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Dept Strategy and Market Developments
Ofcom
Riverside House
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17th September 2009

Arqiva response to Ofcom consultation 'Media Ownership Rules Review'

Dear Nicole,

Arqiva welcomes the opportunity to respond to Ofcom's Media Ownership Rules Review consultation.

About Arqiva

Arqiva has a 50-year history in broadcast transmission and has helped pioneer the technologies of the digital age. Formerly the broadcast division of ntl Group, Arqiva was purchased in 2005 by an international consortium led by Macquarie Communications Infrastructure Group. In 2007 Arqiva purchased National Grid Wireless and the two companies merged last year following clearance by the Competition Commission.

Arqiva owns and operates some 350 FM and 70 MF radio transmitters, with customers ranging from the large radio groups such as Global Radio, Bauer Radio, GMG Radio and UTV Radio, to small community-based stations. We have also played a leading role in the development and introduction of digital radio in the UK, supporting both the commercial radio industry and the BBC in commencing their transition from analogue.

In July 2009, Arqiva went from having a 37% shareholding to gaining full control of Digital One Ltd, the operator of the national commercial DAB multiplex, following Global Radio's disposal of its shares. At the same time Arqiva also took control of NOW Digital Ltd, operating 20 local DAB multiplexes in 18 licence areas. Arqiva also owns the Ayr local DAB multiplex and provides multiplexing and transmission services for each of the remaining local and regional DAB multiplexes on-air in the UK.

We have extensive experience in both analogue and digital terrestrial television transmission, satellite transmission, international fibre networks and wireless communication.

Consultation Questions:

Arqiva would like to comment on Ofcom's proposal 5.

5. We seek views and supporting evidence on our recommendation to remove the national multiplex rules.

Arqiva supports Ofcom's recommendation to remove the national DAB multiplex rules. We believe that with nearly ten years of national commercial DAB operation in the UK, the market has not been disadvantaged through having a sole national DAB multiplex operator.

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As demand for capacity increases and the case for a further national multiplex licence strengthens, we do not believe that a sole provider of multiple national DAB multiplexes will be detrimental to the progress of DAB in the UK; indeed economies of scale are likely to generally reduce costs and increase the flexibility with which the capacity can be used, to the benefit of the industry.

Yours faithfully,

Paul Eaton
Director of Radio
Arqiva Limited