

Ofcom Advisory Committee for Wales Response to Ofcom Consultation: Licensing Small-Scale DAB

Introduction

Members of the Ofcom Advisory Committee for Wales (ACW) are pleased to see these new proposals for small-scale low-cost Digital Audio Broadcasting (DAB) services. These developments are very welcome as it will provide new opportunities for small commercial and community radio stations across most of Wales on the DAB platform. This is particularly welcome given the recent reductions in local originated output made by some of Wales largest commercial stations and these new proposals could help to re-energise and stimulate a more vibrant and diverse radio market in Wales.

There are high costs associated with conventional DAB transmission which until recently has meant that migration to this platform has generally been beyond the reach of smaller commercial and community stations in Wales, even for carriage on local commercial multiplexes. The ACW therefore welcomed the UK Government's proposals, (following the passing of the 2017 Broadcasting Radio Multiplex Service Act) expressed in the DCMS policy document on small-scale DAB licensing published in October 2018, for a new framework for low-cost small-scale DAB licensing, which also included proposals that spectrum be reserved for community digital sound programme services 'C-DSPs', (a principle subsequently established in the 2019 Small-Scale Radio Multiplex and Community Digital Radio Order).

We believe that low cost small-scale DAB transmission technology developed by Ofcom engineers combined with the provision of reserved capacity for a minimum of three community radio stations, offer an affordable and sustainable up-grade path for smaller analogue commercial stations and community radio services both in Wales and the rest of the UK.

We note that, taking account of the 17 polygon areas proposed for Wales (which are small-scale DAB multiplex coverage areas) these proposals offer capacity for around 40-50 new digital community radio services to be broadcast in Wales, subject to the capacity restrictions noted in some of Wales border areas, in which the polygons form part of macro regions. Taken along with the additional capacity also provided for new smaller commercial radio services, these proposals potentially offer a very welcome increase in the range and diversity of radio stations available for listeners in Wales.

We agree with Ofcom's proposed ownership restrictions that are aimed at avoiding a concentration of ownership. Owners of UK-wide multiplexes or radio services should be restricted from owning small-scale multiplexes outright, but that a cap of 30% enables UK commercial broadcasters and multiplex operators to have a limited involvement with small-scale multiplexes, which could support the financial sustainability of the sector.

Responses to the Consultation Questions:

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?

Members of the Advisory Committee for Wales (ACW) noted a significant level of interest, last November, when Ofcom received expressions of interest from around 18 prospective small-scale

multiplex operators and/or programme service providers based in Wales. We therefore agree with Ofcom's reasons for why it is appropriate to provide spectrum for small-scale DAB multiplexes.

We note that Ofcom will generally try to ensure that the transmission areas covered by each Polygon do not exceed 40% of the population coverage of local DAB multiplexes, reflecting the requirements of the 2019 Order. However, we welcome Ofcom's proposed flexible approach in relation to this requirement so as, for example, not to undermine the editorial appropriateness of an area to be covered by a small-scale DAB multiplex or to avoid creating artificial divisions in coverage areas. In relation Ofcom's proposed polygon areas, we note that generally these take account of the geographical areas related to the original expressions of interest.

However, we note some geographic/community anomalies in the proposed coverage areas for some polygons in west Wales. While on one hand, many of the proposed polygon areas in south Wales map onto solid, definable town areas such as Llanelli, Swansea, Bridgend, Cardiff, Newport/Chepstow, Brecon, Valleys, Monmouth. But we believe there is an anomaly in the south-west - we do not believe that Carmarthen should be included within the South Pembrokeshire polygon. Currently the town is linked to Pembroke and Haverfordwest under these proposals, while we believe it would be more appropriate from a linguistic and cultural point of view for Carmarthen to be linked to communities of Llandeilo and Lampeter. Similarly, we note that the Llanelli polygon includes the Gower, which makes some sense from the point of view of the existing coverage of Scarlet FM, but we believe that it would be more appropriate for Gower to be grouped with Swansea. We would therefore be grateful to obtain clarification from Ofcom as to the basis for the creation of these polygon areas – is it the result of engineering planning constraints or have these decisions been driven by other policy considerations?

We note that some areas of mid and north west Wales, in Gwynedd and Ceredigion, will not be licensed as no expressions of interest were received from these areas. However, we hope that, where demand arises and where applications are economically viable, services will be able to develop in these areas in future.

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 note Ofcom's proposal to require DAB+ transmission for the new small-scale multiplexes. This newer technology can offer improved sound quality or can enable more efficient use of multiplex capacity, so that a greater number of services can be carried compared to the older DAB standard. However, we are concerned, as noted by Ofcom, that some older DAB radios will not be capable of receiving DAB+ transmissions. Historically, take-up of DAB radios has been lower in Wales and has generally lagged-behind take-up in other parts of the UK. According to the 2019 Media Nation 57% of adults in Wales own a DAB radio compared to the UK average of 67%. Consequently, the lower penetration of DAB sets in Wales could mean that, to some extent, there will be less of a problem with DAB+ compatibility, as there will be a lower number of older legacy DAB sets already in use in Wales. Until now there has been no incentive for community radio listeners to buy a DAB set and new equipment will be generally compatible with DAB+.

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?

In our view, establishing such reserved capacity for community services is vital as without it there would be no incentive for radio broadcasters to take on the additional social gain regulatory requirements imposed through the proposed C-DSP licences, which are effectively the same as those required by the current analogue community radio licenses. The provision of capacity for a minimum of three to four C-DSP licensed services (based on the factors regarding a minimum 48 kbit/s bit rate requirement set out in section 4.27 of the consultation document) appears to us to strike the correct balance between the need to accommodate a suitable range of community radio services and provide sufficient capacity to carry commercial services that would ensure that the multiplexes are financially viable. We agree that operators of small-scale DAB multiplexes should be required to ensure that community radio applicants actually hold C-DSP licences in order to qualify for carriage within the reserved capacity. We also note and agree with Ofcom's provisions to reduce the amount of reserved spectrum, as set out in 4.30, where the reserved capacity remains unused after three years and the licensee has taken all reasonable steps to identify parties interested in using the reserved spectrum.

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?

We are concerned that listeners in Wales could lose out initially in terms of timing of multiplex awards and roll-out because of Ofcom's proposed policy to give priority to the original small-scale DAB trial areas. Unfortunately, no small-scale DAB trials were held in Wales and we therefore hope that this factor will not unduly delay the roll-out of small-scale DAB services.

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

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

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.

In our view, it is essential for studio premises for a C-DSP licensee to be located within the small-scale multiplex coverage area for which it has carriage. The requirement for a C-DSP licensee to provide social gain in relation to its target community and provide opportunities for members of that community to participate in the operation and content of the station in our view means that the station would have to be located within the geographic area of the target community.

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?

Yes. If this requirement did not exist, then in our view there would be a reduced incentive to apply for a C-DSP licence.

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?

ACW
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