



## Regulating the quantity and scheduling of television advertising on public service channels: Comment from Paramount UK

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Paramount welcomes the opportunity to respond to Ofcom's proposed changes to the Code on the Scheduling of TV Advertising (COSTA). This short response is intended to register Paramount's continued opposition to the proposed liberalisation of advertising minutage on PSB channels and its support for the substantial amount of evidence submitted to Ofcom by the Commercial Broadcaster and VoD Association (CoBA) of which we are an affiliate member. As Ofcom is aware, Sky manages the advertising inventory for Channel 5. Paramount is also a member of ISBA.

There is clear disagreement among industry. Large PSBs support the proposal as they feel it will be in their financial interest, whilst smaller PSB and commercial channels regard the proposals as damaging to revenues and market competition. Ofcom's observes that "it is not possible to predict with any certainty the impact on the market, or particular broadcasters." Given clear industry disagreement and the regulator's own uncertainty, we continue to question why Ofcom continues to pursue this course of action.

We would anticipate that the proposed changes to COSTA will simply move ad-spend towards the largest commercial PSBs at the expense of smaller broadcasters. The proposed reforms will primarily benefit ITV and Channel 4; the only two broadcasters supporting changes to existing rules.

Furthermore, there is the question of where the additional ad minutage during peak hours will be placed. It seems likely to be around news content which presently has the least amount advertising. We agree with Ofcom's own assessment that it is, "particularly mindful that given current scheduling patterns, the rules could lead to a reduction in the amount of news content on PSB channels".

In summary, we are supportive of the submission made by CoBA on the points raised above. We continue to oppose a policy that seeks to significantly disrupt the TV advertising market based on no evidence of market failure, and that will likely have negative outcomes for both viewers and smaller channels.

### **MITCHELL SIMMONS**

Vice President  
Public Policy & Government Affairs EMEA