

2nd Review of Public Service TV Broadcasting – Terms of Reference

Comments from Information TV Ltd

I have only just realised that the deadline for comments on your forthcoming review has passed. We have been active participants in various facets of the PSB debate, and it was my intention to submit a response to the "Terms of Reference" document. Pressure of other work however caused me to overlook the deadline.

I may be too late, but I hope that this short note might still have some influence on your preparations for the 2nd Review.

Even since Ofcom engaged with this topic, much has changed. The debate itself has moved around, variously focussing on areas like Channel 4 funding, the BBC and Licence Funding, Production quotas, the Public Service Publisher proposition, and so on. Further, the development of digital television has led to change in what the public expects, and in what they know, and feel, is possible.

Ofcom has rightly recognised that the scope of the Review must be extended to include "other" audio visual services already launched or in development, and has suggested that the review should focus on *content* rather than purely *broadcasting*. We agree.

We do however feel that it is important to re-define precisely what PSB is, and should be, going forward. We have concerns that the start point for the Review is the assumption that PSB "is" what it has become in recent years, with the following characteristics:

1. A combination of funding (direct and indirect) for traditional large broadcasters and production companies in the historically Analog-based structure of TV broadcasting
2. Various forms of intervention (by financial and regulatory means) to achieve a range of PSB "objectives"
3. A primary driver of debate and policy around the BBC and Licence Funding

...and to which is now being added:

4. Various areas of recognition of the development of, and convergence of, digital media

It seems to us that these areas and the many issues involved, whilst of great concern to all the stakeholders, are not necessarily pillars of a PSB policy for the future. **There is a danger that conclusions around key issues of structure in digital media could be distorted by being considered as core "PSB" elements.**

The original notion of PSB reflected the privilege of access to scarce spectrum for *distribution*, and coupled this with obligations on *content*, in order to achieve important *purposes* which would otherwise fail. PSB policy was, in effect, implemented by way of public subsidy, provided via a range of interventions.

But if one considers the *Purposes* of PSB, as listed in Ofcom's paper (after Para 1.14) it surely has to be recognised that all of the listed purposes are, today, being fully delivered, via the collective output of the hundreds of DTV broadcasters and digital media. Further, the *Characteristics* listed in the same table are largely subjective, and highly variable according to the particular niche audience or demographic being addressed.

We therefore feel that it is crucial that, contrary to Ofcom's assertion in Para 1.15, the historic framework is no longer appropriate. We believe that it is vital to re-examine the basic principles underpinning the notion of PSB, and first address the questions:

1. What *purposes* are required of PSB – that will not otherwise be delivered anyway?
2. Are *characteristics* like "quality" and "original" valid as PSB purposes?
3. Does *content* actually require intervention or subsidy?
4. What interventions, if any, are required to ensure adequate *distribution*?

5. Will intervention and/or subsidy under a “PSB” guise have implications for the continued high growth of the convergent multiple-media industries in the UK?
6. What are the implications for the PSB notion, arising from emerging forms of business model in an age of convergent digital media?

Ofcom may argue that the intended scope and remit will address all these points. We do not doubt this – our argument is that it is vital to ensure that this is done in the right *context*. For example, there may well be arguments for intervention in the provision of HD on DTT; but this would seem to have little to do with any possible PSB purposes. Our fear is that such decisions would be based on wrong (pseudo-PSB) justifications.

We are enthusiastic about Ofcom’s “Public Service Publisher” proposition. Indeed, we would argue that our own business – Information TV – is in fact an early-stage Public Service Publisher; and one operating commercially, with no subsidy. (And we do not claim to be unique). Our original mission statement was one of being a Public Service Narrowcaster – on a new business model, enabled by technology developments.

We believe that we can demonstrate that PSB purchases can be successfully delivered – even in areas not properly served by traditional Public Service Broadcasters – without explicit intervention. Witness, for example, our **VeeSee TV** microchannel, providing programmes by and for the deaf community, and operating in conjunction with a private organisation set up by a group which had become frustrated by the almost complete ignoring, by traditional PSB broadcasters, of a huge niche audience (the Deaf).

Our approach – and again, we are not alone – is one which in a sense goes back to the original benefits of TV: *To Inform, to Educate and To Entertain*. It is our belief that *all* of these are important, and deliverable, as the essence of PSB purpose. Yet for the last 20 years or so, most focus by broadcasters has been only on the last element.

Finally, we suggest that many industry experts share our view that the major innovative developments in TV and multiple-media are arising from *the long tail* – the large number of *small* innovators who are taking advantage of the ability to build new types of business, on radically different commercial models. They are not fettered by the millstone of mass-audience focus which bedevils the largest broadcasters; a notion which is demonstrably struggling when the digital era gives us so much choice.

We therefore fervently hope that Ofcom will spend an appropriate amount of effort in ensuring that its review of PSB has a sound context, and *not* one primarily oriented towards the “problems” of a small number of large, traditional Public Service Broadcasters.

We look forward to participating fully in the forthcoming Review.

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