Call for Evidence response form

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FutureofTVDistributionCallforEvidence@ofcom.org.uk

Title	Call for evidence: Future of TV Distribution
Full name	✂
Contact phone number	✂
Representing (delete as appropriate)	Organisation
Organisation name	Multiplex Broadcasting Services (NI) Ltd. (NI multiplex operator)
Email address	✂

Confidentiality

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Your response

Question	Your response
Q1. How are audience demands and expectations evolving, and how does that vary for users of different TV platforms and different demographics?	With the exception of sports and other live events, younger viewers are choosing to view programming at times that suit them best. Older viewers still tend to prefer linear television services via DTT, satellite and cable. As the population ages, we anticipate that more viewers will move away from linear viewing such that in the 2030s it is feasible that

	the minority of viewers will choose linear television over broadcast platforms as their sole source of programming.
Q2. What do audience trends mean for the financial prospects and sustainability of TV distribution platforms, and what are the key decision points over the next ten years?	As audiences and programming offerings become more sophisticated, viewers will move away from traditional linear broadcast systems. Broadcasters and content providers will invest further in the delivery of services over IP networks. If there is a continuing regulatory requirement for broadcasters to provide a linear broadcast option and essentially duplicate IP delivery of services via DTT and/or satellite, broadcasters will incur costs which are unlikely to be fully offset by a marginal increase in advertising revenue. Broadcasters could, therefore, seek ways to significantly reduce free-to-air distribution costs by possibly seeking a change in the mandate to provide universal DTT coverage and /or reduce the number of channels provided. The need to simulcast some channels in both SD and HD is also an unnecessary cost and could be considered to be an inefficient use of spectrum. The key decision is, therefore, whether DTT is to continue post 2034. If that is to be the case, then an announcement should be made at the earliest opportunity about a switch-off date for DTT. This will provide certainty to the market and allow broadcasters, content providers, distribution technology companies, and consumer electronic companies to work together to design and build value chains that best meet the needs of stakeholders.
Q3. How do broadband networks and supporting infrastructure need to evolve to support resilient delivery of TV over the internet in the future?	It is encouraging that the majority of homes already have access to high-speed broadband and that by the end of the decade, gigabit broadband should be available to all homes across the UK. This suggests that by 2034 there would be no real technical barrier to DTT switch-off. Consideration should, however, be given to building resilience into broadband networks given the likelihood that “bad actors” will seek to attack national IP infrastructure and damage the economy. Capacity across networks should be increased to ensure that contention issues do not arise during peak viewing times. In terms of support, finance and education of viewers are issues to be addressed. There are essentially two main

	barriers to full broadband take up: education and affordability. With a DTT switch off, consideration could be given to providing support to the less well off until such time as increased take up drives down broadband costs further. For example, the support scheme and programme to educate viewers as part of DSO were successful in delivering the seamless transition from analogue to DTT.
Q4. In what ways might different types of 'hybrid' terrestrial and internet services deliver benefits for audiences and what risks may arise?	While there are some variations in "look and feel" of different online interfaces, there is some level of commonality in how to navigate them. It is not too long ago that viewers had to learn how to use a remote control with four coloured buttons in addition to numbered keys! Unless a service has a user-friendly interface, it is unlikely to be adopted. Some people may need help navigating hybrid services, and platforms should ensure that interfaces meet accessibility requirements. Prominence for public broadcasters should be ensured on hybrid platforms.
Q5. Given the sharing of infrastructure, what would the implications for other sectors be if there was a change to the use of digital terrestrial television (DTT)?	Large masts on high mountaintops were primarily built for television distribution. FM and DAB radio were added over time as the high sites were already developed. When DTT is switched off, it is correct to note that the costs associated with these sites will have a much smaller pool of users on which to apportion costs. Unlike DTT reception, FM and DAB radio are not directional and are mobile in nature. This means that FM and DAB radio networks could be replanned such that transmitters could be moved to smaller, lower cost transmission sites. Radio antennas do not need line of sight so don't need to be mounted as high as DTT antenna systems so smaller masts/towers could be utilised instead. Similarly mobile phone and other radio network equipment is predominantly located at relatively low heights above ground level on these sites. Absent DTT, high sites will still be used but site operators, as commercial entities, will have less valuable assets as they cannot reasonably expect to receive the same level of income from fewer users. There will always be a need for radio towers but much less need for large masts at high sites. In terms of UK Government emergency announcements, as fewer people watch linear

	television, the value of relying on DTT as the mass medium to deliver emergency messages is questionable. Mass delivery of messages over SMS and messaging apps as the primary emergency information distribution system would be more appropriate. If DTT is to be retained, simulcasting of HD and SD should cease as this is wasteful of spectrum. PMSE should be protected in the event UHF spectrum is reallocated for other use
Q6. What coordination and planning across the value chain might be necessary to secure good outcomes for audiences and key providers over the long term?	With DTT multiplexes licensed until 2034, there is an opportunity to establish a framework for the future delivery of television and video content generally, for the benefit of all stakeholders. This does, however, require leadership and a willingness to shape the digital future. A clear message that television as we know it will change from a system that delivers linear channels over broadcast platforms to one that relies on resilient IP networks carrying a multiplicity of services both on-demand and linear. By signalling a willingness to auction the remaining UHF spectrum for wireless services, the Government could be in a position to support investment to improve existing broadband networks in terms of both speed and resilience. It should also engage with stakeholders across the full value chain such that developers, hardware providers and consumer electronics manufacturers all work together to create and deliver systems that readily meet the needs of viewers in the 2030s and beyond.

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