

## **PSB Review Phase 1: The Digital Opportunity. A response by the National Union of Journalists**

### Introduction

The NUJ has more than 40,000 members working across broadcasting, publishing, press and public relations as well as newspapers, magazines and new media. The Union believes that the broadcasting industry plays a vital role in ensuring a thriving democracy in the UK. The NUJ has a long-standing commitment to promoting growth in the broadcasting industry and welcomes the opportunity to contribute to this review.

### The Consultation

Ofcom's definitions or terms of reference for this review are problematic; the regulator has redefined PSB as Public Service Content (PSC). This is not within the terms of the Communications Act and by broadening the focus of the review there is a danger that the purposes of PSB will be lost. This is most evident in the shift away from 'universally' available content to 'widely' available content. A key concept of PSB is universality and this should still be a primary goal for Ofcom. We recognise that changes in viewing consumption and behaviours are rapid and should be considered by Ofcom, however, whilst a significant proportion of UK citizens do not have access to the Internet shifting focus onto these forms of delivery is premature in our view. As universal access to the Internet is not, at present, a Government objective, it is unlikely to become a reality under the current review period. Furthermore, there is little evidence at this stage to suggest that business models based on the internet will be sustainable.

### The Consultation Process

The NUJ would like to note concerns around the consultation process. Many stakeholders have significant resources and are able to spend large amounts of money and effort in putting their case to the regulator. Others have limited resources and, as such, are at a disadvantage. Ofcom should give consideration to the allocation of resources to small to medium scale stakeholders to enable them to fully develop and test their ideas. Applications for research projects should be considered. This would have the effect of broadening the range of outcomes that could be given serious consideration. Ofcom has a reputation for carrying out extensive research; however, many stakeholders would wish to have some input into the kinds of research that it proposes to carry out.

### Summary

The NUJ believes this PSB Review presents Ofcom with a critical moment in which to fulfil its statutory duty to maintain and strengthen public service broadcasting. In the period since the last review, and on Ofcom's watch, PSB

content has declined in a number of key areas including regional programming and children's programming. Other genres including local and regional news are now threatened. We believe Ofcom should act in a decisive manner to protect and preserve PSB for the future in the interest of the citizen.

We set out our key points below:

- We recognise that the current financial model for PSB is not sustainable
- Regulatory intervention can produce a new model which is relevant to the digital age and is consistent with the best traditions of PSB purposes in the UK
- We are opposed to any form of 'top-slicing' the BBC licence fee, or any re-allocation of BBC income, commercial or otherwise.
- We do not believe Channel Four should be privatised.
- We wish Ofcom to propose solutions to the difficulties faced by ITV ensuring that ITV continues with, and expands upon, its local and regional news and non-news commitments including Children's' TV production.
- We support the use of regulatory measures such as gifted allocation of digital spectrum to secure sufficient guarantees from ITV and other PSBs in return for strong enforceable obligations over PSB content
- We wish plurality to be preserved and believe this means plurality of institutions not just of content. In line with Ofcom's foreword to the consultation we agree that 'when it comes to news...(audiences) are in no doubt about the virtues of competition' (p1)
- PSB access should be universal

Submission

We have structured our response around the questions posed by Ofcom in its consultation document.

### **Section 3. How well are the public service broadcasters delivering public purposes?**

i) Do you agree with Ofcom's assessment that television continues to have an essential role in delivering the purposes of public service broadcasting?

Yes. The UK has a proud tradition of Public Service Broadcasting, rooted in both the public and private sector. This 'mixed economy' has served our democratic and economic development enormously, not least making UK television among the most envied across the world. It has also contributed significantly to the UK economy as well as enhancing the UK's international reputation.

Other modes of delivery (ie the internet) are having an increasing impact, but the NUJ believes that, during the period of this current review, the primary delivery mechanism of public service broadcasting is and will remain television, which is widely and freely available (para 3.16 of the review document) to all. This is particularly important for the democratic and political health of the nation, and its economy and future reputation. Ofcom must have a commitment to meaningful, clearly defined, available to all, television based PSB as one of its key components.

ii) Do you agree that UK-originated output is fundamental to the delivery of public service broadcasting purposes?

Yes. There are many reasons for this; audiences value programming that is relevant to them and their area. This can take the form of local news and current affairs or programming or high quality drama production. News and current affairs represents a key element of public service broadcasting as Ofcom's research has indicated. With the possible exception of international coverage news output consists of UK originated content. This has the additional benefit of stimulating local/regional/national economies.

The NUJ agrees with Ofcom's view that 'viewers also recognise the importance of programmes that reflect UK cultures, values and identities in fulfilling the public purposes' (para 3.28) and notes the particular concern 'among parents, UK content for children was also a priority (para 3.31). Again, the NUJ believes that people best placed to originate these types of programmes are those that live and work within those same communities.

#### **Section 4. The changing market environment**

i) Do you agree with Ofcom's conclusions about the way that other digital channels and interactive media contribute towards the public purposes?

No. The NUJ is concerned by the use in the review of the phrase 'public service purposes' and how these can be delivered by public service broadcasting. Whilst PSB is clearly defined in the Communications Act 2003, there appears to be no definition in the review, or elsewhere, for what is meant by 'public service purposes'. Without a clear definition of what is meant by this phrase, it is difficult to make conclusive comments.

Ofcom has previously indicated that it does not see its role as regulating the Internet, however, in considering content delivered over the Internet as part of this review it is difficult to avoid the conclusion that Ofcom would have to regulate such content. In estimating the value of such material as contributing to what Ofcom calls public services purposes it inevitably leads to an assessment of the types and forms of content available over the Internet. We do not agree with this approach and believe it comes outside of Ofcom's remit and the scope of this review.

The Communications Act 2003 sets the terms of Ofcom's work in this area. It defines the public service television broadcasters as the BBC, ITV, Channel 4, Five and S4C and the public Teletext service. This is a statutory duty and is not open to Ofcom to vary without parliamentary approval. It may indeed be desirable to reconsider the definitions contained within the Communications Act. However, these should be considered by the government and parliament and not by a unilateral change to the terms of the Ofcom PSB review.

However we would express our support at this stage for BBC Local – local news services delivered over the Internet, currently the subject of a Public Value Test via the BBC Trust

## **Section 5. Prospects for the future delivery of public service content**

i) Do you agree with Ofcom's assessment of the implications of different economic scenarios for the UK TV market for the future prospects for delivery of the public purposes?

We note the assumptions made by consultants Oliver and Ohlbaum in modelling future scenarios and would sound a warning in relation to drawing conclusions based on these. The NUJ would question whether it is inevitable that the PSB channels' viewing figures (taken across the portfolio of channels) will continue to decline. We would also question whether advertising revenue will keep falling; for example part of ITV's strategy is to increase its online business through advertising to 150 million pounds from its current level - indicating faith that the market has potential for growth. The NUJ does not agree that PSBs have limited access to revenue generated by overseas sales and merchandising - targets set by the major PSBs again involve growing this income source dramatically.

In para 5.23 Ofcom states that commercial digital broadcasters currently have few incentives to develop and invest in UK original programming; this *'..is a pattern that is unlikely to change in the future if left to the market alone; if anything, non-public service broadcaster originated hours of output will decline as a proportion of all originated output and, of those hours that are originated, a significant proportion will be made in genres that are less relevant to public service broadcasting purposes (e.g. hobbies).*

We agree that commercial digital channels will not fill the gap left by PSBs. The market will not, without incentive, compensate for a decline in public service content and we believe intervention is needed to ensure that levels are maintained and strengthened.

The document goes on to state a basic premise with which we agree - that less money (whether explicit or implicit funding) will mean less original programming and a decline in quality and diversity - a reduction in what Ofcom categorises as public service characteristics – *'high quality, original, innovative and challenging output'*. We believe another serious consequence of this will be further cuts in jobs across the industry.

However, Ofcom argues (fig 40 p68) that UK news and current affairs will feature in the schedules of any mass broadcaster under all the scenarios it outlines except 'radical transformation'. The NUJ does not accept this view. It is imperative that commercially funded PSBs remain committed to providing a quality news service. Although the current leadership of ITV appears committed to national and international news, this cannot be taken for granted. Owners change, as do the economics of broadcasting. Therefore Ofcom needs to 'future-proof', as much as possible within a readily changing media landscape, the delivery of this public good by ensuring that effective regulation is in place.

ii) Do you agree with Ofcom's analysis of the costs and benefits of PSB status?

No. The supposed threat of PSBs, ITV in particular, handing back licences as they become apparently uneconomic is overestimated. Such analysis does not consider the reputational damage that this would incur. It would be useful to see a more detailed breakdown, including figures, of the calculation Ofcom makes with regard to the benefits of PSB status. Ofcom's table does not add into the mix the value of broadcasting national and international and regional news in terms of status, reputation and political benefits. This is difficult to quantify in monetary terms but is certainly part of any calculation a broadcaster would make in determining whether to continue with these services.

Ofcom should ensure that the ratio of BBC versus commercial public service broadcasters funding remains at 2003 levels (80%) (p7 para 1.24)

Regarding the terms of trade with independent producers, we would argue that Ofcom should re-visit this issue and reconsider how the independent market now operates in the light of consolidation. We would argue for research into potential market distortion to be carried out as part of a separate review of how the whole independent sector operates. The statutory quotas should be removed as they set artificial limits to in house production. The independent market for television is well established. It would be in keeping with Ofcom's stated policy of 'light touch' regulation to recommend, as part of this review that these quotas should be removed. We also have concerns about employment standards within the sector

and would ask what arrangements Ofcom have made in relation to the setting of training standards with these employers?

In terms of rights ownership when creators and performers are commissioned, this should be by a licence of rights and not an assignment. There should be equitable remuneration for all re-use of their work

## **Section 6. Meeting audience needs in a digital age.**

i) Do you agree with Ofcom's vision for public service content?

Notwithstanding our comments in relation to the definition of public service content as indicated earlier, the NUJ cautiously welcomes Ofcom's recognition that public service content means (alongside other criteria) high levels of UK content meeting the purposes of public service broadcasting.

The NUJ also welcomes Ofcom's statements that the starting point for this vision requires, at minimum, a range of UK originated content from more than one provider in the stated areas.

ii) How important are plurality and competition for quality in delivering the purposes of public service broadcasting, and in what areas?

Vitaly important. The NUJ believes that plurality and competition for quality is vital for public service broadcasting, and the NUJ agrees with para 6.40 that 'plurality supports the impact of all public service broadcasting, by fuelling innovation and ensuring continual focus on audiences needs...there is a risk to the BBC as much to commercial providers – that without the stimulus of competition public service broadcasting could become irrelevant and increasingly marginalized.'

The NUJ agrees with the statement in para 6.44 'So, the market is unlikely to deliver the benefits of plurality without continued intervention.'

The areas where intervention is needed to deliver plurality, are national news, current affairs, nations and regions news, specialist factual, children's and nations and regions non-news. The NUJ would also like to see UK drama, comedy and religious programmes benefit from continued plurality.

iv) Do you agree that the existing model for delivering public service broadcasting will not be sufficient to meet the changing needs in future?

Yes. However, any changes that are made to the existing model for delivering public service broadcasting must be clear, unambiguous and aimed at protecting and enhancing the long term future of public service broadcasting, rather than undermine it. The NUJ believes it makes much more sense to adapt the existing

system rather than wait for the existing system to fatally fracture, and then have to come up with a more radical, high risk solution.

## **Section 7. Future models for funding and providing public service content**

i) What are your views of the high-level options for funding public service broadcasting in future?

The NUJ notes Ofcom's analysis of the choices which lie ahead in terms of the funding and delivery of public service broadcasting. We agree that plurality brings significant benefits but we would strongly echo the point Ofcom makes that '*any decision which substantially impacts the BBC's public service contribution could be counter-productive*' (p88 para 7.6). To this end the NUJ is opposed to any transfer of BBC licence fee money (including that aimed at DSO) either directly to other broadcasters or through a contestable fund. Reducing funding for the BBC risks inflicting terminal damage on the concept of the licence fee and what Ofcom believes to be the cornerstone of public service broadcasting.

The NUJ believes a strong BBC is in the interests of the broadcasting sector as a whole, both as a means to deliver high quality content and driver of quality and innovation in the sector. From an economic point of view it would not be correct to assume that a reallocation of funds from the BBC would increase the amount of money spent on or production of PSB content. Any reallocation of funds would lead to a reduction in the overall spend.

We also note Ofcom's statement that '*there is no evidence to suggest that the market will fill the gaps left by the declining contribution of the commercial PSB's*' (p91 para 7.14) particularly in relation to key public service genres like nations and regions coverage and current affairs.

We note Ofcom's recommendation that '*new funds should be found to replace the current declining implicit subsidy*' (p91 para 7.16), but new forms of implicit subsidy are needed and we would re-iterate that any additional funds should not come from licence fee income..

The figures Ofcom sets out in relation to funding for public service content (figure 46) are problematic as indicated, particularly where they are based on assumptions for example around spectrum value. We note that Ofcom is commissioning more detailed research in this area and look forward to the results of this project. It would be helpful if Ofcom had set out the level of ITV's current and projected licence fee payments as there are conflicting views around whether these are large or small sums. There is also conflicting analysis in that some calculations have factored in the benefits of EPG listings and others have not. Given the estimated nature of these calculations Ofcom should use caution in using them as the basis for decision-making.

Ofcom sets out four broad categories in relation to alternative funding sources. As previously detailed in our submission to Ofcom's 'New News, Future News' consultation the NUJ believes the use of regulatory assets are the best way to reach a new settlement with public service broadcasters.

So far, the debate around PSB post-switchover has concentrated on the idea that the regulator has inevitably fewer incentives to offer broadcasters in order to persuade them to continue (or commence) significant public service broadcasting. However this is not the case. Publicly owned spectrum is proposed to be sold to the highest bidder following the digital dividend review. This huge public asset should be used to allow for gifted spectrum in return for delivery of PSB purposes. Primary legislation will be required but new levers could be deployed to ensure that quality PSB continues.

The scarcity of DTT spectrum and the range of delivery options available shows that a new system, based on the principle of universality and the provision of PSB programming, can be the basis for a new compact.

In the same way that the analogue PSB compact relied on the terrestrial broadcasters providing certain desirable PBS goals in return for access to the analogue spectrum, this could be reaffirmed on DTT with new PSB goals in return for space on the PBS multiplex (Multiplex 2 for ITV and Multiplex 1 for BBC) coupled with a HD services on a re-graded Multiplex B<sup>1</sup>. This new digital compact could include a commitment that any PSB operating on DTT in this way should be mirrored on as many other platforms as possible. It could also define the platforms that are required to have a PSB presence, for example Digital Satellite and the internet. This could include a fair, independently assessed fee system for platform operators<sup>2</sup> (to make sure the platform operators do not act unreasonably but are also not disadvantaged). It could also enshrine that all PSB operators give a guarantee that all their content will be available free to view on all defined platforms. This would go as far as possible to fulfil the criteria that PSB should be 'available to all'.

The NUJ is aware that Ofcom has embarked on a different road in relation to DTT spectrum but would urge the regulator to reconsider. We have written to the Secretary of State Andy Burnham asking that the government use its powers of direction in relation to Ofcom's spectrum decision in this case.

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<sup>1</sup> This refers to the NUJ's submission to Ofcom: 'Safeguarding Public Service Broadcasting on DTT. A National Union of Journalists response to Ofcom's Consultation on the Future of Digital Terrestrial Television'.

<sup>2</sup> According to Broadcast Magazine on 11<sup>th</sup> January 2008, 100 to 150 companies have missed out on a Sky EPG slot, with Sky indicating no new slots will be made available. This has increased demand for EPG prominence, with some slots now worth tens of millions of pounds.

Tax exemptions or reductions concerning licence fees and spectrum fees (if these are introduced) should be among the options considered alongside the review of CRR for ITV.

In analogue terrestrial television, the Government has enshrined certain 'listed' events (e.g. sporting) in legislation. These must be available to the public free-to-air. In the digital age broadcasters holding PSB status could be given certain commercial advantages in bidding for these specified 'listed' events. As above, in return, broadcasters would commit to providing free-to-air content across all platforms, including providing specific PSB characteristics such as regional, national and international news. We would ask Ofcom to calculate the value of this partially closed environment for public service broadcasters.

A levy on the turnover of UK-licensed broadcasters who do not provide regional/PSB programming could also be considered. BSkyB in particular is a lucrative commercial company which contributes, relative to its revenue streams, a pitifully tiny amount of original programming. Such a levy would redistribute some of this revenue for much needed regional/PSB programming.

Ofcom states that advertising minutage and spectrum pricing sit within its powers. These mechanisms should certainly be considered as part of the way to reach a new compact with broadcasters. Ofcom should not give away any regulatory levers which would allow it to exercise control over the public service commitments of broadcasters. The introduction date of AIP could be brought forward as part of this process, allowing it to be waived for broadcasters who produce guaranteed PSB content.

Ofcom should cost out and examine the feasibility of all the above proposals.

ii) Are the proposed tests of effectiveness for future models for public service broadcasting the right ones?

No. Universality is a key aim for public service broadcasting missing from the list in the consultation document. This should be included. We would also refer Ofcom to the table set out on p22 of the first PSB Review document (phase one) which sets out the purposes of PSB. We reproduce it here for ease:

The statutory remit for Ofcom's Review

**The purposes of PSB are:**

To deal with a wide range of subjects in a balanced diet of programming  
To cater for the widest possible range of audiences  
To maintain high standards of programme-making

**The fulfilment of these purposes is taken to mean that PSB will:**

Inform educate and entertain  
Support a significant level of production outside London

**And that the following types of programming will be supported:**

Programmes that reflect UK cultural activity (through drama, comedy, arts, music and feature film)  
News and current affairs (domestic and international)  
Sport and leisure  
Education  
Science  
Religion (including acts of worship)  
Programmes addressing international and social issues  
Children's programmes  
Programming reflecting different communities, interest and traditions within the UK (including those of local communities in particular parts of the UK).

These are the additional tests that should be applied.

iii) Of the four possible models for long term delivery of public service content, which, if any, do you consider the most appropriate and why? Are there any alternative models, or combination of models that could be more appropriate, and why?

Model 1 - Evolution, is the only proposal in which all current PSBs retain their status and the NUJ therefore supports this model with variations We accept that additional funding/incentives would need to be found to support this model and have set out some proposals above as to how this might be achieved.

We believe Model 2 - would lead to the decline of investment in PSB content both within and outside the BBC, as the incentive of competition is removed. We believe this model would ultimately mean the end of the licence fee and irreparably damage PSB in the UK..

Model 3 and Model 4 both float the idea of a body which would administer competitive funding. The NUJ believes there are numerous problems associated with setting up such a body – not least costs and the time consuming nature of administering the processes for allocating the funding. Both these models move away from preserving and encouraging what is good about the current system and, as such, they do not command our support.

Ofcom raises additional questions around the future regulatory framework for PSB:

The NUJ believes the impartiality rules must be maintained and that this will be increasingly important going forward. It is questionable whether previous definitions of impartiality, relying on a political left/right axis, are appropriate. In a

modern context broadcasters should use a wider definition of impartiality, similar to that described in the BBC report *'From Seesaw to Wagon Wheel'*

In terms of regulating the internet as stated above this is clearly a huge topic and not one which can be properly tackled as part of a review of public service television broadcasting.

#### Section 8. Options for the commercial PSBs

i) What do you think is the appropriate public service role for Channel 4 in the short, medium and long term? What do you think of Channel 4's proposed vision?

We believe Channel 4 plays an important role in the broadcasting ecology and we would oppose its privatisation. We believe in any discussion about plurality it is necessary to have more than one institution forming part of the broadcasting landscape and Channel 4 plays a key part in this.

We consider that Channel 4 can play a role in tackling areas where PSB content is in decline and would support its calls for additional funding though not through accessing licence fee income or commercial revenues of BBC Worldwide. We would oppose any move to take the extra monies from the licence fee and believe that this would not be Channel 4's preferred solution either because a strong BBC is of value to the industry as a whole.

ii) Which of the options set out for the commercial PSBs do you favour?

The NUJ believes ITV should remain a public service broadcaster. We believe Ofcom overestimates the likelihood of ITV handing back its licences. We accept the risk to other Channel 3 licence holders and PSB content should this happen but we believe that this is the key area where Ofcom should intervene in a positive way to make sure this does not happen, rather than acquiesce to ITV demands for a reduction in its local and regional obligations. Ofcom states it will consider ITV's PSB obligations and its proposals for cutting its services in more detail in phase two. We have already put on record and would re-iterate that we oppose ITV's plans to diminish its service. We do not believe the company's so-called revised proposals go any way towards providing a improved solution. It remains that if Ofcom gives approval for these changes there will be a major cut in the quantity and quality of airtime devoted to local and regional news on ITV. We also oppose several features of the current ITV proposals; pre-recording local news output and playing it out as-live would undermine the credibility of ITV news at a time when trust in broadcasters is low.. If the plans were approved ITV would repackage far more material being repackaged and played out later in the day. Plans for one or more central news hubs are also being considered. We strongly oppose this aspect of ITV plans.

Local and regional news should be produced and outputting from local communities to local communities.

We believe Ofcom should reject these proposals and ensure that ITV is held to its licence commitments. Ofcom should also protect levels of non-news programming and ITV's other PSB commitments. We are concerned that ITV is planning to proceed with its plans ahead of approval from Ofcom, we would ask that the regulator seeks assurances from ITV that this is not the case.

According to Ofcom's own analysis (fig 46 p90) by 2013 ITV 1 will have benefits worth approximately 45 million pounds per annum due to gifted multiplex capacity and higher coverage of that multiplex. This alone would solve the problem of funding local and regional news on ITV. Prior to 2013 the benefits are much larger as they include the analogue spectrum. Under own proposals ITV 1 would be given increased spectrum capacity which would increase their benefits substantially.

GMTV: Ofcom suggests reviewing the split between ITV and GMTV in terms of merging GMTV back into the plc. As part of a comprehensive review of the PSB market including the provision of incentives and regulatory levers, it should be possible to construct a model which would allow GMTV to continue as a separate entity. However, the ownership of GMTV is an issue given the significance of ITV's current shareholding.

Five: PSB obligations on Five should be maintained.

Teletext: As Ofcom states Teletext is more popular on analogue than on digital because on digital there is less content and speeds are slower. Effort should be made to improve the speed and range of content on digital. Obligations on content for Teletext should be maintained and strengthened rather than relaxed. Commitments on regional news pages should be maintained (regardless of ITV commitments if these are reduced). We believe intervention is still of value in this market and that without regulation there will be a decline in the range of content provided.

## **Section 9. Scenarios for the UK's nations, regions and localities**

i) To what extent do you agree with Ofcom's assessment of the likely future long term issues as they apply to the nations, regions and localities of the UK?

The NUJ would re-iterate Ofcom's own research which has consistently found that quality local and regional television programming and news are the top priority among audiences (fig 8 p32) and that this should be from more than one provider. We do not believe the internet can provide a replacement for this. We remain concerned that local should mean local and opposed to hubbing in all its forms - whether for radio stations or for ITV.

## Scenarios for Scotland

The long-term future direction of BBC Scotland needs to reflect the changing nature of the political scene across the country, with more emphasis on local news and culture (predominantly on-line) and the growing influence of the Scottish Parliament.

Meeting the disparate audience needs in respect to programme making will require increased investment and improved resources. Areas such as the highlands and islands and Gaelic speaking public will see an expansion of coverage, but if it is to be of a certain high quality then more resources are required than we currently have.

For example there is already a dearth of Gaelic speaking journalists and even with an integrated news service across Gaelic and Highlands and Islands there are potential gaps in servicing these areas. Investment in recruitment and training is required and we would suggest a partnership approach with industry and educational bodies who are involved in Gaelic language and journalism training.

In respect to ITV-SMG there are a number of issues,

- Concern for the survival of two Scottish licences of STV and Grampian TV because of the company position/perception of a “funding gap” in competing with BBC.
- Concern as to the company ability to make (any) programmes (but also) of sufficient quality and diversity to meet audience needs.
- There is an argument for government support in the form of licence fee respite for SMG, particularly in the potential for developing Scottish news coverage in conjunction with Border Television and surrounding areas.
- Intervention by OFCOM or government in a supportive manner for SMG and ITV to help them reach agreement on financial terms in respect to the challenge of providing UK network television news that is suitable for Scotland.

The Scottish Parliament has set up the Scottish Broadcast Commission with a remit to look at the economic, cultural and democratic impact of changes to the industry. There is a strong argument for closer working relationship with Westminster, possible through a joint committee to ensure the needs of the industry in Scotland are met and supported to achieve higher quality programme making and news gathering and delivery.

## Scenarios for Wales

The NUJ believes there is no action required in relation to S4C which is fulfilling its remit.

The use of spare S4C multiplex capacity for the provision of English language programming in Wales is a complicated issue in its own right. We would not wish to see any diminution in the resources available to S4C; nor would we like to see

any reduction in the visibility of PSB programming made in Wales for the people of Wales.

We believe Ofcom should complete its review of funding arrangements before approving any further cuts in non-news programming quotas in Wales and elsewhere.

We would reject any suggestion involving a stand-alone licence for Channel 3 in Wales.

ii) Which model(s) do you think will be most appropriate in each of the nations and in the English regions in the long term, and why?

See section 7 point iii above

iv) What are your initial views on the preliminary options set out relating to ITV plc's regional news proposal? (Please note that Ofcom will put forward firm options on these issues, and consult also on ITV plc's regional news proposal, in phase 2 of this Review.)

We would re-iterate our clear objection set out in section 8 point ii above. We would add that previous research conducted by Ofcom as part of the New News Future News study showed 97% of respondents to its study on this subject want the same or more coverage of current events in their region – not less. The same research showed 91% of those asked believe the ITV regional footprint is already too wide or about right.<sup>3</sup>

Further current document states that over 90% of people in each of the devolved nations agreed that “it is important for ITR1 as well as the BBC to show news programmes about my nation/region” ... and this level of support has grown significantly since 2003 (p35 para 3.41)

Concern has also been expressed by other broadcasters in relation to ITV's proposals. Both ITN and Channel 4 fear the quality of Channel 4 News will suffer if the newsgathering base it relies on is seriously undermined in this fashion.

Ofcom should not be complacent in relation to other ITV regions unaffected by the recent plans and should ensure Wales and Granada services are protected for the future as part of the solution reached by this review.

The NUJ believes Ofcom should have powers to scrutinize inputs as well as outputs on ITV. This should be done specifically in relation to the budgets for regional news in the same way that Ofcom has acquired the power recently to police the ITV national news budget.

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<sup>3</sup> Research and Evidence base in ‘New News, Future News’ Ofcom July 2007

In Ofcom's research into this issue due account should be paid to the concept of localness not just to the idea of 'regional' news.

#### Section 10. Prospects for children's programming

i) Do you agree with our assessment of the possible short term options available relating to children's programming; are there any other options available?

The NUJ notes Ofcom's evidence that public purposes are not being effectively delivered in relation to children and teenagers. We further note the lack of evidence that the market will fill the gap left by the withdrawal of investment by commercial PSB's. As previously stated we do not believe Ofcom should be examining content provided through the internet as part of this consultation, therefore we believe a consideration of how public purposes can be met should be limited to television at this juncture. Material provided through interactive channels should be additional, not a replacement for lost linear content.

The NUJ believes all current PSBs should have specific obligations to produce content for children and teenagers (rather than merely having to seek Ofcom's opinion on their output) and that this should be incorporated in any future new Communications act.

We are not convinced that tax exemptions are the best way of producing an increase in children's programming. We will be interested to consider the views of other stakeholders concerning this point.

#### Section 11. Timetable for implementing a new model

i) Do you agree that new legislation will need to be in place by 2011 in order to ensure continued delivery of the public purposes in the medium and long term?

Yes, it should be brought in as early as possible. The proposed auction of spectrum should not go ahead before legislation is in place.

#### Conclusion

We welcome the opportunity to contribute to the first phase of Ofcom's Second Public Service Broadcasting Review and would appreciate the opportunity to elaborate these points further in a face to face meeting.