

Your response

Question	Your response
<p>Question 1: Do you agree with the planning principles and methodologies that we will use in our work to refine the coverage area plan for small-scale DAB?</p>	<ul style="list-style-type: none">• We agree in general with the principles as outlined, but have a concern - and a suggestion. <p>1.1 We agree that the suggested field strength should at least help to offset a long- standing digital reception irritation - that of highly location-sensitive or non-existent indoor reception. The proposed indoor field strength target however, whilst welcome, seems likely to lead to noticeably better distant outdoor reception of Small Scale multiplexes (SS-MPX) on mobile equipment, (where interference levels allow) a differential we feel may become more significant as the SS-DAB network develops, and more and more listeners migrate towards digital reception.</p> <p>1.2 Thus we anticipate a new round of listener complaints about why particular SS-DAB services are receivable in a car at some distance, while being more troublesome "at home" in indoor/fixed locations well inside the target area. We are aware that Ofcom has ruled out mixed polarisation DAB transmission patterns before, but we do wonder whether indoor reception improvements might be revealed through trials using mixed transmission polarisation specifically on SS-DAB multiplexes. We hope that Ofcom will in due course consider running such trials aimed at determining what (if any) indoor reception improvements might be possible, and any disadvantages of using this transmission format.</p>

Question 2: Do you agree with our proposed approach to the required technical licence conditions for small-scale radio multiplex services, and the proposed amendments to the Digital Radio Technical Code?

- We agree in general regarding licence condition strategy and necessary amendments to the Technical code, but would make the following points:

2.1 We fully support effective use of available spectrum by mandating DAB+ for all SS-DAB services from the start of broadcasting.

2.2 As a long established broadcast consultancy, we passionately support consistent, high quality broadcast audio, in stereo where this is an expectation by virtue of the regularly broadcast programme material. Thus we are concerned that though DAB is inherently capable of delivering good audio quality, aside from a minimum requirement for C-DSP services, (see below) Appendix 6 of the paper suggests that Ofcom is not intending to set any minimum standard bit rate, or make any attempt to preserve audio quality, or even require stereo delivery - on all other non-Community channels carried by Small Scale multiplexes.

2.3 We sense that a regulatory background which makes no minimum audio quality standard demands, coupled with the ongoing commercial imperatives likely to face SS-DAB multiplex operators, might in combination become prime drivers for the "cramming in" of more and more SS-DAB services, simply to fill up and thus bolster revenue on a multiplex. Our concern here is three-fold:

2.3.1. Stations paying for carriage on a given multiplex could be powerless to stop their service from suffering reduced audio quality, perhaps as a result of immutable terms contained in the small print of a "take it or leave it" contract signed to gain carriage on a particular SS-DAB multiplex in the first place;

2.3.2 The potential negative impact of declining audio quality and/or mono only broadcasts on listenership.

	<p>2.3. 3. The potential for widely varying audio quality between individual multiplexes, since, without minimum required standards, this parameter will be decided solely on the policy of those running each individual multiplex service.</p> <p>2.4 In point 4.27 we strongly agree with Ofcom's proposal to set a minimum bit rate for C-DSP services, which will protect reserved capacity C-DSP licence holders from this problem, and we also agree the suitability of a baseline 48kbit/s DAB+ format. However we note with some concern that no requirement for C-DSP services to be delivered in stereo is contained in the proposal.</p> <p>2.5 We believe it important that "small" in this overall context should not automatically heighten the risk of poor audio quality, and wish to suggest Ofcom considers the possibility of extending the C-DSP "base" bit rate requirement to all services carried by individual SS-DAB multiplexes in non-emergency situations - and also perhaps considers defining a maximum number of DAB+ services that can be carried. We think there may also be merit in defining those situations (through type of content being broadcast or type of DSP licence held) where mono-only services are acceptable.</p> <p>2.6 An overriding concern is that without some regulatory intervention in terms of baseline transmission characteristics, non C-DSP carriage contracts could be written in a way that would allow operators to alter such characteristics without service providers having meaningful recourse to stop an unwanted decline in their service's audio quality.</p>
<p>Question 3: Do you agree with Ofcom's proposed approach to setting the level of reserved capacity for C-DSP services on small-scale radio multiplex services?</p>	<p>Confidential? – N</p> <ul style="list-style-type: none"> We agree in general, but with some reservations on specifics. Please see our response above to Question 2. We also see some unanswered questions running through points 4.11, 4.12, 4.13 and 4.14.

3.1 We are concerned to see no mention of any regulatory measures aimed at sustaining the programme services provided by those C-DSP and SS-DSP licensees taking carriage through an SS-DAB MPX in the event of some key operator default situations, amongst them....

3.1.1. A multiplex operator choosing not to accept licence renewal when available;

3.1.2. A multiplex operator choosing to surrender a licence part way through a term;

3.1.3. A multiplex operator failing financially midway through a licence term;

3.1.4. An application for renewal being disallowed.

3.2 We wonder if Ofcom intends to make any provision to sustain groups of C-DSP and DSP services if circumstances of this nature arise.

3.3 Paragraph 4.13 mentions "Unmet demand for capacity from C-DSP services in the area." We have considered at some length how Ofcom would equitably determine whether adding more such services might "undermine the viability of the multiplex" - which is being operated and financed by a private company. We wondered if Ofcom might be intending to enshrine within SS-DAB MPX licences the right to proscribe adding more C-DSP services to any multiplex during a licence lifetime, or introduce it as a licence renewal condition - even though the licensee involved could demonstrate it would impact negatively on finances and/or be financially unsustainable.

3.3.1 In brief, our appraisal was...

Multiplexes have finite capacity, and adding C-DSP channel capacity must reduce space for "ordinary" DSP services - capable of raising higher revenue.- or potentially involve reductions in non- C-DSP licensees'

audio quality to accommodate the same number of such channels. (See also our response to Question 2 above.) Noting the statement in 4.28 (see also below) regarding reserved but unused C-DSP capacity deliberately lying idle - and thus producing zero revenue - it seems that overall, more reserved channels - in use or not - must negatively impact on a multiplex's ability to deliver revenue to achieve and maintain viability.

3.3.2 Though we may have misinterpreted Ofcom's overall intentions here through lack of detail, we find it difficult to support an approach suggesting a summary increase in C-DSP channel requirements at any stage, which would or might...

(a) reduce the ability of an SS-DAB MPX to maintain a viability level which it had previously been able to achieve, or

(b) increase the possibility of audio quality reductions being necessary for existing and future non- C-DSP licensees.

3.4 We do not disagree with the intention of Ofcom outlined in 4.15 and 4.16 to limit the period between award and on-air dates to 18 months "*...in the interests of efficient use of spectrum.*". However we are unclear why Ofcom apparently intends (in paragraph 4.28) to hold reserved C-DSP spectrum available but completely unused in potentially large numbers of SS-DAB multiplexes for indefinite periods. This seems to us to be the exact opposite of "efficient use of spectrum..."

3.5 Ofcom is uniquely placed to know exactly when any new Community service is licensed, and its plans for going on air - as well as whether and when it proposes to use C-DSP capacity - all many months before it will be required.

3.6 Against this background we feel that any vacant spectrum as described in 4.28 could

	<p>usefully be utilised for Ofcom-licensed month-long Digital RSL's for instance, or perhaps shorter term local "pop-up" digital stations - with such services being cleared through licence termination long before availability of that "reserved" spectrum for a new C-DSP operator is needed. Carriage of such temporary services could provide useful revenue for a small scale multiplex operator, as well as helping to build new audiences for digital radio and providing a convenient route in the digital age for continuing access to the very long established "trial format stations" tradition so successful with FM RSL's in the past.</p>
<p>Question 4: Do you agree with the factors we are proposing to take into account of in deciding the order and timescale in which Ofcom will advertise small-scale radio multiplex licences?</p>	<p>Confidential? – N</p> <ul style="list-style-type: none"> • We agree with these proposals in general, though we are unsure about the logic in prioritising areas with full local multiplexes to be first recipients of new Small Scale Multiplexes. <p>4.1 If an area has a Local multiplex which is full to capacity, that area is already likely to have more digital services than are available in most of the non-macro polygons shown in Appendix A1. It follows from this that rather than adding further (small scale, limited reach) capacity to an already very busy digital landscape - likely by definition to be serving the most populous areas - a case could be made for those areas with the <i>lowest</i> number of "local" digital services to be targeted to receive SS-DAB services first.</p> <p>4.2 We suggest that, rather than super-serving an area with considerable digital choice already - which may lead to digital audience fragmentation rather than real audience growth - the opposite approach would deliver the more positive benefit of usefully widening digital choice for the greatest number of presently underserved potential listeners.</p>

Question 5: Do you agree with our proposed approach for assessing the technical plans submitted in small-scale radio multiplex licence applications?

Confidential? - N

- The content of paragraphs 5.16 to 5.31 indicates that SS-MPX licence applications will involve more work than simple form filling. Given the technical background involved we do not see how this could be avoided. We generally agree with the approach outlined. However...

5.1 We are slightly nervous about the likely costs and tight timescale in providing the requested detailed technical information for aspects of the proposed application process. Our initial impression is that the level of engineering expertise required, and technical work involved in putting together an adequately researched application - and the costs related to this work - on a very tight timetable - may tend to discourage new entrants into the field. In turn this reluctance could lead to a slow start-up of the new network.

5.2 We feel that the suggested 12 week application window may not be sufficient, and such heavy time pressures could significantly raise prices for some of the specialist work involved - if demand is high. The amount of qualified technical expertise likely to be required to provide the core information involved in assembling an application as outlined is distinctly finite.

Question 6: Do you agree with our proposed approach for assessing the ability of applicants to establish their proposed small-scale radio multiplex service?

Confidential? – N

- We agree with the suggested general approach. However we do think the issues here extend further than simply assessing the ability/competence of applicants to establish an SS-DAB multiplex. Clearly this ability is vital, but we think it also important to assess the ability and intentions of applicants to also commit to adequate maintenance

of the service they will be licensed to provide - in both breakdown and emergency situations.

6.1 For stations being carried, especially those choosing to operate a digital-only service - if "their" multiplex is off air, they will be completely deprived of the ability to broadcast, and thus to generate revenue, for as long as the outage lasts. Established C-DSP stations and legacy commercial licensees may well have an FM service which will continue, an option unavailable to "ordinary" SS-DAB programme service providers, but all will be paying for the digital carriage of their programming.

6.2 We anticipate that most such "off air" periods are likely to be short. However the potential revenue and programming loss issues associated with longer breaks calls into question the adequacy and timeliness of both response and backup arrangements for a diverse range of equipment and services directly involved in, or immediately peripheral to, the provision of an SS-DAB multiplex. This list is wide ranging, and will inevitably involve services not under the direct control of an SS-MPX licensee. We will be happy to discuss and expand on the details of issues here with Ofcom if required.

6.3 Provision of adequate response and backup arrangements could be critical given the number or combination of services that might be affected at any one time. We were rather surprised to see no mention of this topic in the Ofcom paper, and feel it important that some sort of contractual "safety net" is considered, incumbent upon all SS DAB multiplex licensees, requiring provision and maintenance of service availability for better than x % of the time, and for the provision of adequate back-up/service restoration - within certain defined parameters commensurate with professional broadcast standards.

On other related issues...

6.4 In section 5.32 we readily accept that

	<p>Ofcom will wish to satisfy itself about various parameters involved in establishing an SS multiplex service, and agree that adequate technical planning will be necessary.</p> <p>6.5 We are less clear as to why Ofcom might require full details of such things as the identity of key staff involved, and information on the experience, qualifications and expertise of technical personnel and contractors. We find these rather curious requirements, reminiscent of arcane demands made - with no clear reason, or obvious benefits - by both the Independent Broadcasting Authority and the Radio Authority in years gone by.</p>
<p>Question 7: Should Ofcom require that the studio of a C-DSP licensee be located within the coverage area of the small-scale radio multiplex service it plans to broadcast on? Please explain the reasons for your view.</p>	<p>Confidential? – N</p> <ul style="list-style-type: none"> • We support the general concept of programming originating in the area where it is broadcast, which we believe is one of the cornerstones of a genuinely local radio service, irrespective of any specific licence conditions. However this section raises a number of related issues, discussed below: <p>7.1 The situation outlined in pars 6.30 and 6.31 suggests that effectively unlimited combinations of C-DSP licenses might be obtainable, to provide "Community style" services on any available small scale multiplex nationwide. We have no objection to this general approach, though it seems to us that requirements similar to FM community licences for "in area" social gain, accountability and opportunities for participation are likely to effectively discourage C-DSP licensees from seeking to operate community digital services outside their "home" area. We feel, through experience stretching back to the very start of the Community radio licensing regime, that for the bulk of licensees, the necessary human, technical and financial resources likely to be required to establish, maintain and staff studio</p>

facilities, provide necessary financial reporting - and arrange full compliance with individual sets of key commitments in additional SS-DAB MPX areas - will probably be beyond most stations' available resources.

7.2. The ready availability of multiple non-community, alternative-area SS DAB MPX licences may however promote take-up of these much less restrictive licences by existing analogue Community licensees. We can envisage a situation where an existing community service sees a potentially wider audience appeal than in its existing licensed (small) FM area alone. Though clearly the carriage costs on one or more non-community SS-DAB MPX will be a major consideration, the service could be made available to a wider audience by this method without necessitating any "out of area" studio and staffing investments - and, importantly from a listener perspective, it would widen choice, and bring new talent to air in new places across the network.

7.3. We welcome the suggestions of a less restrictive and more flexible licensing regime as outlined in paragraphs 6.10 and 6.11.

7.4. Whilst again we have no objection to the principle outlined, we are less convinced about the extent of advantages resulting from paragraphs 6.8 and 6.9. Though wider (and possibly much wider) programming coverage would be possible, with an alternative studio centre perhaps desirable in some circumstances, we feel the limitations imposed by continuing under a C-DSP licence, while facing the higher carriage costs involved, would probably outweigh any real benefits derived from C-DSP stations' appearance on established "local" multiplexes.

7.5. In summary, the various possible operational and financial scenarios outlined are quite complex to analyse, and raise a number of interesting issues. We think take-up of the

	<p>possible alternatives will depend on the exact terms contained in the licences eventually offered. On balance we see no great objection to requiring a C-DSP service provider's studio to be located in the area where its service will be carried, since no changes to the licensing structure are proposed to provide either incentives or encouragement for other locations to be considered.</p>
<p>Question 8: We propose that holders of corresponding analogue community radio and DSP licences apportion their income equally across their licences, unless there are compelling reasons why a different apportionment is reasonable. Do you agree with our suggested approach?</p>	<p>Confidential? – N</p> <ul style="list-style-type: none"> • We can't agree with the full approach as stated - if it is intended to apply generally to community licensees wishing to add SS-DAB output to an existing analogue service. <p>8.1 Paragraph 6.32 suggests that the current general income requirements applicable to existing community stations will continue. Though not specifically mentioned, we assume this will include the additional restrictions relating to those operating within the broadcast area of local commercial FM stations.</p> <p>8.2 In paragraph 6.33 our big concern relates to funding of the initial and ongoing costs associated with the licensing, provision, connection and continuance of an SS DAB service, some key aspects of which will be variable in nature. These costs will of course be in addition to those budgeted for an existing analogue transmission system. Moreover, upward pressure on some of these new costs over time will not be controllable by licensees. Thus new funds must be found and consolidated by operators already working under strict financial limitations, which paragraph 6.32 notes will continue. Meanwhile 6.33 appears to offer no leeway whatsoever on possibilities for increasing incoming funding to cover any such additional costs.</p> <p>8.3 We do not think it reasonable to expect already hard pressed community radio</p>

	<p>operators to cover the extra costs associated with adding commercially provided SS-DAB broadcasting facilities - while staying within financial constraints designed and intended for a single analogue service.</p> <p>8.4 It seems to us that without additional financial headroom to deliver a new C-DSP service, astute community radio operators may well place financial prudence to sustain their established FM operation ahead of ambitions to provide the same programming digitally. This lack of financial "room to manoeuvre" will be even more relevant in areas where Community licence holders face more revenue restrictions because they operate within the broadcast area of local commercial FM stations.</p> <p>8.5 Our view is that more flexibility is needed in this area. This will allow those keen to benefit from the introduction of SS-DAB to seize the opportunity to move into the digital age without ever-present background pressures over how to continue maintaining the status quo - while also adequately financing the new service.</p> <p>8.6 We agree with the general concept in paragraph 6.34, and the logic of paragraph 6.35. Mindful of the fact that finely balanced community operator budgets could be tipped over the edge by additional costs associated with non-community DSP licences, on apportionment we also agree that flexibility beyond the suggested 50/50 revenue split will definitely be desirable for those wishing to follow that route.</p>
<p>Question 9: Do you agree with our proposal that a prospective C-DSP service provider will be able to apply for a C-DSP licence once we have invited applications for the small-scale radio multiplex licence upon which their proposed C-DSP service is intended to be provided?</p>	<p>Confidential? – N</p> <ul style="list-style-type: none"> • We see unanswered questions in paragraph 7.1 over a mismatch between the proposed unlimited numbers and open-ended nature of C-DSP licences, versus the present fixed and more formal "limited-term-then-renewal" structure of equivalent analogue community licences - over

which some quite separate questions presently remain unresolved.

9.1 We agree with the general logic of the process as indicated in pars 7.3 to 7.6. Looking ahead, if licences are available as outlined in pars 7.4 and 7.5, we wonder about orderly control of the way in which C-DSP licence holders then gain access to reserved channels on their preferred SS-DAB multiplex - if it is not available and allocated following licence award.

9.2 Though we have some distinct reservations about the proposed mechanism involved (see this paper, paragraph 3.3) We acknowledge that Ofcom will seek to manage available reserved channel allocations to cater for C-DSP demand as far as possible by area. However, we believe a case may be made from the start of licence awards for regulator-compiled, publicly available, "waiting lists for reserved access by multiplex area." As an alternative, something similar could perhaps be required of individual SS-DAB multiplex licence holders. Overall we feel it important that, given the potentially unlimited licence numbers in issue - not all of which will be active - and the inevitable modest turnover of C-DSP licensees on air over time, the C-DSP access process should operate on a fully transparent, queued, first applicant - first served principle, rather than turning into something akin to a closed lottery, open to accusations of favouritism and unfairness.

Submission from Moss Media ends

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