

Title:

Forename:

Surname:

Representing:

Organisation

Organisation (if applicable):

Arqiva Limited

Email:

What additional details do you want to keep confidential?:

No

If you want part of your response kept confidential, which parts?:

None

Ofcom may publish a response summary:

Yes

I confirm that I have read the declaration:

Yes

Additional comments:

Arqiva supports Ofcom's recognition that licence renewals be offered for a period that allows for sensible recovery of investment to ensure that the industry can remain viable and diverse. We note that past research by Ofcom revealed that five years was deemed to be insufficient but that there was no clear difference between a seven and 12 year period when considering a licensee's ability to recover the value of their investments.

In 2010, Ofcom opted to set renewal periods to seven years in order to help with future licensing flexibility and to achieve a balance with the incentive provided through seeking uncontested renewal by broadcasting on DAB.

Ofcom is now proposing an increase to commercial analogue radio licence renewal periods and notes that this change may provide an incentive for broadcasters to compete for licence renewal rather than seek automatic renewal. Arqiva believes that this will be the case and will almost certainly lead to some existing services being removed from the local DAB platform.

Achieving the 50% listening criteria set out in the Government's Digital Radio Action Plan will rely on providing listeners with the digital radio services they wish to hear. This requires improvements in coverage that will come from fresh investment by broadcasters and Government as well as maintaining a wide range and diversity of content. Although commercial incentives will increasingly encourage new stations to launch on DAB, that tipping point has not yet been reached and the proposed change to the period for analogue commercial licence renewals will act in the short term to reduce choice on DAB and have a knock-on effect on digital listening in general that may slow down digital take-up.

Question 1: Should Ofcom have a new policy of 12 year licence durations, where local analogue commercial radio licences are re-awarded?:

Arqiva believes that the proposal to increase the period for analogue licence renewals to 12 years is appropriate but only if accompanied by a similar increase to the uncontested renewal period offered for those stations that provide a service on DAB in order to avoid any conflict with the Government's wish that radio has a strong digital future.