

Intellect Press Release
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TV Without Frontiers must go back to the drawing board, says hi-tech industry

EU Commission warned of the consequences to the European content and new media industry if proposed plans to update the TVWF Directive with a new Audio Visual Content Directive go ahead

Intellect and the Broadband Stakeholder Group (BSG) have today issued a joint plea to the EU Commission, asking it to withdraw its commitment to publish a draft Audio Visual Content Directive by the end of the year. The trade association for the UK hi-tech industry and the Government's advisory group on broadband consider the proposed approach to policy regulation to be totally unworkable, and an attempt by the EU to regulate the internet via the backdoor.

The two organisations consider the proposals –

- ✓ Premature - This is a nascent market that should be given time to evolve and develop
- ✓ Unjustified - Many regulatory and self-regulatory safeguards are already in place at member state level
- ✓ Inappropriate – Insufficient account is taken of the rapid pace of change in this market
- ✓ Unworkable – The proposals are based on categorisations of services that are unsustainable.

Talking on the first day of the i2010 European Broadcast Conference Philip Graf, Chairman of the BSG said;

“The broadcasting world is entering a period of rapid change and the regulatory framework will need to be amended, but this blanket regulatory approach is absolutely not the way to do it. These proposals would lead to a massive extension of EU regulation to cover all audio-visual content services, in some cases would catch online services, such as newspapers, that are beyond the EU's competence. It is industry's view that the further development of self-regulation and improved media literacy will meet most of the concerns that the commission is seeking to address.”

Antony Walker, Director for the Knowledge Economy at Intellect said;

“Our members are seriously concerned that the European Commission's proposals will inhibit growth of the content and new media market in Europe. New audio-visual content services, made possible through innovation in digital technology and the internet, should be given time to evolve and develop rather than being shackled by premature and unnecessary regulation intervention by the EU.”

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Antony Walker continued, "The costs of the proposed Directive would by far outweigh the benefits. Many, if not most, new audio visual services will fall in between the Commission's artificial definitions of 'linear' and 'non-linear services' – leading to confusion and regulatory uncertainty for many companies and organisations looking to invest in this growth market."

"What the EU must do now is stop the process in its tracks and begin the consultation process again. This time we ask that the EU engage with all of the industry stakeholders who will be affected by the proposed Directive, that they undertake a full regulatory impact assessment and that they focus on the development of new, and more appropriate approaches. It is only through an in depth understanding of the new audio visual content marketplace that the EU will be in a position to decide whether further regulation is required, and if it is what the scope of this regulation should be."

Industry agrees – the TVWF Directive must go back to the drawing board

In order to gauge industry views on the matter the two organisations undertook a straw poll of senior executives from across the industries which will be affected. This includes, advertising, publishing, technology, telecoms, newspaper publishing, broadcasting, ISP and new media industries.

- ✓ 82% agree that the process for developing the proposed Audio Visual Directive should be put on hold
- ✓ 82% feel that the proposed Audio Visual Content Directive will set a precedent for wider regulation of the internet
- ✓ 77% have concerns that the proposals are likely to inhibit the growth of the content and new media market in Europe

*Further findings from the poll are available on request

The EU Commission is meeting with members of the EU Parliament, UK Parliament, Industry and other stakeholders to discuss the proposed Audio Visual Content Directive at the i2010 European Broadcast Conference, taking place 20-22 September in Liverpool.

Ends.

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About the TV Without Frontiers Directive and the proposed Audio Visual Content Directive

The TVWF directive (TVWF) was originally devised in 1989 by the European Commission, reviewed in mid 1990s, now under review again.

Aims of the original Directive:

Bring down barriers to TV programming, stop broadcasters from being subject to double regulation (in country where content is produced and then again in country where it is broadcast). Under the directive, content is only regulated in its 'country of origin', all countries within the single market have agreed minimum broadcast standards to ensure consistency across EU. The directive aims to create a single market for broadcasting.

TVWF is being revised to create an 'Audio Visual Content Directive'. The legislative process is scheduled to end by 2007, with member state ratification then taking place from 2007-2010.

Why review it?

Change and convergence has prompted a review of the directive - the multiplicity of delivery options has made the directive outdated. The review began in 2001, a series of industry focus groups have met over the last few years to re-scope its major tenants.

On the basis of this consultation the Commission has produced issue papers on the major changes which will be discussed at the Liverpool conference in September. The objective of this conference is to give the Commission more information on the impact of and issues surrounding the subject in order to draft an Audio Content Directive by the end of the UK Presidency of the EU.

About Intellect –

Intellect's full position can be found at -

http://www.intellectuk.org/publications/position_papers/TVWFconsultation.pdf

Intellect is the trade association for the UK IT, Telecommunications and Electronics industries in the UK. It represents a membership of over 1000 companies, spanning blue-chip multinationals to early stage technology companies, within an industry that together contributes around 10% of UK GDP and at least 15% of total UK trade.

More information about Intellect can be found at <http://www.intellectuk.org>.

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