



Satellite & Cable
Broadcasters' Group

The Satellite and Cable Broadcasters' Group

Response to the BBC Trust

Assessment of Canvas Proposals

The Satellite and Cable Broadcasters' Group

The SCBG is the trade association for digital programme providers who are independent of one of the main terrestrial broadcasters. Its members are responsible for over 100 channels in the UK. Many member companies are pan-European broadcasters, producing and commissioning content for different national markets.

According to recent Deloitte research, SCBG members made a total economic contribution to the UK economy in 2007 of over £2.2 billion and invested a total of £1.2 billion in programming, employing nearly 25 000 people in skilled jobs.

SCBG member channels provide citizens and consumers with programmes and services for a diverse range of audiences across a wide range of genres and audiences, including entertainment, factual, educational, history, music, nature, art and science. Our member companies make and show programmes for children and young people, and for ethnic minorities in their own languages. SCBG members' channels can be found on all of the UK's major digital pay and free-to-air platforms, which are now available in nearly 90% of UK homes.

For a full list of members and more details about the SCBG please go to

www.scbg.org.uk

Introduction

The BBC Executive in its submission to the Trust states that the Canvas project will enable it to fulfil one of its public service obligations 'Making engaging digital content and services available on a wide range of digital platforms and devices.'

Whilst the SCBG would welcome technological standards which could enable viewers to access additional content and act as an open source platform for many different content providers, it is as yet unclear from the documentation available what the parameters of the project are and whether the potential damage it could do to the market will outweigh its potential benefits.

This paper investigates what the effect on the multi-channel television sector could be and what steps could be taken to mitigate it and ensure that the nascent market for on-demand content is given the chance to develop properly without the imposition of a single dominant platform.

The Consultation

Given our concerns over what the nature of the Canvas project may turn out to be, the SCBG is disappointed that there will be no full public value test placed against it. Furthermore, we believe that Ofcom as the independent regulator should have a role in deciding whether there will be any impact on the rest of the broadcast and content market.

SCBG is also concerned by the extremely short timescale set aside by the BBC Trust to consult on this issue. There should be more time set aside for in-depth discussion. For example it would be useful to involve more independent market experts, including Ofcom, in analysing what the potential effect on the market of this project will be.

The Canvas Project – Potential Market Impact

Whilst the BBC Executive states that Canvas will be a simple set of standards which can be used to offer on-demand services through a number of different media, at times the consultation is contradictory and gives the strong impression that the Canvas project will be more like a platform with a designated EPG format, listings charges and rules about who may appear on it.

Any move beyond a simple set of standards open to all on a non-discriminatory basis would be unacceptable to SCBG members. Any activity which goes beyond this and creates what is, in effect, a single point of entry platform is likely to have a significant limiting effect on the IPTV market. The Competition Commission's conclusions on Project Kangaroo indicated quite clearly that the market for on-demand and IPTV in the UK is still developing and that allowing dominant players in that market to create a platform could have a seriously limiting effect on competition. The SCBG is concerned that a platform-like project from a partnership representing three of the larger players in the VoD market could result in a significant loss of competition, damage to the competitiveness of other players and fewer entrants to the market.

For this reason we would like the BBC Trust to ensure that there is clarity about what exactly the parameters of the Canvas project are and to limit any activity which could be construed as the creation of a platform to access content.

The Canvas Project - How Potential Impacts Can be Mitigated

As previously mentioned in this paper, a set of common standards for technology which allows providers to make their content available to wide audiences via the platform of their choice is acceptable to SCBG members.

However, there are a number of areas within the consultation document which give SCBG members cause for concern. In the following section we suggest the different steps which the SCBG feels should be taken to ensure there is a limited impact on the competitiveness of the market.

Standards should be genuinely open

The standards developed as part of the Canvas project must be compatible with all significant forms of content delivery. This is the most appropriate way to ensure the widest possible access to them. They should be published and available for reuse by any other service providers.

The 'platform neutrality' of the standards will be the key to ensuring access to them remains as open as possible. SCBG is therefore concerned that the BBC intends to incorporate the new Canvas joint venture into the existing Freesat joint venture (and eventually into the Freeview joint venture). We believe that favouring the existing platforms the BBC has a stake in by linking Canvas standards development to them would be fundamentally at odds with the 'platform neutral' approach it says it wants to take.

As many services as possible should qualify to use the Canvas trademark, provided they are compliant with the agreed technical standards. This will help to ensure greater take-up of the technology across a range of platforms by consumers, as there will be a recognisable symbol which guarantees the technology they are buying to access the services provided by the Canvas standards is compliant with them.

Standards should not extend to the EPG

The SCBG does not believe that it is necessary to specify a single interface or EPG in order to drive the common standards developed as part of the Canvas project. The use of a specified interface should not be a precondition for using the Canvas trademark.

The BBC's stated mission is to use the Canvas standards to distribute content widely and in the most accessible way. It is the SCBG's opinion that the best way to do this would be to follow the example set by Freeview – where manufacturers have been free to design their own EPGs and user interfaces.

The 'landing page' point at which a consumer accesses the Canvas service must not form part of the standards' profile. Mandating the same interface, which is likely to give prominence to the owners of the standards, begins to make the Canvas project look more like a platform.

Individual operators who are using the Canvas standards must be able to decide what their viewers' home page can look like, in the same way that they can decide what the EPG looks like in the services they provide at the moment. This will encourage innovation and is likely to lead to some very useful applications, including the provision of services for those with special needs, such as the visually impaired.

There should be access for all content providers

The Canvas technology could be used by any number of community based channels, or local television stations to distribute content cheaply and easily directly to television sets in millions of homes. It could also provide regional and local newspapers with a cheap and simple route to market to millions of homes across the country, with opportunities to generate new revenue streams and win new audiences.

However, this will only be the case if free access for all those who wish to provide content using the Canvas standards is provided. The SCBG is concerned that the consultation seems to suggest that the Canvas joint venture partners will be able to exert considerable power to limit access. It is unclear what is meant in the consultation document by allowing the standards owners to set 'minimum editorial standards'. This statement seems to be at odds with the notion of an open, un-mediated route to content and, once again, gives the impression that a platform rather than a set of technical standards is being developed.

There should be more clarity around how content will be made available via the Canvas standards and on what terms. The chance to exploit the new technology should be available to as wide a group as possible.

Conclusion

As currently set out, the proposals do not give a clear picture of what exactly Canvas is supposed to be – a set of standards which will give a much wider range of content providers than is currently the case open access to a mass audience, or a platform which could have a significant effect on an IPTV market which is just finding its feet.

The best way forward in the SCBG's opinion is to extend the consultation period. Only in this way can the full extent of Project Canvas be understood. Furthermore this extension would allow time to collect more detailed market analysis. Feedback from Ofcom should also be sought given the potential effect Canvas could have on the market and therefore on consumers.

In any case, if it is to be allowed to go forward, it must be clear from the outset that Project Canvas is not a platform and that no part of the standards can be used to discriminate against content providers who do not form part of the core group involved in the development of this project.

The SCBG looks forward to engaging further with the BBC Trust on this issue.