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Dear Alex,

The BBC Trust's Draft Distribution Framework for BBC Services and Content

We welcome the Trust's review of the Distribution Framework for BBC services and content and the opportunities for parties to contribute to the development of the Framework.

Ofcom has a principal duty to further the interests of citizens (i.e. all members of the public in the United Kingdom) in relation to communications matters; and to further the interests of consumers in relevant markets, where appropriate by promoting competition. One of the matters Ofcom has regard to in this context is promoting the fulfilment of public service broadcasting (PSB), which we may need to balance with considerations concerning the promotion of competition. The objectives of promoting competition, and maintaining and strengthening the PSB system are different, and whilst often aligned, this may not always be the case.

The PSB system is designed to secure economic, social and cultural benefits, such as the delivery of high quality, impartial news at UK-wide, national and regional levels. This ensures that broader social objectives are met, which might otherwise not be delivered through competition alone.

The benefits of competition to consumers are widely recognised. Effective competition encourages innovation and delivers increased choice and quality to consumers. With the ongoing development of video on-demand (VOD) services, it is important to recognise the potential for third parties to innovate in providing services to consumers and the role that competition between third parties plays in driving innovation in service delivery. Given the importance and popularity of the BBC's content, access to it could be a key factor in this process. The development of VOD services is also critically dependent on the ability of content providers to gain access to viewers – for example, if platform operators are able to

act as a gateway. We are currently considering this issue in our work on access to on-demand services on TV platforms.¹

Ofcom published its third PSB review on 2 July 2015, which addressed many issues directly relevant to the Trust's consultation.² In particular we noted that new platforms are emerging and the ways in which content is distributed are becoming more complex with audience behaviour changing as a result. Nonetheless, it remains important that public service content should be universally available, easily accessible on systems that viewers use, and prominent for ease of selection. As a result, distribution of PSB content across this increasingly diverse range of platforms is key to the maintenance of the PSB system.

We also noted the importance of the BBC's on-demand content syndication policy in our Market Impact Assessment (MIA) in relation to proposed changes to BBC Three, BBC iPlayer, BBC One and CBBC.³ The terms upon which platforms can access and integrate BBC on-demand content is likely to grow in importance. The BBC's approach to on-demand content distribution has generally meant standard BBC iPlayer "over the top" (OTT) applications serving as a gateway to BBC content, rather than bespoke solutions integrated into each platform. This is clearly beneficial to the BBC in protecting its brand and managing its costs, though it may run the risk that BBC content is not fully integrated into these platforms, making it more difficult for some users to discover BBC content and to navigate between BBC and other content. It is important that commercial platforms are not unfairly disadvantaged by the way in which the BBC makes its content available.

We therefore welcome the Trust's timely review of this key area given the rapid technology development and innovation in user interfaces. It offers the opportunity to ensure that a clear Framework is in place to provide the flexibility to balance the objectives of maintaining and strengthening the PSB system whilst recognising the benefits that can be delivered by competition, in order to deliver positive outcomes for viewers.

Yours sincerely,



Jonathan Oxley

¹ Ofcom published terms of references for this project on 17 March, 2015. http://stakeholders.ofcom.org.uk/binaries/consultations/sky-access-control/statement/Terms_of_Reference.pdf

² <http://stakeholders.ofcom.org.uk/consultations/psb-review-3/statement/>

³ http://stakeholders.ofcom.org.uk/binaries/research/tv-research/bbc-mias/market_impact_assessment_report.pdf