

Cover sheet for response to an Ofcom consultation

BASIC DETAILS

Consultation title: **Television Multiplex Licence Renewals: Multiplex C & Multiplex D**

To (Ofcom contact): Ruth John, Radio Content and Broadcast Licensing

Name of respondent: Shaun Day

Representing (self or organisation/s): BBC

Address (if not received by email):

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Please tick below what part of your response you consider is confidential, giving your reasons why

Nothing	<input checked="" type="checkbox"/>	Name/contact details/job title	<input type="checkbox"/>
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Name Shaun Day

Signed (if hard copy)

BBC Response to Ofcom Consultation: Television Multiplex Licence Renewals: Multiplex C & Multiplex D

The BBC welcomes Ofcom's helpful consultation on the renewal of Multiplexes C and D and anticipates that many of the questions to which Ofcom seeks responses in this consultation will be appropriate also to any renewal of Multiplex B.

The BBC acknowledges that it has not yet submitted an application for the renewal of its own multiplex licence, Multiplex B, which was licensed in the same round as Multiplexes C and D. Subject to approvals, the BBC expects to engage with Ofcom over the renewal of the Multiplex B licence later in the summer. This notwithstanding, the BBC's responses to this consultation document are, of course, without prejudice to the BBC's own application for the renewal of Multiplex B, should such an application be made in due course.

Question 1: Do you agree that Ofcom should not seek a supplementary technical plan in respect of Multiplexes C and D prior to considering whether or not to renew the BA licences?

The BBC agrees that no further technical plan should be necessary from this licensee or, indeed, from any licensee seeking to renew their BA licences at this point. We note that all the multiplex operators have made very significant and long-term investments in their transmission networks as part of switchover and have therefore demonstrated a profound commitment to the platform, exceeding significantly the minimum coverage requirements in respect of switchover in the commercial multiplexes. For the PSB multiplexes (including the two operated by the BBC), the investment has been greater as the coverage levels are higher (and equivalent to analogue coverage pre-switchover). It is difficult to see what further coverage requirements could be reasonably placed on the multiplex operators.

Question 2: Do you agree that in renewing the BA licences, it is appropriate not to require supplementary proposals in relation to the promotion of, or assistance with, the acquisition of DTT receiver equipment?

The creation of Freeview and the original marketing plan set out by the Freeview shareholders were vital to the stability of the platform when the licences were re-awarded in 2002. Freeview has been phenomenally successful in educating consumers about digital terrestrial television and has helped establish it as the pre-eminent television platform in the UK. The BBC therefore believes that the objectives underpinning the original Freeview marketing plan have been fulfilled. In addition, as Ofcom points out, switchover will be complete when the renewed licences take effect. Accordingly, the BBC agrees with Ofcom that to maintain obligations relating to the promotion of and assistance with the acquisition of digital receiver equipment would be an unnecessary burden on the licensees in light of how widespread consumer knowledge will be of these matters at the point the

licences are renewed. The BBC therefore agrees with Ofcom that it is no longer necessary to maintain the obligations around the form and functions of Freeview or any related marketing obligations in the Multiplex B, C and D licences.

Question 3: Do you agree that Ofcom should remove the provisions set out at paragraph 3.14 from any renewed BA licences?

The BBC agrees with Ofcom's approach and believes that it would be appropriate (following an application to renew the licence) for a similar approach to be taken to its own Multiplex B licence.

Question 4: Do you agree with our preference not to apply a charge for PMR in a renewed BA Licence, in light of our stated intention to charge AIP for spectrum used for broadcasting?

To date, the BBC has contributed extensively to the debate concerning AIP and notes that Ofcom continues to expect to introduce AIP in the future. The BBC has serious concerns about AIP and its potential to penalise public service broadcasters required to maintain universality of coverage. The BBC remains concerned that AIP will not promote spectrum efficiency by PSBs but will instead divert funds from investment in UK content and programmes. This notwithstanding, the BBC recognises that this consultation is not about the introduction of AIP *per se* and therefore looks forward to playing a full and active part in the consultations Ofcom will bring forward to determine whether and at what level AIP is introduced for the multiplex operators. In any event, the question of multiplex revenue can be determined without reference to the introduction of AIP.

Multiplex operators are, by the nature of the renewals process, at different points in the licensing cycle. Digital 3and4 and SDN have already renewed on terms which set their multiplex revenue at zero percent for the extended period of their licences. These multiplexes provide the only competition in the supply of DTT capacity for the holder of Multiplex C and D licences after switchover and it would be iniquitous if the holder of the Multiplex C and D licences was to face multiplex revenue at a higher rate than its competitors. Multiplex B provides little practical competition in the supply of DTT capacity as the vast majority of its capacity after switchover (i.e. during the renewed licence period) is reserved for allocation by Ofcom to other broadcasters.

We therefore agree that setting multiplex revenue at zero percent is appropriate for the holder of these licences irrespective of the question of AIP. Further, we would argue that as the BBC has very limited opportunity to make any competitive advances on Multiplex B after switchover (as our capacity is largely sequestered and allocated to other broadcasters without our involvement), it is also not reasonable to set multiplex revenue at anything higher for the Multiplex B licence should that be renewed.