

**Speech**  
**Launch of**  
**Citizens Coalition for Public Service Broadcasting**

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As an MEP and since then, I have spent fifteen years defending public service broadcasting not just in the shape of the BBC but across all channels. The creation of the Citizen's Coalition for PSB has provided me and many like me in civil society who care about public service broadcasting with an opportunity to join forces to express our great concern at what is happening in the world of Broadcasting in the UK.

There was and still is an EU consensus that impartial news, information, current affairs and beyond that... indigenous home made drama, film and documentary should be available across all channels wherever practicable.

So – what is the problem? We all know that there are areas of content which are not considered commercially viable and which are likely to gradually disappear outside the BBC and perhaps Channel 4. These include drama, children's programming, investigative documentary, and current affairs. We need to find a solution to fund production of such content. And we must bear in mind that investment in new UK content is going down at an alarming rate - £350 million a year minimum.

Our government signed up in 2005 to a UNESCO convention on cultural diversity of expression with public service broadcasting at its heart. They also support the public service broadcasting protocol in the EU Treaties which says that such broadcasting is a central part of our democracy and cultural life.

Furthermore they are signatories to EU legislation...the AVMS directive that says that Member States shall ensure that all channels carry and promote a majority of national and EU content wherever practicable. The debate around this legislation in the UK has mostly focussed on the terrestrials, so it may be news to some that this law applies across the board - not only to the terrestrial PSBs but to all broadcasting platforms including video on demand channels.

These provisions are designed to INCREASE the amount spent on high quality home made programmes across all channels. . They provide a legal framework to encourage such an increase in investment, and yet it seems to me that the British government is showing little or no initiative to encourage production using these laws as its basis.

In this light, proposals to just spread the licence fee around to commercial channels would therefore seem rather strange in this context.

Apart from democratic reasons, it does nothing to increase the amount of resources being invested in home-made public service programmes.

Interestingly OFCOM found in its PSB review that consumers would support industry levies to be re-invested in public service broadcasting....but then nothing was done to follow up on this finding. They did not go on to model what levies might look like or make any proposals to Government.

This is a major policy failure...OFCOM and indeed perhaps the government have been unwilling to adopt popular options that have strong economic arguments supporting them...why....because certain powerful interests are opposed.

How strange given the number of EU countries that have chosen different kinds of levies to support investment in their film and documentary in particular.

I thought I would share some of the possibilities that are open to achieving a significant investment in news, information, UK drama, children's, documentary and film with all the democratic, cultural and industrial benefits that would bring.

In these examples I draw on my own research into OECD countries audiovisual investment; the work of the Federation of Entertainment Unions, Steve Morrison CEO of All3Media; Professor Peter Humphrey of University of Manchester; and Peter Grant, senior counsel at McCarthy Treault and advisor to the Canadian Government...lest I be accused of some individual idiosyncratic folly.....

## **Economic Context**

We are looking around for ways to fill an estimated funding gap of around £375m – in order to sustain an industry that is the cornerstone of massive profits for our comms industry.

So...Total revenue from broadcasting in UK (TV, Pay TV and radio) 12.4 billion in 2007

Total revenue from customer telecoms and ISP providers just in communications was £27 billion...more than twice that of broadcasting

In addition 2007 saw a massive £15-20m billion being spent on communications hardware.

BUT internet platforms and the new multi channel platforms receive 2/3 of revenue that comes into UKTV yet they contribute less than 10% of the spend on original UK content.

In other words 'non-PSBs contribute only 10% of ORIGINAL PROGRAMMING'.

So we have a large number of audiovisual players who contribute little or nothing to the public service content upon which they depend to drive their business. People would not buy their products if they did not also provide the main 5 PSB terrestrial channels.

It is unusual for companies not to pay for the raw materials on which their business depends.

This is something many other EU countries have realised.

Their leaders say openly that it is important that all parts of the audiovisual ecology who depend on public service broadcasting should make a fair and proportionate contribution to its creation to ensure a virtuous cycle of creation that boosts everyone's bottom line.

.... and the result is as follows. They use a range of levies which are then re-invested in public service broadcasting, mainly documentary, film and drama but could equally also support the provision of local news and children's programming.

1. 22 out of 25 countries apply a small levy to recording equipment. . Following European models, if there was a fee of £10 on equipment this

would raise 176 million in the UK by 2010 and over £200m per annum by 2015.

2. Based on the fact that the take up of pay tv and broadband has been made more attractive by the inclusion of public service broadcasting, over 30 EU countries charge a re-transmission levy on these new broadcasters for the privilege of carrying the PSB broadcasters.

A 1% levy would raise over £70m for UK PSBs. With this levy, Germany raises 146 million euros and France raises 168 million euros.

3. Broadband providers enjoy huge profits benefiting massively from PSB content without contributing to it.

President Sarkozy in France has removed advertising from PSBs and replaced their revenues with levies on ISPs and telephone operators which raise 800m euros. French ORANGE alone contributes 50 million euro to a French audiovisual fund that funds French and EU movies as a result.

A 1% levy on mobile phone operators in the UK would raise £208m.

4. Search engines access copyright content and make huge profits but make [almost] no contribute to producing it. A small levy would seem warranted.

5. Also under EU law we would be entitled to ask non-terrestrial channels to invest in British content. Why does Sky no longer invest in British film and why do the many children's channels carrying US content not also invest in children's programming made in this country ?

We don't understand why the government has thus far rejected levies as a viable option. Perhaps it is because no one has pointed out that this is a win win situation for commercial operators. It is an investment in the driver behind the take-up of their services and a contributor to the balance of payments.

Our film makers are going abroad to make films that should be made in this country enhancing both our culture and economy but they can't find the funds here to do so.

Canal Plus in France, one of the largest and most successful rights holders in the world is mandated by law to invest 20% of its turnover in French and EU film including our film makers. Result = £100 million in French, UK and other EU films.

While you may have to reinvest, you also benefit from owning rights because of your investment, as Canal Plus has done. Such new investment could offer a shot in the arm to our content-creating industries in the early years of a challenging new century.

## CONCLUSION

DCMS and BIS should, as a matter of urgency, look into these options.

It is crazy to be talking about top slicing the licence fee for a paltry few million when raising many more millions from levies to be re-invested in local news, drama, film and documentary could close the PSB funding gap and further more strengthen our audiovisual industry and culture...where we excel and arguably...after the US...lead the world.