



13 January 2020<sup>1</sup>

DUK LCN Consultation Response

## Background

Expert Media Partners is the UK's leading advisor and broker in the sale and purchase of LCNs on the UK's broadcast platforms, representing parties in approximately 80% of transactions on the Sky digital satellite platform, and with a client base that has included most of the UK's leading broadcasters. The company works across all the UK's main platforms.

Our team helps broadcasters to buy or sell channel numbers, provides effective and experienced valuations and we have an unmatched track record in representing high-profile broadcasters through the all the stages of an EPG sale or purchase.

## Consultation Responses

1. Yes
2. Yes
3. Yes, but 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limiting access to channel providers that have a Freeview Play agreement is likely to be a restriction that will seem out-of-date very quickly, as there is an increasing range of high-quality IP channels likely to be of interest to Freeview viewers.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.
4. Yes

5. Yes. The experience of Freeview since 2017 reflects the responses EMP gave to the previous consultation: the liberalisation of the trading policy has had no detrimental effects on viewers and in fact provides an opportunity for the LCN listings to more accurately reflect market developments i.e. the launch of new channels onto UK broadcast platforms. 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.
6. Yes, in part. 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. Only after that, should the six-hour rule apply. Where a major new channel is looking to launch across multiple platforms this would allow them to deliver a coherent launch marketing campaign, and achieve marketing prominence in a reasonable period of time, to the benefit of viewers.