

COMMUNICATIONS BILL BRIEFING FROM THE
SATELLITE AND CABLE BROADCASTERS' GROUP (SCBG)
JUNE 2003

GOVERNMENT PROPOSAL TO INTRODUCE A FIXED INTERIM TARGET FOR SUBTITLING

INTRODUCTION

The SCBG comprises the major satellite and cable broadcasters licensed in the UK by the ITC, and currently represents more than 100 channels. It acts as a forum for members to discuss issues of a legislative, regulatory and public affairs nature. Our members together broadcast hundreds of thousands of hours of programming each year, employ tens of thousands of people throughout Europe, and invest hundreds of millions in the British audio-visual industries. SCBG members have long been at the cutting edge of innovative new services in the UK, continually pushing the development of the range of new media, interactive, and digital offerings for consumers.

SUBTITLING REQUIREMENTS IN THE COMMUNICATIONS BILL

Clause 298 of the Communications Bill imposes a new requirement (which previously related only to digital terrestrial channels) on all cable and satellite channels to subtitle 80% of all their programmes within 10 years of the coming into force of the Act. Provision also exists for OFCOM to set interim targets throughout the 10-year period and to exempt some programmes and channels from the requirement, in consultation with providers and users of the services.

The SCBG has previously opposed the imposition of a compulsory subtitling requirement on the satellite and cable sector which, unlike the traditional public service broadcasters, receives no public subsidy. Cable and satellite channels attract very small audiences, often no more than a fraction of 1% of total UK audience share.

In spite of the significant cost implications for its members, however, the SCBG has not sought amendments to the Bill. The Government's position, announced on 29th January 2001 (following a period of review and consultation) appears settled, and we do not believe that such a route would be constructive. Going forward, the SCBG intends to engage with OFCOM to ensure that the requirements are implemented fairly, with exemptions applying where appropriate.

GOVERNMENT PROPOSAL FOR AN INTERIM SUBTITLING REQUIREMENT

The conclusions from the Government's own consultation were that a 10-year implementation time-scale was appropriate for the identified requirements, and that OFCOM, in consultation with broadcasters, should decide the appropriate level of interim targets. This approach has, up to now, been reflected in the Bill.

During the Report Stage of the Bill in the House of Lords, however, amendments were tabled seeking to cut the implementation time for the requirements from 10 years to 5 years. While the Government resisted these amendments, it agreed to consider bringing forward an amendment to the Bill which will place a fixed, interim five-year target for subtitling on cable and satellite broadcasters.

Such an amendment would alter the conclusions and stated policy aims of the Government's consultation, and remove any opportunity for broadcasters to be consulted by OFCOM about the appropriate level of any interim target. Clause 299 of the Bill requires OFCOM to consult broadcasters about, among other things, its proposals for interim targets prior to their being published in its Code relating to provision for the deaf and visually impaired.

Any proposal to 'front-load' the period in which these quota requirements must be implemented will impact on the already huge expenditure expected from the industry.

At a cost of £320 per hour (and £500+ for live subtitling), the total cost per channel of implementing the full 80% subtitling requirement will be £897,826 annually – in many cases this will be a significant proportion of their entire programming budget. Any move to bring forward this already huge cost into the first 5 years of implementation will have significant implications for channels' strategic planning processes and, indeed, survival in a difficult and uncertain market.

The SCBG opposes the introduction, without consultation, of any interim subtitling target onto the face of the Bill. There are significant cost implications for broadcasters of such a move, which must not be ignored.

This briefing is a distillation of the views of the following members of the Satellite and Cable Broadcasters' Group : The Chinese Channel, CNBC Europe, Discovery Networks Europe, Disney Channel UK, Flextech Television /Telewest Communications, Landmark Travel Channel, MTV Networks Europe, Music Choice, National Geographic, Nickelodeon UK,

*Paramount Comedy Channel, QVC International, Turner Broadcasting System Europe,
Universal Studios Networks UK Limited (Sci Fi Channel).*