

Martin Stott

From: HALLIDAY CHRISTOPHER ([redacted])
Sent: 26 November 2010 16:23
To: Martin Stott
Subject: RE: Broadcasting stats card

Thanks so much for this Martin, some great stats to put into our document.

Much appreciated.

Best
Chris

Christopher Halliday
Film and Videogames Branch
Department for Culture, Media and Sport | 2-4 Cockspur Street | London | SW1Y 5DH
[redacted] www.culture.gov.uk
DCMS aims to improve the quality of life for all through cultural and sporting activities, to support the pursuit of excellence and to champion the tourism, creative and leisure industries.

From: Martin Stott [mailto:[redacted]]
Sent: 24 November 2010 18:16
To: HALLIDAY CHRISTOPHER
Subject: RE: Broadcasting stats card

Chris

Here are some facts about our viewing share and programming:

- Channel 5 is the UK's 3rd biggest commercial TV channel, attracting, *on average*, over 43 million viewers per month
- Together with its sister digital channels *Fiver* and *Five USA*, Channel 5 draws around 45 million viewers per month – a 3% increase on last year's total audience
- This total audience translates to roughly 81% of Adults per month, 83% of Housewives and 83% of Housewives with Children
- Our channels' diverse programming includes the international hit *CSI* franchise, live *Europa League* football, numerous documentary strands (eg. *Extraordinary People*), entertainment shows (eg. *The Gadget Show*, *The Hotel Inspector*), "soap" dramas (*Home & Away* and *Neighbours*) and our award-winning children's strand *Milkshake!*
- *Milkshake!* has reached more Housewives with Children aged under 3 than any of the dedicated commercial children's channels in 2010 (despite their longer transmission hours). During *Milkshake!*, Channel 5 is the biggest terrestrial channel on TV for children aged 4-9
- C5's top shows in 2010 have included *CSI* (3.8m viewers, 7% share), *Liverpool vs Atletico Madrid* (3.6m, 6%) and crime drama *The Mentalist* (3.0m, 5%)
- Our biggest films of the year have been the premiere of *300* (2.5m), *The Da Vinci Code* (2.4m) and the family animation *A Bug's Life* (2.3m)
- Year to date, Channel 5 has averaged a 4.7% share of Adult viewing
- Together, our "Five family" viewing share (C5 + *Fiver* + *Five USA*) in 2010 has so far averaged 6.1% (Adults)
- The digital channel *Fiver* shows a mix of soaps, films, entertainment, drama and documentaries, with a greater focus on 16-34 year olds (33% of the adult audience)
- The digital channel *Five USA* shows a wide selection of internationally-recognised American dramas alongside classic US-based action films
- On average, during 2010, 17.7m people tuned in to *Fiver* each month and 14.2m people tuned in to *Five USA* each month
- The top shows on *Fiver* and *Five USA* this year are, respectively, *Home and Away* (839,000) and *NCIS* (664,000)
- During the last full quarter (Q3 2010), *Fiver* and *Five USA* achieved respective viewing shares of 0.5%

and 0.9%

- Five's *combined* digital share in Q3 2010 – 1.4% – represented a 9% growth in viewing share year-on-year

If you would like to know more, or if some of this information is not relevant, then please tell me so I can get back to you with more relevant material.

Best

Martin

From: HALLIDAY CHRISTOPHER [mailto:
Sent: 16 November 2010 17:02
To: Martin Stott
Subject: RE: Broadcasting stats card


Hi Martin,

The stats sheet is currently for internal use and it is used by policy leads, to brief Ministers and is also used by bodies we work with. It's an extremely useful tool in getting quick and extremely beneficial information.

The main info we are looking for are details on any viewing figures and share, investment details on programming for both new and on-going content, up to date advertising revenues.

Any interesting and relevant figures. What I have is great, but it would be really good to get more depth.

Many Thanks
Chris

Christopher Halliday
Film and Videogames Branch
Department for Culture, Media and Sport | 2-4 Cockspur Street | London | SW1Y 5DH
 www.culture.gov.uk

DCMS aims to improve the quality of life for all through cultural and sporting activities, to support the pursuit of excellence and to champion the tourism, creative and leisure industries.

From: Martin Stott [mailto:
Sent: 16 November 2010 15:33
To: HALLIDAY CHRISTOPHER
Subject: Broadcasting stats card

Chris

You have been in touch with my colleague Simon Betts for more information for what you call the "DCMS Broadcasting stats card". Please would you tell me what this is, where it appears (is it on the DCMS website – and if so where - or is it just used internally?) and what sort of further information you are looking for from us (perhaps with reference to the other PSBs)

Many Thanks

Martin
Martin Stott
Head of Regulatory Affairs

Martin Stott

From: Martin Stott
Sent: 05 August 2010 12:13
To:
Cc: Janet Gain
Subject: Re: Introduction

Wendy
Thanks for getting in touch. I am on leave now but will be back at the end of the month. Janet Gain has control of my diary, so why don't you contact her to set up a meeting?
Best Wishes
Martin

From: PARKER WENDY
To: Martin Stott
Sent: Thu Aug 05 11:07:11 2010
Subject: Introduction
Dear Martin,

We met at a Westminster media forum event and I said I would get in touch so that we can set up a meeting. I have recently started in this job and am busy getting to grips with the policy issues including a big steer from our ministers to de-regulate. I would like to get your views on this agenda as well as learn a bit more about the issues pertinent to Five.

When would be a good time for us to meet.

Thanks very much

Wendy

Wendy Parker
Head of Public Service Broadcasting | Media Directorate | DCMS |

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Martin Stott

From: PARKER WENDY [redacted]
Sent: 03 September 2010 17:33
To: Martin Stott
Subject: RE: REARRANGING OUR MEETING

Wednesday at 10 it is... i am coming to you!

Have a great weekend and I look forward to a proper chat next week.

Thanks

W

Wendy Parker
[redacted]

From: Martin Stott [mailto:[redacted]]
Sent: 03 September 2010 17:05
To: PARKER WENDY
Subject: RE: REARRANGING OUR MEETING

Wendy

Thanks. Please may we go for Wednesday at 10?

And remind me, are you coming here? Or would you prefer me to come to you?

Best

Martin

From: PARKER WENDY [mailto:[redacted]]
Sent: 03 September 2010 16:58
To: Martin Stott
Subject: RE: REARRANGING OUR MEETING

Martin,

No problem at all how does 2pm on Tuesday or 10am on Wednesday suit you?

Wendy

Wendy Parker
Head of Public Service Broadcasting | Media Directorate | DCMS [redacted]

From: Martin Stott [mailto:[redacted]]
Sent: 03 September 2010 16:29
To: PARKER WENDY
Subject: REARRANGING OUR MEETING

Wendy

Good to see you yesterday. As I mentioned, I'd like to rearrange our meeting, as I want to go to the BSG net neutrality conference next Thursday.

At present, I could manage more or less any time on any other day next week – and most times the following week. Please let me know what would suit you, and sorry to mess you around.

Best Wishes

Martin
Martin Stott
Head of Regulatory Affairs



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From: HALLIDAY CHRISTOPHER [mailto:]

Sent: 16 November 2010 14:56

To: Simon Betts; Andrew Sholl

Subject: RE: Channel Five

Hi Simon/Andrew,

Following on from our last correspondence. I am updating the Broadcasting stats card again for DCMS, and I really wanted to beef up the stats and facts for Channel Five, are there any new figures, stats or lines I can add to the below. These are great, but it would be really good to slip some more in.

Kindest Regards
Chris



Channel Five (Fiver and Five USA)

- Channel Five was the only major family of channels to increase its adult viewing share in 2009.
- Five experienced the largest reduction in NAR during 2009, down by 23.8% to £207m (£272 in 2008).
- The channel has signed a deal with Google to air full-length programmes on YouTube and In September 2009 it became the first UK broadcaster to strike a partnership to air content on Sony Bravia internet-enabled TV.
- Five's websites including its catch-up TV service Demand Five now attract 1.83m monthly unique visitors.
- In July 2010 Five launched HD channel on the digital satellite and platform and on cable.

Christopher Halliday

Film and Videogames Branch

Department for Culture, Media and Sport |2-4 Cockspur Street |London |SW1Y 5DH

  www.culture.gov.uk

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From: Simon Betts [mailto:
Sent: 06 August 2010 10:19
To: HALLIDAY CHRISTOPHER
Cc: Andrew Sholl
Subject: Channel Five

Hi Chris,

Below are some bullet points that will hopefully help.

Programme budget wise we are in a period of change at the moment following our recent sale so things are very up in the air.

If you need anything in more detail on the numbers front then Andrew Sholl will be able to help on Monday when he returns from holiday.

- Channel Five was the only major family of channels to increase its adult viewing share in 2009.
- The channel has signed a deal with Google to air full-length programmes on YouTube and In September 2009 it became the first UK broadcaster to strike a partnership to air content on Sony Bravia internet-enabled TV.
- Five's websites including its catch-up TV service Demand Five now attract 1.83m monthly unique visitors.
- In July 2010 Five launched HD channel on the digital satellite and platform and on cable.
- Gadget Show Live show at has competed its second year at the NEC Birmingham. Based on the popular Five series, over 60,000 tickets to the three-day event were sold out months in advance. It has won awards for best new consumer exhibition

Hope this helps,

Simon

Simon Betts
Business Development Manager



www.five.tv

www.five.tv

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Martin Stott


From: Martin Stott
Sent: 29 June 2011 11:08
To: 'communications.review@culture.gsi.gov.uk'
Subject: CHANNEL 5 RESPONSE TO DCMS COMMUNICATIONS REVIEW
Attachments: DCMS Comms Review - Response by Channel 5 FINAL.docx

Please see attached Channel 5's response to the Secretary of State's open letter.

If you have any questions about this, please note that I will be out of the office after today until Monday 18 July. If you need to contact me during this period, it is probably best to phone or text my mobile number.

Best Wishes

Martin Stott
Head of Corporate & Regulatory Affairs
Channel 5


The Northern & Shell Building | 10 Lower Thames Street | EC3R 6EN

channel5.com

RESPONSE OF CHANNEL 5 BROADCASTING LTD TO THE DCMS COMMUNICATIONS REVIEW

INTRODUCTION

Channel 5 welcomes this opportunity to contribute to the government's communication review. We warmly welcome the idea of a wide-ranging review to assess the ways in which government can encourage the communications and media sectors.

We are committed to growing our business and in the course of this paper set out some of the ways in which we believe this can be achieved. However, we do not think the answers to all of our or the wider sectors' problems need be legislative in nature; nor do we believe deregulation of itself will lead to growth – indeed some deregulatory actions aimed at fostering growth could prove counterproductive.

As requested, we have prepared concise responses to the questions posed in the Secretary of State's open letter – we would be prepared to expand on our views should this be considered useful.

GROWTH, INNOVATION AND DEREGULATION

Q1. What could a healthier communications market look like? How can the right balance be achieved between investment, competition and services in a changing technological environment?

Channel 5 is proud to be a public service broadcaster. We believe we contribute to the interests of consumers, citizens and the economy through providing a broad range of mostly UK-produced content made available to viewers throughout the country on a free-to-air basis.

We are conscious that one reason for this contribution is that Channel 5, is part of a system of public service broadcasting geared to providing a broad range of high quality UK programming that all citizens can access free at the point of use. This system is the prime driver of original UK content¹, is the main employer for the UK's

¹ Ofcom's second PSB review found that in 2007, 90% of all spend on networked UK originated output was by the five PSB channels and BBC digital channels, while a further 2.5% came from the PSB digital channels (Ofcom, Second PSB Review, *Phase 1: The Digital Opportunity*, page 55). A study for Ofcom found that under all future scenarios, "the main five terrestrial channels will continue to account for the vast majority of original programme investment in the market" (Ofcom *ibid*, Annex 7, paragraph 6.6)

successful independent production sector and generates the great majority of the programmes British viewers choose to watch².

The public service broadcasters (the BBC, ITV, Channel 4, Channel 5 and S4C) have faced increasing competition in recent years from the growth of the multi-channel sector. Together with the PSBs' development of their digital-only channels, this has brought additional choice to viewers and significant content investment. However, we believe other broadcasters are unlikely to match the PSBs' investment in UK content, not least because the regulatory system and their business models do not require them to. And almost all content generated by the non-PSB sector will only be available to those prepared to pay a monthly subscription, rather than be delivered free at the point of use to all viewers.

Therefore, we believe the best way to encourage investment in UK content is for the government to continue to support the PSB system, while recognising that it needs to evolve over time and that some of the obligations deemed appropriate a decade or two ago are no longer relevant.

The public service broadcasters all recognise the need to evolve to stay relevant to consumers' changing requirements. That is why we have all invested in new digital channels and in on-demand services and why we are now all major investors in YouView. We believe the case for high quality free to air television content delivered as widely as possible remains strong –both in providing a strong offering to viewers and underpinning investment in original content.

In this context, Channel 5 is clear that it wishes to remain a public service broadcaster. We believe that, considering we are the smallest and youngest of the PSBs, we deliver considerable public value at minimal cost to the public purse.

There are a number of measures we believe the government should consider to maintain the position of the public service broadcasters as the main engines of UK content creation, without providing unreasonable competitive advantage over other content providers. We set out our views on relevant measures in response to the further questions in the open letter. Some of the most significant are:

- Review the flow of payments between PSBs and pay platforms (Question 10)
- Maintain strong support for the DTT platform (Questions 6, 7 and 8)
- Review the continuing appropriateness of regulating commercial relationships between PSBs and independent producers (Questions 2 and 4)

Q2. What action can be taken to facilitate greater innovation and growth across the wider competition regime, and how can deregulation help achieve this?

Channel 5 does not believe deregulation of itself will lead to growth. Indeed, public service broadcasting requires a regulatory basis to underpin its continuing ability to deliver high quality content. But some of the obligations on public service

² In 2010, 78.5% of all TV viewing was to content first shown on PSB owned channels (source: 3 Reasons, BARB)

broadcasters may have outgrown their usefulness; and represent actual or potential costs to our business without any longer contributing to optimal outcomes for the PSB system.

We believe government should consider reviewing these specific PSB obligations:

- The 25% independent production quota. This was introduced in the late 1980s in order to stimulate the nascent independent production sector. Independent production companies have since grown and consolidated and now represent a major creative force in television in the UK and internationally (nearly all of Channel 5's UK content is made by independents). The sector no longer needs the protection of the quota.
- Regulation of independents' terms of trade. Independent producers were given further protection in the 2003 Act through the regulation of their terms of trade, which had the effect of boosting their commercial strength and effectiveness. However, it has meant that broadcasters who fund productions have very limited say in their wider commercial exploitation. It is also anomalous that the legislation only applies to the public service broadcasters, especially at a time when other broadcasters are claiming they intend to increase investment in the UK.
- Regional production quotas. The requirement for a proportion of programming to be made outside London made sense as a way of countering the traditional metropolitan bias of the television industry. But recent developments such as the move of a large part of BBC production to Salford and the publicly owned broadcasters' commitments to production in the nations mean that a large proportion of the TV industry is going to be well established outside London, rendering these quotas unnecessary.
- The obligation to pay for a national television archive. The growth of digital and multi-channel television over the last 20 years makes it anomalous for an archive that purports to be national to be funded by only part of the industry.

Q3. Is regulatory convergence across different platforms desirable and, if so, what are the potential issues to implementation?

We do not believe it is advisable to adjust negative content regulation ahead of any substantial changes in viewing behaviour. Linear television has proved remarkably resilient to such innovations as personal video recorders (PVRs) and on-demand services – if anything, these have tended to complement and reinforce rather than diminish the primacy of linear channels. Although new developments such as YouView may in time lead to changes in viewing patterns away from scheduled services, this is by no means a foregone conclusion.

Therefore, we believe the existing well respected rules that govern linear services should not be jettisoned, and especially not for the sake of regulatory neatness. TV

is a trusted medium and the watershed remains widely understood and valued³. At a time of concern over the premature exposure of children to certain content (as expressed in the Bailey report⁴) it would be inappropriate to start reducing the levels of protection currently available. Reasonable evolution of the present regime to keep pace with viewers' changing sensitivities remains sensible.

Just as we oppose deregulation of linear services for the sake of it, we also oppose increased regulation of on-line and on-demand content. Such content exists in a much broader (and international) internet market, which cannot be policed and regulated in the same way as linear services, although service providers can (and do) operate best practise to inform viewers. We believe that child protection in this arena needs to focus on media literacy and parental controls rather than increased regulation of content.

Q4. What barriers can be removed to facilitate greater exports and inward investment and make the UK more globally competitive in digital communications?

As indicated in our answer to Question 2, we believe the current regime governing the commercial relationships between public service broadcasters and independent producers may have outgrown its usefulness, and should be reviewed.

Regulation of the terms of trade was introduced in response to a belief that producers were not able to benefit sufficiently from the intellectual property in the programmes they developed. Since then, producers have been able to strengthen their businesses while the traditional broadcast model has come under strain with the development of new platforms and new means of viewing content. This has had the unanticipated effect of limiting the ability of broadcasters - particularly of publisher/broadcasters like Channel 5, which rely strongly on the independent production sector - to invest as significantly as they might in original UK production.

In contrast, broadcasters like BSkyB which have indicated a willingness to invest more in UK content are not constrained by the terms of trade regime that applies only to the PSBs. Therefore their agreements with producers can allow them to benefit wholly or largely from the exploitation of secondary revenue streams.

We believe the terms of trade need to be revised to better reflect the changing balance of risk and reward in broadcaster-funded content. A review should encompass all UK broadcasters and not just the public service broadcasters.

³ Ofcom research shows almost everyone (93 per cent) understands the watershed and 74 per cent (76 per cent of parents) think 9pm is the right time.

⁴ *Letting Children be Children*, June 2011

A COMMUNICATIONS INFRASTRUCTURE THAT PROVIDES THE FOUNDATIONS FOR GROWTH

Q5. What further market and regulatory developments would lead to widespread take-up of superfast broadband? What regulatory action would government need to take to make superfast broadband more readily available in a) urban areas; and, b) rural areas?

Channel 5 believes a significant driver of superfast broadband will be the provision of high quality content in broadcast-standard picture quality that can be streamed or downloaded at fast and reliable speeds.

The take-up of digital television in the UK was driven in large measure by the widespread provision on a number of platforms of a range of high quality television channels; 88% of households had already acquired digital television before the start of the digital switchover process⁵. Similarly, the provision of high quality services that consumers want will drive take-up of superfast broadband.

Q6. What are the competing demands for spectrum, how is the market changing and how can a regulatory framework best accommodate any rapidly changing demands on spectrum and market development?

The maintenance of a strong universally available Digital Terrestrial Television (DTT) platform should be one of the main objectives of spectrum policy.

DTT was created to provide a predominately free-to-air television platform available to virtually all households in the UK. It is the most popular digital TV platform in the country, with 39% of households having DTT on their main set and almost three-quarters of households having at least one television fed by DTT⁶.

DTT has expanded viewer choice, provided competition to the pay TV platforms, stimulated a horizontal consumer equipment market and underpinned the economics of the public service broadcasters. The DTT platform has also seen the development of high definition services and will soon see the arrival of connected TV in the form of YouView.

We believe maintaining the DTT platform and allowing it to develop and remain relevant to changing audience needs (such as the expansion of HD services and the development of 3D television) should be a major objective of communications policy, and be reflected in future spectrum planning decisions.

⁵ Ofcom, *The Communications Market: Digital Progress Report, Digital TV*, Q3 2008

⁶ Ofcom, *The Communications Market: Digital Progress Report, Digital TV*, Q4 2010, Figure 12

Q7. How should spectrum be managed to deliver our growth objectives whilst also meeting our policy objectives of furthering the interests of citizens and consumers in relation to communications matters?

The market-orientated approach to spectrum policy of the last decade has much to recommend it in utilising and freeing up spectrum for better economic use. But the limitations of this approach have also been exposed; spectrum is not homogenous, and pure market mechanisms have had to be tempered in order to deliver socially optimal outcomes.

Consideration of the future of the DTT platform reflects this conundrum. A pure market approach could see broadcasters priced out of using spectrum at some point in the future – to the disbenefit of the tens of millions of viewers who have chosen to invest in DTT receivers and aerials. A mixed economy approach that recognises both the economic value of spectrum and the social benefits of much spectrum use is preferable.

Q8. How should the UK engage on an EU/International level in relation to spectrum?

The UK has been an international pace setter on spectrum policy, although sometimes the UK approach has been exported before the benefits have become clear. It has also led to some UK decisions being taken too early; for example, the programme to clear channels 61 and 62 is the result of having to readjust an early decision, taken ahead of the rest of Europe, about what spectrum to include in the digital dividend.

The UK must maintain a clear sense of its specific national interests as well as advocating policies that might lead to better international utilisation of spectrum. In particular, in many other countries there is no equivalent of the UK's successful universal DTT platform– which is bound to temper nations' approaches to future spectrum policy.

Q9. Is the current mix of regulation, competition and Government intervention right to stimulate investment in communications networks?

We believe the Internet should remain an open, innovative and competitive environment. But as the range of services using the Internet develops in complexity, so there will be new challenges as to how to maintain the open nature of the internet, how to preserve net neutrality and how to allow the development of traffic management services in ways broadly acceptable to industry and consumers.

A start has already been made in seeing whether industry can itself regulate this complicated area through agreement on issues such as transparency and non-discrimination; we believe this process should be given the chance to work before any detailed statutory regulation is considered.

CREATING THE RIGHT ENVIRONMENT FOR THE CONTENT INDUSTRY TO THRIVE

Q10. Are there disproportionate regulatory barriers to investment in content? If so, what are they and how can increased investment in UK content production be encouraged?

We set out in answer to Question 1 our belief that the public service broadcasters, providing high quality content free to all viewers, was the best engine for investment in UK content. In reply to this question we consider some of the barriers to the continued success of this model and some of the features of the current regulatory landscape that need to be maintained or strengthened.

Channel 5 believes there needs to be a thorough review of the financial relationships between the public service broadcasters and the pay TV platforms. There is a statutory obligation for the PSB channels to be made available on the pay TV platforms without any charge to viewers. The pay platforms benefit considerably from the presence of the PSB channels – they would not be anything like as successful businesses without the presence of the UK's five most popular channels. But they do not have to pay anything to carry those channels. Indeed, in the case of the Sky platform, the PSBs pay millions of pounds for Technical Platform Services to guarantee their presence on it.

This situation contrasts with the position in other major territories, including the United States and major European countries, in which retransmission fees are paid by the pay TV platforms to free to air broadcasters. Such fees can take a variety of forms: payment of copyright fees for the right to re-transmit the broadcasters' content, access fees paid as a result of must-carry regimes and payment in whole or part of channels' incremental transmission costs. The UK is unique in requiring an outflow of funds towards (one of) the pay platforms while effectively preventing the PSBs from recouping from the pay platforms any of the benefits the latter enjoy through carrying their channels.

We believe this position is ripe for review as we enter an all-digital TV world. Sky and cable are now mature platforms⁷; the extent to which they benefit from carrying PSB channels, and the value that should be placed on this, should be examined fully.

Another aspect of platform regulation to which we attach importance is EPG regulation. The guarantee of appropriate prominence for public service channels on Electronic Programme Guides is of major social benefit to viewers – and of considerable commercial benefit to the PSBs, including Channel 5 (as has been widely recognised). However, we are concerned that the current EPG regime may not be as robust as had been believed and it may well be wise to review it with a view to strengthening Ofcom's powers to require appropriate prominence for PSB channels.

⁷ One of the reasons Ofcom gave for reviewing the TPS regime in 2006 was that Sky was "a changing platform moving closer to maturity". Ofcom, *Provision of Technical Platform Services*, 21 September 2006, paragraph 2.22f

A further impediment to more successful investment in content by the PSB channels is found in the advertising minutage rules in Ofcom's Code on the Scheduling of Television Advertising (COSTA), which restricts the PSB channels to fewer advertising minutes than all other channels. It is hard to see the continuing rationale for this differential approach in a fully digital age when the PSBs' unique access to analogue spectrum is no more. We are pleased Ofcom is currently reviewing the rationale for these differential rules, but believe the restrictions on content investment which they represent should be recognised.

Advertising regulation should be designed to encourage investment in original content, without discriminating in favour of the market leader. Hopefully the reviews of the advertising market and advertising regulation currently being conducted by Ofcom will result in such outcomes.

Finally, we would like to stress the importance of regulatory stability to building successful content businesses. To that end, we hope for a relatively straightforward renewal of our PSB licence.

Q11. Should the core focus of public service broadcasting be on original UK content?

Yes. The PSB system has been required to deliver a broad range of outcomes over the years, but as we move into an all-digital world it is clearly no longer commercially viable for the system to deliver the range of outcomes it was capable of in the past. So there should be a more narrowly defined set of requirements for the public service broadcasters in the future, foremost among which should be a requirement to invest in original UK production. As the smallest of the PSBs, Channel 5 has the lowest origination quotas – but we exceed our obligations and expect to continue to do so. We see investment in UK production and the provision of a daily news service as the two main public benefits that derive from our PSB status.

Q12. What barriers are there to innovation in new digital media sectors, including video games, telemedicine, local television and education?

We are not aware of any specific regulatory barriers to fulfilling our ambitions in these sectors.

Q13. Where has self- and co-regulation worked successfully and what can be learnt from specific approaches? Where specific approaches haven't worked, how can the framework of content regulation be made sufficiently coherent and not create barriers to growth, but at the same time protect citizens and enable consumer confidence?

Channel 5 has been an advocate of appropriate self-regulation and co-regulation. We believe there are real benefits in industry involvement in the regulatory process, especially in nascent and fast changing sectors where rigid rules can quickly become

Channel 5 Response To DCMS Communications Review

out of date and in industries where self-regulation has been proved to deliver effective and responsible outcomes.

The Advertising Standards Authority is an excellent example of a self-regulatory body (co-regulatory in respect of broadcast advertising) that commands widespread respect and authority among both industry and the public.

A more recent co-regulatory body is the Authority for Television on Demand (ATVOD). Channel 5, together with all other major providers of on-demand television content, supported the concept of a co-regulatory authority for this sector from the passage of the AVMS Directive onwards. Although there have clearly been some difficulties in establishing ATVOD, we continue to believe that industry involvement in the regulation of the sector is far preferable to regulation by Ofcom, which would necessarily be at one step removed from industry and less well able to adapt to changes in the sector.

Channel 5 Broadcasting Ltd

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