

## Consultation 2/2024: Consultation on Arqiva's Regulatory Accounts

Multiplex Broadcasting Services N.I. Ltd. (Nimux) welcomes the opportunity to respond to the above consultation document from the Office of The Adjudicator Broadcast Transmission Services.

### Introduction

Nimux is a joint venture company set up by RTÉ and TG4 on foot of the provisions of the Belfast and St. Andrews Agreements and the Memorandum of Understanding between the UK and Irish Governments. The company is registered in Northern Ireland. It was set up to hold a Wireless Telegraphy licence from Ofcom which enables it to operate a small multiplex within Northern Ireland to facilitate the delivery of RTÉ and TG4 television services throughout the territory. Nimux has no assets or employees. It has a multiplex, distribution and transmission agreement with Arqiva to facilitate the delivery of RTÉ and TG4 services to viewers with Northern Ireland on a free-to-air basis. Arqiva's fees and other costs are funded by RTÉ on its own behalf, and by DCMS on behalf of TG4.

### Consultation Questions

Nimux has reviewed the Consultation Document and addresses the Consultation Questions as follows:

- 1. How often does someone in your business or organisation read and analyse Arqiva's Regulatory Accounts and the supporting information? What purposes are they used for?** Nimux examined Arqiva's annual reports, including the regulated accounts, as part of its due diligence prior to selecting Arqiva as its Managed Transmission Service provider in 2012. Once the initial carriage agreement was executed, Nimux has had no reason to review Arqiva's regulatory accounts on an ongoing basis as this doesn't impact the terms of the carriage agreement.
- 2. How useful are the Regulatory Accounts for your business or organisation?** As Nimux has an existing Carriage Agreement with Arqiva, the Regulatory Accounts are no longer of primary importance to the operation of the multiplex. Nimux takes comfort from the existence of "step in" rights in the event Arqiva becomes insolvent or otherwise unable to continue as the transmission operator.
- 3. In the current format, how clear and easy to understand is the financial information? How easy is it to track year-on-year changes and identify trends?** At present, the Accounts provide minimal detail. They could provide a lot more detail and, it would be useful to have ready visibility of changes over time.
- 4. Is there additional information would you like to see and if so, why? Could some information be dropped and, if so, why?** As Arqiva is a monopolist in terms of the provision of television transmission services (it holds the only internationally coordinated sites in the UK), there should be a greater level of transparency so that broadcast customers, viewers and licence payers have greater visibility as to how Arqiva is utilising carriage fees and the level of profit it deriving from its monopoly.
- 5. Do you encounter any difficulties in navigating or understanding the documents? Do you have views about whether an alternative format or way to present the information would help enhance their usability?** Greater detail would be useful, but we have no further comment on this question.

6. **If a stakeholder has questions arising from the Regulatory Accounts, is it clear how to get answers?** Have you any experience of how well the process for follow-up works? It is not terribly clear as to how the clarification process works and Nimux no experience of seeking clarification in this regard.
7. **In your opinion, which of the options in Section 2, i.e. a), b), c) or d), most closely reflects your views and why?** Nimux is of the view that 2 c) is the best way forward. Arqiva should continue to be compelled to provide accounting information relating to the Undertakings. It was a condition of the original merger that detailed accounts should continue to be provided from June 2009. It is a cost of doing business and should still be borne by Arqiva. Greater detail should be provided as there is no market mechanism in situ to generate competition in the broadcast transmission market and reduce costs. Greater financial transparency is the only tool available to Arqiva customers to ensure Arqiva controls its costs and the resulting tariffs.
8. **Are there new tools or technologies that could be adopted to improve the transparency, usability or usefulness of the Regulatory Accounts?** Nimux has no comment on this question at this time.
9. **Are there other regulatory accounts which you regard as examples of best practice and what do you regard as their strengths in the context of the Arqiva regulated businesses?** Nimux has no comment on this question at this time.
10. **Bearing in mind the resources needed to produce Regulatory Accounts, do you think there is still a need for Arqiva to produce them in some form?** Yes. The production of these accounts was an obligation accepted by Arqiva as part of the Undertakings. Nothing has changed since then so the obligation must remain.
11. **Are there other views, in areas not covered by the previous ten questions, which you believe are relevant to this consultation?** Nimux has nothing further to add in this regard.