladbroke Racing Ltd*, Joined cases C-359/95 P and C-379/95 P. paragraph 33

been retained within the UK legal system pursuant to the European Union (Withdrawal) Act 2018, under which retained EU case law continues to inform the interpretation of domestic legislation unless departed from by a higher British court. Furthermore, the substantive competition law principles contained in those treaty provisions are closely mirrored in domestic law through the Competition Act 1998, which establishes the Chapter I and Chapter II prohibitions against anti-competitive agreements and abuses of dominance

Taken together, these cases establish that a regulator's immunity with respect to competition law only arises where anti-competitive outcomes are the unavoidable consequence of legislation that removes all freedom of competitive action. Where alternative regulatory approaches remain available, and less restrictive mechanisms could achieve the same statutory objective, the restriction cannot be characterized as inevitable.

In the present case, there appear to be numerous alternative means by which OfCom could secure appropriate prominence for PSBs without mandating outcomes that effectively grant them structural dominance in the most commercially valuable areas of LG's UL

For these reasons, it is LG's respectful submission that the current proposal risks going beyond what is necessary to secure "appropriate prominence" and instead introduces a regime that unnecessarily distorts competition within the RTSS ecosystem, contrary to the legal principles articulated in the above authorities.

LGE UK Ltd's Commercial Response to OfCom's Draft Code of Practice and draft Guidance on the Agreement Objectives.

1. Executive Summary

LG appreciates the opportunity to respond to Ofcom's consultation on the proposed Prominence Code. However, LG must express its strong objection to the current proposals, which go far beyond the concept of "appropriate prominence" envisaged in the Media Act 2024.

The proposals, as drafted, would:

- Impose excessive, prescriptive, and commercially damaging obligations on device manufacturers.
- Create a distorted and anti-competitive market in the UK, strongly favouring Public Service Broadcasters (PSBs) and the Freely platform.
- Undermine the ability of manufacturers to deliver sustainable, innovative, and user-friendly TV experiences for UK audiences.

In their current form, these proposals risk making the UK market commercially unviable for manufacturers such as LG, with significant negative consequences for consumer choice, innovation and economic growth.

2. Prominence

2.1 Scope and Definition

LG's expectation was that regulated prominence would essentially apply only to the App Menu, consistent with other international regimes. Ofcom's proposals now extend prominence requirements across the entire operating-system user interface (UI), effectively mandating a PSB-controlled UI for the UK.

This approach goes far beyond the Media Act 2024's intent and removes any balance between regulatory objectives and commercial viability.

LG predict that all revenue generated from LG's content partnership in the UK is expected to decrease by - were to the implementation of the UK Media Act 2024, as currently envisioned by Ofcom, to go ahead.

2.2 Regionalisation and S4C

The new conditions relating to **S4C** are particularly concerning. LG's interpretation of 362AO(2) of the Media Act 2024 was that if LG were to implement a regionalized solution, then the national DIPS services (i.e. of both Welsh and Scotland) would not require prominence outside of their respective territories and that, within their home territories, they would "replace" their equivalent UK/English DIPS service; meaning that, in any one location in the UK, there would be a total of four DIPS requiring prominence.

It is LG's position that were the other "foreign" DIPS services (i.e. DIPS services that are not the primary national DIP for a given territory) as easily/readily discoverable, then this would be reasonable, provided that there would be no significant prominence requirements

for those other "foreign" services. These proposals, however, require material prominence for all DIPS, no matter in which territory the device is located, which would have considerable consequences for LG's business. This unexpected expansion increases the number of PSB applications requiring prominence by 25 percent, reducing available commercial space and value.

LG rejects Ofcom's suggestion that "scarcity" will increase the value of remaining slots.¹⁰ There has been no evidence to support this claim, nor does this claim reflect market realities.

2.3 International Context

Ofcom's proposals exceed the scope of prominence regimes in all other European jurisdictions. [REDACTED]

3. Hero Banner

The Hero Banner is a commercial advertising surface, not a navigation tool. Ofcom's proposal to allocate approximately 50 percent of this space to PSBs without compensation is manifestly unfair and wholly unacceptable.

- This requirement would be equivalent to forcing commercial broadcasters to give away more than half of their advertising inventory for free.
- The Hero Banner lies outside the scope of the Media Act 2024, which refers only to "public service remit content" and not to advertising surfaces.
- Ofcom's own evidence¹¹ confirms that 90 percent of user interactions occur via the App Menu, not the Hero Banner.
- Paragraph 3.35e of Ofcom's consultation acknowledges that users consider the Hero Banner as an advertising area. They do not view it as a navigation tool.

Requiring free PSB access to this area would directly threaten the sustainability of LG's streaming business in the UK.

Furthermore, Ofcom's impact assessment suggests that any reduction in monetisable "Hero Banner" inventory could be offset by charging higher rates for the slots that remain thereafter. It is LG's view that this is not a credible assumption. Advertising rates for this type of inventory are set by market forces such as advertiser demand, campaign budgets and the wider competitive landscape. Rates are not calculated based on the volume of units that a platform makes available. A reduction in available impressions does not, in and of itself, create the conditions for a proportionate increase in pricing, and operating on such an assumption is unfounded.

Additionally, even if some degree of price adjustment were achievable, the practical effect of this would be to require commercial advertisers to subsidise additional free prominence for

¹⁰ OfCom Prominence and Accessibility on Connected TV Platforms Consultation, Paragraph 3.97 and 3.136

¹¹ OfCom Prominence and Accessibility on Connected TV Platforms Consultation, Paragraph 3.36

PSBs. This would generate knock-on costs for marketing budgets and, potentially, for consumer prices more broadly. In LG's opinion, these outcomes do not fall within the scope of Ofcom's regulatory remit.

4. Search

LG strongly opposes the proposed regulation of **Search** functions. Ofcom's own findings show that search is used infrequently¹², and there is no evidence of barriers to finding PSB content.

- **Outdated UI Foundation:** Ofcom's analysis is based on current user interfaces, which are already considered outdated. The refusal of Public Service Broadcasters (PSBs) to permit access to IP linear streams has constrained innovation, and the development of these existing interfaces, as evidenced by the differing approaches of other platforms with such access. Given that PSB linear services are central to the prominence debate, regulatory recommendations built on these outdated and constrained foundations are fundamentally flawed.
- **Overly Prescriptive Approach:** The proposed regulations are excessively rigid and prescriptive, failing to account for the dynamic nature of modern search and recommendation systems. Prescriptively attempting to regulate search would degrade user experience and undermine innovation in search algorithms. A higher-level, more generic approach would be more appropriate.
- **Ineffectiveness of Search Regulation:** LG strongly opposes the regulation of search functions, as Ofcom's own findings¹³ indicate that search is infrequently used and does not present barriers to finding PSB content.
- **Neutral and Effective Search:** Search functions already operate effectively and neutrally, reflecting user intent. Attempts to define "most relevant" or "similarly relevant" results are subjective and likely to lead to continuous disputes.
- **Unclear PSB Content Requirements:** LG does not fully understand the distinction between PSB and non-PSB content, making it impossible to assess how those proposed requirements could be met, if at all.
- **AI-Driven Search Dynamics:** Search results are increasingly driven by AI, user history, and preferences. If a viewer has a strong history of not watching PSB content, an AI-driven search may not present any PSB content, aligning with the viewer's actual preferences.
- **Variability in Search Results:** As AI plays a larger role, search results for the same query may vary over time based on a viewer's recent history. This variability makes it impractical for regulatory authorities to quantify compliance or enforce biased requirements to highlight PSB content.
- **Similar Concerns for Recommendations:** The same arguments apply to recommendation systems, which are continuously improving with AI to better meet audiences needs. Regulatory interference would undermine innovation and degrade user experience.

¹² OfCom Prominence and Accessibility on Connected TV Platforms Consultation, Paragraph 3.37

¹³ OfCom Prominence and Accessibility on Connected TV Platforms Consultation, Paragraph 3.37

LG is willing to consider limited PSB prominence in one primary content area but rejects any broader regulation of search.

5. Primary Content Areas

Actions A2.2-A2.5 impose unrealistic and disproportionate operational burdens on manufacturers.

- The requirement to monitor, record, and maintain structured databases of prominence activity is unprecedented globally and would impose significant unrecoverable costs.
- These costs would ultimately be passed on to UK consumers, while unregulated platforms would gain an unfair competitive advantage.
- The proposals are over-engineered, ambiguous, and unworkable in practice, likely overwhelming the dispute-resolution process.

6. LiveEPGs

Ofcom's analysis of RTSS Uis is fundamentally flawed. The conclusions are based on a market where PSBs refuse to provide open access to their linear IP services.

- If such access were available, the user experience would be entirely different, and the App Rail would not be the primary gateway to content.
- The proposals effectively regulate all EPGs, extending far beyond the Media Act's scope.
- Without guaranteed access to PSB linear IP streams, there is no legal or requiring RTSSs to promote PSB linear content.

LG reiterates that it is willing to provide prominence to live linear channel content only if direct access to those channels is granted.

7. DIPS as Apps

Ofcom's proposal to define DIPS as "normally delivered in the form of an app" is fundamentally inconsistent with the stated goal of simplifying navigation.

- This approach entrenches a monopoly **PSB-defined UI model**, forcing manufacturers to adopt Freely's structure and limiting innovation.
- It also allows PSBs to charge for or withhold access to their linear IPTV services, further distorting competition.
- The "DIPS as Apps" and restricting access to linear IP services concept has not been subject to proper consultation and would ultimately harm UK audiences by restricting choice and diversity of experience.

8. Freely and Market Competition

Freely's late inclusion as an RTSS, without proper analysis of its contractual relationships with PSBs, undermines the entire evidence base of the consultation.

- Freely is a direct competitor to other RTSSs but enjoys privileged access to PSB linear IPTV services.
- This creates an anti-competitive market structure that disadvantages all other (RTSS) platforms.

LG proposes the addition of a fourth Agreement Objective to ensure fair competition and equal access to PSB services for all RTSSs.

9. Public Service vs Non-PSB Content

LG does not fully understand this concept and cannot reasonably distinguish between "PSB content" and "non-PSB content" within a single PSB service. The proposed definitions are unclear and inconsistent with international practice, which simply define PSBs at the service level. Implementing such a system would require bespoke development for the UK at significant cost, which would ultimately be borne by UK consumers, and stifle economic growth in the UK.

10. User Control

LG supports user ability to rearrange PSB apps but notes that the draft Code fails to address whether users can delete them.

- Preventing users from removing PSB apps would contradict global norms and consumer rights, including provisions in the EU Media Freedom Act.
- If PSB content is to be promoted across multiple UI areas, users must also have the right to opt out of such promotion in those areas.

11. Welsh Language Requirements

While LG supports accessibility and inclusion, the industry currently lacks the technical tools to implement Welsh-language features effectively. Any such requirements are premature and should be deferred until viable solutions exist.

12. Accessibility

LG already implements most accessibility features proposed. However, the requirement that users must be able to enlarge any UI element is excessive. The requirement should apply only to appropriate elements to ensure usability and design integrity.

Although LG agrees that "Voice" should not be mandated, manufacturers who do implement Voice should be awarded addition credit and balanced against other accessibility requirements overall.

13. Agreement Objectives

- It must be explicitly stated that no payments will be required for device submission or compliance testing.
- LG strongly objects to Clauses 5.40 5.45 etc, which suggest PSBs may charge RTSSs for access to linear IPTV streams as they are not in the form of an App. This would overturn decades of open access to PSB services and create an inherently anti-competitive market.
- Whilst LG acknowledges that the Act permits more than one DIPS per PSB, it must be explicitly stated that only one IPS per PSB can be designated and therefore entitled to prominences requirements.

14. Conclusion

LG Electronics categorically rejects Ofcom's proposed Prominence Code in its current form.

The proposals:

- Exceed the scope and intent of the Media Act.
- Impose disproportionate, costly, and unworkable obligations on manufacturers.
- Entrenches a PSB-defined, inferior monopoly user experience for UK audiences.
- Create an anti-competitive environment that threatens the sustainability of the UK TV market.

LG urges Ofcom and DCMS to reconsider these proposals and to work collaboratively with manufacturers to develop a balanced, evidence-based, and globally consistent prominence framework that supports both public-service objectives and a sustainable, competitive market.

LG thanks OfCom for the opportunity to submit the initial consultation response and awaits OfComs' reply.

Should OfCOM require any additional points or would like to discuss LG's concerns via email or meeting, LG will be more than happy to assist.

Yours sincerely,

On behalf of LG Electronics UK Ltd