

## **SATELLITE & CABLE BROADCASTERS' GROUP**

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### **Public service obligations and the satellite and cable broadcasting sector**

Satellite and cable broadcasting differs in a number of fundamental ways from the traditional public service broadcasting sector. The five analogue terrestrial broadcasters enjoy access to scarce spectrum allowing universal or near-universal coverage that brings with it the benefit of significant advertising revenues or public subsidy through the licence fee. In comparison satellite and cable broadcasters do not receive any government support or concessions and acquire viewers entirely through their own marketing efforts.

In addition, in the multi-channel environment the public service broadcasters also enjoy what is known as "due prominence." In effect they are given top-billing on the Electronic Programme Guides (EPGs) of the distribution platforms.

Satellite and cable broadcasters are required to meet the requirements of the EU *Television Without Frontiers* Directive which requires Member States "where practicable" to broadcast a majority of EU sourced material. Satellite and cable channels' choice of programme content is based on many factors including overall programming budgets, audience size, potential revenue streams (from advertising, sponsorship, subscription and carriage fees etc.), availability and cost of talent, availability and cost of acquired programming, competitive conditions and the nature of each service.

Satellite and cable broadcasters are constantly endeavouring to increase the proportion of EU (and UK) originated material they broadcast but they must continue to be allowed to aim to meet the targets progressively over time on "where practicable".

It is for the same reasons that it would be wrong for specific public service obligations to be imposed on satellite and cable channels – for example, as has been proposed recently, that all children's broadcasters should provide news services – while they continue to have no access to the privileges enjoyed by the public service broadcasters.

Successive UK governments have acknowledged these differences and this has allowed the UK satellite and cable broadcasting sector to be the most dynamic in Europe, serving global as well as domestic audiences.

- **It is essential that OFCOM continues to implement the Television Without Frontiers Directive in the same pragmatic and supportive way as the Department of Culture, Media and Sport.**
- **Public service obligations must not be allowed to undermine the international competitiveness of the UK satellite and cable broadcasting sector.**

We support the Government's approach that applies a higher level of regulation and obligations to public service broadcasters than our own sector. But it seems to us anomalous, particularly in matters relating to competition, product placement, undue prominence, and programme standards that the dominant player in the UK media market should in any way fall outside the remit of OFCOM.

- **The regulation of the BBC should fall within the remit of OFCOM.**
- **The Bill should also contain an effective mechanism for satellite and cable broadcasters to make regular representations to OFCOM and the Secretary of State about these issues.**