

*Championing  
excellence and diversity  
in broadcasting*



Founded in 1983 by Jocelyn Hay CBE

The Old Rectory Business Centre  
Springhead Road, Northfleet  
Kent, DA11 8HN  
Tel: 01474 338716  
email: [info@vlv.org.uk](mailto:info@vlv.org.uk)  
VLV: [www.vlv.org.uk](http://www.vlv.org.uk)

**RESPONSE OF THE VOICE OF THE LISTENER & VIEWER  
TO DCMS CONSULTATION ON THE RENEWAL OF DIGITAL  
TERRESTRIAL TELEVISION (DTT) MULTIPLEX LICENCES  
EXPIRING IN 2022 AND 2026**

**February 2021**

## Information about the VLV

The Voice of the Listener & Viewer (VLV) is an independent, not for profit membership-based charity, free from political and sectarian affiliations. VLV supports high quality broadcasting which maintains the democratic and cultural traditions of the UK. We support the independence and integrity of the BBC and encourage work which demonstrates commitment to the principles of public service broadcasting (PSB). VLV is a charitable company limited by guarantee (registered in England and Wales No 4407712 - Charity No 1152136).

## Executive Summary

1. VLV welcomes the opportunity to respond to the DCMS consultation on the renewal of Digital Terrestrial Television (DTT) multiplex licences. We welcome the stated intent to not re-advertise current licences and to invoke the right to change the Percentage of Multiplex Revenue (PMR) tax which this is currently set at zero.
2. The choice among the options for re-licensing appears, at first sight, to be straightforward but there are many contingent issues which have a significant bearing on reaching a reliable, equitable and stable outcome, including the future of the existing Public Service Broadcasting (PSB) system and the trend in increasing demand for more spectrum to support mobile telephony growth.
3. VLV welcomes the recognition in the consultation document of the significant value of PSB services in the UK, in particular those delivered via the DTT platform. Recent experience during the Covid pandemic has highlighted the societal value of a universally available, free to air platform by which to deliver accurate and authoritative news and information to citizens. The majority of citizens in the UK rely on PSB/DTT for both TV and radio output. A system whereby content production and supply is allied to a dedicated delivery platform secures the interests of citizens and does so at very reasonable cost to the individual.
4. The role of the remaining spectrum that currently supports **secure, robust and independent** delivery of DTT is a vital part of PSB itself and needs to be protected.
5. For some years the rising demand to make spectrum available for mobile telephony has put pressure on the allocation of spectrum. VLV is concerned by the erosion of the spectrum allocated to DTT and we are concerned about its future. VLV supports DTT because as yet there has been no proper assessment of the consequences for citizens if we move broadcasting transmission to a different platform or of how the current standards of universal coverage could be maintained by other means. VLV welcomes the acknowledgement in the consultation that there is no clear viable alternative to DTT in the coming decade.
6. However, VLV is concerned that the while the consultation document appears to support PSB/DTT, this support may be limited and contingent on future events. The hesitancy, implied by the need to include the option to revoke licences is of concern. VLV is not convinced there is a need for this. If government considers there is such a need, then it should present more concrete evidence to justify it than is provided in this consultation.

7. The apparent hesitancy of government to commit to long-term licences and the suggestion of a revocation clause shows a lack of faith and confidence in the decades' long track record of the PSB/DTT platform and the world class creative and technical skills involved in developing and maintaining it.
8. It should be noted that any change to the delivery platform for PSB will be disruptive and costly for citizens and will need to be implemented slowly. VLV considers that any such change is likely to be unpopular with the public.
9. VLV believes that achieving all the 4 stated objectives of supporting the PSB system and the DTT platform, regulatory flexibility, deliverability and harmonisation will not be fully achievable because of constraints which include technical, regulatory, practical and economic factors.
10. VLV's preferred option, from those proposed in the consultation, is an extension of all licences for the longest possible period, i.e. until at least 2034, with no revocation conditions. This wish primarily relates to all PSB services, but it also applies to the whole of DTT insofar that this approach would improve the viability of the platform. We believe that this option serves the best interests of UK industry, citizens and consumers.
11. VLV believes that ownership of Multiplex 2 should be contingent on PSB status because we would wish any PSB content supplier to have secure access to the delivery platform preferred by consumers.
12. VLV notes that the multiplexes and broadcasters are licensed separately and suggests that a harmonisation of the expiry dates of these licences might be beneficial, but it recognises that this would be challenging to achieve.

### **Introduction: The value of PSB and DTT**

13. The VLV welcomes this opportunity to respond to the DCMS consultation on the future of Digital Terrestrial Television (DTT) multiplex licences. We welcome the stated intent to not re-advertise current licences or invoke the power to change the zero rate PMR requirement.
14. VLV appreciates the broad background to this consultation taking into account other media policy issues<sup>1</sup> and we understand the need for a review at this time.
15. The choice among the options listed for consideration in this consultation appears, at first sight, to be straightforward but there are many contingent issues that may be clarified in the coming years which have a significant bearing on reaching a reliable, equitable and stable outcome. Two of the most obvious issues are:
  - The future of the existing Public Service Broadcasting (PSB) system and its importance in the media economy and in the public good it delivers
  - The trend in increasing demand for more spectrum to support mobile telephony growth

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<sup>1</sup> outlined in Clause 1.1 of the consultation

- 16.**In this context VLV welcomes comments made in the introduction to the consultation by the Minister of State for Media and Data, John Whittingdale MP, and recognition in the consultation document of the significant value of PSB services in the UK, in particular those delivered via the DTT platform.
- 17.**It is clear that the majority of the viewing public in the UK rely on PSB/DTT for news, information and entertainment; this applies to both TV and Radio output. A system whereby content production and supply is allied to a dedicated delivery platform secures the interests of citizens and does so at very reasonable cost to the individual. VLV notes that the DTT platform (“Freeview”) carries a mix of PSB and commercial services. While the concentration of a wide range of content on this one platform is attractive to viewers, the bulk of viewing is of the main PSB channels. The only direct cost to the viewer is reception equipment and payment of the TV Licence (currently £157.50 pa).
- 18.**Recent experience during the Covid pandemic has highlighted the societal value of a universally available, free to air platform by which to deliver accurate and authoritative news and information to citizens, both at a national as well as a local level.

## **Background**

- 19.**VLV is concerned that the government should take full account of the potential impacts any decision regarding the re-licensing of the DTT multiplexes will have on the future of the PSB system and consequently on UK citizens. Broadly speaking, citizens have little knowledge and understanding of these issues which are technically complex. The majority of stakeholders with an interest in spectrum policy are entities which are driven by commercial interests and VLV is concerned that the interests of individual citizens should be central to any decision the government takes which will impact on the delivery of high quality broadcasting in the UK.

## **The development of DTT**

- 20.**The DTT platform, as well as its sister system of Digital Audio Broadcasting (DAB), were developed by the terrestrial broadcasters when they saw there would be a need for a new technology to replace the analogue systems which dated back to the 1920’s (Radio) and 30’s (Television). From the early 1990’s UK broadcasters pioneered research, taking a leading role in standardising DTT. Regular DTT transmissions began in the UK in parallel with the existing analogue services in 1998. A number of “Multiplexes” were introduced, each one comprising a set of digital TV services appropriately grouped according to broadcasters and taking the place of one analogue service. The evolution of DTT led to the discontinuation of analogue services in 2012 and subsequent reductions in spectrum allocation to DTT; 160 MHz (41% of the original analogue allocation) has now been recovered to allow expansion of mobile telephony.
- 21.**The technology of DTT (DVB-T1 and DVB-T2) is a global and state of the art standard, achieving high efficiency in exploiting scarce spectrum resources and making possible a great increase in the range and quality of content. DTT is not a moribund, out of date technology.

## Erosion of DTT Spectrum & the implications for citizens

22. VLV closely follows the national and international debate concerning the use of the spectrum occupied by TV broadcasting services (the “UHF” band, 470-694 MHz for UK DTT). VLV is a member of the Wider Spectrum Group<sup>2</sup>. For some years the rising demand to make spectrum available for mobile telephony has put pressure on the allocation of spectrum and the mobile service operators (MSOs) have even questioned the need to allocate spectrum to DTT in the future. Broadcasters have robustly resisted these suggestions, but nevertheless discussions in the EU and related technical fora led to a report<sup>3</sup> that set out a potential timeframe for the division of the UHF between mobile telephony and DTT. If this potential framework, which VLV opposes, were adopted it is possible that by 2030 DTT spectrum will be withdrawn and all content service delivery will be by other means, **which are as yet undefined in detail**.
23. VLV is concerned by the erosion of the UHF spectrum allocated to DTT in recent years and we are concerned about its future. VLV supports DTT because as yet there has been no proper assessment, technical or economic, of the consequences for citizens if we move broadcasting transmission to a different platform or of how the current standards of universal coverage could be maintained by other means.
24. Studies quoted<sup>4</sup> in the consultation illustrate the lack of any clear viable alternative to DTT during the next decade. VLV welcomes this acknowledgement and the suggestion that new DTT multiplex licences could run until 2034. We see both as encouraging indications of an emerging UK domestic spectrum policy which goes beyond the present decade.
25. The role of the remaining spectrum (470-694 MHz) that currently supports **secure, robust and independent** delivery of Freeview services is a vital part of PSB itself and needs to be protected. It is clear that an alternative delivery method, such as broadband (IPTV), may be possible at some stage in the future, but the timing of that is very uncertain and it has many problems, not the least of which is the introduction of a service delivery charge, quality of service (in all its aspects) and vulnerability to cyber-attacks of all kinds (viruses, ransomware etc.).
26. Change will need to be slow because citizens will need time to adapt. Changing the infrastructure to deliver PSB will impose additional costs on citizens who will have to upgrade their receivers which will become obsolete. Such a change will run counter to the expectation of many citizens who have collectively invested several billions of pounds in equipment<sup>5</sup> to receive PSB services, believing that these devices would continue to provide a wide range of content **freely available** through DTT, DAB and analogue radio transmissions. These expectations remain even though service providers may change from time to time.
27. Another concern is that a transfer from DTT to IPTV would be extremely disruptive for consumers, especially those who are less digitally able or vulnerable. During the

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<sup>2</sup> <http://widerspectrum.org/aboutus>

<sup>3</sup> <https://ec.europa.eu/digital-single-market/en/news/public-consultation-lamy-report-future-use-uhf-tv-broadcasting-band>

<sup>4</sup> *Consultation on the renewal of DTT multiplex licences expiring in 2022 and 2026*, DCMS, Footnotes page 7

<sup>5</sup> 28 million households paying £250 or more per TV set, typically more than 1, and an aerial installation at about £50 or more, both replaced infrequently

various changes to DTT in recent years great efforts have been made to support consumers when they have experienced reception difficulties, whereas the quality of broadband customer support services currently are very variable.

## **DTT multiplex licences & the PSB licences**

- 28.** VLV notes that the DTT multiplexes are operated and licensed separately from the broadcasters who supply the content to be distributed. This has led to a situation whereby the licensing periods of UK broadcasters and those of multiplex management are disjointed – with multiplex licence expiry dates in 2022 and 2026, the commercial PSB licences expiring in 2024 and the BBC Charter expiring in 2027. This lack of alignment in the existing licence periods causes additional complexity when considering the most appropriate recommendations to make in the context of the renewal of the DTT licences.
- 29.** VLV considers it appropriate that Multiplex 1 (used by the BBC) should be tied to BBC Charter conditions. In general, content providers need access to a multiplex and so it seems sensible to tie the broadcasting and multiplex licence periods together. There is limited scope for a dynamic market in the provision of DTT delivery services.
- 30.** The other PSBs use Multiplex 2 and their their broadcasting licenses expire in 2024. VLV questions whether tying this multiplex licence to a group of content providers may be impractical unless the awarding of licences is synchronised. It may also complicate the allocation of certain channels to multiplexes in order to balance capacity requirements.
- 31.** The fact that the commercial PSB licences and the BBC Charter are due for renewal in the next few years suggests that a full assessment and possible synchronisation of all licensing processes might be desirable, if only for tidiness. The clear consequence of synchronising these licenses would be to concentrate the review, re-advertising and administrative burden into one period of time. We believe that such a consolidation of the regulatory foundation of the DTT system could be of great value because it would reinforce the message that the government is confident of its future and reassure the UK's broadcasting industry, citizens and investors that this valuable public asset has a long and fruitful future. It also signals to the wider world that the UK values DTT and PSB.

## **Policy Options**

- 32.** We understand that the four main objectives of this review are:
- Supporting the PSB system and the DTT platform
  - Regulatory flexibility
  - Deliverability
  - Harmonisation
- 33.** VLV welcomes the first objective: to support the PSB/DTT platform. We note the clear statement in the consultation document, which we take as a firm commitment to the future of PSB/DTT, that *DTT is expected to continue to be an important content distribution channel for at least the remainder of the 2020s, as it is*

*universal, free, reliable and secure. It is therefore expected over this period to remain a significant mechanism to meet PSB universal access requirements.*<sup>6</sup>

- 34.** However, we are concerned that the tone of the document suggests that this support for PSB/DTT may be limited and depends on future events; some of these limits may be external, the result of “force majeure” events, or internal, a deliberate policy driven by the needs of a future policy as yet undeclared.
- 35.** The hesitancy, implied by the need to include the option to revoke licences is of concern to VLV. VLV does not see any reason why there is a perceived need for *ante facto* provisions to revoke licences which would affect a key public service like broadcasting which serves the nation so well. Furthermore, we believe that if government considers there is such a need, then it should present more concrete evidence to justify it than is provided in this consultation.
- 36.** If there is a future major event that does threaten DTT, triggering the need to revoke licences before their term, then government always has recourse to statutory powers. Such an event may be serious enough that a 5-year notice period would be completely impractical anyway.
- 37.** The apparent hesitancy of government shows a lack of faith and confidence in the decades’ long track record of the PSB/DTT platform and the world class creative and technical skills involved in developing and maintaining it. Terrestrially delivered television has been and continues to be a vital component in the hugely successful UK media industry; DTT provides content producers and broadcasters with a firm foundation.
- 38.** A DTT delivery system also provides the government with a self-contained system that is not under the control of non-UK organisations and powerful commercial interests and is not vulnerable to cyber-attack. Recent issues arising out of the Huawei involvement in UK (and global) 5G equipment highlight the risks of placing valuable national assets in the wrong hands.

### **Constraints on achieving all four goals**

- 39.** The DTT system of multiplexes and the placement of the various content services within them have constraints imposed for several reasons, some of which derive from the history of the platform. VLV considers that achieving the 4 stated objectives (supporting the PSB system and the DTT platform, regulatory flexibility, deliverability and harmonisation) through a simplification of the licensing arrangements for DTT will only be possible with constraints. These are:

#### **Technical constraints:**

- 40.** The amount of spectrum likely to be available and the planning rules in relation to the locations of transmitters and their local terrain; there is also the need to balance the amount of capacity with the demand for multiplex space which has impact on coverage and on the allocation of content across multiplexes. White Space services, sharing the DTT spectrum, also exist and depend on it.
- 41.** The nature of DTT frequency planning and that for mobile telephony is such that sharing is not an option because mobiles need exclusive access to contiguous

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<sup>6</sup> Consultation on the renewal of DTT multiplex licences expiring in 2022 and 2026, DCMS, Clause 1.3

blocks and cannot be shared. There is a question whether, if given the whole DTT band, mobile technology (LTE 5G/6G) would be flexible enough to carry all the current PSB services with the same universality and quality of service. Would the MSOs be willing to accept PSB terms? If this were to happen, citizens and consumers would still need to replace completely obsolete reception equipment.

42. The amount of digital capacity required varies with service type, e.g. SD or HD TV, and includes room for radio. Consumer reception conditions and display equipment also vary widely between fixed high quality large screens in homes served by external aerials to mobile phones etc. on the move. There is little benefit in coding a high quality, high bit rate video service if it is only viewed on small mobile devices.

**Regulatory constraints:**

43. The requirements for coverage and for choosing franchising regions and conditions are applied differently to different types of content – i.e. PSB (earning concessions) or purely commercial. Among the options listed is a regulatory condition that reserves a right to revoke licences under certain circumstances. Whilst we do not understand why such a reservation might be considered necessary, it hardly encourages confidence in investors in the DTT infrastructure, especially viewers, and especially if the revocation notice is short.
44. In the light of the statement of support for DTT<sup>7</sup>, signalling a revocation at the very heart of future licence agreements sends a false, confusing message to citizens and consumers as well as to all other stakeholders in DTT. It also sends a signal internationally that may, at WRC23, be taken by some attendees as an intention to surrender the DTT spectrum.

**Economic constraints:**

45. Whilst the UK broadcasting and related creative industries contribute significantly to the UK economy, some of the resources required to distribute their home grown exclusive content via DTT are in contention with other operators, e.g. MSOs, whose businesses may claim a greater economic contribution and a better exploitation of those resources. The scope for an assessment of this matter in the form of a Cost Benefit Analysis is beyond the scope of this consultation but is an important issue affecting the deployment of scarce resources. In the event of any revocation of spectrum for DTT we would expect a complete Cost Benefit Analysis as part of the government's justification to the public and other stakeholders.

**Practical constraints:**

46. The need for flexibility during licensing periods to allow for contingencies; now that the DTT platform is stable, some restrictions in this category are relaxed, e.g. the need for frequency re-allocation during clearance activities. However if, as is implied, international pressure to release more DTT spectrum, if not all of it, for mobile use becomes a reality then a realistic and practical alternative to replacing the DTT services will be needed in good time to effect a change. As stated above, we do not believe there is any alternative platform available which would provide the current benefits of the DTT platform.

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<sup>7</sup> Consultation on the renewal of DTT multiplex licences expiring in 2022 and 2026, DCMS, Clause 1.3



## Renewal options

- 47.** VLV's response to the options for the renewal of the DTT multiplex licences presented in this consultation reflect VLV's aim to support the delivery of high quality broadcasting content which benefits UK citizens. Central to this is the delivery of PSB which we consider as a valued and essential public resource.
- 48.** VLV would wish to see an unconditional commitment to maintaining the current status and extent of DTT transmissions as a secure and proven delivery mechanism for PSB content. Our preference is therefore an extension of all licences for the longest possible period, i.e. until at least 2034, with no revocation conditions. This wish primarily relates to all PSB services, but it also applies to the whole of DTT insofar that this approach would improve the viability of the platform. We believe that this option serves the best interests of UK citizens and consumers for reasons discussed above.
- 49.** We note that the multiplexes under review in this consultation are not all equal in status and are licensed differently. Some of these inequalities are inherent in the nature of the content they deliver and as such will probably continue at least for the time being. However, there are opportunities for harmonisation of licensing conditions which seem to offer operational and regulatory benefits.

## Renewal of Multiplex 2

**Question 1: With reference to the government's stated objectives, which of the options set out above is your preferred option for Multiplex 2 and why?**

VLV's preference is for option (a), i.e. on the same terms as now until 2034. Our analysis leading to this opinion is provided below, where we also provide comments on the other options in order to explain our reasoning.

*Option (a) – extension of extension on the same terms as before until 2034.*

- 50.** VLV would support this option because it ensures delivery of PSB on this multiplex for citizens for as long as possible. Multiplex 2 carries PSB services from ITV, C4, C5 and S4C and some PSB portfolio channels including ITV2, E4, Film4. This is substantially PSB material. The only caveat we would suggest is that if any of the licensees chooses to revoke their PSB status during the period of the multiplex licence, consideration would need to be given to the option to amend the multiplex licence in order to consolidate PSB delivery.

*Option (b) - until 2034 but with the inclusion of an Ofcom power to revoke the licence subject to a mandatory notice period*

- 51.** As stated above, VLV does not support the inclusion of a revocation clause in multiplex licences. While we understand that the government might wish to avoid creating further legislation to amend the multiplex licensing process in the future, as stated above, VLV believes that including a revocation clause in the DTT licences implies a lack of confidence in the DTT system itself which would be detrimental to DTT, PSB and the creative economy. This option therefore might deliver the goal of regulatory flexibility, but it would undermine confidence in DTT and PSB.

- 52.** Additionally, we oppose this proposal because it is far from clear what the government means by “regulatory flexibility” in the context of DTT. The implications of a revocation clause have not been explored widely or explained in the consultation document. The criteria that might be applied in such a decision and its execution are not explored. We assume that the intention is that revocation might be done singly and severally, i.e. to each multiplex as conditions apply. However, given the nature of the DTT system removing one multiplex does not release spectrum suitable for reuse by MSOs and so there is the risk of that capacity being of limited use and not being effectively used once vacant. An MSO demand will likely require clearances affecting the whole DTT platform. How many multiplex licences would need to be revoked or re-licensed is unclear.
- 53.** VLV does not share government’s concern that DTT viewing will decline so severely in the next decade that some, if not all, DTT multiplex licences will need to be revoked. The consultation offers no reasoning or evidential trends that suggest such a significant decline and so we are somewhat puzzled why the decline in viewing to DTT is emphasised when there are more obvious threats, such as the demand for more spectrum by the MSOs.
- 54.** If this unlikely event should occur as a result of a decline in PSB viewing then that would be a far more serious situation and in those circumstances VLV would expect a full public consultation as an essential part of the decision to revoke a licence, **not as a result of it.**
- 55.** A decline in DTT viewing could result in commercial operators, especially those in multiplexes C and D, removing their services because they were no longer commercially viable. A limiting case would be where a commercial PSB chooses to give up its PSB licence because it no longer feels able to meet its PSB obligations. VLV considers this scenario to be unlikely in light of the ongoing PSB Review which is considering the sustainability of the existing ‘PSB Compact’ and the fact that the government is considering how to reform legislation so that it better supports PSB moving forwards. Therefore VLV sees no need to review the presence of PSB on DTT, but in due course a regrouping exercise may be required and a reduction in spectrum used by PSB, the balance of which could be offered for other purposes. This would lead to yet another round of disruptive clearance.
- 56.** The question remains: what mandatory notice period would be applied? The impact on viewers and on multiplex operators is hard to calculate without more detail. Very recent experience informs us of the time scale and cost required for a release and clearance operation. It is suggested in the consultation that 5 years may be appropriate notice to give time for all the necessary processes to be discussed and implemented. For the avoidance of doubt, we assume here that this period is to be used for the winding up of operations and to prepare the vacated spectrum for re-use at the end of the 5 years.
- 57.** An approximate guide for when a challenge to DTT may be required is available from the proceedings of international conference decisions. The next WRC is in 2023 and preparations will begin in 2022, which coincides with the end of the current licence for Multiplex 2. It is possible that a further encroachment into DTT spectrum, probably the top end below 694 MHz, will be demanded by the MSOs and maybe will be agreed, with a prospective date for release and clearance. There will be some consultation and legislative work and some frequency planning and

then a project to clear the chosen band. Such a plan taking 5 years from early 2024 leads to handover in early 2029. There will almost certainly be a desire by the MSOs to obtain further options on more spectrum at a later date e.g. WRC27. Piecemeal and sequential fragmentation of DTT will not be helpful as it requires successive re-engineering of the network.

**58.** If a similar decision were deferred to WRC27 this may lead to a revocation decision and a clearance from early 2028 giving its completion by about 2033, within the suggested date of 2034 for new licence expiry.

*Option (c) - for a shorter four-year period until 2026 to bring the next expiry date in line with the multiplexes expiring in 2026.*

**59.** This option brings Multiplex 2 licensing nearly in line with BBC Charter review (2027) and, depending on the outcome of that process, by then the DTT system will have the results of WRC23 and the likely outcomes of a WRC in 2027 to consider with more precision

**60.** The question remains of what happens after the natural expiry of the existing licence in 2026? Furthermore, as of now, the date of 2026 is consistent with a revocation period of 5 years as proposed for Option (b) and so could be seen in that light, i.e. after 2026 there could be no further licence. Perhaps government intends to consult on the use of the spectrum again after 2026? If so, one argument against this option is that repetitive consultations is not a sensible use of resources if they can be avoided.

**61.** In conclusion, while this option might meet the harmonisation objective and provide greater regulatory flexibility, it would be highly destabilising for broadcasters, citizens and the creative industries because it is too short-term.

*Option (d) - for an alternative length of time not already specified here*

**62.** There does not seem to be any other obvious time scale for licensing adjustments at this time.

## **Multiplex A**

**Question 2: With reference to the government's stated objectives, which of the options set out above is your preferred option for Multiplex A and why?**

**63.** VLV's preference is for option (a) - on the same terms as before until 2034. Much of our reasoning is the same as that which has already been set out in response to the question regarding Multiplex 2 above.

*Option (a) – extension of extension on the same terms as before until 2034.*

**64.** Multiplex A carries commercial services including some of the commercial PSB portfolio channels (e.g. ITVBe and 5USA) and other third party commercial channels (e.g. QVC and Quest). While these are not PSB services, ideally we would wish to see these channels and their multiplex remain in the DTT system and so VLV would like Multiplex A to be treated in the same way as Multiplex 2 above. This would keep the critical mass of Freeview in place to maximise its popularity as a platform and ensure that citizens continue to have access to the wide range of

content they currently enjoy. It would also provide certainty for the coming 12 years for broadcasters, advertisers and minority channels.

*Option (b) - until 2034 but with the inclusion of an Ofcom power to revoke the licence subject to a mandatory notice period*

**65.** See remarks above for Multiplex 2.

*Option (c) - for a shorter four-year period until 2026 to bring the next expiry date in line with the multiplexes expiring in 2026.*

**66.** See remarks above for Multiplex 2.

*Option (d) - for an alternative length of time not already specified here*

**67.** We see no other obvious date that might offer practical or regulatory convenience.

### **Multiplexes B, C, D**

**Question 3: With reference to the government's stated objectives, which of the options set out above is your preferred approach for Multiplexes B, C and D?**

**68.** Our preference is for option (a) - on the same terms as before until 2034. Much of our reasoning is the same as that which has already been set out in response to the question regarding Multiplex 2 above.

*Option (a) – extension of extension on the same terms as before until 2034.*

**69.** These multiplexes contain a mixture of PSB and commercial services. Multiplex B carries High Definition PSB channels (e.g. BBC One HD, ITV HD, C5 HD) and some commercial channels (e.g. TBN UK and Shopping Quarter). All have expiry dates in November 2026 which will fall during the BBC Charter Review period. The loss of these HD channels from the platform would weaken its attraction. We consider that the inclusion of HD services in a PSB portfolio to be essential to the health and future viability of PSB.

**70.** Subject to the agreement of the BBC and other PSB providers, their HD services should be an integral part of PSB/DTT and covered by the same licence terms and period as Multiplexes 1, 2 and A.

**71.** Multiplexes C and D are operated commercially by Arqiva and carry no PSB. Their value is in offering airspace to minority interest channels, enabling DTT to compete with satellite services which carry a large array of channels.

**72.** The presence of purely commercial channels in these multiplexes complicates planning, therefore VLV acknowledges that perhaps there is scope for a review of multiplex contents including the presence of radio. Given that the HD services take up more capacity than their equivalent SD services, the amount of capacity taken up by the commercial components of Multiplex B cannot be great.

*Option (b) - until 2034 but with the inclusion of an Ofcom power to revoke the licence subject to a mandatory notice period.*

73. See remarks above for Multiplex 2, especially in relation to Multiplex B.

*Option (c) - not applicable as these licences expire in 2026*

74. This option meets the harmonisation requirement but only gives licence holders another 5 years after 2020 with no clear prospect beyond that. This is important for Multiplex B, but the provisions for Multiplex C and Multiplex D may be subject to the commercial judgement of the operator and its customers. If these licences were not renewed for any reason after 2026, the spectrum capacity could be used to improve DTT national coverage. The spectrum is such that MSOs would find it inconvenient to use unless a complete re-plan was arranged to pack the remainder of DTT into the lower frequencies in order to release a contiguous band that MSOs could use. How much spectrum would be available by this means would need specialist assessment. Another re-engineering project to achieve this would be a significant task.

*Option (d) - for an alternative length of time not already specified here*

75. We see no other obvious date that might offer practical or regulatory convenience.

## **Ownership of Multiplex 2**

**Question 4: With reference to the government's stated objectives, what is your view on ownership of Multiplex 2 being contingent on PSB status?**

76. VLV believes that ownership of Multiplex 2 should be contingent on PSB status because we would wish any PSB content supplier to have secure access to the delivery platform preferred by consumers. At the present time and for the foreseeable future we believe that to be DTT. The content carried by Multiplex 2 is clearly PSB.