



Statement on changes to Digital UK's LCN Policy

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1 Executive Summary

1.1 About Digital UK and Freeview

Digital UK leads the development of Freeview, the nation's most widely used television platform. Our goal is to create the best free TV service, both live and on-demand.

Freeview is the biggest TV platform in the UK, used in 18 million homes, giving viewers access to the country's most popular TV shows, for free. Its connected TV service, Freeview Play, brings together the best of the UK's free content, live and on-demand from BBC iPlayer, ITV Hub, All 4, STV Player, My5, UKTV Play, CBS Catchup Channels UK and Horror Bites. The service is available on the majority of smart TVs sold in the UK and with over 20,000 hours of on-demand content, has quickly become a 'must-have' feature for consumers. In 2019, Freeview launched its mobile app for smartphones and tablets giving viewers access to the country's most watched television programmes all in one place, on the go.

In a world of changing viewing behaviour and increasing online delivery, Freeview is the only major TV platform in the UK that is growing its user base. Offering viewers a compelling foundational TV service on to which OTT services can be added, the platform plays a critical role in delivering consumer choice and supporting the UK's broadcasters by driving share and prominence. The principle of ensuring universal and free access to the best of the nation's content for all UK viewers continues to drive Freeview's evolution in a changing media landscape.

Digital UK holds Ofcom licences to provide an Electronic Programme Guide ('EPG'). Its listing of logical channel numbers ('LCNs') and its LCN Policy (the 'LCN Policy') both conform to the requirements of the Communications Act 2003 and Ofcom's Code of Practice on Electronic Programme Guides (the 'Ofcom EPG Code').

The Digital UK LCN listing is used by Freeview, Freeview Play, BT TV, TalkTalk TV, YouView, EE TV and Now TV.

1.2 The consultation

In November 2020, Digital UK published a consultation which proposed a package of changes to the LCN Policy¹, which aimed to:

- Enable the use of new technology in Freeview Play devices, making it easier for viewers to discover HD content, and giving them access to more channels
- Give more flexibility to channel providers

¹ www.freeview.co.uk/lcnpolicy

The proposed changes covered the following areas:

- **HD/SD substitution:** Enabling the HD version of a channel to appear in the LCN allocated to the SD version of that channel, on devices that support Channel List Management (CLM), a technology available in newer Freeview Play devices
- **IP fallback:** Allowing devices that support CLM to display some channels even if the device is not connected to an aerial, or to receive some channels that are carried on UK-wide multiplexes even if the aerial receives a signal from a relay and therefore cannot receive that multiplex
- **IP-only channels:** Creating an allocation policy for channels that are delivered solely via IP, with no DTT capacity, to Freeview Play devices that support CLM
- **Swapping/changing LCNs:** Removing the restrictions on how often channel providers may reorder LCNs within their portfolio and change channels' names; and introducing a fee for LCN swaps and changes
- **LCN trading:** Removing the restrictions on channel providers trading LCNs
- **Minimum broadcast hours:** Requiring any DTT channel launching on the platform from the date of the new LCN Policy taking effect to broadcast a minimum of 6 hours per day or 42 hours per week of audio-visual content via DTT (except IP, Adult, Streamed, Text or Radio services); and requiring channels in the IP range to broadcast a minimum of 6 hours per day or 42 hours per week of content via IP

We encouraged responses from all stakeholders in the DTT platform; particularly channel providers, multiplex operators, TV platforms that would be affected by the proposals, consumer groups, and viewers and listeners.

1.3 Responses

We received 24 responses:

- Six from viewers
- Eleven from channel providers: BBC, ITV, Channel 4, ViacomCBS, UKTV, Together TV, VOD365, RTE, and three which submitted confidential responses
- One from a television platform, YouView
- Six from other interested parties: Canis Television and Media, Synapse/S&T, Expert Media Partners, MediaPaedia, Studio BE, and one which submitted a confidential response

Non-confidential responses are published on our website.

1.4 Decisions

- **HD/SD substitution:** We have decided to implement our proposals
- **IP fallback:** We have decided to amend the proposals, so that if a channel with a Freeview Play application qualifies for an LCN within at least three of the four nations of the UK (England, Scotland, Wales and Northern Ireland), it may choose to enable IP fallback across the whole of the UK, the Channel Islands and the Isle of Man

- **IP-only channels:** We have decided to make an addition to our proposals, to reserve a range of LCNs that may be allocated to channels that are carried on a Freeview Play application but are not owned and operated by the company that owns the application. We have also decided that we will consult later in 2021 on alternative methods of allocating LCNs in the IP-delivered range where two or more different channel providers' Freeview Play applications occupy the same position in different parts of the UK

For all of the above three areas, we will keep the rules under review, to consider how and when IP-delivered channels without Freeview Play applications might make use of the functionality.

- **Swapping/changing LCNs:** We have decided to implement our proposals. Before imposing fees on channels, we will publish a rate card, which will explain the amount we will charge
- **LCN trading:** We have decided to implement our proposals. We will publish a rate card, which will explain the amount we will charge channels which trade LCNs. No LCN trades will be permitted or administered until after this rate card has been published
- **Minimum broadcast hours:** We have decided to implement our proposals

1.5 Implementing the changes

The revised LCN Policy will become effective immediately on publication of this statement (i.e. on 1 March 2021).

Before imposing fees on channels for LCN swaps, changes and trades, we will publish rate cards, which will explain the amounts we will charge. Until the rate cards are published, swaps and changes may continue without charge. LCN trades will not be permitted or administered until after publication of the relevant rate card.

2 Digital UK's decisions

2.1 HD/SD substitution

2.1.1 Proposals in the consultation document

- If a channel is available in both SD and HD, then the channel provider may choose for the HD version to appear in the LCN allocated to the SD version on devices that support Channel List Management
- In the case of PSB channels, where an HD version is substituted in the LCN for the SD version, all programming on the HD version must be an exact simulcast of the SD version in order to satisfy Ofcom's PSB prominence requirements that came into effect on 4 January 2021. There may however be differences in promotions, advertisements, and on-screen graphics and idents. For non-PSB channels, there may be some different programming on the HD version, but the HD version must recognisably be a simulcast of the SD version, and this must be reflected in the channel name, and the vast majority of programming
- The HD version of the channel may retain its LCN in the HD area on devices that support this, and may therefore appear twice in the listing (except in the case of Children's and Adult channels)
- The SD version of the channel will appear in the SD Simulcast Area² (except in the case of Children's and Adult channels). The SD Simulcast Area will display SD channels in the same order that they appear in the main listing (though for the avoidance of doubt, there will be no numerical correlation between the SD Simulcast Area LCN and the LCN in the main listing)
- For Children's and Adult channels, both the HD and the SD versions of the channel will appear in their relevant content genre, for consumer protection purposes
- Where channels are regionalised (i.e. their content differs in different parts of the UK), channel providers may choose to enable HD/SD substitution in some regions and not others. (For the avoidance of doubt, as per the rule above, the regional HD version of a PSB channel would have to provide exact simulcasts of all programming on the regional SD version.)
- The HD version may be delivered via IP (so long as the channel provider is able to provide us with a technically compliant IP stream; at present, we intend to offer this option to channel providers which have a Freeview Play application, because we have existing processes in place to ensure their streams are fully integrated and tested). The broadcast hours of the IP-delivered HD version of the channel must match the broadcast hours of the DTT-delivered SD version of the channel. Viewers will have the ability to opt out of receiving IP-delivered channels in the main genre listings – Digital UK will ensure that there is a simple and clear process for viewers to control this
- Note that the above rules apply only to devices that support Channel List Management (i.e. certain Freeview Play devices from 2020 onwards). For all other

² This range was established at LCNs 610-669 as a result of our 2016-17 LCN consultation, which stated: "We may in the future, following a further consultation, decide that HD channels should appear to those viewers who can receive them in the LCN currently allocated to their SD equivalent, with the SD version moving to an area in a much higher LCN. We think it prudent to preserve a space now for an SD simulcast area, in order to keep the option viable."

devices, the SD and HD versions of the channel will continue to appear in their own allocated LCN, as they currently do.

2.1.2 Consultation responses

Three viewers responded to this question, all of whom welcomed our proposals (though one noted disappointment that our proposals did not mention any plans to increase the number of HD channels broadcast via DTT). One viewer commented that viewers would be more likely to watch HD channels if substitution is enabled, "as it is too much bother to scroll down to 101".

A fourth viewer did not comment specifically on these proposals but felt that the HD genre should move to a higher LCN range to create more space in General Entertainment for IP-delivered channels. However, we do not believe the time is right to integrate IP-delivered channels into the main content genres, for reasons discussed in Section 2.2.32.3.

Ten channel providers responded to this question, all of whom agreed with our proposals: BBC, ITV, Channel 4, ViacomCBS, UKTV, Together TV, VOD365, RTE, and two which submitted confidential responses.

The BBC said that viewers "would expect better quality HD versions of channels to be made available in the most prominent positions", and that its experience on other platforms showed that "when we are able to list HD simulcasts in more prominent slots then viewing to those HD services naturally increases".

ITV said: "ITV agrees with DUK's proposal, as long as HD/SD substitution would be at the election of the channel provider (important in particular for providers of PSB channels with additional licence obligations in relation to their SD services only) and could be carried out on a region-by-region basis (important for ITV as not all regional variants of ITV's main channel are available in HD on DTT), as DUK proposes."

Together TV said: "The proposed approach will bring Freeview into line with other TV platforms which have moved to this model already. This move brings viewers the benefits associated with improved HD delivery. Retaining existing HD area LCNs and the new SD area LCNs makes sense for all devices that cannot handle Channel List Management. However the proposal limits the IP delivery of HD channels only to Freeview Play partners. Whilst Digital UK is working hard to reduce the barriers to entry for smaller channels, removing the mandatory requirement to be a Freeview Play partner may make it more feasible for independent channels to provide IP-delivered HD streams and improve their audience offer."

Viacom said "The viewer should be able to keep an SD variant in the lower (i.e., more prominent) LCN slot, should this be their preference. For example, if:

- i. The viewer's receiving equipment (television screen and/or STB) either does not fully support, or ceases to support due to malfunction, the presentation of HD DTT services;
- ii. The multiplex(es) signal carrying HD services is not available or is weaker in the viewer's area, or as a result of inadequate aerial specification or installation."

One of the confidential responses from a channel provider which supported the proposals noted that “in the event that the IP stream of HD variants fail, it is ... important that the SD channel broadcasts in its place”, and that “IP channels must also be measurable via BARB”.

YouView, Expert Media Partners and MediaPaedia also agreed with our proposals.

Synapse/S&T had no objection to the proposal, so long as the rules do not affect its ability to create and run channels where audio visual content is delivered over IP but access is enabled via an MHEG or HbbTV application which is broadcast over DTT. We can confirm that our proposals would have no effect on such services.

The BBC noted that our proposals would permit dual listing of some services on some devices: “The HD version of the channel may retain its LCN in the HD area on devices that support this, and may therefore appear twice in the listing (except in the case of Children’s and Adult channels)”. The BBC raised concerns about manufacturers’ ability to implement such dual listing, and stated that its preference would be for there to be no dual listing. The BBC encouraged Digital UK to work closely with manufacturers.

Canis Television and Media agreed with our proposals in part, saying “we strongly support the option to allow HD services to broadcast on LCNs that are not explicitly reserved for just HD services”. However, they said: “we do not think that HD substitution should be reserved only for Freeview Play channels – it should be open to all broadcasters who can provide a suitable feed.”

A confidential response from an industry stakeholder did not comment specifically on this question, but in its responses to other proposals it also disagreed with some options only being offered at this time to channels which have a Freeview Play application, stating: “Neither high definition (HD) or standard definition (SD) versions of channels delivered via IP can reasonably be restricted by DUK members to services which pay for a Freeview Play application, being the licensed technology of DUK or its connected parties.” The response suggested that streams could be delivered using any technology that complies with the DTG’s D-book specifications.

2.1.3 Consideration of responses

All responses to this question agreed with the vast majority of our proposals regarding HD/SD substitution; however, Canis Television and Media argued that any broadcaster which provides a suitable feed (not just those with a Freeview Play application) should have the opportunity to enable HD/SD substitution via IP. Together TV expressed similar views, as (by implication) did a confidential response from an industry stakeholder.

We have carefully considered the views of Canis Television and Media, Together TV and the other industry stakeholder in this regard. However, we have concluded that it is appropriate for the time being to require that for HD/SD substitution channel providers must provide a feed via a Freeview Play application.

Since the launch of Freeview Play, more than 70 different models of Freeview Play device have been produced, with more launching all the time. Digital UK must ensure that each channel provider’s IP-delivered streams are interoperable with each Freeview Play device,

and with our Channel List Management (CLM) technology, to avoid causing potentially serious issues with viewers' equipment.

Digital UK already has well-developed processes in place to ensure interoperability of all Freeview Play applications with all Freeview Play devices and with our CLM technology. Those processes can readily be used to deliver substitution of IP-delivered HD channels for channels with a Freeview Play application. By contrast, substitution of IP-delivered HD channels for channels that do not have a Freeview Play application would necessitate significant technical and operational development by Digital UK in order to ensure that interoperability was maintained. We anticipate, however, that as technologies mature and we develop new processes to ensure interoperability, there may be scope over time to extend IP-delivered HD substitution to channels without a Freeview Play application.

The confidential respondent's suggestion (in response to a different question) that we rely on streams complying with the DTG's D-book (a set of standards for DTT broadcasters and receivers) would not resolve the interoperability issue as CLM is not covered by the D-book.

With regard to the BBC's concerns about dual listing, we will work closely with manufacturers on this issue. The LCN Policy will permit dual listing, but only on devices that support it, and no broadcaster will be obliged to enable dual listing of its services.

We note Viacom's argument that viewers with unreliable HD reception should be able to choose to retain the SD version of the channel at the lower LCN, and a confidential respondent's argument that "in the event that the IP stream of HD variants fail, it is ... important that the SD channel broadcasts in its place". Such cases are an important part of our technical planning for implementation of CLM, and before any broadcaster chooses to enable HD/SD substitution for its channels, we will advise on the steps we have taken.

We are not in a position to advise on how BARB ratings would be measured, but we appreciate this will be an important consideration for channel providers when deciding if they wish to enable the feature.

2.1.4 Digital UK's decision

We have decided to implement the proposals.

We will keep the rule under review, in particular to consider how and when IP-delivered HD streams from channels without Freeview Play applications might make use of HD/SD substitution.

2.2 IP fallback channels

2.2.1 Proposals in the consultation document

- If a channel qualifies for an LCN within a particular region of the UK, then the channel provider may choose to display the channel via IP on that LCN within that region – including to devices that are not connected to an aerial (so long as the channel provider is able to provide us with a technically compliant IP stream; at present, we

intend to offer this option to channel providers which have a Freeview Play application, because we have existing processes in place to ensure their streams are fully integrated and tested)

- For the purpose of this rule, 'region' will be defined as the Service Information ('SI') region that is used for the purpose of the DTT listing. A footnote will state that viewers in the Channel Islands and South Lakes, whose SI regions only include three multiplexes, will for the purpose of this rule be treated as if their SI region included the six UK-wide multiplexes
- For the avoidance of doubt, where PSB channels share an LCN, no PSB may display IP-delivered content on the LCN in regions where the LCN is allocated to another PSB. (For example, Channel 4 may not use LCN 4 in Wales, where LCN 4 is allocated to S4C.) Local TV services with LDTPS licences may use their LCN to display IP-delivered content within the region covered by their LDTPS licence
- IP fallback channels would need to be appropriately licensed as per paragraph 2.6 of the existing LCN Policy
- The broadcast hours of the IP-delivered version of the channel must match the broadcast hours of the DTT-delivered version of the channel
- For the avoidance of doubt, if a channel ceases to be eligible for an LCN in a genre that requires a minimum number of hours to be broadcast via DTT (as per paragraph 2.3 of the LCN Policy, which we propose to amend as per section **Error! Reference source not found.** of this consultation), then the channel may no longer use that LCN to display the channel via IP
- Viewers will have the ability to opt out of receiving IP-delivered channels in the main genre listings – Digital UK will ensure that there is a simple and clear process for viewers to control this

2.2.2 Consultation responses

One viewer responded to this question, and agreed with our proposals but felt that all Freeview Play devices should be made capable of receiving IP fallback channels, and not just newer models.

Eleven channel providers responded to this question, ten of whom agreed with our proposals: BBC, ITV, Channel 4, ViacomCBS, UKTV, Together TV, VOD365, RTE, and two which submitted confidential responses.

The BBC said the proposals would “increase the content offer to a gradually increasing number of existing Freeview homes”.

Both the BBC and Together TV noted that viewers who rely on metered broadband connections should receive a warning that viewing over IP could increase their data usage, and Together TV said we should provide “clear opt out options should people feel unable to afford the internet costs.”

Another confidential response from a channel provider sought clarification on the proposal, asking whether channels which are carried on Arqiva's COM7 multiplex would be receivable via IP in areas which are not currently covered by that multiplex.

YouView, Expert Media Partners and MediaPaedia also agreed with our proposals.

Synapse/S&T had no objection to the proposal, so long as the rules do not affect its ability to create and run channels where audio visual content is delivered over IP but access is

enabled via an MHEG or HbbTV application which is broadcast over DTT. VOD365 also requested clarification on this point. We can confirm that our proposals would have no effect on such services.

Canis Television and Media agreed with our proposals in part, but submitted that: “We feel that any LCN only available in a specific region should additionally be permitted to be used nationally for the operation of an IP service. For example, we operate or manage a range of services on the G-MAN multiplex in the Greater Manchester area – these LCNs can only be received in this geographic area. We feel these channels should be able to be received by IP in other areas that are not covered by the traditional broadcast.”

A confidential response from an industry stakeholder disagreed with our proposals, arguing that:

- “Any channel with a national LCN allocation (i.e. available to the majority of UK viewers and broadcasting in all four nations of the UK) should be available via IP to all UK and Crown Dependency viewers at the discretion of the channel operator”, and
- “Any channel with a non-national LCN (including but not limited to local TV services), should be available to the whole of any SI region in which it is available via IP at the discretion of the channel operator, subject to approval by the relevant multiplex provider for that service”

The confidential respondent also argued that IP fallback should not just be available to Freeview Play channels but to any channel that can provide a D-book compliant stream.

2.2.3 Consideration of responses

The clear majority of responses to this question agreed with our proposals.

Alongside the weight of responses, we have also considered the merits of arguments and any evidence presented by respondents.

We note a viewer's request that IP fallback technology be made available to all Freeview Play devices, and not just newer models. This would be a matter for manufacturers, not Digital UK. However, we understand that it is not feasible for manufacturers to update their older devices to support the feature.

We note the BBC and Together TV's concerns about the potential impact on viewers' broadband data usage, and we confirm that Digital UK will ensure that there is a simple and clear process for viewers to opt out of receiving IP-delivered services.

Canis Television and Media argued that a channel which broadcasts via DTT to Manchester only should be available, via IP, on the same LCN throughout the UK. This would, in effect, mean that LCNs in the main General Entertainment genre would be occupied by IP-delivered channels in the vast majority of the UK. We noted in the consultation document that we believe it is appropriate, in current market conditions, for IP delivered channels to continue to have their own range within the listing, rather than being integrated into the content genre listings with DTT-delivered channels, because the market for purely IP-delivered channels is still nascent. A minority of televisions and set top boxes support these

channels, and 20% of the UK population are still non or narrow users of the internet. We therefore do not agree with Canis's suggestion. However, we will keep this under review and consider it alongside any future proposals to integrate IP-delivered channels into the main genre listings.

The confidential respondent argued that all non-national services, including local TV services, should be able to use IP fallback to broadcast throughout the SI region in which they are available on DTT. Our proposals envisaged that in general non-national channels should be able to use IP fallback within the SI region in which they are available. However, it is not practicable to extend this to allow local TV services to use IP fallback throughout the SI region in which the service is licensed for the reason that many SI regions include multiple local TV licensees. If those local services were all permitted to use IP fallback through their SI region, this would give rise to a clash of LCN allocations between local TV services within an SI region. We have therefore decided maintain our proposal that local TV services should be entitled to use IP fallback only in the area covered by their LDTPS licence.

In response to the further submission of the confidential respondent that any channel with a national LCN allocation (i.e. available to the majority of UK viewers and broadcasting in all four nations of the UK) should be available via IP to all UK and Crown Dependency viewers at the discretion of the channel operator, we acknowledge that the proposals as drafted in the consultation document would, in practice, have meant that certain channels with a national LCN allocation which are broadcast via DTT to the majority of the UK would not be able to make use of IP fallback to cover the rest of the UK. Having considered the position carefully, we believe that it would be in the best interests of viewers for such channels to be able to use IP fallback, and have therefore amended the proposed rule to permit channels which qualify for an LCN within at least three of the four nations of the UK to make use of IP fallback. In practice, this will mean that channels broadcast on the COM7 multiplex will be eligible to use IP fallback to achieve full national coverage. Channels which are broadcast via DTT in only one or two nations of the UK, and which are therefore not eligible to use IP fallback, may choose to provide a compliant IP stream in order to reach the whole of the UK; if so, this IP stream will be allocated an LCN in the IP-delivered range (see section 2.3.4).

2.2.4 Digital UK's decision

We have decided to amend the proposals, as follows:

- The following rules govern the use of "IP fallback" for channel providers which are able to provide us with a technically compliant IP stream; at present, we intend to offer this option to channel providers which have a Freeview Play application, because we have existing processes in place to ensure their streams are fully integrated and tested
- If a channel qualifies for an LCN in at least three of the four nations of the UK (England, Scotland, Wales and Northern Ireland), then the channel provider may choose to display the channel via IP across the UK plus the Channel Islands and Isle of Man on that LCN, including to devices that are not connected to an aerial, and to devices that are not able to receive that channel via DTT from a transmitter
- If a channel qualifies for an LCN within an SI region, then it may choose to display the channel via IP within that SI region on that LCN, including to devices that are not

connected to an aerial, and to devices that are not able to receive that channel via DTT from a transmitter

- For the avoidance of doubt, where PSB channels share an LCN, no PSB may display IP-delivered content on the LCN in regions where the LCN is allocated to another PSB. (For example, Channel 4 may not use LCN 4 in Wales, where LCN 4 is allocated to S4C.) Local TV services with LDTPS licences may use their LCN to display IP-delivered content within the region covered by their LDTPS licence
- IP fallback channels would need to be appropriately licensed as per paragraph 2.6 of the existing LCN Policy
- The broadcast hours of the IP-delivered version of the channel must match the broadcast hours of the DTT-delivered version of the channel
- For the avoidance of doubt, if a channel ceases to be eligible for an LCN in a genre that requires a minimum number of hours to be broadcast via DTT, then the channel may no longer use that LCN to display the channel via IP
- Viewers will have the ability to opt out of receiving IP-delivered channels in the main genre listings – Digital UK will ensure that there is a simple and clear process for viewers to control this

We will keep the rule under review, to consider how and when channels without Freeview Play applications, and channels that are carried on local multiplexes, should be able to use IP fallback.

2.3 IP-delivered channels

2.3.1 Proposals in the consultation document

- Channels that deliver content solely by IP will be allocated LCNs within the 300-599 range, within genres
- The genre ranges will be as follows:

General Entertainment	300-449
Children's	450-499
News	500-599

- We will amend Paragraphs 2.2 of the LCN Policy, to state that to be eligible for an LCN, an IP-only channel will be required to have:
 - a Freeview Play Content Provider agreement with Digital UK
 - a valid broadcasting licence (or equivalent authorisation) permitting the channel to broadcast on the Freeview Play platform in the UK; and
 - arrangements for providing EPG schedule data (a 'schedule provider agreement').

We will amend Paragraph 2.3 of the LCN Policy, to state that the minimum broadcast hour requirement will apply to IP-only channels. (We are proposing to increase the requirement to 6 hours per day – see section 3.6 below.)

- We will state that paragraphs 5.1 to 5.12 of the LCN Policy do not apply to channels delivered solely by IP
- We will add these rules for the allocation of LCNs to IP-only channels:

- Each channel provider with a Freeview Play app will be allocated ten LCNs in the IP-delivered General Entertainment range, five LCNs in the IP-delivered Children's range, and five LCNs in the IP-delivered News range
- The LCNs will be allocated in the order that the apps appear on Freeview Play devices (i.e. the BBC's LCNs will be first, followed by ITV's, then Channel 4, etc). If there are regional differences in the ordering of Freeview Play apps, the LCNs will be allocated in the order that apps appear to the majority of the UK
- The channel provider may choose to use these LCNs for IP-delivered channels that appear on its player, and that it owns and operates. If the channel provider does not use the LCNs, then those LCNs will remain vacant

2.3.2 Consultation responses

One viewer responded to this question, and did not agree with our proposals, arguing that IP-delivered services should be integrated into the main content genres.

Ten channel providers responded to this question, six of whom agreed with our proposals: BBC, ITV, Channel 4, Together TV, RTE, and one which submitted a confidential response.

ITV said: "This will broaden the range of channels available on the Freeview Play platform."

Together TV asked Digital UK to consider allowing non-Freeview Play channel providers to widen the proposals "so that it is not mandatory for a channel provider to be a Freeview Play Content Provider". Together TV also requested clarity on the rationale for allocating blocks of LCNs to Freeview Play channel providers, and on "the anticipated use of these first 50 general entertainment channels by the PSBs whether they will be used for regional variations, pop-up services, to migrate existing portfolio channels from DTT or to launch brand new services."

YouView, Expert Media Partners and MediaPaedia also agreed with our proposals. However, Expert Media Partners noted "we believe that limiting access to channel providers that have a Freeview Play agreement is likely to be a restriction that will seem out-of-date very quickly, as there is an increasing range of high-quality IP channels likely to be of interest to Freeview viewers. We are also concerned that this limitation may seem discriminatory to some international channels seeing low-cost access to the diverse ethnic groups that make up the audience on the UK's biggest platform."

Synapse/S&T had no objection to the proposal, so long as the rules do not affect its ability to create and run channels where audio visual content is delivered over IP but access is enabled via an MHEG or HbbTV application which is broadcast over DTT. VOD365 also requested clarification on this point. We can confirm that our proposals would have no effect on such services.

The BBC suggested that the first LCN in each genre within the IP range should be reserved for future innovations (in a similar way to which LCN 100 is used for the Explore Freeview Play app).

ViacomCBS agreed with most of our proposals but said “IP channels delivered via an LCN allocated under this proposal [should] not [be] limited solely to those owned and operated by the channel provider”.

ViacomCBS also requested clarification that “the requirement to hold ‘a valid broadcasting licence (or equivalent authorisation)’ [would] not go beyond the minimum requirements of regulation or legislation relevant to IP channel distribution via the Freeview Play platform” – we confirm that it will not.

Canis Television and Media agreed with our proposals in part, but said: “The option to launch IP only channels, without a corresponding over-the-air element, on LCN’s 300-599 should not just be open to broadcasters who are also part of Freeview Play. However, we do not believe this is practical without further criteria being set to avoid an influx of low-value services, and to the detriment of existing services and multiplex operators.”

A confidential response from an industry stakeholder disagreed with our proposals, saying: “Neither high definition (HD) or standard definition (SD) versions of channels delivered via IP can reasonably be restricted by DUK members to services which pay for a Freeview Play application, being the licensed technology of DUK or its connected parties.” The response also said: “Where HD or SD IP streams are delivered using any DTG D-book compatible technology then it is not objectively justifiable for DUK members to refuse to allow a consistent UK-wide LCN to be released for that purpose. To fail to do this would be to unduly promote DUK’s own technology over established alternatives, against the interests of DTT end users.”

UKTV raised a concern that the position of player apps on Freeview Play could change. Player apps are ordered according to the channel providers’ lowest-numbered LCN on the DTT platform, subject to the channel being available across the UK. UKTV pointed out that the lowest-numbered LCNs could change (particularly if LCN trading is permitted, as per section 2.5 of this statement), and that “any slot changes could alter the order of the Freeview Play apps and subsequently the IP-delivered channels, meaning that multiple blocks of up to 10 IP-delivered channels could move at any one time and on a frequent basis.” UKTV felt this would be disruptive to viewers and asked Digital UK “to consider whether an alternative methodology that would cause less disruption for viewers should be applied to determine the ordering of linear IP-delivered channels”. UKTV also noted that Digital UK has not to date published the methodology used to determine the ordering of Freeview Play apps.

A confidential response did not agree with our proposal that “If there are regional differences in the ordering of Freeview Play apps, the LCNs will be allocated in the order that apps appear to the majority of the UK”. It argued that this could undermine the prominence of public service broadcasters. The response recognised “the benefit of IP channels having the same numbers as far as possible around the UK”, but felt that “alternative and better” methodologies were available. Either:

- (i) Where two channel providers occupy the same position in the Freeview Play apps list in different parts of the UK, they should share the banks of IP channel LCNs, or
- (ii) LCNs for IP-delivered services may be allocated in the order that the apps appear to the majority of the UK, but the methodology for determining the position of

Freeview Play apps should change. If a public service broadcaster has an LCN in one or more nation of the UK but not the whole of the UK, then the rule should be:

- In each nation of the UK, apps are ordered according to the broadcaster's lowest LCN in that nation, except
- Where a public service broadcaster's app is available in nations where the broadcaster does not have an LCN, that app should appear directly after the other public service broadcasters' apps and ahead of all non-public service broadcasters' apps

VOD365 said that "a channel should be in a position to make an application for an LCN irrespective of whether it is a DTT or IP Linear Channel and for the purposes of viewer ease of use, these should be allocated within the genre range. The criteria that DUK should apply when allocating an LCN is whether the channel adds sufficient value and differentiation to meet viewer needs."

UKTV also requested clarification on one point: "The consultation document does not propose amending the LCN Policy to state that to be eligible for an LCN, the IP-only channel must be streamed through the relevant Freeview Play app, although we understand that in practice this will be a technical requirement. We invite Digital UK to confirm if this will be a technical requirement, and if so, explore alternative technical means that would allow broadcasters of eligible IP-only channels to deliver content by IP without such delivery being facilitated by the relevant Freeview Play app."

2.3.3 Consideration of responses

The clear majority of responses were in favour of our proposals.

Alongside the weight of responses, we have also considered the merits of arguments and any evidence presented by respondents.

We note a viewer's suggestion that IP-delivered channels should be integrated into the main content genres. As noted in Section 2.2.3, we do not believe the time is right for such integration, but we will keep this under review.

A number of respondents (Canis Television and Media, Together TV, YouView, UKTV, Expert Media Partners, MediaPaedia and a confidential response by an industry stakeholder) questioned our proposal that to be eligible for an LCN an IP-only channel must have a Freeview Play content provider agreement. We explained in section 2.1.3 in relation to SD/HD substitution why it is necessary to require a Freeview Play app for the purposes of enabling HD substitution. The same rationale applies more widely in relation to the allocation of LCN for IP-delivered channels. At present, use of the Freeview Play app is the only way that Digital UK can ensure IP-delivered streams are compatible with every Freeview Play device to avoid potentially serious issues with viewers' equipment. We are however keeping the position under review as explained in section 2.1.3.

We do not agree with the confidential respondent's argument that "where HD or SD IP streams are delivered using any DTG D-book compatible technology then it is not objectively justifiable for DUK members to refuse to allow a consistent UK-wide LCN to be released for

that purpose. To fail to do this would be to unduly promote DUK's own technology over established alternatives, against the interests of DTT end users".

Our proposals will not affect the ability that channel providers have had for a number of years to offer IP-streamed services using non-Freeview Play, D-Book-compatible technologies. There are several channels where audio visual content is delivered over IP but access is enabled via an MHEG or HbbTV application which is broadcast over DTT. These are typically allocated LCNs in the "Streamed" section of the EPG, but where they are Children's channels (e.g. Ketchup) or Adult channels (e.g. Xpanded 2), they are allocated LCNs within the relevant content genre.

Regarding Together TV's question of why LCNs would be allocated in blocks to Freeview Play channel providers, it has long been our view that it is in the best interests of viewers for channels within the same 'family' to be grouped together, and we believe we should take the opportunity to order these new channel ranges accordingly. Together TV also requested insight into the "anticipated use" of these LCNs by the BBC, ITV, Channel 4 and Channel 5; we do not have any such information to share at this time.

Digital UK agrees with UKTV that, since the order of Freeview Play apps will determine the order of IP-delivered LCNs, we should publish the methodology used to determine the ordering of the Freeview Play apps.

Regarding UKTV's concern that Freeview Play apps will change position "on a frequent basis", we acknowledge the potential for viewer disruption but the evidence to date suggests that such changes will be rare. UKTV rightly points out that, if we lift the restriction on LCN trading, it is possible that such changes will become more frequent. However, the position of Freeview Play apps is determined by channel providers' lowest-numbered LCN: these are of high value to content providers, so while we acknowledge that they may change from time to time, we do not expect this to be frequent.

We note the points made in a confidential response about regional differences in the ordering of Freeview Play apps and the effect that may have on LCN allocation to IP-delivered channels. We believe that the alternative proposals suggested by the respondent may be worthy of further consideration and that other alternative approaches may also be possible. Given that stakeholders have not yet had a chance to comment on those alternative approaches, we consider that it would be appropriate to consult further on those alternatives. However, we are also aware that some Freeview Play channel providers might wish to launch channels in the IP range in the near future. Accordingly, there is a need to put in place rules to facilitate those launches as soon as possible. We have therefore decided to launch the 300-599 range for IP-delivered channels in accordance with our proposal immediately but to consult further later in 2021 on the question of alternative approaches to the allocation of LCNs for IP-delivered channels where there are regional differences in the ordering of Freeview Play apps.

We note ViacomCBS's suggestion that "IP channels delivered via an LCN allocated under this proposal [should] not [be] limited solely to those owned and operated by the channel provider". Our rationale for offering 'blocks' of adjacent LCNs to channel providers is that it is in the interest of viewers for channels from the same 'family' to be grouped together where possible. (For the same reason, we will not permit LCN trading within those blocks of LCNs.)

However, we recognise that some Freeview Play apps carry IP channels which are not owned and operated by the channel provider, and that such channels could be technically and operationally compatible with the Freeview Play platform. We will therefore reserve LCNs in the General Entertainment, Children's and News sections of the IP-delivered range, which may be allocated to such channels.

Under current market conditions, with many viewers still unable to connect their television or set-top box to the internet, we do not agree with the suggestion made by VOD365 and a viewer that LCNs should be allocated within genre ranges regardless of the technology used to broadcast the channels. However, as we noted in our consultation document, we recognise that the market is evolving, and that viewers will increasingly notice little difference between IP-delivered, Streamed, and DTT-delivered channels. We will continue to review the market conditions and assess whether, and when, we should consult on the question of whether, and how, IP-delivered channels and/or Streamed channels might be integrated into the content genres with DTT delivered channels.

We note UKTV's query about whether the IP-only channel must be streamed through the relevant Freeview Play app. For reasons explained in Section 2.1.3, the streams must be made available to our systems via a Freeview Play app; however, if the content provider chooses not to display the streams to viewers when the app is launched outside of the IP channel's LCN, then we may be able to find a technical and operational solution. We will discuss this with UKTV and with any other channel provider which is interested in such a solution.

We agree with the BBC's proposal that we should reserve LCNs 300, 450 and 500 for future innovations to mark the start of each genre within the IP range.

2.3.4 Digital UK's decision

We have decided to implement the proposals, with some additions.

As per section 2.2.3, we will clarify that channels which are broadcast via DTT in only one or two nations of the UK, and which are therefore not eligible to use IP fallback, may choose to provide a compliant IP stream in order to reach the whole of the UK; if so, this IP stream will be allocated an LCN in the IP-delivered range.

We will add the following to the LCN Policy, to make clear the methodology used to determine the ordering of the Freeview Play apps:

"The core player apps are in the following order: BBC iPlayer, ITV Hub, All 4, My5; except in Scotland, where the core apps are in the following order: BBC iPlayer, STV Player, All 4, My5, ITV Hub.

Non-core player apps are ordered according to the channel providers' lowest-numbered LCN on the DTT platform, subject to the channel being available across the UK."

If changes are made to the methodology for ordering Freeview Play apps, we will consult on the implications for LCNs in the IP-delivered range.

We will reserve LCNs in the General Entertainment, Children's and News sections of the IP-delivered range, which may be allocated to channels that are carried in a Freeview Play app, but are not under common control³ with the company that has a Freeview Play agreement for the app.

We will keep the rule under review, to consider:

- Whether the position of Freeview Play apps is changing frequently, leading to IP channels' LCNs changing frequently
- How and when channels without Freeview Play applications should be able to launch IP-only channels on the Freeview Play platform

In any case, we will consult later in 2021 on alternative methods of allocating LCNs in the IP-delivered range where two or more different channel providers' Freeview Play apps occupy the same position in different parts of the UK.

2.4 Swapping and changing LCNs

2.4.1 Proposals in the consultation document

- We will remove the restrictions on how often channel providers may reorder LCNs within their portfolio and change channels' names (revoke paragraphs 6.3 and 6.8 of the LCN Policy)
- A channel provider will be charged a reasonable single fee for all LCN swaps and name changes that it requests be made to channels in its portfolio on a particular day, due to the increase in Digital UK's administrative burden. These charges will only apply to LCN swaps and name changes that are requested by channel providers – they will not apply to any changes which are enforced by Digital UK, and they will not apply to changes which take place under the 'vacated channels' rules

2.4.2 Consultation responses

Ten channel providers responded to this question, nine of whom agreed with our proposals: BBC, ITV, Channel 4, ViacomCBS, UKTV, VOD365, RTE, and two which submitted confidential responses.

ITV said: "We believe that channel providers should have greater flexibility and will continue to manage their channels in the interests of viewers."

³ As defined in the LCN Policy: "Channels will be considered to be under 'common control' where they are owned or controlled by companies in the same corporate group. The corporate group consists of a holding company and all its subsidiaries, the terms 'holding company' and 'subsidiary' having the meanings given in section 1159 of the Companies Act 2006. In addition, where a holding company directly or indirectly holds 50% of the voting rights in a channel which does not otherwise fall within the definition of 'subsidiary' in section 1159 of the Companies Act 2006, that channel will be treated as under common control with any of the holding company's subsidiaries with which the channel in question has common branding."

Canis Television and Media, Expert Media Partners, and MediaPaedia also agreed with our proposals. Synapse/S&T had no objection.

One of the channels which supported our proposals said, in its confidential response, that it operated a comparatively small business, and its business model depended on it being “innovative and extremely flexible”. It noted that audiences are interested in “topical pop-up channels”, and that several times in recent years it had had ideas which it thought “would really interest a Freeview audience”, but which it could not implement due to the limits on channel name changes.

The BBC, while supporting the proposals – which it felt “could lead to a more dynamic, responsive and innovative content offering to viewers” – warned “against a situation where channels are frequently reordered and renamed in such a way as to cause confusion for viewers and require persistent updating of the channel line-up, whether automated or not” and said that “clear viewer communications (ideally on-air) should inform Freeview viewers of any such changes.”

Together TV agreed in principle that the proposals “will provide increased flexibility to channel providers, enabling the Freeview line-up to be continually optimized and offering refreshed channel names driven by re-brands or seasonal name changes.” However, to minimise disruption, it proposed imposing a limit, for example “that any one channel can be reordered or name changed up to six times a year”.

Together TV requested clarification on the amount of our “reasonable single fee”, saying “some channel providers may have different interpretations of this (what is reasonable to a provider with £1b+ turnover may not be reasonable to smaller channel providers).” It suggested that Digital UK “should not seek to generate income” from the fee, which should be “simply Digital UK’s administrative cost passed on to the channel providers”.

A confidential response from an industry stakeholder disagreed with our proposal, saying:

- It was “unaware of demand” from channels “for any substantial increased frequency in changes to channel names or swapping”
- “Restricting name changes and swapping to once per year is generally in the best interests of viewers to minimise confusion and disruption. More frequent changes are highly likely to be exceptional”
- Digital UK has “provided no evidence that name changes and swaps result in any real administrative burden”
- Seasonal changes (such as channels rebranding for Christmas) are beneficial to the DTT platform and “should not now be disincentivised through new gatekeeper charges”
- A new cost “potentially risks distorting the DTT market”
- The “costs of delivering the EPG are already funded by multiplex operators”
- Charges are “likely to have a disproportionate negative impact on smaller channels with limited household coverage”
- The proposals “would be a fundamental change incompatible with the principles upon which the DTT platform has operated successfully for two decades”

- If Digital UK were to decide to introduce charges, it should run a further consultation and “detail its proposals, including transparent charging principles and costs, so that all stakeholders ... are able to scrutinise these”
- The respondent “would expect (at the very least) each channel operator to continue to be able to make one temporary name change per annum free-of-charge to ensure that DTT consumers are no worse off than they are currently.”

2.4.3 Consideration of responses

The clear majority of responses were in favour of our proposals.

Alongside the weight of responses, we have also considered the merits of arguments and any evidence presented by respondents.

All channel providers who responded to this question agreed that we should liberalise our rules around LCN swaps and changes, and only one disagreed with our proposal to remove the limits altogether. We recognise the concerns raised by the BBC, Together TV and a confidential response that too many frequent changes could be disruptive; however, we will continue to encourage channel providers to co-time their changes with those of other providers, to minimise disruption.

We do not accept the objections raised in the confidential response from an industry stakeholder to Digital UK charging a fee for LCN swaps, changes and trades. Whilst it is correct that the general costs of delivering the EPG are funded by the multiplex operators, swaps, changes and trades are/will be matters for the commercial decision/agreement of channel providers, the implementation of which will impose an administrative burden on Digital UK. Given that we can expect the number of swaps, changes and trades to increase in the light of the liberalisation of the LCN policy that we have proposed, it is justified in our view to require channels to pay a reasonable fee for the administration of swaps, changes and trades. We note in this regard that no channel provider respondent to the consultation objected in principle to the proposed charges although one requested that the amount should be “simply Digital UK’s administrative cost passed on to the channel providers”.

We note the confidential respondent’s concerns that channels could be disincentivised from making seasonal changes, or that smaller channels could be disproportionately negatively impacted by fees. However, the overwhelming feedback from channel providers, of all sizes, was that these proposals would be good for innovation on the platform.

2.4.4 Digital UK’s decision

We have decided to implement the proposals.

Before imposing fees on channels, we will publish a rate card, which will explain the amount we will charge.

2.5 LCN trading

2.5.1 Proposals in the consultation document

- We will remove the restrictions on channel providers trading LCNs (revoke paragraphs 1.9 and 7 of the LCN Policy; amend paragraphs 6.1 and 6.7) – with the exception of public service channels
- We will introduce processes for LCN trades to take place:
 - Two existing channels within a particular genre, each under different ownership, might choose to swap LCNs with each other. In this case, both channel providers must write to Digital UK to confirm that they wish the swap to go ahead. The timing of the swap must be agreed with Digital UK
 - An existing channel on the platform might choose to sell the right to occupy its LCN to a new channel (under different ownership) which is launching into the same genre. In this case, the new channel must first apply to Digital UK to launch a new channel, following the process in Paragraph 3 of the LCN Policy. An LCN will be allocated to the new channel. Both channel providers must then write to Digital UK to confirm that they wish to swap LCNs at the point that the new channel launches
 - Both channel providers will be required to pay a reasonable fee to Digital UK, due to the increase in Digital UK's administrative burden

2.5.2 Consultation responses

One viewer responded to this question, and agreed with our proposals.

Nine channel providers responded to this question, all of whom agreed with our proposals: the BBC, ITV, Channel 4, ViacomCBS, UKTV, Together TV, VOD365, RTE, and one which submitted a confidential response.

The BBC said: “we recognise the benefits that this may bring to channel providers, particularly new channel providers keen to enter the market but who recognise the importance of having prominence on the Freeview EPG and currently find no easy routes to getting that prominence, as opposed to trading permissions on other platforms”.

Together TV said: “Prominence remains one of the most powerful audience-drivers to Freeview channels. As an independent TV channel improving our prominence could transform our viewership and impact - and so we welcome this proposal. “

Canis Television and Media, Expert Media Partners, and MediaPaedia also agreed with our proposals.

Expert Media Partners said: “The current restrictions have encouraged complex commercial activity designed solely to create ways around the policy. We wholeheartedly welcome the new proposals which will make LCN trading between channels a much fairer and more transparent process on the Freeview platform.” MediaPaedia said: “By opening the trading of positions up, with a specific set of rules and guidelines for people to work to, the market will find its own balance point.”

Synapse/S&T had no objection to the proposals.

A confidential response from an industry stakeholder objected to our proposal to charge fees to channels involved in a trade, saying "DUK has provided no evidence of any real material increase in [its] administrative burden".

Studio BE disagreed with our proposals, saying "they stifle innovation and competition". It said that LCNs are currently "given essentially on a first-come basis, which benefits large existing conglomerates and damages smaller new players. This change on trading would lock smaller players out of the room as they wouldn't even be able to see and attempt to access LCNs being offered." It suggested that a better model would be "to have open biddings for LCNs when a current broadcaster wishes to sell. These would be operated by Digital UK and available for all parties to see on the website. If a broadcaster agrees to sell, they might be able to set a minimum amount but cannot have influence over the final buyer, and must sell regardless. Digital UK would receive an administration fee initially from the seller for putting it up for sale and a set percentage of the sale - this should comfortably cover costs and de-incentivise companies from constant reselling. This should be a long and thorough process to stop channel providers using it to access cash quickly."

2.5.3 Consideration of responses

The clear majority of responses were in favour of our proposals.

Alongside the weight of responses, we have also considered the merits of arguments and any evidence presented by respondents.

Channel providers who responded to this question unanimously agreed with our proposal.

Although a confidential response from an industry stakeholder objected to Digital UK charging a fee for trades, none of the channel providers – as the companies that would be liable for such fees – objected (see section 2.4.3).

Studio BE's proposal for an alternative model of facilitating LCN trades, whereby a channel provider wishing to sell its LCN would have to release it to Digital UK to make available for open bidding, would not meet our objective of liberalising and facilitating LCN trading. It would mean in effect that channel providers would be unable freely to agree to sell their LCNs to other channel providers, which is our intention, but instead would have to offer the LCN publicly on the open market via Digital UK. In our view, this approach would be cumbersome and liable to disincentivise LCN trades. Studio BE's comments regarding visibility of LCNs being offered are noted. However we believe that channel providers who are looking to sell the right to occupy an LCN will be incentivised to alert potential buyers.

2.5.4 Digital UK's decision

We have decided to implement the proposals.

We will publish a rate card, which will explain the amount we will charge. No LCN trades will be permitted or administered until after this rate card has been published.

2.6 Minimum broadcast hours

2.6.1 Proposal in the consultation document

- We will amend paragraph 2.3 of the LCN Policy to state that any channel launching on to the platform from the date of the new LCN Policy taking effect will be required to broadcast a minimum of 6 hours per day or 42 hours per week of audio-visual content via DTT (except IP, Adult, Streamed, Text or Radio services.) Channels in the IP range will be required to broadcast a minimum of 6 hours per day or 42 hours per week of content via IP

2.6.2 Consultation responses

One viewer responded to this question, and agreed with our proposals.

Nine channel providers responded to this question, six of whom agreed with our proposals: the BBC, ITV, Channel 4, UKTV, Together TV, and RTE.

Together TV said: "Digital UK has recognised that there could be an incentive for 'LCN banking' and otherwise licensing short DTT hours in order to secure an LCN whose primary purpose is an IP fallback channel. As such requiring channels to show six hours a day of DTT broadcast material feels like a strong enough measure to counteract these two potential risks."

Synapse/S&T had no objection. Studio BE generally agreed with the proposals, but felt that we should also put other restrictions in place, such as limiting how many LCNs can be held by a single parent company (though did not feel this should be applied retrospectively).

Expert Media Partners and MediaPaedia agreed with our proposals in part. MediaPaedia said: "Should a broadcaster be allowed a period of time that they could, effectively, 'hold' an LCN, without broadcasting on it, to allow for the vagaries of timings around channel launches, then we see no issue with the increase in hours. Should a channel not be able to do this then we would want the two-hour rule to remain." Expert Media Partners said: "Given that many channels are looking to launch on multiple platforms (Sky, Virgin) at the same time, there is often a requirement for broadcasters to effectively warehouse an LCN for a period of time, and so we believe it isn't helpful for higher minimum thresholds to apply when that is happening. Two hours a day broadcast in the small hours of the night is a helpful method for holding channels without confusing viewers. If DUK wishes to introduce a daily six-hour minimum, we strongly believe a grace period during which the two-hour rule continues should be introduced so that a channel could operate with the minimum of 2 hours of content for a maximum period of time, perhaps 3 or 6 months."

The channel provider VOD365, and two other channel providers who submitted confidential responses, did not agree with our proposals. VOD365 said: "We do not agree with the proposed amendment as it appears that IP streamed channels are treated separately ... Our view is that the broadcast hour requirement of 6 hours should refer collectively to DTT and IP Linear."

A confidential response from a channel provider said: "for existing broadcasters we would propose that the existing minimum broadcast hours are retained." Another confidential

response felt that the proposal “actually reduces flexibility, and would prevent some of the previous experiments we’ve carried out ... in getting new channels onto Freeview in a flexible and cost effective way.”

Canis Media and Television did not agree with our proposals, saying: “As a Multiplex Operator operating the G-MAN multiplex in the Greater Manchester area, this change would significantly reduce the number of channels that we are able to carry on our multiplex. Our multiplex is a low-cost entry route to Freeview broadcast and has been an incubator of channels that have gone on to broadcast nationally by being flexible to contract durations, hours of operation, time-sharing etc. This change would have a far greater effect on us than it would on the national multiplexes. We also feel this restriction is not conducive to the growth and value of Freeview as a leading broadcast platform.”

The confidential response from an industry stakeholder also did not agree with our proposals, saying they appear to have been designed “to benefit incumbents over new entrants”. It said it “finds it highly improbable that any party would acquire a valuable LCN with the intention of only using it for circa 14 hours per week”, and that if Digital UK has “a genuine concern about channels ‘parking’ LCNs in this manner”, then “in order to prevent this, EPG policy must be changed for all services delivered on the DTT platform. To change policy just for services newly-launching on DTT would be unfair, unreasonable and discriminatory.”

2.6.3 Consideration of responses

The clear majority of responses were in favour of our proposals.

Alongside the weight of responses, we have also considered the merits of arguments and any evidence presented by respondents.

We note VOD365's suggestion that minimum broadcast hours could be met using DTT, IP, or both. This would, in effect, permit integration of IP-delivered channels into the main content genres. In limited cases, we already permit such integration: for example, VOD365's children's channel Ketchup (where audio visual content is delivered over IP but access is enabled via an MHEG or HbbTV application which is broadcast over DTT) is allocated an LCN within the Children's genre, for consumer protection reasons. However, as noted in Section 2.2.3, we do not believe the time is right for further integration of IP channels into the main content genres, but we intend to return to that idea in a future consultation.

We note the suggestions from MediaPaedia and Expert Media Partners that channels should be allowed to ‘hold’ an LCN for a period whilst planning their launch. Our LCN launch process allows us to allocate an LCN up to six weeks before a channel's proposed launch, and for channels to actually launch up to eight weeks following their proposed launch date. This gives channels up to fourteen weeks from the allocation of an LCN to the channel's launch, which we believe should be long enough to allay the concerns raised.

Despite the confidential response from an industry stakeholder stating that it is “highly improbable that any party would acquire a valuable LCN with the intention of only using it for circa 14 hours per week”, Digital UK remains concerned that, since we will now permit LCN trading, there will be an incentive for channel providers to apply for new LCNs in order to sell them later, and that this would not be an efficient use of LCNs. We note the respondent's

suggestion that we should, therefore, impose the increased minimum broadcast hours on existing channels, but we do not believe this would be proportionate, since the risk we have identified relates to new channels launching solely with the intention of occupying LCNs to facilitate future trades; this was much less likely to be the case for channels which launched when trading was prohibited.

2.6.4 Digital UK's decision

We have decided to implement the proposals.

2.7 Other clarifications to the LCN Policy

Paragraph 8.1 of version 6.1 of the LCN Policy stated that Digital UK will consult on enforced LCN moves. However, paragraph 5.1 states that when Ofcom specifies any particular prominence obligations for a public service channel, there is a usual procedure which Digital UK will follow to create the slot, and that we will issue a consultation only if Digital UK considers that one or more other methods of creating a suitable slot for a public service channel may be appropriate. This follows the decisions we reached in a 2020 consultation⁴.

We have therefore added a line of clarification to paragraph 7.1 of version 7.0 of the LCN Policy (which replaces paragraph 8.1 of version 6.1). The new wording is underlined:

“Digital UK will consult with channel providers on any proposed enforced move of LCNs ... unless the enforced move is required under section 5.1, in which case Digital UK will not consult if it decides to create a slot using the normal method defined in that section.”

⁴ <https://www.freeview.co.uk/psb-lcn-rules>

3 Implementing the changes

The revised LCN Policy will become effective immediately.

Before imposing fees on channels for LCN swaps, changes and trades, we will publish rate cards, which will explain the amounts we will charge. Until the rate cards are published, swaps and changes may continue without charge. LCN trades will not be permitted or administered until after publication of the relevant rate card.

4 Appendix – LCN Policy v7.0

Digital UK LCN Policy

Version 7.0, 1 March 2021

This Policy supersedes all previous versions.

1 INTRODUCTION

- 1.1 Digital UK supports Freeview and channels, providing viewers with information about their options for receiving terrestrial TV and advice on reception and equipment. Digital UK also handles day-to-day technical management of the Freeview Electronic Programme Guide ('EPG'), allocates logical channel numbers ('LCNs') and manages the launch of new services onto the digital terrestrial television ('DTT') platform and the Freeview Play platform.
- 1.2 Digital UK holds Ofcom licences to provide an EPG⁵ and allocates LCNs to a wide range of different services on the DTT platform, e.g. television, radio, text and interactive. For the sake of convenience, all DTT services are referred to within this Policy as 'channels' and those who provide such services are referred to as 'channel providers'.
- 1.3 This Digital UK LCN Policy (the 'Policy') governs the way in which the Digital UK LCN Group (the Digital UK-member approval forum) will allocate channels to genres, and to LCNs within genres. It was implemented following a consultation⁶ and replaces Version 6.1 of this Policy that was published on 12 September 2020.
- 1.4 The Policy conforms with the requirements of the Communications Act 2003 and Ofcom's Code of Practice on Electronic Programme Guides published in July 2004 (the 'Ofcom EPG Code'). Within this regulatory framework, Digital UK's objective will be to apply the Policy in such a way as it considers to be for the long-term benefit of the DTT platform and in the interests of viewers (in each case as determined by Digital UK members in accordance with the Policy) and in compliance with the fair, reasonable and non-discriminatory ('FRND') requirements of the Ofcom EPG Code (or any equivalent Code published by Ofcom and in force at the relevant time).
- 1.5 For the avoidance of doubt, Digital UK interprets its FRND obligation to mean that the Policy is applied consistently to all channels on or joining the platform regardless of their ownership.
- 1.6 Digital UK's terms and conditions of LCN allocation are contained within the Digital UK LCN Allocation Terms and Conditions (the 'Terms'). By making an application to Digital UK for allocation of an LCN, or broadcasting a channel using an LCN, channel providers also agree to be bound by the Terms⁷. Furthermore, the benefits of this

⁵ See [Ofcom | Digital terrestrial television](http://static.ofcom.org.uk/static/radiolicensing/html/tv/cs/tlcs101213ba1enhancedipmetadataforthedttbroadcaststepg.htm) for the DTT EPG licences we hold, and <http://static.ofcom.org.uk/static/radiolicensing/html/tv/cs/tlcs101213ba1enhancedipmetadataforthedttbroadcaststepg.htm> for our licence to provide enhanced IP metadata

⁶ <https://www.freeview.co.uk/consultation-change-digital-uk-LCN-Policy>

⁷ [freeview.co.uk/lcn/terms](https://www.freeview.co.uk/lcn/terms)

Policy are only available where the channel provider accepts the Terms in full.

- 1.7 Where there is a change of control of a channel or a channel provider, it is the responsibility of the new provider to comply with the Policy and the Terms.
- 1.8 After an LCN allocation has been made by Digital UK, the LCN continues to belong to Digital UK and will remain subject to its discretion and the Policy. Digital UK reserves the right to move a channel to an alternative LCN in accordance with this Policy.
- 1.9 Digital UK will allocate LCNs to channels using DTT capacity that meet the criteria for an LCN as set out in sections 2.2 and 2.3. Digital UK has reserved a range of LCNs in which IP television platforms may allocate channels according to their own allocation policy. Digital UK allocates LCNs in this range to solely IP-delivered channels on the Freeview Play platform.
- 1.10 For the purposes of this Policy, the following definitions are applied:
 - i. '**Lower LCNs**' refers to lower channel numbers; i.e. smaller numbers which appear closer to the beginning of the LCN list. '**Higher LCNs**' refers to larger channel numbers which are further away from number 1 in the channel list.
 - ii. '**Public service channels**' are those channels identified as such in accordance with section 310 of the Communications Act 2003, and HD simulcasts thereof. When allocating LCNs to public service channels, Digital UK will seek to give 'appropriate prominence' to these channels in the appropriate genre in accordance with the Ofcom EPG Code.
 - iii. '**Associated channels**' are two or more channels that:
 - are classified into the same genre as each other; and
 - are under common control; and
 - have common branding and/or a significant degree of existing or intended cross-promotion.

Public service channels are not considered to be associated channels.

In order to improve viewer or listener navigation Digital UK considers that it is in the best interests of viewers and listeners to group associated channels together.

- iv. '**Common branding**' may take a number of forms. In considering whether two channels have common branding, Digital UK will consider the following non-exhaustive factors: the names of the channels, and the look and feel of their logos and idents.
- v. Channels will be considered to be under '**common control**' where they are owned or controlled by companies in the same corporate group. The corporate group consists of a holding company and all its subsidiaries, the terms 'holding company' and 'subsidiary' having the meanings given in section 1159 of the Companies Act 2006. In addition, where a holding company directly or indirectly holds 50% of the voting rights in a channel which does not otherwise fall within the definition of 'subsidiary' in section 1159 of the Companies Act 2006, that channel will be treated as under common control with any of the holding company's subsidiaries with which the channel in question has common branding.
- vi. '**Streamed channels**' are channels where audio visual content is delivered over IP but access is enabled via an MHEG or HbbTV application which is broadcast over DTT. They should not be confused with channels that are delivered solely by IP (see section

1.9). When assessing whether streamed channels qualify for associated channel status, or whether they are under common control, Digital UK will consider a 'channel' to be the audio-visual content accessible via the LCN, rather than the MHEG/HbbTV application and/or any MHEG/HbbTV slate carried on the LCN.

- 1.11 Previous decisions of Digital UK regarding the allocation of LCNs prior to the adoption of this version of the Policy will not be considered relevant in the interpretation of this Policy and will not bind Digital UK as precedent.

2 REQUIREMENTS TO BE ELIGIBLE FOR AN LCN

- 2.1 By making an application to Digital UK for allocation of an LCN, or broadcasting a channel using an LCN, channel providers agree to be bound by the Terms.

- 2.2 To be eligible for an LCN a channel is required to have:

- a DTT capacity agreement with a multiplex operator (a 'carriage agreement') or, in the case of IP-delivered channels, a Freeview Play Content Provider agreement with Digital UK; and
- a valid broadcasting licence (or equivalent authorisation) permitting the channel to broadcast on the DTT platform in the UK, or, in the case of IP-delivered channels, to broadcast on the Freeview Play platform (a 'broadcast licence'); and
- arrangements for providing EPG schedule data (a 'schedule provider agreement').

- 2.3 In order to be allocated or retain an LCN, channels must broadcast a minimum of six hours per day or 42 hours per week of audio-visual content via DTT. A static slate does not count as audio-visual content for the purpose of this rule. However:

- This rule does not apply to Streamed channels⁸, or to channels in the Adult genre, the Text genre or the Radio genre.
- Channels in the IP section on the Freeview Play platform must broadcast a minimum of six hours of content per day or 42 hours per week via IP.
- Channels which were broadcasting on the DTT platform before 1 March 2021 must broadcast a minimum of two hours per day or 14 hours per week of audio-visual content via DTT. Channels which were broadcasting on the DTT platform for less than two hours per day or 14 hours per week prior to 3 April 2017 must broadcast at least two hours per day or 14 hours per week of audio-visual content via DTT upon the expiry of their current carriage agreement with a multiplex operator.
- A channel may reduce its broadcast hours to less than the minimum threshold for up to 12 weeks, accrued in any 12-month rolling period. The channel provider should (where circumstances permit) notify Digital UK in advance in writing before reducing its broadcast hours. If a channel falls below the minimum broadcast hours for more than 12 weeks accrued in any 12-month rolling period then, upon notice from Digital UK to the channel provider, its LCN will be withdrawn.

- 2.4 A channel provider may cease to make a channel available for up to 12 weeks in any rolling 12-month period without losing its LCN. The channel provider should notify Digital UK in advance in writing of its intention to temporarily cease broadcasting its

⁸ See paragraph 1.10(vi) for an explanation of the difference between "Streamed channels" and channels in the IP section of the Freeview Play platform

channel. If the channel does not resume broadcasting within the 12-week time limit, then the LCN will be deemed vacated and can be re-allocated by Digital UK in accordance with this Policy.

- 2.5 Digital UK may allocate LCNs for test channels if, at its absolute discretion, it thinks it appropriate to do so.
- 2.6 A channel in any DTT genre may link to supplementary content carried via IP, but this content must be licensed by an appropriate regulatory authority and suitable for the genre of the DTT channel.

3 APPLICATION FOR AN LCN

- 3.1 Any channel provider which requires an LCN should submit its LCN application as per the process set out in Schedule 1, between eight and four weeks prior to the channel provider's intended launch date of the channel. Applications received less than four weeks before the intended launch date of the channel will be processed, but in such cases Digital UK cannot guarantee that the intended launch date will be met.

- 3.2 The channel provider should:

- provide evidence confirming that its channel meets the criteria for an LCN as set out in sections 2.2 and 2.3. Evidence of a capacity agreement will be by way of a letter of corroboration from the relevant multiplex operator; and
- state which genre it believes would be most appropriate for the channel; and
- at its cost, supply Digital UK with any other information as specified in the allocation process or as Digital UK may otherwise reasonably request regarding the channel.

The channel provider must ensure that all information provided by it or on its behalf is accurate, complete and up-to-date. Once a valid application with the relevant detail is received, it will usually take two weeks for Digital UK to allocate an LCN to the channel.

- 3.3 Digital UK will review the proposed genre, in accordance with Schedule 3 of this Policy. If the channel might meet the definition of more than one genre, the following considerations will apply, in this order:

- Whether any consumer protection issues might exist (in particular, any service which would qualify for an LCN in the Adult genre will be placed in that genre).
- Whether the channel is HD, IP-delivered, Streamed, text, interactive or radio in nature.
- The nature of the content on the channel as per our genre definitions.

- 3.4 If a channel is allocated an LCN and does not launch within eight weeks of the specified launch date, the LCN which was allocated to the channel may be withdrawn.
- 3.5 Requests for an LCN made on a speculative basis (i.e. channels without confirmed genre and intended launch date) will not be considered. However, Digital UK will be willing to engage in confidential pre-application discussions with channel providers about the availability of LCNs and other matters connected with the operation of Policy and will permit the use of 'working' channel names in any application for an LCN.
- 3.6 The LCN allocation process may change from time to time. Any amendments to Schedule 1 will be published on the Digital UK website.

4 GENRES

- 4.1 Genres are the basis for grouping channels. They assist viewer navigation, and can protect consumers from content that may harm or offend.
- 4.2 Digital UK may from time to time add, remove, merge or move genres, following a consultation process.
- 4.3 In the event a genre overflows its prescribed LCN range, Digital UK will temporarily place any additional channels of that genre in the most appropriate alternative location as determined by Digital UK.
- 4.4 See Schedule 3 for descriptions of genres. Any amendments to Schedule 3 will be published on the Digital UK website.

5 ALLOCATION OF LCNs

Sections 5.1 to 5.12 do not apply to channels in the IP-delivered range, except as noted in section 5.18

- 5.1 Public service channels will at the very least be assigned an LCN in accordance with any prominence obligations specified by Ofcom. If there is one or more vacant LCNs within their relevant genre at a lower position than that specified by Ofcom, then the lowest vacant LCN will be assigned. In cases where there is no suitable slot available for a public service channel to meet any prominence obligations specified by Ofcom, Digital UK will normally create a slot by requiring the channel that is currently in the slot required for the public service channel, and all channels in higher LCNs, to move up by one LCN each. If there is a vacant LCN between the slot required by the PSB and the last channel in the genre, then only channels between the slot required and the vacant LCN will be moved. If Digital UK considers in any particular case that one or more other methods of creating a suitable slot for a public service channel may be appropriate, Digital UK will issue a consultation under section 7 of this Policy on the options under consideration and decide which method to adopt in the light of the responses received. Where no prominence obligations are specified by Ofcom, public service channels will be assigned the lowest available vacant LCN within their relevant genre (unless sections 5.10 and/or 5.12 apply).
- 5.2 For all other channels, unless section 5.6 is invoked, Digital UK will allocate the channel the next available LCN at the end of the genre.
- 5.3 As soon as a channel has been allocated an LCN, Digital UK considers that it is occupying its LCN for the purpose of the rules in sections 5.6, 5.7 and 6, even if the channel has not yet launched or moved.
- 5.4 If a channel is allocated an LCN in the HD genre and the channel has no equivalent standard definition simulcast channel on the DTT platform, Digital UK may also reserve the lowest available LCN in the genre in which such simulcast channel would otherwise have been allocated an LCN. Digital UK may at any time elect to revoke or amend any reservation made under this section 5.4 if it considers it appropriate for prudent LCN management. For the avoidance of doubt, sections 5.6 and 6 shall not apply to LCNs reserved in accordance with this section 5.4. Reservations made under this section 5.4 will automatically be revoked if:

- a) a standard definition version of the channel is allocated an LCN on the DTT platform (in which case, the standard definition channel would be allocated an LCN in the same way as any other new channel launch); or
- b) the HD channel is withdrawn.

Vacated LCNs

5.5 Where a channel is withdrawn from its LCN for any reason, it will trigger the vacated LCNs procedure below.

5.6 Vacated LCNs will be offered to channels in the following order:

- To a public service channel at a higher LCN within the genre, starting with the public service channel that is nearest to the vacant LCN, and then to the next nearest and so on until it has been offered to all public service channels at higher LCNs within the genre.
- To existing associated channels (as defined under section 1.10) at higher LCNs within the genre, in the following way:
 - First, Digital UK will identify the channel that appears next in the listing in a lower LCN than the vacated LCN. Digital UK will offer the vacated LCN to any channel associated with this channel
 - Second, Digital UK will look at the channel that appears next in the listing in a higher LCN than the vacated LCN. Digital UK will offer the vacated LCN to any channel associated with this channel
 - Third, Digital UK will look at the channel that is two positions lower than the vacated LCN. Digital UK will offer the vacated LCN to any channel associated with this channel
 - Fourth, Digital UK will look at the channel that is two positions higher than the vacated LCN. Digital UK will offer the vacated LCN to any channel associated with this channel
 - And so on for five positions higher and lower than the vacated LCN
- Finally, to any new associated channel (as defined under section 1.10) launching on the platform.

Any channel provider which is offered a vacated LCN will have two weeks in which to consider the offer and respond in writing to Digital UK. If no response is received within that timescale, Digital UK may offer the LCN to another channel provider in accordance with this Policy.

5.7 Where vacated LCNs have still not been filled pursuant to section 5.6, Digital UK may either:

- undertake a 'shuffle-down' procedure. The channel in the next highest LCN will be offered the opportunity to move into the vacant LCN. They will usually be given two weeks to decide whether to take up the offer. No channel will be obliged to move, but if the offeree chooses not to move then the vacant LCN may be offered to the channel in the next highest LCN; or
- use the LCNs for any other reason it deems reasonable.

5.8 Any channel that already has an LCN on the platform which is allocated a different LCN under any of the above processes will have eight weeks to complete its move following the allocation, or it will lose the right to use the vacated LCN. Any new channel launching onto the platform into a vacated LCN will be subject to the timelines in section 3.

- 5.9 Channels already on the platform may not request vacant LCNs from Digital UK; Digital UK will always offer vacant LCNs to channels as described above.

Sharing LCNs

- 5.10 Where channels broadcast to distinct areas of the UK, and their coverage does not overlap (except where section 5.12 applies), those channels may share an LCN if:

- all of the channels under consideration are public service channels, or
- all of the channels under consideration are associated with one another.

Digital UK may, in the interests of LCN efficiency and viewer benefit, require that channels which meet these criteria share an LCN.

- 5.11 Where channels share an LCN and one channel expands its coverage such that it overlaps with the coverage of one or more other channels on the LCN (except where section 5.12 applies), the expanding channel must apply for a new LCN.
- 5.12 In the case of some local public service channels, while the channels may be licensed to serve distinct geographic areas, in practice there may be some overlap in their actual coverage. In such cases, Digital UK may decide that the channels should share an LCN.

Freeview Play Channel List Management

- 5.13 Channel List Management (CLM) is a feature enabled in certain new Freeview Play product ranges since 2020. We expect all newly introduced Freeview Play devices will add support for this functionality. It enables HD/SD substitution, IP channels and IP fallback channels.

IP channels on the Freeview Play platform

- 5.14 The following rules govern the allocation of LCNs to channels delivered solely via IP (as distinct from 'Streamed' channels, as defined in section 1.10). At present, we intend to offer this option to channel providers which have a Freeview Play application, because we have existing processes in place to ensure their streams are fully integrated and tested.
- 5.15 Channels that deliver content solely by IP will be allocated LCNs within the 300-599 range, within genres (see Schedule 2a).
- 5.16 If a channel has an LCN in a DTT genre in only one or two nations of the UK, and is therefore not eligible to use IP fallback to cover the whole of the UK, then the channel provider may choose to deliver the channel via IP to the whole of the UK; if so, the IP-delivered version of the channel will be allocated an LCN in the 300-599 range.
- 5.17 Each channel provider with a Freeview Play app will be allocated ten LCNs in the IP-delivered General Entertainment range, five LCNs in the IP-delivered Children's range, and five LCNs in the IP-delivered News range. The LCNs will be allocated in the order

that the apps appear on Freeview Play devices⁹. If there are regional differences in the ordering of Freeview Play apps, the LCNs will be allocated in the order that apps appear to the majority of the UK. The channel provider may choose to use these LCNs for IP-delivered channels that appear on its player, and which are under common control with the company that has a Freeview Play agreement for the app. If the channel provider does not use the LCNs, then those LCNs will remain vacant.

- 5.18 IP-delivered channels which are carried in a Freeview Play app, but are not under common control with the company that has a Freeview Play agreement for the app, will be allocated LCNs on a first come, first served basis in the ranges defined in Schedule 2a. LCNs will be allocated in these ranges in accordance with sections 5.1, 5.2, 5.3, 5.5, 5.6, 5.7, 5.8, 5.9, 5.10, 5.11, and 5.12.

HD/SD substitution using CLM

- 5.19 If a channel is available in both SD and HD, then the channel provider may choose for the HD version to appear in the LCN allocated to the SD version on devices that support Channel List Management.
- 5.20 In the case of PSB channels, where an HD version is substituted in the LCN for the SD version, all programming on the HD version must be an exact simulcast of the SD version in order to satisfy Ofcom's PSB prominence requirements. There may however be differences in promotions, advertisements, and on-screen graphics and idents.
- 5.21 For non-PSB channels, there may be some different programming on the HD version, but the HD version must recognisably be a simulcast of the SD version, and this must be reflected in the channel name, and the vast majority of programming.
- 5.22 The HD version of the channel may retain its LCN in the HD area on devices that support this, and may therefore appear twice in the listing (except in the case of Children's and Adult channels).
- 5.23 The SD version of the channel will appear in the SD Simulcast Area (except in the case of Children's and Adult channels). The SD Simulcast Area will display SD channels in the same order that they appear in the main listing (though for the avoidance of doubt, there will be no numerical correlation between the SD Simulcast Area LCN and the LCN in the main listing).
- 5.24 For Children's and Adult channels, both the HD and the SD versions of the channel will appear in their relevant content genre, for consumer protection purposes.
- 5.25 Where channels are regionalised (i.e. their content differs in different parts of the UK), channel providers may choose to enable HD/SD substitution in some regions and not others. (For the avoidance of doubt, as per the rule above, the regional HD version of a PSB channel would have to provide exact simulcasts of all programming on the regional SD version, excepting any permitted differences in promotions, advertisements, and on-screen graphics and idents.)

⁹ The core player apps are in the following order: BBC iPlayer, ITV Hub, All 4, My5; except in Scotland, where the core apps are in the following order: BBC iPlayer, STV Player, All 4, My5, ITV Hub. Non-core player apps are ordered according to the channel providers' lowest-numbered LCN on the DTT platform, subject to the channel being available across the UK.

- 5.26 The HD version may be delivered via IP (so long as the channel provider is able to provide us with a technically compliant IP stream; at present, we intend to offer this option to channel providers which have a Freeview Play application, because we have existing processes in place to ensure their streams are fully integrated and tested). The broadcast hours of the IP-delivered HD version of the channel must match the broadcast hours of the DTT-delivered SD version of the channel. Viewers will have the ability to opt out of receiving IP-delivered channels in the main genre listings – Digital UK will ensure that there is a simple and clear process for viewers to control this.
- 5.27 Note that the above rules apply only to devices that support Channel List Management (i.e. certain Freeview Play devices from 2020 onwards). For all other devices, the SD and HD versions of the channel will continue to appear in their own allocated LCN, as they currently do.

IP fallback

- 5.28 The following rules govern the use of “IP fallback” for channel providers which are able to provide us with a technically compliant IP stream; at present, we intend to offer this option to channel providers which have a Freeview Play application, because we have existing processes in place to ensure their streams are fully integrated and tested.
- 5.29 If a channel qualifies for an LCN within an SI region, then it may choose to display the channel via IP within that SI region on that LCN, including to devices that are not connected to an aerial, and to devices that are not able to receive that channel via DTT from a transmitter.
- 5.30 If a channel qualifies for an LCN in at least three of the four nations of the UK (England, Scotland, Wales and Northern Ireland), then the channel provider may choose to display the channel via IP across the UK plus the Channel Islands and Isle of Man on that LCN, including to devices that are not connected to an aerial, and to devices that are not able to receive that channel via DTT from a transmitter. (See section 5.16 for options for channels that have an LCN in only one or two nations of the UK.)
- 5.31 For the avoidance of doubt, where PSB channels share an LCN, no PSB may display IP-delivered content on the LCN in regions where the LCN is allocated to another PSB. (For example, Channel 4 may not use LCN 4 in Wales, where LCN 4 is allocated to S4C.) Local TV services with LDTPS licences may use their LCN to display IP-delivered content within the region covered by their LDTPS licence.
- 5.32 IP fallback channels must be appropriately licensed as per paragraph 2.6.
- 5.33 The broadcast hours of the IP-delivered version of the channel must match the broadcast hours of the DTT-delivered version of the channel.
- 5.34 For the avoidance of doubt, if a channel ceases to be eligible for an LCN in a genre that requires a minimum number of hours to be broadcast via DTT (as per paragraph 2.3), then the channel may no longer use that LCN to display the channel via IP.
- 5.35 Viewers will have the ability to opt out of receiving IP-delivered channels in the main genre listings – Digital UK will ensure that there is a simple and clear process for viewers to control this.

6 CHANGING A CHANNEL AFTER AN LCN HAS BEEN ALLOCATED

Requests to reorder channels

- 6.1 Digital UK will consider all applications to reorder LCNs of channels that are in the same genre and are under common control (as defined under section 1.10). The channel provider should set out a preferred date for the channel changes.
- 6.2 Digital UK will also consider all applications to reorder LCNs of channels that are controlled by two different channel providers. (However, this is not permitted for channels within the IP-delivered range on the Freeview Play platform, except as noted in section 5.18.) The following processes will apply:
 - Two existing channels within a particular genre, each under different ownership, might choose to swap LCNs with each other. Both channel providers must write to Digital UK to confirm that they wish the swap to go ahead.
 - An existing channel on the platform might choose to sell the right to occupy its LCN to a new channel (under different ownership) which is launching into the same genre. The new channel must first apply to Digital UK to launch a new channel, following the process in section 3. An LCN will be allocated to the new channel. Both channel providers must then write to Digital UK to confirm that they wish to swap LCNs at the point that the new channel launches.
- 6.3 Public service channels are allowed to reorder their channels (if they meet the criteria in 6.1 above) except those at LCNs 1-5 and 101-105. Public service channels may not be reordered with non-public service channels.
- 6.4 Digital UK reserves the right to refuse any application to reorder channels where it believes that the proposed changes would not be in the best interests of viewers and listeners and/or the platform. For example, Digital UK may decide it would not be in the best interests of viewers for a part-time channel to move into a more prominent position and a full-time channel into a less prominent position, or for a channel that is only available to a minority of viewers to move into a more prominent position and a channel that is available to the majority of viewers to move into a less prominent position.
- 6.5 The timing of any channel reordering must be agreed with Digital UK. Where possible, Digital UK will seek to co-time the reordering with other changes to the platform to minimise disruption for viewers and listeners.
- 6.6 Channel providers may reorder the LCNs of two or more of their channels and then close one of the affected channels.

Changing a channel's name and/or content

- 6.7 Channel providers may change the content and/or name of a channel, and nonetheless retain that channel's LCN so long as it remains appropriate to the genre in which it has been placed. This could mean replacing the channel with a new channel or a channel that already exists but is not currently carried on the DTT platform.
- 6.8 If, at any time, Digital UK finds, at its discretion, that a channel has changed such that it would be more appropriately placed in a different genre, Digital UK may then require that the channel be moved to that genre. It will be allocated an LCN within that genre according to the principles in section 5.

Charges

- 6.9 A channel provider will be charged a reasonable single fee for all LCN swaps and name changes that it requests be made to channels in its portfolio on a particular day. These charges will only apply to LCN swaps and name changes that are requested by channel providers – they will not apply to any changes which are enforced by Digital UK, and they will not apply to changes which take place under the 'vacated channels' rules.

7 CONSULTATIONS

- 7.1 Digital UK will consult with channel providers on any proposed enforced move of LCNs (where the moves are not conducted under sections 5.6, 5.7, 5.10, 5.11, 5.12, 6.1 or 6.7 of this Policy), unless the enforced move is required under section 5.1, in which case Digital UK will not consult if it decides to create a slot using the normal method defined in that section.
- 7.2 Where there are fewer than five channels to be moved, Digital UK will generally conduct a 'light' consultation process. A notification of the consultation will be sent to all channel providers, and responses invited from the channels proposed to be moved and any other channels which Digital UK believes will be significantly affected by the proposed changes. A notification will also be placed on the Digital UK website. A consultation period of approximately four weeks will be used (time limit to be set and communicated by Digital UK in its discretion), following which Digital UK will consider responses, communicate its conclusion to the channel providers and publish a notice on the Digital UK website at least eight weeks prior to the date set to coordinate any move(s).
- 7.3 Where there are more than five channels to be moved, Digital UK will generally conduct a full consultation process with all channel providers. Responses will be invited from all channel providers and stakeholders and a notification will be placed on the Digital UK website. A consultation period of approximately eight weeks will be used (time limit to be set and communicated by Digital UK in its discretion), following which Digital UK will consider responses, communicate its conclusion to channel providers and any other responders and publish a notice on the Digital UK website at least eight weeks prior to the date of any move(s).
- 7.4 Digital UK reserves its right to conduct an expedited consultation process where there are deemed to be, or might be, consumer protection issues.
- 7.5 Where Digital UK reviews the Policy and believes there is a need to make substantive amendments to the Policy, Digital UK will conduct a consultation process with channel providers and stakeholders following that described in 7.3 of this Policy.

8 APPEALS PROCESS

8.1 The appeals process is available should a channel provider (the 'appellant') wish to appeal the Digital UK LCN Group's decision on:

(a) The application of this Policy in regard to:

- allocating an LCN or genre to a new channel;
- moving an existing channel to a different LCN or genre;
- placing a channel in an 'overflow' section;
- applying the vacated LCN rules;
- allowing, not allowing, or insisting on LCN sharing;
- allowing or not allowing channels to reorder LCNs;
- allowing or not allowing a channel to change its name.

(b) Changes to the LCNs of existing channels that are made following a consultation process as set out in section 7.

The appeals process does not apply to other policy decisions made by Digital UK.

8.2 Any appeal to Digital UK is without prejudice to recourse to Ofcom, or other relevant authorities as may be available to the appellant.

8.3 The appellant may appeal a decision only if it can demonstrate that one or more of its channels is directly affected by the decision.

8.4 Where the appellant appeals against a decision that benefits or adversely affects a third party, the third party may make representations in the appeal.

Appealing a decision made in one of the categories listed in section 8.1(a):

8.5 The following process will apply:

- i. The appellant should appeal in writing to the Chair of Digital UK.
- ii. Where the decision relates to a channel under the appellant's control, the appellant must appeal within four weeks of being notified of the decision. Where the appeal relates to another channel (but nonetheless directly affects the appellant's channel), the appellant must appeal within four weeks of the decision being published on the Digital UK website or taking effect in the channel listing.
- iii. The letter must be as evidence-based as possible and explain why, in the appellant's view, the decision does not meet the Policy. If relevant, the letter should explain which genre or LCN the appellant thinks the channel should be eligible for, and why.
- iv. The channel may launch at or move to the LCN allocated without prejudice to the concurrent appeals process.
- v. The appellant may be named publicly by Digital UK, and where the appeal relates to a channel other than those operated by the appellant, the relevant channel provider affected will also be informed of the appeal.
- vi. The Chair of Digital UK will review the process that was followed in allocating the LCN, and decide whether the correct process was followed.
- vii. The Chair of Digital UK may take up to four weeks to consider the appeal, and will then respond in writing to the appellant and, where they are different, the provider of the channel whose LCN allocation was appealed.
- viii. Within the four-week period of consideration, the Chair of Digital UK may ask any channel provider for further information to assist with the review.
- ix. If the Chair of Digital UK agrees that the appellant has presented a sufficiently

compelling case that the decision does not meet the Policy, the decision will not stand. The Digital UK LCN Group will then reconsider its decision including (if relevant) the appellant's proposal for an alternative genre or LCN allocation. Digital UK may move the relevant channel into the relevant LCN or genre at the earliest reasonable date.

- x. If the Chair of Digital UK does not agree that the appellant has presented a sufficiently compelling case, the Digital UK LCN Group's decision will stand.
- xi. Digital UK may publish appeal adjudications subject to redaction of any commercially sensitive material.

Appealing changes to the LCNs of existing channels following a consultation

8.6 The following process will apply:

- i. The appellant should appeal in writing to the Chair of Digital UK.
- ii. The appellant must appeal within four weeks of the consultation statement being published on the Digital UK website.
- iii. The letter must be as evidenced-based as possible and explain why, in the appellant's view, the consultation decision should not stand.
- iv. Receipt by Digital UK of an appeal will place the appealed move on hold until the end of the appeals process.
- v. The appellant may be named publicly by Digital UK, and where the appeal relates to a channel other than those operated by the appellant, the relevant channel provider affected will also be informed of the appeal.
- vi. The Chair of Digital UK will review the consultation process that was followed, and decide whether the correct process was followed.
- vii. The Chair of Digital UK may take up to four weeks to consider the appeal, and will then respond in writing to the appellant and, where they are different, the provider of the channel whose LCN allocation was appealed.
- viii. Within the four-week period of consideration, the Chair of Digital UK may ask any channel provider for further information to assist with the review.
- ix. If the Chair of Digital UK agrees that the appellant has presented a sufficiently compelling case, the appealed changes to the LCNs will not go ahead. The Digital UK LCN Group may decide to undertake a further consultation.
- x. If the Chair of Digital UK does not agree that the appellant has presented a sufficiently compelling case, the Digital UK LCN Group's decision will stand and Digital UK will move channels as per its consultation statement generally no more than eight weeks from the date of the Chair of Digital UK's decision.
- xi. Digital UK may publish appeal adjudications subject to redaction of any commercially sensitive material.

9 CHARGES

9.1 Digital UK reserves the right to levy fair and reasonable charges in respect of the allocation and use of any LCNs and to suspend or withdraw the allocation or use of LCNs if any such charges are not properly paid in accordance with Digital UK's payment terms.

10 INFORMATION PROVISION AND MONITORING

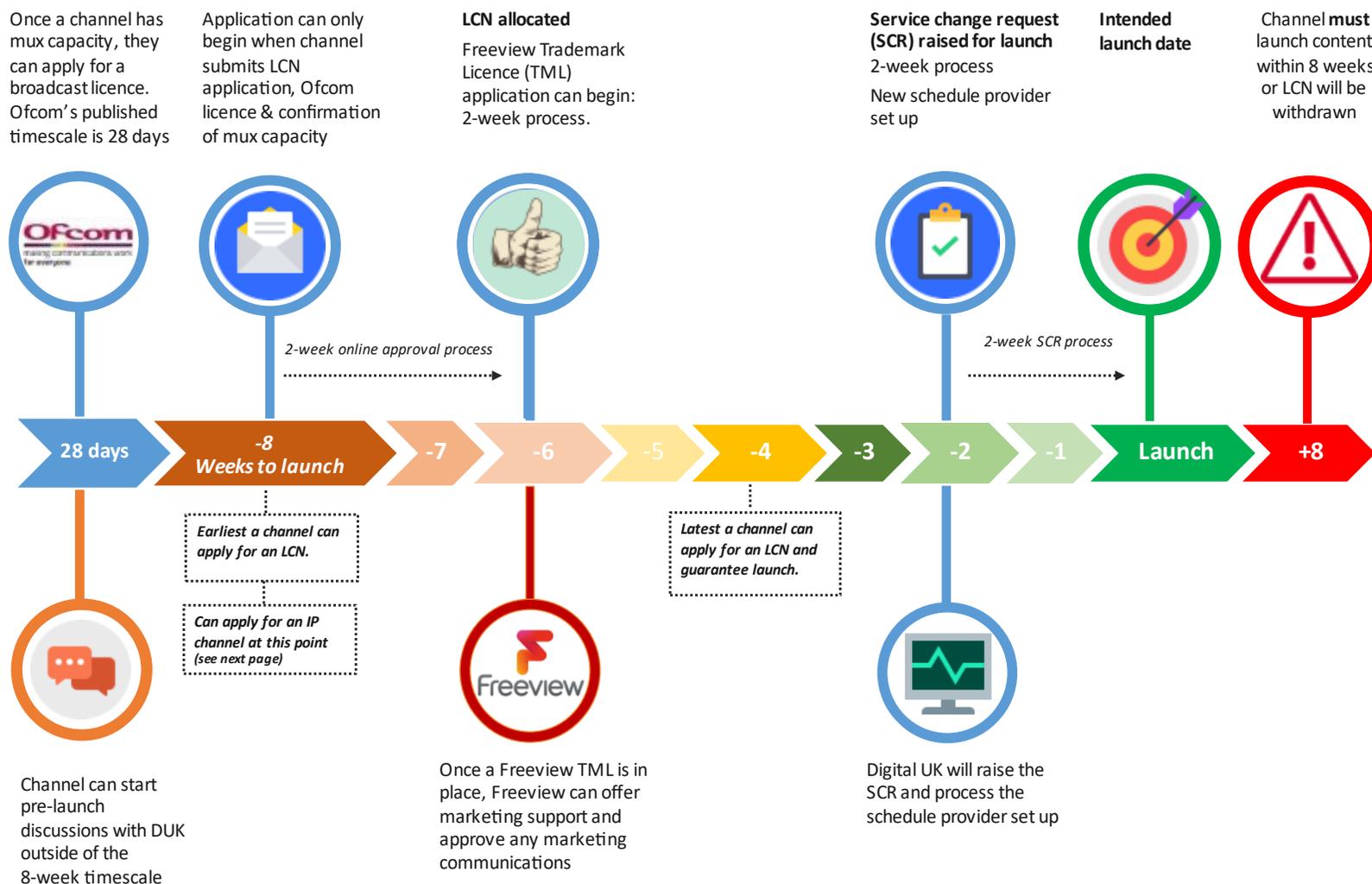
- 10.1 Digital UK is not obliged to monitor the content of the channels which are on the DTT platform in order to ensure that they continue to comply with any representations made to Digital UK by the channel provider about the channel or to investigate allegations brought by channel providers about such on-going compliance. However, Digital UK reserves the right at its discretion to monitor the content of channels and to investigate allegations that may arise.
- 10.2 Channel providers shall at their cost provide all such information as Digital UK reasonably requests in order to enable it: (i) To conduct any monitoring or investigations which Digital UK at its discretion wishes to conduct; and/or (ii) To provide viewers with scheduling information.
- 10.3 Channel providers must take steps to ensure that all information provided by them or on their behalf is accurate, complete and up-to-date. Channel providers are expressly obliged to inform Digital UK of changes to their channel (including, but not limited to, change of name and/or change in broadcast hours).

11 REVIEWS

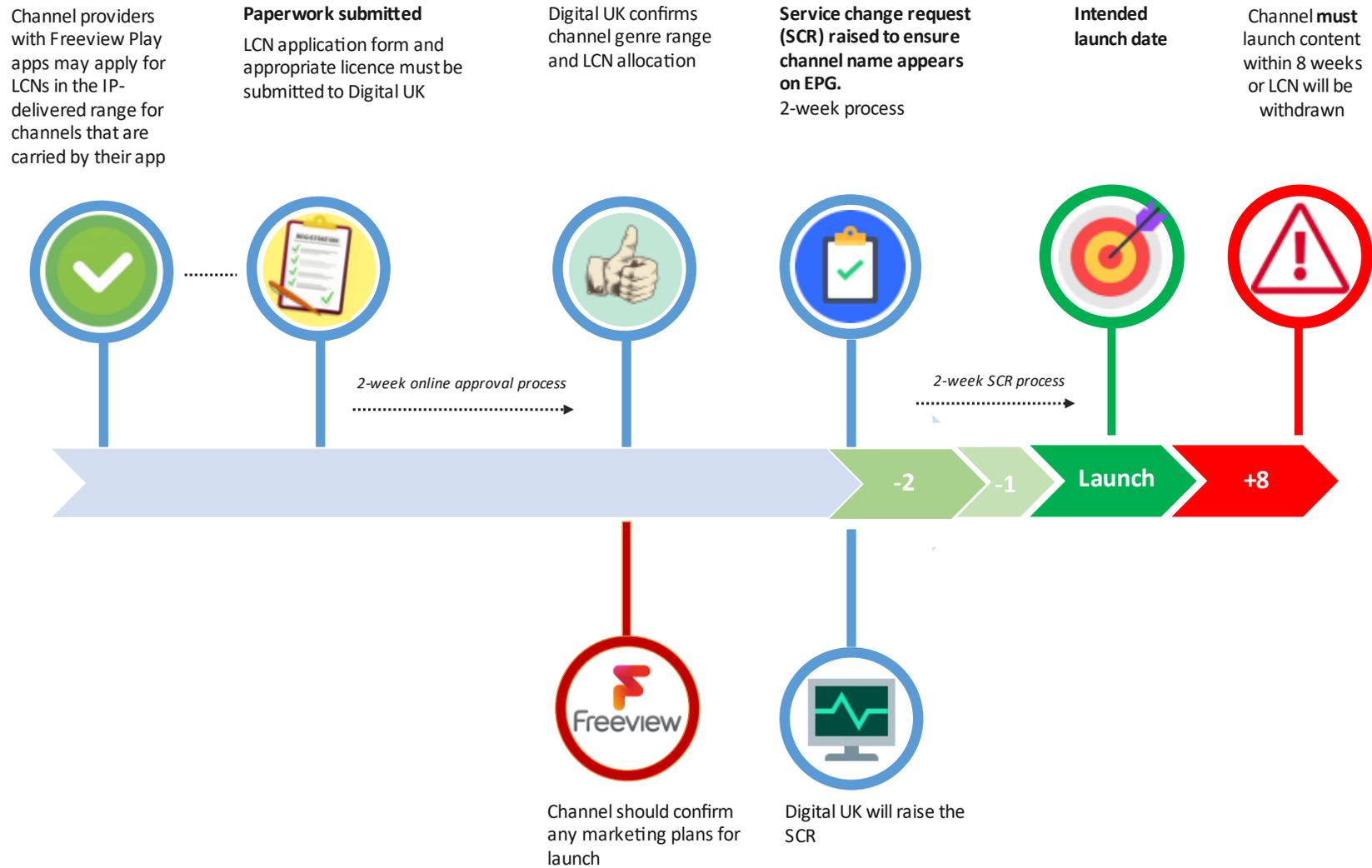
- 11.1 Digital UK will carry out periodic reviews of the Policy.

Schedule 1: The LCN Allocation Process

(a) Process for all channels except those in the IP-delivered range



(b) Process for channels in the IP-delivered range



Schedule 2: Digital UK's Genre Ranges

Genre	First LCN	Last LCN
General Entertainment	1	99
Freeview Information	100	100
HD	101	139
General Entertainment	140	199
Children's	200	229
News	230	249
Text	250	259
Streamed services	260	299
IP delivered services	300	599
Interactive services	600	609
SD simulcast area	610	669
Adult	670	699
Radio	700	750
Testing area	751	799
Reserved for manufacturer use	800	999

Schedule 2a: genre sections within the Freeview Play IP delivered range

Genre	First LCN	Last LCN
General Entertainment	301	449
Children's	451	499
News	501	599

LCNs 300, 450 and 500 will be reserved for genre markers.

Channels that are carried in a Freeview Play app, but are not under common control with the company that has a Freeview Play agreement for the app, will be allocated LCNs on a first come, first served basis in the following ranges:

General Entertainment: 401-449

Children's: 491-499

News: 581-599

Schedule 3: Digital UK's Genre Definitions

General Entertainment

Programming of an entertainment nature that targets a wide viewing audience.

The channel must contain a variety of entertainment programming and the channel must not be more appropriately listed in another existing genre.

HD

A channel is defined as HD where it meets the video parameters for high-definition services as defined in Table 6 of Ofcom's Reference parameters for DTT transmissions in the UK, version 6.11 dated 19/11/2009 (as amended from time to time). All channels meeting this definition will be allocated LCNs in the HD genre with the exception of adult and children's services, which for consumer protection purposes will be allocated an LCN within their relevant content genre.

Children's

Programming aimed at children aged 15 or under. There should be no material unsuitable for children aged 15 or under on any channel assigned to this genre.

News

Programming consisting predominantly of news and/or current affairs.

Adult

Digital UK will determine, in its reasonable opinion, whether it is appropriate to locate a channel in the Adult genre. Adult channels are channels which contain content of an adult nature, such that it features the depiction or description of, or behaviour of, a sexual or sexually suggestive nature, especially if this is of a lascivious nature. This includes the exhibition or depiction of sexual organs or sexual activity of any kind.

When considering if a channel should be listed in the Adult genre, Digital UK will consider the amount and nature of programming which is of an adult nature that is broadcast on to that channel.

For the avoidance of doubt, transactional sex chat channels (or 'Adult Chat' services) will be located in the Adult genre.

Text

The presentation of on-screen text services which are predominantly used by viewers to seek out specific information.

Streamed services

Channels where audio visual content is delivered over IP but access is enabled via an MHEG or HbbTV application which is broadcast over DTT. Services of this type will usually be allocated an LCN within the Streamed services genre, with the exception of adult and children's services, which for consumer protection purposes will be allocated an LCN within their relevant content genre.

IP-delivered

IP-delivered channels with no DTT element.

Interactive

Programming that can be accessed by the viewer as and when they demand, including push video-on-demand (VOD) services; or programming that enables the viewer to interact with the content or service in some way by utilising a button function on their TV remote control.

SD simulcast area

Reserved for possible future use. Digital UK may decide, following a consultation, that HD channels should appear to those viewers who can receive them in the LCN currently allocated to their SD equivalent, with the SD version moving to this area.

Radio

Audio-only programming that is licensed as a radio station rather than as a television channel.

Testing

Reserved for Digital UK testing purposes and/or for viewer and listener support in the event of platform changes.