



**UK MUSIC'S RESPONSE TO OFCOM'S SECOND PUBLIC SERVICE
BROADCASTING REVIEW
PHASE 2: PREPARING FOR THE DIGITAL FUTURE
DECEMBER 4TH 2008**

1. UK Music is an umbrella organisation representing the collective interests of the UK's commercial music industry, from artists, musicians, songwriters and composers, to major and independent record labels, music managers, music publishers, studio producers and collecting societies.
2. Ofcom's analysis of commercial public service broadcasting (PSB) shows current funding arrangements will not be sufficient to sustain levels of provision up to and beyond the completion of digital switchover in 2012.
3. Ofcom is asking what the model for public service content provision beyond the BBC should be and what the funding model should look like given the unsustainability of the current model before 2012.
4. As long as the BBC's commitment to music is not diluted and public service obligations, however formed, to other providers include a commitment to using UK originated talent and British music in programming and content then UK Music would be supportive of future proposals subject to consultation.
5. Further, for the crossover period, it is far preferable to maintain PSB requirements than allow commercial public service broadcasters to leave the PSB tent altogether.
6. Public service broadcasting has a huge influence on the UK's music industry, the UK's creative industries generally, and our reputation abroad.
7. Of the PSBs, the BBC has the biggest and most positive impact on UK's creative sector. It is a promoter of British musical talent and a broadcaster of music. It is a direct commissioner of new music, a right holder and an initiator of projects and events promoting musical talent.
8. The BBC is a key artery to the heart of British music, and we ask that there is no dilution of BBC obligations to music at any point up to and beyond the 2012 switchover period.

9. It is in the interests of British artists, composers and songwriters, record companies and music publishers that there continues to be high quality music programming with inventive and extensive use of British music both on traditional and new platforms with as much diversity as is sustainable with respect to genre.
10. The compelling argument for a strong alternative public service provision to complement the BBC is the maintenance of quality UK programming showcasing British talent and British music across all the public service broadcasting channels.
11. The negative trend of music in public service broadcasting over the past 5-10 years, with declining music-based programming and fewer commissions of original music may be reversed or at least stalled by keeping a strong public service broadcasting infrastructure alive and buoyant.
12. Crucially, in period of digital switchover, our commercial public service broadcasters will be crucial for laying ground-rules on programming, production and quality.
13. Audiences will follow good programming and production, and more importantly for UK Music, other broadcasters will look to our commercial public service broadcasters to set a benchmark on standards in programming and production.
14. Commitments imposed under public service licence will serve this transition and the UK music world well if they can be financially maintained.

FUTURE STRUCTURE

15. Earlier this year Ofcom set out four ways that PSB could develop in the UK from 2011. One of those ways - that the BBC becomes the sole provider of PSB content - has now, thankfully, been discarded. That leaves three refined models under consideration.
16. In as far as the obligations of the Evolution model are commercially viable to ITV (and Channel 5), UK Music would argue that maintaining BBC, ITV1, Channel 4 and 5 public service broadcasting obligations would be preferable in the run up and period through digital switchover.
17. If ITV (and Channel 5) find such obligations unsustainable then we could support next the BBC/Channel 4 Model.
18. Continued public service content provision for commercial broadcasters must rely on a supportable funding framework coupled with the freedom to compete post analogue switch-off.

FUTURE FUNDING

19. Talk of using industry levies to fund public service broadcasting should be clear so that the intended levies do not interfere with other levy systems designed to benefit the right holder, as in Europe (for example any charge on manufacturers of copying devices).

20. The beneficiary of any proposed levy system should be the creator or the right holders.
21. Whatever funding model is considered, it must not diminish the BBC's programming budget.
22. Much of the work in determining a new funding model will be determined by the public's willingness to pay a licence fee for services that are increasingly "free" to consume.

CONCLUSION

23. As we say previously, as long as the BBC's commitment to music is not diluted and public service obligations, however formed, to other providers include a commitment to using UK originated talent and British music in programming and content then UK Music would be supportive of future proposals subject to consultation.
24. The maintenance of public service broadcasting commitments for commercial broadcasters will serve British musical talent and standards better than without them, though we appreciate that UK Music is not in a position to offer commercial broadcasters advice on how they should run their businesses.
25. We readily acknowledge the disruption brought on by the growth in digitisation and the increasing pressure currently placed on traditional funding models. This disruption is felt keenly in many industries, including music.
26. Balancing public service commitments against these pressures will be difficult but crucial to Britain's creative industries, our musical talent and our future.

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