



Neil Stock
Ofcom
Riverside House
2A Southwark Bridge Road
London
SE1 9HA

10th March 2017

Dear Neil,

Request to extend the PPA of the Mid & West Wales multiplex

We note the responses to the Ofcom Consultation of the requested PPA extension and wish to add additional comment before the matter is considered for decision.

Ofcom points out in its consultation that the request is entirely administrative and there are no plans to remove any of the current services of Mid & West Wales (MWW).

However, were Ofcom to reject this request it is possible that this would have a material and negative consequence on at least one MWW service provider.

This is because we understand that the proposed extension of the PPA would enable Swansea Bay Radio to apply for an automatic FM licence rollover, as MWW would become a “relevant” multiplex for this license.

It logically follows that declining the request could put Swansea Bay Radio at risk as it has no plans to enter a contract with Switchdigital and therefore would be required to reapply for its FM licence – with the risk it could lose the license – and then as a consequence of ceasing on FM platform, it would certainly cease as a DAB service on the MWW multiplex.

In this scenario, there would be no guarantee that any replacement FM service for Swansea Bay Radio would contract with MWW and as such listener choice on this multiplex might be reduced in the future.

Now, we turn to the points made by respondents. We are pleased to note that the majority of respondents support the request. It appears to be broadly accepted that the proposed change will *“help promote interest in new services coming on air which will further increase DAB take up in West Wales”*.

We note comments made by Switchdigital (S&S) Ltd – a wholly owned subsidiary of Wireless Group Ltd, itself owned by the global media business News Corp. The main thrust of Switchdigital’s submission is that they appear to believe that our proposal will have a negative impact on their underlying business model. We suggest this is a spurious argument.

There is no evidence that our current transmission has ever had any impact on the Swansea's multiplex service provider line-up, and we do not believe that this will change if the PPA extension request is granted. Currently on the Swansea multiplex, two services are owned by the same company that operates the multiplex, whilst the other three services already broadcast on MWW.

Switchdigital argues that the extension "*will make the (west Wales) multiplex more attractive to potential service providers*" at the expense of the Swansea multiplex. There is no evidence provided by Switchdigital to support this claim.

As you will be aware, Kilvey Hill has been part of MWW since its launch and part of the application submitted in February 2008. At no time over the last 9 years has Switchdigital raised any concern as to the use of Kilvey Hill. Kilvey Hill was previously a site used by MXR for the former regional South Wales and Severn Estuary multiplex. As such, Swansea has always effectively had two DAB multiplexes to provide listener choice in addition to UK wide and BBC multiplexes.

In relation to whether the proposed change would help promote the development of local digital sound broadcasting, Switchdigital argue that they would be required "*to 'fill' the Mid & West Wales mux to enhance its coverage in the extension area*" and that this "*would create an unacceptable financial burden on the Swansea multiplex*".

We do not think this is likely as Switchdigital already operates two transmitters in the area served by both MWW and Swansea multiplexes - Carmarthen and Carmel, and both multiplexes also use Kilvey Hill.

If the Switchdigital argument is based on the premise that they currently provide poor quality coverage in the extension area which MWW has served from Kilvey Hill from the launch, then this appears to us to be a weak argument.

Nothing that MWW has done to date or proposes in the future affects the current level of coverage provided by Swansea.

In relation to whether the licensee has the ability to maintain the local multiplex if the request is granted, Switchdigital make reference to the delay in the build out of the ComDAB sites and that, after undertaking its own value for money review, MuxCo decided not to build out two of the sites proposed by Arqiva.

Ofcom is aware that MuxCo has involved the BBC and commercial operators in its deliberations and that the choice to not build out financially unviable sites has been welcomed by third party commercial service providers. We note that other multiplex operators have also reviewed the selection of sites, with some sites changed and others delayed until DSO.

We can confirm that there are no underlying financial viability issues in relation to the core multiplex business which MuxCo is committed to providing through to 2030. We would also add that MWW is 100% owned by Nation Broadcasting Ltd – a company that has been successfully operating in and committed to broadcasting in Wales since 2002.



In summary, we are not seeking to add any additional transmitters to expand coverage, merely adjust the PPA to better reflect the current coverage area that we have operated since the multiplex launched in August 2013.

We believe that this is a sensible and pragmatic administrative request.

Yours sincerely,

A handwritten signature in black ink, appearing to read "M Mumford". The signature is fluid and cursive, with a large initial "M" and a long horizontal stroke at the end.

Martin Mumford
Managing Director
Muxco Wales Limited