

Dear Mr. Purvis,

I ii I understand that Ofcom are looking into the ITV/GMTV position regarding morning TV.

4. I am chairman of The Character Group plc and our company has consistently been one of the top four toy TV advertisers in the UK over many years and quite frankly your proposal to give the GMTV broadcasting to ITV fills me with trepidation.
5. I intend to go into precise reasoning why Ofcom should leave the status quo alone but my gut reaction is to ask why you would interfere with a system that works for the benefit of both the public and the advertisers and grant ITV a monopoly position .They (ITV)have even admitted that GMTV does a better job for childrens programming and advertising revenue than ITV can do itself. (Why would they have left alone the advertising and programming to GMTV over the recent years when they had control over GMTV.)
6. My logic is based on the following :
 1. Since the inception of Breakfast Television the Toy Industry has seen 15 ITV buying points reduced to just 1. ITV have demonstrated their lack of priority in children's programming reducing its terrestrial commitment from a head to head prime time kids' slot competing with BBC1 to a multi-channel only offering on ITV4 (a sports channel). Your proposal would add to the problem of the lack of childrens commercial television on main tv channels.

Ofcom appear to be suggesting that ITV should be gifted the GMTV licence and its business,.ITV have already run down that category ,why should they do it better this time? To hand over to ITV a volume business enabling ITV to increase their monopolistic attitude and approach towards children's advertising, is a fundamental breakdown of a free market that prides itself on competition. A luxury of this nature is not afforded to any business within the Toy Industry, so why are you contemplating such a move with ITV/GMTV? Is it perhaps because you have only been lobbied by ITV?What about the choice for the advertisers?

2. We do appreciate that Ofcom have been keen to pursue the policy of self regulation. The existence of GMTV does not impede or damage the PSB structure but Ofcom would have to be accused of reducing competition in this market sector, which must surely fly in the face of your remit, and can only be seen not to be in the public interest.
3. The Toy Industry has continued to support GMTV at a time when Ofcom legislation on HFSS has reduced programming investment in this sector to the

detriment of other advertisers (non HFSS). There is no logic in your proposal to gift ITV the GMTV licence and assume as you suggest that "It is unlikely that the nature of the breakfast time content – principally news, soft current affairs and children's programmes would be much changed in a 24 hour Channel 3 structure". This statement not only offers no assurance but demonstrates a lack of commercial understanding. Without stringent regulation (which is against your intentions,)there would be obvious changes which ITV would be foolish to ignore. For example ITV could simply inject one of their other declining businesses ITN/ITV News to provide a 7 day breakfast time service with no children's output, as your proposal allows .It could be said to even encourage this approach.

It I It would appear to me that your proposition is itself anachronistic when you are suggesting intervening in a tried and tested part of our childrens television market which you yourself state is viable.Why would you consider that it is in the public interest to interfere with a system that works for all parties and risk further diminution of childrens programming.

There is a lot to be said of the old addage"If it aint broke,dont fix it"

Yours truly,

Richard King

Chairman

The Character Group plc.