

# **Ofcom draft annual plan 2015/16**

**Response from the Commercial Broadcasters  
Association to Ofcom**

**February 2015**



**A VOICE FOR COMMERCIAL BROADCASTERS IN THE UK**

## Introduction

1. The Commercial Broadcasters Association (COBA) is the industry body for multichannel broadcasters in the digital, cable and satellite television sector.
2. COBA members play a vital role in the success of the UK broadcasting sector, and the multichannel sector is arguably the fastest growing part of the UK television industry:
  - In the last decade, the sector has increased its turnover by 30% to more than £5 billion a year. This is rapidly approaching half of the UK broadcasting sector's total annual turnover, and has helped establish the UK as a leading global television hub.<sup>1</sup>
  - As part of this growth, the multichannel sector has doubled direct employment over the last decade.<sup>2</sup>
  - In addition, it has increased investment in UK television production to a record £725m per annum, up nearly 50% on 2009 levels.<sup>3</sup> This was confirmed in Ofcom's 2014 review of public service broadcasting, which found that new commissions by the sector were up 43% since 1998 and were the only source of growth in investment in UK television production over this period.<sup>4</sup>
3. **For further information please contact Anna Missouri, COBA's Policy and Communications Executive, at [anamaria@coba.org.uk](mailto:anamaria@coba.org.uk) or 0203 327 4054**

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<sup>1</sup> Ofcom International Broadcasting Market Report 2013

<sup>2</sup> Skillset, Television Sector – Labour Market Intelligence Profile

<sup>3</sup> COBA 2014 Census, Oliver & Ohlbaum Associates for COBA

<sup>4</sup> Public Service Content in a Connected Society, Ofcom's Third Review of Public Service Broadcasting, December 2014

## **Response to consultation request for comments**

### **What is your response to this consultation?**

COBA welcomes the opportunity to comment on Ofcom's plan. COBA would like to highlight the critical importance to the UK of developments this year ~~and the next~~ in European audiovisual and copyright policy. Whilst we recognise that Europe is a core ongoing area of work for Ofcom, we believe that engaging in the debate in the run-up to a new AVMS Directive should be an active priority.

#### **The AVMS Directive**

In particular, we want to re-emphasise the importance of Ofcom representing UK interests and engaging in the regulatory policy debate with the new European Commission around the Country of Origin clause within the AVMS Directive in case of a review.

Ofcom has previously highlighted the role of the Country of Origin principle in ensuring diversity in channels available to UK and European audiences. For the UK in particular, any erosion of the Country of Origin principle will reduce companies' ability to base themselves in the UK as a European hub, and consequently hamper the UK's competitive advantage as a gateway to Europe. This will have repercussions on the wider UK economy and the overall single market in broadcasting by increasing operational costs and red tape.

The work around the AVMS Directive review should be made a priority as certain Member States are becoming increasingly critical of the Country of Origin principle, accusing non-domestic channels of circumventing local rules.

We will be writing to Ofcom's new CEO separately to raise this issue.

#### **The EU Copyright Reforms**

In addition, we ask Ofcom to engage as far as appropriate in the forthcoming review of the EU Copyright Directive. The implementation of a single Copyright Title, one area we understand is under consideration, would severely undermine investment in UK and indeed European television content if it restricted the flexibility of rights owners to license their content and would only suit some global internet platforms.

#### **Compliance processes**

We would also like to highlight that we continue to support further consideration of where Ofcom's compliance processes might be improved in order to lower the regulatory burden for industry ~~while potentially speeding up and clarifying processes~~. There are a number of relatively straightforward changes which, taken together, might streamline overall processes significantly. These include potentially providing more information about the nature of a complaint when requesting tapes, so that a broadcaster can send the relevant part of a programme rather than always the entire show, to ensuring that the compliance bulletin is as clear and as useful as possible. For example, to help broadcasters understand Ofcom's view of the Broadcasting Code, it would be useful for the Broadcast Bulletin to have a summary of cases where Ofcom investigates but drops the complaint, including a summary of Ofcom's response to a complainant.

Rather than list all the potential changes that might be considered, we suggest the establishment of a bi-annual compliance forum for Ofcom executives and industry where such matters might be raised. As well as helping industry obtain a better understanding of Ofcom's concerns and priorities, this would provide Ofcom with a deeper understanding of industry practice. In our view, the successful operation of the industry committees of BCAP and CAP demonstrate the value of such a forum as a means of direct engagement between industry and regulators. We appreciate that Ofcom already meets with licence holders individually and as a group on specific matters but believe that such a forum would be very helpful in encouraging a constructive dialogue.