



# **BBC Charter Review Green Paper - Second Phase Consultation**

A response from the  
Association for International Broadcasting

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AIB Response to the BBC Charter Review Green Paper

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## AIB Response to the BBC Charter Review Green Paper

### **Introduction**

This submission provides the response from the Association for International Broadcasting to the UK Green Paper Second Phase Consultation on the BBC Charter Review.

The Association for International Broadcasting [AIB] is the industry body that represents many of the world's principal transnational broadcasters who operate both television and radio services. These members include commercial and public service broadcasters, many of whose services are available to audiences in the United Kingdom as well as to audiences in other territories around the world at the same time, or time-shifted to take account of time zones.

This response draws together the views of a range of AIB members and sets out the Association's views on parts of the Charter Review Green Paper. The Association's submission concentrates on those parts of the consultation that directly affect its members and does not comment on sections of the Green Paper Review Document that have little or no relevance to the AIB and its members.



## AIB Response to the BBC Charter Review Green Paper

### Context

The AIB welcomes the UK Government's publication of its Green Paper on the Charter Review of the BBC. This Charter Review takes place in a very different media environment than when the BBC's current Royal Charter was granted in 1997 and the AIB is pleased to note the recognition by UK government that the media environment is far more fluid with considerably more choice than ten years ago.

The AIB is also pleased that there is continuing recognition of the influence that the BBC has outside the United Kingdom through its services on radio, television and online that are designed for international audiences and indeed through sales of programmes to broadcasters in territories worldwide.

In order to continue to achieve this global influence, the AIB concurs with the Review that the BBC should remain "a cultural institution of reach size and scope." We further agree that it is only with such scale and scope that the BBC can continue to meet the objectives that it has been set. This is particularly true of the BBC's international services which have benefited from the significant scale of operations that the BBC has in the United Kingdom and around the world, such as its international news gathering.

It is essential to recognise the influence that the BBC has on broadcasting outside the United Kingdom, where the BBC serves as a model for other operators – principally public service but in some cases commercial or partly-commercial. For many countries the United Kingdom provides leadership in broadcasting, and in broadcasting policy and regulation; UK policy is often used as a benchmark for media policies worldwide, particularly in countries within the European Union and the Commonwealth. UK legislators must recognise that decisions about the BBC can have wide-scale impact on organisations throughout the world.

We note that the Charter Review document does not explicitly refer to the notion that the BBC has a role in ensuring that there is freedom of expression within the UK. This is at odds with Ofcom's proposed Broadcasting Code which states that "freedom of expression is an essential human right" and that "broadcasting and freedom of expression are intrinsically linked. The one is the lifeblood of the other". The importance of this concept, and the implementation of Article 10 of the Human Rights Convention in the field of broadcasting in the United Kingdom and in all other countries, cannot be underestimated. While it is unlikely that such freedom of expression will be called into question in the United Kingdom, it is important that the BBC's Royal Charter recognises the concept of freedom of speech and expression and enshrines such a model within the forthcoming Charter.



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### Foundations of a 21<sup>st</sup> century BBC

Establishing the precise purposes and mission of public service broadcasting is a complex and difficult undertaking. Often public service broadcasters themselves have difficulty in defining such notions. We believe that the purposes set out in the Charter Review document adequately define the future role of the BBC, we draw attention to the outputs of a UNESCO-backed workshop that examined public service broadcasting held within the framework of the UN-sponsored World Electronic Media Forum, Geneva, December 2003. These outputs have been reproduced in Appendix 1 of this Response document.

As a result, we respond to the questions in this section as follows:

*Question 1: Do you think it is helpful to define the BBC's purposes in this way?*

The AIB believes that such a definition of purposes is useful and an accurate current assessment of the BBC's role. However, there must be an understanding that such definitions must not necessarily be exclusive or limiting since the BBC operates within a highly dynamic and rapidly changing media marketplace both at home and abroad.

*Question 2: Are these the right purposes?*

The AIB believes that the purposes set out in the Review document are correctly defined, subject to our response to question 1.

The AIB concurs with the notion that the BBC's "programmes should set standards, especially in news, for other broadcasters to aspire to." This is as important for the BBC's international services as it is for its domestic output.

*Question 3: Are these the right characteristics?*

The AIB believes that the characteristics set out are correct.

In the area of *building digital Britain*, the impact of the BBC's initiatives in developing and promoting digital services cannot be understated. The work undertaken by the BBC's Research and Development department in developing technological solutions at both the broadcaster and consumer level have enabled the UK to gain a tremendous lead in digital broadcasting. The BBC's work in digital broadcasting is respected globally.

At the programming level, the BBC's new digital services on radio and on television have helped to drive the take-up of DAB digital radio and digital terrestrial television within the UK market. These new services have also provided broadcasters outside the UK with *best practise* examples. The BBC's developments have stimulated the digital broadcasting market and have helped to create new business opportunities for commercial companies, including broadcasters and companies operating in other sectors such as consumer electronics.



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The AIB recognises the BBC's involvement in DRM<sup>1</sup>, the planned replacement of analogue transmission in the AM bands and supports its continued work in this area. DRM, if it succeeds in becoming a mainstream consumer proposition, will deliver high-quality, FM-like radio signals over large distances and can be implemented on short wave for international radio broadcasting.

*Question 4: Do you agree that the BBC should be at the forefront of developments in technology, including digital television?*

The AIB supports the BBC's involvement in broadcasting technology.

Funding – no comment since this relates to the Licence Fee for domestic services.

### **Governance and regulation**

The BBC's system of governance has been shown to be lacking in recent months. However, it must be recognised that the present system has functioned well, on the whole, for more than 70 years. It is important that any changes made do not hinder but support the implementation of the BBC's purposes identified in the Review document.

We note that the proposed BBC Trust should represent the views of licence payers. As the BBC's international role grows – as it is likely to – then the AIB believes that the BBC Trust must consider the views of its international audiences, whilst recognising that a majority of these audiences do not pay for the services that they consume.

*Question 7: Have we defined the roles of the BBC Trust and Executive Board sufficiently clearly?*

The roles of the BBC Trust and Executive Board have been enumerated clearly.

*Question 8: Is this the right way to define the public interest remit of the BBC Trust?*

We note the proposed public interest remit of the BBC Trust and concur with the six points set out, but we suggest that items five and six should be redrafted to include reference to the BBC's other stakeholders including the Foreign and Commonwealth Office and international audiences.

### **Accountability**

We note that it is proposed that the BBC Trust should ensure that it takes account of the thoughts and opinions of those who pay for the BBC. The AIB proposes that this is extended to those who consume the BBC's international services and the principal stakeholder for the BBC's free-to-air international services, the Foreign and Commonwealth Office.

It should be recognised that in the area of complaints, the BBC's services may come under the scrutiny of regulators in other countries in addition to any involvement by Ofcom in the United Kingdom.

*Question 12: What skills and expertise do you think they [members of the BBC Trust] need?*

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<sup>1</sup> DRM – Digital Radio Mondiale, a digital transmission system for the AM bands [long, medium and short wave], developed by an international consortium with significant input from the BBC.



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In addition to the areas of expertise set out in the Review Document, there should be at least one member of the BBC Trust with experience or knowledge of international issues and international media in particular. This is a continuation of current practise where there is an “international” BBC Governor.

### **Scope of publicly-funded services**

The AIB is pleased to note that Government recognises that the BBC needs to respond to technological changes in electronic media and market conditions. However, when the immense changes that have occurred during the current Charter period it may be that there has been an underestimation by Government about the likely developments during the life of the forthcoming Charter.

The AIB believes that there will be significant developments in the types and range of platforms on which content is delivered and consumed. We have seen the remarkable take-up of digital terrestrial television in the UK; there has been rapid consumer acceptance and use of digital radio – both DAB and that delivered by satellite and terrestrial systems primarily designed for television; there have been immense developments in the area of mobile telephony with a blurring of traditional boundaries between the telecommunications and broadcasting sectors. When these recent developments – that were not foreseen in earlier legislation – are taken in to account together with continuing progress and consumer take-up in the areas of MP3 players (“podcasting”), portable video devices, personal video recorders, broadband and high definition television, for example, it becomes apparent that few people can realistically anticipate what further methods of delivery and consumption will emerge in the coming ten years.

Accordingly, we recommend that the BBC be given the legislative freedom to exploit new and as yet undefined platforms and systems to ensure that the public purposes set forth in the Charter Review document can continue to be met. We support similar freedom being granted to other broadcasters to harness these new platforms and systems as technology develops and consumer habits change.

The BBC, like all broadcasters, needs to harness the opportunities that emerge as technological progress opens up new ways of delivering content. For example, the AIB supports the use of digital technology to make available programmes that have been aired on radio and on television on an “on-demand” basis. It further believes that the opportunity for part-time services that support existing channels offers genuine listener and viewer choice and does not significantly affect the ability of commercial competitors to maintain and increase their audiences.

The AIB welcomes the proposed “creative archive” that is to be established. Such an archive offers much benefit to British licence-fee payers. Ways in which users outside the United Kingdom – particularly expatriates – access such services will also need to be developed. Further, the BBC’s “creative archive” affords an opportunity to demonstrate Britain’s leading role in broadcasting to users in other countries.

*Question 16: Do you agree that the BBC should be able to propose changes to its range of services over the course of the next ten years?*



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The AIB believes that the BBC – and all other broadcasters operating within the UK – requires the flexibility to alter its services as market conditions change and technological developments occur.

*Question 17: Do you agree with our proposals for handling new services?*

The proposals set out in the Charter Review document have significant merit and the AIB supports these.

### **Scope and regulation of commercial services**

The AIB is of the opinion that the BBC needs to engage in certain commercial activities to support its operations. These include, but are not necessarily limited to, sale of programming to broadcasters and other content users outside the UK; the sale of programming and other BBC-originated content to other operators (such as mobile telephony companies) both within and outside the United Kingdom; the development of international commercially-funded channels carrying news and/or entertainment output; merchandising; magazine publishing.

There must be no cross-subsidy for any of these commercial services, but it is important to recognise that, given the scale of the BBC, it is inevitable that the Corporation has a significant advantage over smaller companies which may seek to enter markets, perhaps with similar products and services. There is, by the very nature of the BBC's size and scale, an inherent level of cross-subsidy that may be difficult to quantify. However, commercial players and other competitors will need to recognise that it is impossible for such unintentional but inherent cross-subsidies to be removed.

This applies in international markets where the BBC may seek to compete with other public and commercial broadcasters that wish to develop new channels, for example, that appeal to a similar consumer group. The BBC needs to respond positively, effectively and promptly to any claims that it is working against the interests of other broadcasters in its international operations and apply a similar openness in the domestic markets where other broadcasters and commercial organisations seek to work in similar sectors.

*Question 18: How strictly should the BBC's commercial services be restricted to those businesses that are linked to public purposes and public services?*

The BBC should seek to operate commercial services only when these can be clearly linked to the Corporation's mission and public purpose as proposed within the Charter Review document. The BBC should not be permitted to establish commercial services where there is evidence of "market failure". In such instances – where commercial companies have attempted to develop services but have failed to reach profitability – it is likely that a publicly-funded rather than a commercially-funded service is required.



## The BBC's international role

The Green Paper sets out a BBC goal (page 42) of *bringing high-quality international news coverage to a global audience through radio, TV and new media*.

The BBC's international reputation, reach and impact cannot be underplayed. In times of crisis, listeners the world over turn to the BBC's international radio service, including the World Service in English and the language services it operates. The BBC's international-facing online services have become immensely popular and are a vital component in the BBC's global offer.

The international television services – BBC World, BBC Prime and regional offers such as BBC America – are becoming increasingly influential, yet BBC World does not appear to have the impact and reach enjoyed by its principal international competitor, CNN International.

The AIB is pleased to note the UK government's continued support of the BBC's international role, as set out on page 44 of the Green Paper: *The BBC should continue to provide international news to the rest of the world, through its outward-facing internet sites, the commercial television news service BBC World and the World Service*.

The AIB declares an interest here. Many of this Association's members are international broadcasters who, although smaller in a majority of cases than the BBC, have significant influence among their listeners and viewers. They welcome the support given by the UK government to Britain's international broadcaster which is essential if international broadcasting is to continue and flourish at a time when global media markets have become more competitive and yet at the same time often more inward-looking.

The BBC is seen as a role model for many of these broadcasters and the stakeholders of these organisations look to Britain for a lead as to how to support, fund and encourage international radio and television broadcasting.

With this in mind, we express some concern about the possible reduction in vernacular languages currently operated by BBC World Service (page 45). It is clear that history plays a major part in the way that the BBC's language services have developed and there has not, perhaps, been sufficient emphasis placed on the development of new services to reflect geopolitical changes.

We question the premise that the *World Service's offering of broadcasts in 16 vernacular languages spoken in countries which formed part either of the Former Soviet Union or the Eastern Bloc of countries formerly under the Soviet Union's domination is beginning to look anachronistic* (page 45).

Whilst some of these countries are now members of the European Union, democracy is at times fragile and access to free unbiased media is not yet guaranteed. There is considerable



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political and commercial pressure applied on broadcasters in some of the countries that joined the European Union in 2004. We believe that further extensive investigation and discussion about broadcasts in European languages is required.

We recognise that there is a need for discussion between the UK Foreign and Commonwealth Office [FCO] (the principal stakeholder in BBC World Service) over the role and the scope of BBC World Service vernacular language services in the coming years. We caution against radical decisions that could remove the BBC in local languages in countries where there is still a basic need for reliable and unbiased news services from well-respected broadcasters.

Whilst the English-language World Service is widely available, it cannot be an effective replacement for broadcasts in local languages. Programmes in English will appeal only to a minority audience. We draw Government's attention to the way in which other global media players, such as Discovery Channel for example, appeal to large-scale local audiences through the production of original programming, or repurposing of its existing programme stock, in local languages, through the dubbing of material originally made in English or, at the very least, subtitling of such material.

We believe that it is unlikely that large audiences in the United Kingdom would tune to programmes in French, German or Spanish if they were available on FM radio services, for example. By extension, therefore, why should audiences in the Czech Republic, Romania or Albania tune to English-language output in preference to programmes in their own language?

We recognise that funding for the World Service is finite and it is impossible to produce and deliver output in every major language. We accept that there is a need for local language services in other areas of the world including, as noted on page 45, the Middle East, Far East, Africa and South Asia to support the development of democracy, freedom of speech and respect for human rights. Thus the AIB supports the development of services in local languages to serve such regions, but recommends that any existing service whose value has been questioned in the Green Paper should not immediately be closed, nor reduced to such an extent that they no longer effectively service their audiences in local target areas.

### ***The possibility of expanding into television services***

We support the BBC's view that if it is to fulfil its international remit it must operate television as well as radio and online services.

We are disappointed that the UK government's current position is that any development of new television services must be funded from existing resources. The Green Paper notes that *any new grant-in-aid funded operation will find it hard to compete for audiences against local competitors, and other established global operators* (page 46). This notion seems to contradict the Government's position that *World Service, in consultation with the FCO, needs to consider a radical and creative reprioritisation of its vernacular output...*

The UK government has recognised in the Green Paper that in other countries as much as in the United Kingdom itself, audience consumption patterns and delivery platforms are



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changing markedly and that the BBC's international services need to reflect and respond to such changes.

It is vital that any new television service – as much as existing television services such as BBC World – is properly resourced to ensure that it can compete with established local players and international services targeting the same audience or audiences. We note that in the Middle East, consumers have an increasing choice of television channels operating in Arabic with programming that appeals across many genres, including news and entertainment.

The BBC has, however, a strong base from which to develop a new Arabic-language channel. This includes its well-respected Arabic-language radio service that is widely consumed across the Arab-speaking world. This further provides immense “cross-promotion” opportunities to feed World Service Arabic radio listeners to a new Arabic-language television service.

The AIB and its members will be pleased to provide additional information and context for any review process undertaken by the UK Government and by the BBC in connection with the Corporation's international role.



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### **Conclusion**

It is important that the BBC enjoys the support of the British people and cross-party political support throughout the life of the forthcoming Charter. The AIB believes that the Green Paper has broadly captured, subject to the caveats that have been published in this document, the Corporation's public purposes and the broad systems under which the BBC should operate in the coming Charter period.

The AIB and its members welcome a revitalised BBC that is approachable and inclusive.



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## Appendix 1

### ***World Electronic Media Forum Recommendations, December 2003***

*Adopted by the participants to the workshop on Public Service Broadcasting organized by UNESCO in the framework of the World Electronic Media Forum Geneva, 11 December 2003*

Public service broadcasting - one of the key socio-political and media institutions developed in the 20th century - should be preserved in a form suited to the conditions of the 21st century. Civil societies should be supported in their quest to turn PSB into a civil society institution for all citizens, independent from both political ties and commercial bias, rather than an adjunct to the political elite. Editorial freedom, universality of content and access, high quality, accountability and distinctiveness should be fostered. National and international policy, legal, institutional and financial frameworks for PSB should be modernized. New ways should be explored to attract social funding into PSB organizations, now often severely under-financed.

PSB should reflect the multi-ethnic and multicultural nature of contemporary societies and spread awareness of multi-dimensional political citizenship. They should provide universal access to information and knowledge through quality and diverse content, particularly creative local content, reflecting the needs, concerns and expectations of the various target audiences, help develop the global public sphere as a forum for debate on policy issues; promote cultural diversity, as well as to enhance its educational function.

PSB should retain generalist terrestrial channels to maintain their relationship with the audience and to perform a cultural and social role. These could be complemented by 'free-to-air' specialised channels offering thematic services or relevant to minority and social groups. PSB should be present on all significant digital platforms and offer the audience an online "personalized public service". PSB should assume responsibility for promoting digital inclusion by offering their content through the Internet and other interactive media to attract users to them; promoting cultural and linguistic diversity in the on-line environment, as well as digital media literacy.

PSB should be supported legally, technically and financially in the context of digitalization. Funding arrangements should take into account that migration of production infrastructure and equipment from analog to digital is expensive.

Professional organizations should promote internationally recognized PSB principles, guidelines and best practices.

In a time of fast, all-encompassing change, PSB is necessary for public debate, to ensure social and democratic cohesion and solidarity in dealing with new challenges, to reinforce existing identities and project emerging new national or regional identities. PSB should actively seek to involve everyone in the Information Society. It should be strengthened as a counterweight to globalisation and concentration of media markets and assisted in developing forms of international cooperation.

PSB should actively seek and encourage the advice of civil society associations in the determination of policies and priorities for programming.

### ***"Public Service Broadcasting Today and Tomorrow"***

*Statement adopted by the participants to the workshop on Public Service Broadcasting, organized by UNESCO in the framework of the World Electronic Media Forum, Geneva, 11 December 2003*

The participants to the Workshop on Public Service Broadcasting, having exchanged their views and experiences on a number of highly significant topics, have decided to supplement their Recommendations to the World Summit on Information Society with the following Statement on Public Service Broadcasting Today and Tomorrow:

Decision makers should be encouraged to transform state broadcasting into an open public service broadcasting;

Where PSB has been established but has been surrounded with obstacles from meeting its objectives, its independence should be safeguarded and its performance upgraded;



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PSB should be made adaptable to the technological, social and cultural changes constantly developing within the information society.

A public broadcasting system detached from state influence is absolutely essential to disseminate impartial and diverse information. An independent and well-performing public broadcasting system examines public issues with an incisively critical eye by providing programmes that include public debate, cultural expressions and educational programming aside from entertainment. PSB should unfailingly render service to individuals, communities and societies in order to contribute to a shared political, social and cultural frame of reference and bring about social cohesion among different peoples. This form of PSB, which meets its audience not only as consumers but as citizens, binds democratic societies and develops national identity and cultural preservation.

PSB must be taken as an indispensable force in the enlightenment and education of the general public and therefore, it should contain a high proportion of original domestic production boasting of local content, be adequately funded and publicly accountable. Radio and television at the service of the public are the nation's largest educational, societal and cultural institutions and their reliability should be maintained at all costs. With this in mind, it is compulsory for PSB to appeal to both mass audiences and special interest groups, to serve national interest while keeping its institutional independence and integrity.

It is important for PSB to be flexible and adaptable to the new demands of the rapidly-evolving information society. This includes dealing with the future of the electronic media and the various changes it presents in the fields of technology, market and consumer behaviours and regulation. New audiovisual and information technologies should be integrated in any PSB system, particularly in this era of digitalisation. If PSB remains static in the midst of the digital revolution, it will cease to exist not only in its form but most importantly, in its function as a public service. Public service broadcasters need to reorganise themselves to suit the emerging environment and adjust to the new ways of working in their productions, especially in the growing use of multimedia. It is rather imperative that public service broadcasters be strongly supported in this context by endowing them with legal, technical and financial security to remain stable against competitive pressures from private broadcasters. PSB should not, however, use public funding to distort competition, from which it also reaps substantial profits.

At present there is the urgent need for a futuristic media policy, especially in freeing PSB from market isolation. Commercial entities dominate more and more information delivery networks and digital gateways. It is only pragmatic for PSB organizations to commence alliances and cooperation with them for the sake of holding important segments of the audience, without compromising its own entity of being a non-commercial institution.

Although PSB should be adjusted to the media environment today, it remains crucial for it to retain its identity and distinctiveness of rendering public service. This should be the most essential cause of our fight for the continuous existence of public service broadcasting tomorrow.

### Notes for a Broadcasters' Action Plan

- Public Service Broadcasting (PSB) must be recognized as an indispensable force in the Information Society, contributing to a shared political, social and cultural frame of reference and bringing about social cohesion as well as public debate of central issues.
- Multi-ethnicity and cultural diversity are among the principal elements of the PSB remit in the 21st century.
- Decision makers should transform state broadcasting into editorially independent PSB.
- PSB, while remaining true to its identity and distinctiveness, must be allowed the flexibility to adapt to new demands; it must not be barred from thematic channels and new media complementing its all-purpose offer.
- Media policies should establish an appropriate and secure funding framework which guarantees PSB the means necessary to accomplish its remit, with the necessary safeguards to ensure that public funds are not used to distort competition.