

# Convergence Think Tank: Seminar 5

## ‘Convergence & the Public: Building a Media Literate Society’

9 October 2008

### **Introductory Remarks**

**Robin Foster**

**Advisor, Convergence Think Tank**

#### **I. Preamble**

Welcome to the fifth of the Convergence Think Tank (CTT) seminars. I will be chairing the morning session today, and my colleague, Tess Read, will be chairing the afternoon session. The two other CTT independent advisors, Chris Earnshaw and John Willis, are also here.

The CTT was established at the start of this year by the Department for Culture Media and Sport (DCMS) and the Department for Business Enterprise and Regulatory Reform (BERR). Its purpose was to look at the impact of convergence in the media and telecommunications sectors, and the implications of developments for policy and regulation. The CTT is due to report on its findings early next year. The full-time CTT team has conducted a range of activities, including the commission of consumer research and future market developments on detailed scenario analysis. The CTT had also received a range of written submissions from various stakeholders.

#### **II. The CTT Seminars**

##### **1. Purpose**

The seminars have been an important part of the process, helping to set the CTT’s agenda and providing a forum for debate. The seminars began by looking at why convergence mattered and the most recent focused on the future of public service broadcasting. They have also looked at broadband networks and the services delivered over them.

##### **2. Emerging Themes**

Despite here being some way to go in CTT’s deliberations, some key themes have already emerged, including recognition that convergence will have a major impact on our economy and

society; that there is a critical role for modern, super-fast broadband in developing and delivering the benefits of convergence; and the importance of making sure that we encourage the growth of dynamic and innovative markets, which, in turn, will benefit consumers and the economy as a whole. Some key public interest concerns have also emerged, particularly around the need to reinvent how we deliver public service content in the future. There are some meaty issues for the CTT to address.

### **3. What Convergence Means**

A very important and consistent theme emerging from all seminars so far is the need to understand what convergence means for us – the public, citizens and consumers – and in particular to ensure we are properly equipped to take full advantage of the potential benefits of convergence. That is why I think this seminar in particular holds huge importance in the programme. It is entitled “Convergence and the Public: Building a Media Literate Society”. We are hoping to cover a wide range of issues, from the risks and challenges, through the creative opportunities that convergence brings, to how we can best equip people to make informed choices in this increasingly complex world. I hope that will provide for some interesting and useful debate.

### **III. Speakers**

I am very pleased to welcome Anna Bradley, the Chair of the Ofcom Consumer Panel. The Panel was set up as an independent advisor to Ofcom on consumer interests in a telecommunications and broadcasting spectrum field, and in particular to advise Ofcom on how to achieve a communications market in which we, as consumers, can be confident we are making sensible choices about the products and services we require. Anna Bradley was appointed as Chair of the Panel in January 2008; she was previously Consumer Affairs Director of the FSA and Chief Executive of the National Consumer Council.

## **Keynote Address**

**Anna Bradley**

**Chair, Ofcom Consumer Panel**

### **I. Preamble**

Thank you for that introduction, which saves me from explaining what the Consumer Panel is. I have discovered since taking this job that many people do not realise that the Consumer Panel was set up to be independent; they see it as an arm of Ofcom, which it absolutely is not. I am very pleased to be here today. I have been to several of the seminars, observing that someone from the floor always says convergence depends on what consumers and citizens want to do with the stuff. We do not know the answer to that question. The purpose of today, to place the consumer and citizen at the centre of debates about the future shape of communication and regulation, presents a real opportunity.

## **II. Agenda**

I want to start by talking about the opportunities of convergence. I have been asked to speak about challenges and risks, but it is really important that, before giving a litany of potential issues, I emphasise that there are some genuine opportunities that all consumers will recognise. Then I want to talk about some of the challenges that convergence presents. I will discuss that in two parts. Firstly, there is a sense that convergence has already begun and some problems in the market are exacerbated by what is happening in a converging world. Secondly, there are some new and emerging issues specific to convergence, which I would like to discuss. Finally, I want to draw out some of the threads from that with regard to three parties. The emphasis of today will be on media literacy, but there are key roles for regulators to play in addressing the challenges and opportunities, to benefit consumers and citizens.

## **III. The Benefits of Convergence**

### **1. Choice and Convenience**

For consumers, convergence brings real opportunities, providing a huge range of choice and convenience. There are some obvious examples – I can watch a BBC television programme at the time it is broadcast, on the iPlayer, in front of a PC, over the internet; on an iPhone; or I can take it anywhere in the world in a Slingbox. In the phone world, I can speak to my friends and family on a fixed-line telephone, on a mobile, or at no extra charge using a webcam on my computer.

### **2. Mobility**

Mobility is of huge importance to consumers. We can walk, talk, listen to the radio, watch TV or user-generated content, send emails, and purchase or bid for goods online almost any time, any place, anywhere. Without that possibility I would not have been able to stand up here today with a speech, because my team and I have been extremely busy working in different places over the last few weeks. My speech was written on Blackberries, on the phone, using SMS, on mobile internet, fixed broadband, and using a remote Webmail system connected to the Ofcom site. So, in some form or other, those communications technologies have given us the potential to do something we would have otherwise found extremely difficult.

The great unknown is that convergence will result in a range of new products and services, some of which will meet fundamental needs – new public services, which might become available in different ways and places, and new possibilities in economic terms, to run small businesses remotely or in a more disaggregated way. These are some of the possibilities we can imagine, but, like the iPlayer, there are probably many other things that most of us cannot imagine at this time.

## **IV. Challenges of Convergence**

### **1. The Process**

Convergence has already begun. I would argue that we are already reaping the benefits, but the fact is, there is a downside too. We are experiencing some of those challenges in a marketplace that already has problems. Convergence exacerbates some of those problems. I want to look at some of the issues and how convergence might play into them.

## 2. Bundling

Bundling has helped deliver many benefits for consumers – we have all acknowledged that being able to deal with one provider rather than many makes our lives much simpler. It also often means lower costs, because of the way that industry cost structures work. However, research reveals that consumers are increasingly confused by the complexity of services and their bundling. They find it quite difficult in the current climate to work out which bundle will be the best for them, what their needs really are, and how to compare and contrast completely different product bundles. Convergence is going to result in even more variety and complexity.

## 3. Making the Right Choice

### a. *Making comparisons*

The second set of issues is how consumers can navigate increasingly complex choices. How does the consumer work out whether, when and how to disaggregate a bundle and go for something completely different – perhaps separate out one aspect of the bundle that is no longer needed and buy a product with new services? There are some very difficult comparisons to make.

### b. *Role of the regulator*

In making the right choice, there is a role for the regulator in making sure that information is clear and concise. There is also a role for providers. The more we move towards a complex world, the greater the role for providers to play straight with consumers; to make sure that they truly understand what they are doing when they buy into services, and what additional charges they are incurring. For example, they should know that 8Mb broadband does not actually mean they will get 8Mb broadband – it is a theoretical maximum that only applies if they live in the exchange. Consumers should also understand the implications of entering into an 18-month contract.

Consumers need to understand these issues when entering the new environment. Again, information issues are going to become more complex in a converged world, as bundles themselves become more complex.

## 4. Switching

### a. *Simplification*

I have talked about the buying process, but in this innovative, dynamic and competitive environment, we want to encourage consumers to use their market power, not just to make a first-time purchase, but also to switch. Consumers need to feel confident about the switching process. That means it needs to be quick and seamless, and right now, it is not. A number of steps have been taken to try and simplify some switching processes, but attempts to speed up processes, such as the number portability in mobiles, are being thwarted. MAC codes are still very difficult for consumers to access.

### b. *Porting rights*

It is the Panel's view that if we could obtain porting rights, consumers could truly begin shaping market dynamics, which would increase in a converged world. But getting porting rights in a converged world will be more difficult, thus presenting another set of issues that will deepen over time.

## **5. Inconsistency**

### *a. Switching providers*

The next set of issues is dealing with inconsistent standards and processes, which will be exaggerated in a converged world. At the moment, if I want to switch providers, I have to get a MAC in broadband and a PAC code in mobile. These two processes take different lengths of time to complete and quite variable in their use. Consumers are already confused about the numbering framework.

### *b. Call charges*

As a relatively new entrant to this field, having only started in January, I was bemused when first presented with some of the numbering issues. Consumers are confused by what it actually costs to call a revenue-sharing number from a fixed-line or mobile. They are confused about why they are charged different rates for making the same call, depending on the device used, and in some cases why it appears to be free. They wonder why a 0800 number is free on a fixed line but charged for on a mobile.

### *c. Impact of convergence*

These issues, again, will be exacerbated by convergence when fixed and mobile networks begin to merge. Let us imagine when this notion of having a single handset comes to pass and consumers can access all networks through one piece of equipment. How difficult will it be to understand that, if you use one network, which is invisible to you, rather than another, which is equally invisible to you, that the charges will be different? That difference is inexplicable from a consumer perspective.

## **6. Privacy and Data Protection**

### *a. Consumer trust*

Consumers are no respecters of regulatory boundaries. It is unimportant to them that issues are handled in other places. That is, until it becomes an issue and consumers' lack of trust and confidence affects the whole economic arena in which they are engaged. I suspect that right now consumers know more about financial regulation than they have ever known; they can tell you who the regulators are and a lot more about their roles. But that is only because their attention has been drawn to the issues, and their own money has been fundamentally challenged.

### *b. Impact of convergence*

Happily, we are not in that space. However, the more we interact with communications technologies and the more we take advantage of convergence, the more care we need to take over privacy and data protection. Convergence will create the conditions for even greater access to more personal information. That brings real benefits in the right hands – who would not like this notion of a single patient identifier, so that when you go and see a doctor anywhere, you do not have to run through your history? However, having all of that information available in one place brings real risks when in the wrong hands.

c. *Cause of anxiety*

Privacy and data protection issues are already one of the major causes of consumer anxiety. It is one of the reasons why a significant portion of the population is not yet online – it is a factor behind the digital divide. If we do not get these issues right, privacy and data protection will become an even greater cause of anxiety.

## 7. Scams

a. *Types of scams*

In the UK, 3.2 million adults fall victim to deceptive, unsolicited mailings, phone calls or emails in a year. There are a range of scam techniques, including spam emails, text and internet pop-ups, which cost UK consumers £3.5 billion each year. This has a very significant impact on the economy. Scams involving premium-rate services are on the increase and moving from fixed line to mobile. There have been a large number of instances where people have handed over cash to con artists, and a lot of phishing, where consumers click through to a bank website that appears legitimate but is not. There is no question for us that in a converged world, these scams will proliferate, become more professional and pose a greater problem.

b. *Converged world*

What is the issue? Consumers undoubtedly need to be wiser about scams and spam, but I would also argue that regulators must be able to act quickly and consistently in a converged world. This seems to be another area in which the mix of regulatory approaches for different platforms means there will be delays and, most likely, unacceptable variances in approach. They will be unacceptable in the sense that a consumer will not understand why solutions on one platform are of type 'a', while solutions on another platform are type 'b'. That raises the question of whether there will be demand for principled and technology-neutral-based regulations.

## 8. Exclusion

This is the last set of issues, which I will further address later in the meeting. As services become more central to people's lives as a result of convergence, and as more public services are delivered via different mechanisms, their accessibility and usability will increase. That raises some very difficult policy issues, for which we should be prepared.

## V. The Regulatory Context

### 1. Content

I have already touched on regulatory inconsistency and reach. It seems that consumers are bound to start asking, "why can I not take my 17-year-old to an 18-rated film in the cinema when I can watch it with them at home, on the internet, or on the television? Why am I unable to view a certain type of programme before the 9pm watershed, yet I can view it with no restrictions on the internet? Consumers will do what they want to do, when they want to do it.

That is the benefit of convergence, and the more they can do it in some contexts, the more they will want to do it in others. There are obvious caveats about illegality, but the pan-regulatory

perspective that consumers and citizens will adopt, will need to be reflected in the regulatory framework going forward.

## **2. Access and Coverage**

### *a. Functional internet access*

This is the second big set of issues in the regulatory context. A converged communication world will open up some very serious challenges relating to universal service. At the moment, the Universal Services Obligation (USO), as defined by the EU, is upon fixed-line providers to provide access to voice and functional internet access at 28.8Kb. For some people this is a dream, but for most of us 28.8Kb does not deliver what we need in terms of functional internet access. I got a lot more than that on my dongle last night when I was trying to send my speech to someone. That is why the current debate about high-speed data network is not about the current generation of broadband, but rather about a fibre-generated network yet to be built.

### *b. Mobile*

There will be a time when we are asked whether the USO and the obligation it puts in fixed-line providers is no longer relevant. We already see a world in which fixed line is becoming less significant than mobiles. That may increase in the future; we ought to think about what will happen if it does.

### *c. Accessing converged networks*

In this context, the question of physical access to converged networks is going to become more urgent. In theory, inclusion in a converged world might not only mean accessing and using a service by a single means, but also accessing and using services by a variety of means. The issue of convenience and mobility might become available to everyone.

We are a long way from that. I do not want you to walk away thinking that that is what the USO should be defined as right now. However, thinking about the future framework of regulation means we have to ask these difficult questions in order to prepare ourselves, be ahead of the curve and ready for the future.

## **3. Redress**

The Government had much foresight in 2003 when it created a converging communications regulator. However, we still do not have a convergence redress scheme. I would suggest that in a world when consumers really need to know who to address when things go wrong, they have a single point, not multiple redress arrangements.

## **VI. Industry Behaviour**

Ofcom recently tried to improve the consumer switching experience in the mobile sector. Parts of the industry challenged a proposal and the Competition Appeal Tribunal (CAT) ruled against Ofcom. From a consumer perspective, it is difficult to accept that nothing can be done; consumers in Australia, Ireland, Singapore, Canada and the US can switch much faster than UK consumers. The Consumer Panel is waiting to see what the industry will offer by way of alternative propositions. [I did not like the one that Ofcom suggested; it wants to create a world in which

consumers can switch more easily. Has this gone a bit wrong – tenor of her other comments is that she supported what Ofcom were proposing]

That is just one example in a string of new, and some very old, issues, whereby there seems to be a resistance to change on the part of the industry. The importance of this, for us, is that the industry seems to not want to move forward at the speed at which convergence will allow and in a way that meets the needs of consumers. That is a shame because the fastest route to addressing the ills in the marketplace, and, better still, to pre-empt them, is for industry to get there first. Regulation will always take time; as such industry can do a great deal to benefit consumers by taking action early.

## **VII. Media Literacy**

### *a. Definition*

I do not want to give the assumption that there is not a part for consumers in the new world. Consumers need to better-protect themselves and find their way through this increasingly complex and highly exciting marketplace.

Ofcom define media literacy as the ability to access, understand and create communications in a variety of contexts. We do not dispute that in any way – it is a very important part of media literacy. But, particularly in a converged world, the Panel takes the view that additionally we should say that media literacy involves the ability to choose and use communications, products and services effectively, because the marketplace is becoming increasingly complex.

### *b. Media-literate society*

A media literate society is one where citizens have the skills, knowledge and understanding to make use of the opportunities presented by traditional and new communications services; skills that empower them to take advantage of opportunities in the marketplace, as well as helping them to access content and participate in its production, and, of course, protect them. This makes empowerment as important as protection to our understanding of what media literacy can bring to the future.

### *c. Web 2*

Interestingly in the new future world, there will be a whole new possibility in terms of the way consumers can be empowered, offered by Web 2 tools. These enable consumers and citizens to talk to each other and inform their collective decisions in terms of what they do in the market.

## **VIII. Conclusion**

I have talked about the issues, the way in which they might be deepened and the responsibility of some partners and players to address the issues going forward. I have tried to describe what the Panel sees as some of the challenges and risks for consumers and citizens. In addressing those, we can only work from first principles and past experience. We are talking about a new future, in which old behaviours will not necessarily belong. That is why we have commissioned some deliberative research, using very interesting market-research tools to help consumers think about the future. That work will be published in the second half of November as a contribution to CTT's activity. It has been co-funded by BERR and the DCMS, thus feeding into the convergence debate.

Convergence has already begun. It is raising many issues for consumers and citizens. As convergence advances, it will deepen those issues and create new challenges. In our view, Regulation will need to change; industry should change. Consumers will undoubtedly need to become more media-literate, so they can feel empowered and protect themselves in a converged world. It is crucial that consumers have a voice in the debate. I am therefore very grateful for this opportunity.

## **Questions and Answers**

### **Robin Foster**

Thank you, Anna, for that very thoughtful and comprehensive run-through of the challenges, and for starting on an optimistic note. I was worried that it might be all about challenges and risks. You raised a very interesting question about the balance between equipping consumers to make decisions and the degree of regulatory support they might need in doing that. Before moving on, I would like to give others an opportunity to give quick reactions to your approach and the issues raised. There will be a further opportunity to ask questions when other panel members have spoken.

### **Dave Happy, AANONXE**

You noted a resistance to change on the part of the industry; I would say there is greater reluctance on the part of mobile networks rather than the fixed-line networks. Could you comment?

### **Jon Cunliffe, Ericsson**

You mentioned porting a couple of times, which is very important. What do you think are the next steps?

### **Anna Bradley**

The evidence I have on the question of industry reluctance relates particularly to mobiles. In terms of the mobile numbering portability issue, I find it deeply depressing that we are in a situation when something that I, and many others, believe would benefit consumers is being stalled by a series of legal processes. I would be happy if I saw some alternative propositions brought to the table. However, I see none, and one has to conclude that there is an attempt to stall or stop what is being proposed in its entirety, rather than find a solution. I find the lack of willingness problematic. I would love to see an alternative proposition from mobile companies.

### **Robin Foster**

Are you saying that across a whole range of issues, it is likely that industry will need a push or nudge to get their act together? Or do you see differences between issues?

**Anna Bradley**

There is a particular set of issues in the mobile industry; I do not know as much about other sectors at the moment, and I do not know how things will play out. But it is an illustration of the situation we are in, and the responsibilities of industries need to be emphasised, as a group of people who should share our common interests in getting things right in the market. It should work for all of us – consumers and competitors.

**Julie Minns, 3**

I am delighted by your focus on mobile number portability. 3 is the only mobile network currently supporting faster porting times and we are committed to reducing them to two hours in the UK market. I agree that when you fix switching, you begin to empower consumers in a way that can begin shaping the market. I also agree that industry need to get ahead of the game, which the mobile networks were able to do quite successfully with the mobile content code. That was published in 2004 and since has successfully protected minors from accessing inappropriate and harmful content.

What more can Ofcom do to encourage industry to get ahead of the game? The industry got together and published a self-regulatory code on mobile mis-selling; 11 weeks later Ofcom declared it inefficient and said it would proceed to introduce formal regulation. Do you think that is helpful or does it disincentivise industry from getting together and sorting things out on a self-regulatory basis?

**Simon Milner, BT**

Principle-based regulation is one of the main themes behind the way in which the FSA approached an increasingly complex and fast-moving market, in which consumer information was difficult to regulate. From your experience at the FSA, do you think there are some things we could learn from in our converging industries?

**Anna Bradley**

In response to the question on self-regulation, I have emphasised the point around what industry can do to get ahead of the curve. That is often in the best interest of consumers and could be done faster. Therefore, there is a place for self-regulation. Evidence shows that that mobile code is not reducing the number of complaints; problems continue to exist. That is, quite rightly, the ultimate power of a regulator, if what actions by the industry does not deliver to consumers and citizens.

The right course of action starts with industry doing what they can; hopefully that will change the way things work, but if not you have to use a regulatory solution. Industry can play a part in making sure what they put in place really delivers the anticipated benefits for consumers and citizens.

The question on the FSA was very interesting and I could talk about it for hours. From a personal, and informed point of view, the FSA followed the path of being very prescriptive about the information for consumers. They did that on the basis of a rather unreal model, of the way that consumers behaved in markets. It was the old, economic, rational choice model of full information search and decision against criteria. That does not work; it is not how most of us make decisions.

Most consumers primarily take advice from friends and family. Most of us look for what we call ‘choice editors’. There are one or two key things that direct us to the choices we make. The FSA’s model of consumer information was based on a false model of consumers’ behaviour in the marketplace. That is why the development of behavioural economics, which takes a better account of the way we act, is hugely important. If we could feed that into our thinking about the delivery of information, we should be in a much better place.

**Jaqui Devereux, Community Media Association (CMA)**

What do you think we should be doing as a nation about the 35% of our society excluded for other reasons, such as cost, poverty and deprivation?

**Anna Bradley**

This is the question that I was asking about universal service. There are two parts; one is about what we choose to define something that should be available universally, and the other is what we choose to ensure everyone can access it. The second issue is for government welfare policy, which is outside my area of expertise. The first is making sure that networks are available, which is a huge challenge for the converged world. We should do some in-principle thinking about what this might look like. There is currently an EU debate on this, but we need to be thinking 10 years from now. How are we going to approach these problems?

**Robin Foster**

I am sure we will have a chance to come back. I would like to invite each of our panel members to give their own perspectives on the risks and challenges of convergence. The first panellist is David Evans, who is a senior data protection practice manager at the Information Commissioner’s Office (ICO). He is a policy expert in areas such as telecommunications. The ICO is the body responsible for promoting access official information and also for protecting our personal information.

**Panel 1:**  
**New Risks and Challenges for the Public**

**David Evans**

**Information Commissioner’s Office**

**I. Initial Thoughts**

My first thought was that a lot of the risks facing the public are closely related to the challenges facing regulators and industry. If regulators and industry were to get things right, the risks to individuals would reduce. My second thought was whether convergence was a consumer threat. It is not an inherent consumer threat, in terms of specific data protection issues and wider privacy concerns that might arise from converged markets. Specifically we would look at whether the existing regulatory framework thoroughly addressed the new issues arising in a new world, and also the wider issues of how to deal with the much-talked-about generation of self-publicists, who

are very happy to put their innermost secrets online for everyone to see but still want to be protected by the regulator.

## **II. Educating Consumers**

The next thing I thought about was empowerment and education. Do we empower consumers simply by educating them? I am often suspicious when I reach the end of a policy work and think the solution is education. We have seen this in other areas, where we have sat around the table with industry members that say, “we give all this information to consumers, and the pesky blighters do not move. They do not make choices and when they do, they do not save any money”. We see this in a privacy context. I will talk very quietly here because I have a gmail account. I know why adverts appear next to my emails and I still use it. So, perhaps education and empowerment is not the full answer.

## **III. Privacy**

### **1. Informed Choices**

But we need to educate consumers and make sure they are making informed choices. For example, I know two or three of you will know what I am talking about here and will have heard of BT’s trial of a new revolutionary way of serving more or less irrelevant ads when you are browsing the web. Half of the complaints or enquiries that we receive are from very informed people who have highly technical arguments about why we should be doing more, or why something is illegal. The other half of queries are from people saying that apparently BT has their IP address. Well, that is how the internet works.

### **2. Privacy Concerns**

I am not bringing this up as a way of saying that many consumers are ignorant; I am just saying these are very technical issues and explaining to people what a layer seven switch is, is not going to help. But it is important that consumers know what they are getting themselves into. We are often conscious that consumers, like me, do not look at converging markets; they see their phone as their phone, whether they are making a phone call, sending an SMS message or downloading a film. That is one issue we often have to address in terms of privacy. They are bothered about privacy; they are not bothered about the issuer or regulator. They are concerned that someone has their information without them knowing.

### **3. Consumer Expectations**

A knock on effect is that we are seeing an increasing gap between the expectations that consumers have and what they can get. For example, I received SMS messages from my mother; I am surprised that she knows how to switch the computer on and knows how to do a Google search, but does not know how Google works. There is a growing gap as these things become more sophisticated, but actually more easy to use. How do we educate consumers on how they work without baffling them? An example we are grappling with at the moment is electronic health records over IP. Microsoft or Google Health could be very attractive to consumers but, as a privacy expert, they scare me silly.

#### **4. Fairness**

A fundamental principle to privacy is fairness. Fairness means that if you have information about someone, make sure that person is not going to fall off their chair in horror if they find out about it. In other words tell them what you are doing and if they express concerns, address them. That is crucial in this area.

#### **5. Digital Divide**

One question is how to deal with new consumers who are using old devices to access new services. It is still just a television to these people, even if they are doing wonderful things with it, such as watching a programme that was on the week before, or using the internet.

### **IV. Laws and Regulation**

#### **1. Online Personal Data**

One concern we have in the ICO is that all these services have a massive potential to collect lots of information about everyone that can be retained for a long time. I am quite happy to dance on legal pinheads about whether any of it is personal data, but consumers read in the newspaper about the Communications Data Bill and that the Government will be collecting all their information. That is what people are worried about.

#### **2. Understanding the Laws**

There are also issues around copyright. What do kids do on the internet? They download content. Kids do not understand IP law. Do they need to? Should services be designed such that the law is irrelevant to them? How does privacy law apply to people who are publicising their innermost secrets on Facebook? That is a difficult issue. Yesterday I was discussing the extent to which someone with a Facebook profile, which is available for the world to see and contains information about other people, is a data controller. The idea that that person is the data controller would make me scream in horror, not because I am on Facebook but because it would be horrendous to regulate. These are pressing questions.

#### **3. The Role of Industry**

##### *a. Educating consumers*

A regulatory framework was created before I ever sent an email. Can it still apply? I think so; it is principles-based and technology-neutral, but, as industry and regulators, we have to ensure consumers are aware of how it works and how it can protect them.

##### *b. Applying regulation*

We must think of sensible ways of applying the regulation. For example, is somebody on Facebook a data controller? Sensibly, I would argue they are not. Is the list of conditions in The Data Protection Directive? Is the list of conditions, which are legitimised data processing, valid in a world of a ubiquitous information society? You could argue that they are not, but how do we apply them anyway? How do we deal with a world where handing over consumer profile

information is not a by-product of a transfer of undertakings, but the whole point of a takeover or merger?

#### **4. Subject Access**

I will leave you with one issue that is dear to my heart. I strongly believe that in many contexts, someone's IP address is their personal data. How do we apply that to the idea that they can then write to their service provider and make a subject access request? Does the service provider have to provide them with a big box of all IP addresses ever allocated? If anyone has an easy answer to that, please tell me. This is a new world, people need to be educated, but we also need to consider the sensible application of regulatory principles.

#### **Robin Foster**

I was getting increasingly worried as I listened to you speaking about some of the dreadful things that might be happening to all my personal data on the internet. Let us come back to those issues in a moment. Before that, our final panel member this morning is Anna Fielder from Consumer Focus. She was a senior policy advisor at the National Consumer Council (NCC). Consumer Focus is now the new body formed from the merger of the NCC, Post Watch and Energy Watch. Anna has been involved in the online and digital areas quite a lot recently.

#### **Anna Fielder**

#### **Consumer Focus**

### **I. Creating a Fair Market**

My colleague, Anna Bradley, defined beautifully many issues; I want to make three additional points and open the debate. Firstly, I am really pleased that this seminar is taking place. In our opinion, of course, this should have been the first, because convergence is not an end in itself; it is a tool to benefit society. You start from the end and then see what is the best path to reach that end. Secondly, when talking about risks and challenges and consumer protection, we tend to discuss certain rights that consumers and citizens have, such as access, choice, information safety, redress and so on.

Consumer protection is about creating a fair market that empowers people to exercise these rights. It is not about a nanny state that says, "Let us issue some legislation and protect the poor dears". There are vulnerable groups that will need this kind of protection; therefore what Anna said about bundling and the situation in the market is absolutely vital. Unless you address the demand-side competition with the right kind of enabling information, you are not going to get a fair, competitive market.

### **II. Telecommunications Package**

The good news is that, on 22 September, the European Parliament conducted the first voting plenary of the new telecommunications package, where many issues are addressed. The package includes switching within one day, number portability within 24 hours, comparable, clear tariffs,

and security breach notification for ISPs and companies operating online. It even has an access net neutrality clause. We are very pleased with how the MEPs have voted on this. It is binding on the UK and will be transposed into UK provision. The package is now going to the European Council and we are lobbying heavily the UK government to support all the measures. Those of you from BERR, please support this, because the measures are very good.

### **III. Online Marketing**

#### **1. Consumer Relationships**

An issue that has not yet been covered is behavioural targeting, marketing and tracking online. This is not just about the technology of the internet, but relates to the whole issue of convergence. I want to read a quote that I have seen recently in an online article, by a big media company: “globally we are focussing on digital marketing to build long-term and meaningful consumer relationships. We have escalated the spending and the quality of what we do online. That means going beyond web pages to internet protocol TV, known as IPTV, as well as mobile phones, social networking, search marketing and other high-tech applications”.

#### **2. Privacy and Data Protection**

This is one of the newest issues on the internet, and is linked to convergence. A solution whether self-regulatory or regulatory, has not been found. We do not object to marketing *per se*, but we are concerned about the degree and level of marketing and the level of consent and discretion that consumers can exercise over it.

Most people have no idea they are being tracked in that way. It was a major issue when Google merged with DoubleClick, and was submitted to the competition authorities in the US and EU. In the US, it was agreed, as it was in the EU. However, the Federal Trade Commission felt obliged to issue guidance on privacy, because it was felt that data protection and privacy should be taken into account when deciding such mergers. It is now the world’s biggest database with your personal information. That is one issue to discuss further.

### **IV. Unfair Commercial Practice**

This is another major concern, which is linked to convergence, because mobile commerce and electronic commerce are going on across platforms. There are many manifestations of such practices. We have been campaigning for the inclusion of digital products into basic consumer protection legislation, such as guarantees, rights of return, and so on. At present, they are not included; you cannot read contracts, which are very often too long and incomprehensible. You cannot print them and there are clauses that may be unfair or even illegal. The NCC published this research and referred it to the Office of Fair Trading. We are still waiting to hear from them.

### **V. Interoperability of Software**

What happens in convergence, as you know, is that you need the right software and equipment to make all the devices speak to each other. Very often, they do not, and even software from one provider may not speak to earlier versions. That can have huge economic implications for consumers, as well as sustainability implications. It also raises access issues. A lot of people simply cannot afford to replace equipment in order to make devices compatible.

## **Questions and Answers**

### **Robin Foster**

Thank you, Anna. Let us get people's reactions. I would also like to bring in any of my fellow advisers from the CTT team.

### **Becky Hogge, Open Rights**

I would like to ask the panel about BT's Webwise and Phorm. Anna Bradley mentioned that consumers often do not know which regulators to go to when they experience issues. It is a firm belief of my organisation that BT's Webwise and Phorm are not compliant with the legislation that governs the interception of communications in this country. Yet, the very vocal consumer lobby that has been trying to draw attention to this has found the door closed by many regulators.

The Interception of Communications' Commissioner has said it is not within his remit to regulate private enterprises, and that he only regulates public authorities. The Home Office, although releasing some information on whether Phorm complies with RIPA, has an informal opinion that is not binding. The ICC has also said that it is not within its competence to legislate on RIPA, and the City of London Police have refused to investigate the matter further because it is too complex. So, who does regulate the interception of communications in this country, where private enterprises are involved?

### **Will Gore, Press Complaints Commission**

We are grappling with privacy issues in respect of newspapers and information that has come from Facebook, which they obtain quite freely and openly. How reasonable does the panel think it for people to put a lot of personal information on Facebook, MySpace, or other publicly accessible places, but then object if another media broadcaster or newspaper uses that information in a bigger forum?

### **Anna Bradley**

I do not have a solution to the issues around regulatory responsibilities, but it is a perfect example of why there are problems and will be even more going forward. That should make us do two things. One is that we need a humongous super-regulator to deal with everything. That is not the right answer. The second is thinking about whether our regulatory frameworks are properly set up such that they can capture the consequences of convergence. Also, consideration needs to be given to the kinds of arrangements we want across regulators such that things emerging issues get picked up and addressed, rather than falling down a black hole. The fact that such issues do not have a place and can be passed around by a variety of people is problematic and will become more so in the future.

### **Anna Fielder**

We do not have any systems to deal with interception by private enterprises for commercial purposes. It is done for spying, terrorism and so on, but there are no systems allowing us to control what people do with our information. We might want to be intercepted and tracked. One solution

we have proposed in the past is a mail preference service, whereby we tell companies we do not want them to deliver junk mail to us. We have a telephone preference service whereby we tell marketers not to ring us at home in the evenings. Why do we not have a no-track register for internet tracking communication? In that way, all companies, such as BT and Virgin, which are collaborating to track us, can subscribe to consumer wishes. That is an industry-led solution that we should have in the short term, at least.

### **David Evans**

We would also like to know who is responsible. We pointed this out in evidence to a House of Lords Committee. The only thing we are certain of is that we are not responsible. A key issue is that, public or private organisations, which might want guidance on whether what they are planning to do is likely to be in breach of RIPA, have nowhere to go. BT and Phorm went to the Home Office and received something far less than definitive. That is not ideal for them in terms of where they go for guidance and how do they know they are getting it right. It is a difficult issue for companies and organisations to address. There is a lacuna there, which is not ideal.

The use of Facebook information in broadcast media or newspapers is a tricky issue. If you legitimately supply personal information to the world at large on Facebook, what right do you then have to say that someone has breached your privacy? In my view, just because you have put personal information in Facebook and it is not restricted to your inner circle of private friends, that does not mean that you have waived all your rights to privacy. I am convinced of that, and cases have gone to the European Courts around the definition of a private life, which is much wider than your inner circle of friends. It extends to the workplace and your public activities.

You have not waived your rights by putting information on Facebook, but there is a lack of clarity. A lot will come down to the individual's expectations – "what did you expect when you put information on Facebook?" "I expected it would be visible to users of Facebook. I did not expect those users to then flog it to newspapers". That does not mean the use of that information will be inherently unfair, but some thought needs to be given to user-generated content and what can be done with it outside the user's initial expectation. Some people are thinking along the lines of a creative commons idea; for example, I put something on the Web and have a series of icons that says information can be shared but it cannot be put on TV. It would be difficult to work out how to do that, but it demands some consideration, to give a level of control back to users putting personal information on Facebook or MySpace. In a similar way, I can create something that others can tinker with, but are stopped from making money out of it.

### **Sonia Livingstone, VLV**

We are talking about the conditions under which ordinary people can make choices. I want to use that notion to reflect on claims that this new world is bringing much choice. Even if it is bringing lots of choice, there are two constraints. Firstly, it is increasingly difficult to choose not to opt into Facebook, for example. Secondly, the way in which the conditions of choice are structured for us is problematic. For example, when I arrived at Euston this morning, there were signs everywhere saying, "don't be a mug and buy your ticket at the station. Buy it online". I can choose to go online and am resourced to do so, but we should be careful about saying whether people have a choice to go online, when ticket prices are 35% different. That is a significant economic difference. People cannot make these choices very freely or make them on their own terms. Many applications exist online that you cannot use without submitting personal information. There is simply no choice.

**Iain Bennett, Northwest Regional Development Agency**

I was relieved to hear David Evans talking about content. Much of this debate has focused on corporations providing services to individual consumers. The internet is such a vibrant media partly because of content provided by small, creative businesses; they are a significant part of the economy in the UK. Can the panel give a view on any schemes that would legalise people's behaviour around content, in particular peer-to-peer, which would not run the risk of criminalising young people for doing something they enjoy. This includes the access-to-music charge proposals from the Music Managers Forum.

**Robin Foster**

It might be better to hold the second question for the panel that will be talking about creative opportunities and convergence. I would like to hear all the panellists' view on choice. It seems there is a bit of a tension between giving consumers more choice, but also worrying about whether or not they are real choices and whether consumers are capable of exercising choice sensibly.

**Anna Fielder**

We are told constantly we are being given choice, but in reality the way things are bundled, how we are locked into contacts and the way in which offers are cheaper online, do not give people choice. We should create an environment in which choice becomes a reality, people have access, and if people do not want to be online, they can choose not to be.

**David Evans**

I agreed with this point. There is an ongoing, and probably never-ending, debate in the data protection circle about consent. In European jurisdictions, focus is always on whether you have the individual's consent. In my view, what people say is Hobson's Choice: you do it or you do not get the service. I sympathise greatly with the example of buying a rail ticket. This comes down to whether we are living in a world in which consent is freely-given and fully-informed. It is a difficult area, more so when organisations base their entire operations on consent – actually in a lot of cases they have not. In an employment context, if my boss gives me an instruction and I do not agree, I am in trouble. He only has my consent if I agree. It is an important issue.

**Anna Bradley**

You have raised a very important point – choice is not a mantra in itself; it is an opportunity, but it has to be genuine and it has many dimensions. A choice that a lot of people do not have is to not do things at all. There is an access dimension to choice. If you have the choice to do something, there may be conditions that mean it is not a real choice. It is very important that you can choose not to do something.

The next set of issues is how to make a meaningful choice, which is where information plays a role. That is very important. Mass information can cause confusion, and having the right information at the right time, in the right place is critical to making a meaningful choice. In that one word, there are many issues bound up that we need to think about in the context of convergence.

**Tess Read**

It is good to see so much unity between the panellists. Is there a tension between Anna Bradley and David Evans on the matter of regulation? Anna was talking about a need to move to a principles-based, platform-neutral regulation, while David was saying the current system of regulation was fit for purpose. Is there a difference between the two of you on that? Also, Anna, what timing do you think is important to start changing the regulatory structure?

**David Evans**

Regulation of privacy is very much principles-based and technology-neutral. What needs to change is the application of those principles to very new areas. At the moment, there is quite a lot of work going on in the ICO and at the EU around whether the Data Protection Directive is fit for purpose in this day and age. The conclusions will be broadly 'yes'; we do not need a wholesale reform. But there might need to be some tinkering around the edges, particularly in unrelated. Have a look on our website and the research we are conducting. If you think there is some tinkering to be done in this area, let us know.

I do not think there is a tension between our Office and Ofcom. Another meeting I could have been at this morning was with Ofcom, where we would be discussing joint working. I think it can work, but two years ago we did not know where we were going to be. We are coming around to the idea that we can apply the 20-year-old directive in a different way – it is not the case that the principles are no longer valid.

**Anna Bradley**

David is right – we do not have different agendas. I would not want you to leave with the idea that I am recommending a solution – at the Consumer Panel, we are a long way from doing that. The way that consumers and citizens experience this stuff now, and how they will do so in a converged world, means that current regulatory differences will make even less sense and ultimately be inexplicable. That should make us ask whether we need a technology-neutral approach to the way that we regulate the issues. I want to put that question to the table, rather than a solution. I do not have an answer to your second question around timing, but I hope very much that during the course of the CTT's work, some thought will be given to how big the issue is and what the next stage might be.

**Anna Fielder**

In terms of data protection, you are absolutely right. The ePrivacy Directive has just been updated and contains the data breach notification. For the rest, there is the notion that the internet is not regulated at all, which is not correct. There are unfair practices legislation, marketing codes and so on. Content is different and needs to be addressed very seriously, both in terms of intellectual property rights and achieving a balance, but also the differences between broadcasting and internet contents and regulation. That is where the regulatory challenge lies.

**Robin Foster**

Thank you very much to everyone on this panel. I will bring this debate to a close now, although I am sure it will continue throughout the day. I will now ask Tom Brookes, who is the Director of Government Affairs (Europe) for Apple, to set the scene for the next panel discussion, the focus of

which is on maximising creative opportunities from convergence. Tom was originally a journalist and moved into the field of telecommunications regulation and broadband. More recently he has worked on government relations and communications in this particular area. All those perspectives will be relevant to our discussion today.

## **Keynote Address**

**Tom Brookes**

**Director of Government Affairs (Europe), Apple**

### **I. Context**

It is a great honour to speak here today. This morning's debate was very interesting and I would love to respond to many of the points. We clearly set out this morning the challenges of convergence, and they are many and various. I have sought to look at the opportunity that convergence presents from a couple of different angles: from an industry perspective, and also the consumer perspective, and how they play together and where they converge effectively.

We can look at this world, from the perspective of a computer manufacturer, which was a long time ago now, in the age of productivity. It was when computers were productivity tools. The network then came along, starting purely as a data exchange mechanism. The World Wide Web was also developed. Also starting around that time and, to some extent, in parallel, was the increasing digitisation of the way people took photos or listened to music. The convergence age is where all of that comes together. I will do a quick product plug for the iPhone, which is more or less convergence writ large. As the proud owner of an iPhone 3G, I can tell you it is absolutely wonderful. I will not mention any more of our products.

### **II. The Digital Switch-Over**

#### **1. The Digital Reality**

99% of people are listening to music digitally. 80% of people are taking photos and storing them digitally. 99% of people are taking their holiday, wedding and birthday party videos digitally. There is a colossal amount of content being generated daily. Digital is just a reality; we do not necessarily need to have this conversation any more.

#### **2. Broadband Penetration**

If we accept that the devices are in place, there are a couple of other important elements to making convergence happen. One is pipes – whether we can see them or not, they are the things that join all of this stuff together. This is very important. From our perspective, we have crossed the Rubicon to some extent. Broadband household penetration is now over 50%. I have selected a handful of countries, but the same is basically true wherever you go in Europe. In Western Europe, certainly it is over 50%, which, from our perspective, is a good, big market that will continue increasing.

### 3. 3G Networks

3G networks are obviously very important for the iPhone and anyone who wants to provide any kind of mobility for converged services. It was clear from this morning's discussion that that is the direction we are all heading. There were 86 3G networks operating in the European Union in January 2008, and I would imagine that number has increased in the past 10 months. That means that people already living in a converged world, which also tend to be on the road a lot, are operating seamlessly across this space.

### 4. Web Access via Mobile

Web access is available in the UK on around 76% of mobile phones. That does not mean that 76% of people are using the web access capability on their mobile phones; the actual numbers are probably much lower than that. But the capacity is there. As far as an installed base infrastructure for convergence is concerned, we are a long way down the road, and it is getting better every day.

## III. Content

Content is another fundamental element. Taking the iTunes example, there is music, TV programmes, movies, and now software. Huge amounts of commercial content are available legally, protected where it needs to be, with the rights very clear. We have done a lot of work and had a number of different conversations with consumer ombudsmen around Europe on the way we express the rights that a buyer has over the content they obtain from iTunes. They are fairly clear – a group of nine bullet points summarise exactly what you can and cannot do with the content. There are also 75 pages of incomprehensible legal text, but we have managed to boil it down.

To reference this morning's conversation, it is always an ongoing difficulty to explain things in understandable terms and ensure people sign an agreement that will stand up in court, should it become necessary.

## IV. Changing Media

### 1. Demise of the Newspaper

We must ask whether the new world presents a threat or an opportunity. From our perspective, and you can see from our investments, it is very much an opportunity. But it also creates apparent threats. You will have read that now-famous article in *The Economist*, 'Who killed the newspaper?' Newspaper sales are falling in their paper form, but people are not consuming fewer media. If anything, they are consuming substantially more, just of very different kinds and in very different ways. Convergence is changing media, which presents an opportunity and should be embraced. It is something that Apple is trying hard to understand.

### 2. Creating One Network

#### a. *New infrastructure*

A very important factor is how infrastructure has changed the capability and possibilities of what we can do. The network and service used to be inextricably linked – fixed voice calls were made over the telecommunications network; broadcast TV was watched over the cable network and the

internet was looked at over the data network. By putting internet protocol in the middle, all the networks become one. You can aggregate across everything simultaneously.

*b. Multicasting data*

We are looking at future models whereby you can multicast data across all the different networks, creating a broadband pipe of a proportion that you cannot conceive into a household today. There are a hundred ways to get into a house today, through electricity cables, telephone cables and wireless. If you add those together and multiplex across them, you create a very broad pipe. These are other ways of thinking about whether we need to look at the fibre to the home piece.

## **V. The User Approach**

### **1. Changing Perceptions**

One thing that has changed fundamentally is the user approach. The assumption is that this stuff will work together. I had a frightening experience the other day. I have a new car that has an onboard computer with a navigation system and interface for my mobile phone. I was amazed by this. My daughter got into the car, and the first thing she said was, 'I'm going to be really annoyed if I cannot see my address book on that screen.' Within 10 minutes, she had changed the language, set up the directory, changed the picture on the screen and got the address book of her mobile phone on the screen.

### **2. Meeting Consumer Demand**

In terms of changing media, one example is the *Daily Telegraph*. The newspaper still exists, although a diminishing number of people probably read it. They also have a website that is customised for use on mobile devices, iPhones and Blackberrys. They also have podcasts, a TV channel and video podcasts. As a media content generating organisation, in order to get it to the broadest number of people and expand their market, the *Daily Telegraph* has no choice but to go through all the different media simultaneously.

No longer is anyone having media pushed to them. We have cycle and it is now a pull operation. People decide what they want to see, what they want to read and when and how they want to see and read it. The consumer is at the centre of this web and you have to respond to their demands. We cannot any longer serve stuff up and expect people to consume it. Unless you have good coverage across all of those various media, you are not going to reach your entire audience.

## **VI. Media Consumption**

### **1. Types of Media**

Media consumption is changing. You have to understand that to get the right mix of media. According to the BBC, 18-24 year olds consume 30% less television. From an advertiser's perspective, this is a nightmare – how do you get to that age group? This is the age group in which people are making brand choices and product choices that will determine their purchasing behaviour over the rest of their lives – stuff that they relate to and stuff they think is cool. A lot of those decisions are made during that period of your life. How do you get to these people if they are not watching TV anymore?

Radio is down from 23 hours a week in 1987 to eight hours a week in 2008. Again, we have lost a whole chunk of people, but they have not stopped consuming.

## **2. Age Groups**

Different age groups consume their media differently, which, again from an advertising perspective is a nightmare. If you have any kind of product segmentation, from an industry perspective, the consumer is in control and you have to understand all the different elements of how people are reacting to the content that is out there. This is quite predictable and it comes as no surprise that young people use the internet more than seniors. Seniors are still predominately reliant on TV. It is interesting that magazines and newspapers still maintain relevance at the senior end.

## **VII. The Internet**

### **1. The New Environment**

What on earth is internet? Is it Facebook? Is it [www.apple.com](http://www.apple.com)? Is it [www.telegraph.co.uk](http://www.telegraph.co.uk)? Internet is no longer a viable description of that media landscape. We have created an environment in which people live a portion of their lives, and it is an environment that did not exist 20 years ago. It has to be the most revolutionary shift in the fundamental way that we relate to information, the way we consume, purchase and interact, since the launch of television. It is a whole world and to put it under the title 'online' is to minimise the challenge and indeed the opportunity that it presents.

### **2. Online Advertising**

There is a small growth in TV advertising; on the radio and in magazines, it is static. The growth in the industry is online. Again, it is unclear what online advertising means. It can involve panoply of different approaches to a consumer – can they be joined together? Should they be joined together? Do you want to approach those people? How do you create, maintain and sustain a relationship with a consumer over a long period. Your products used to do that for you; now, it is everything wrapped around your products performing that job.

## **VIII. Consumer Experience**

### **1. The Apple Brand**

Apple has a big brand, of which we are very proud. We have opened retail stores, a number of which are in the UK. The Apple store idea was about creating a retail experience that focused on our brand, representing the things that we wanted to stand for. It is the experience that we want people to have when they are using our stuff, which is an entirely positive experience, we hope. In the online world, we have numerous websites and applications, such as iTunes. We are trying to build our piece of the world that people can live in and experience. That is the way to keep people true to the brand and enjoying it.

## **2. Consumer Feedback**

We are very fortunate that we have a huge number of dedicated users, who send us thousands of emails commenting on everything we do. We read all of the; they are a great source of new ideas and commentary on our products. When the Apple 2 was designed, Steve Jobs had little input when it was released. The day the iPhone 3G was released, we received thousands of emails saying ‘this is good but that is not great, you should have thought of this...’ We now have a much more interactive relationship.

## **3. Traditional Media**

Trust still sits in traditional media, which that will come back to haunt us as we move through the converged world. How we start to build trust in online media and the converged world will be challenging. The evening news is probably the most trusted form of media.

# **IX. The Digital Native**

An absolute point is that the consumer is at the centre of this. It is clear that you can no longer have someone starting a new job in your organisation and hand him or her a crappy old laptop. They are not going to live with that. Their expectations about what they can do and work with are too high. There are two very different communities that we are working with. I spent a long time debating this date, but I think 1990 was the defining moment. Anyone born before 1990 is a digital immigrant. We have arrived in his world; we were not born here. Anyone born after 1990 is a digital native; they were born here. As the story about my daughter clearly shows, she has no ‘wow’ factor about technology at all. She is not even vaguely impressed by how cool this is. She just thinks it is great that the computer can do all the stuff that she expects of it.

That is a radical difference. We manage to maintain a certain amount of ‘wow’ factor at Apple, mainly through carefully-controlled marketing. There is a bunch of people who think it should work. That generation is growing up and they have developed a new language and concepts. Their expectations are completely different about what they should be able to do or can do with the tools and content provided. Last weekend, for instance, we sat down and composed, wrote and produced onto a CD a song that my kid was singing. It was easy to do – we put a cover on it, and now she is a pop star. It took us one day to do.

## **1. People Cost Now Outweighs Equipment**

When you look at media production costs and what that means, back in 1997, most of the cost was in hardware and software. By 2007, the massive majority of that cost has moved into people, because the hardware and software is relatively cheap, but now the issue is that you have to find the talent, because the expectations are so high and the competition so fierce that you have to have the very best people.

Now, if this wonderful, fantastic, creative young person walks into your advertising agency, media company, or anywhere else, and you hand them that rubbish old laptop, they are not going to stay. They use this in their real life to communicate with their friends, to do their email, to watch television etc. They live in that converged world. We have to be able to live up to those expectations if we are going to bring in that kind of talent, which is what we need.

## **X. Conclusion**

### **1. Opportunities**

In sum, this is the opportunity for consumers, but any opportunity for consumers is also an opportunity for industry. That is absolutely the case. The democratisation of media consumption, an ever greater consumer control of what they want to do and when they want to do it is the potential that we look to now.

There were a few points made this morning about whether these are real choices or Hobson's choice, and whether we are forcing people down alleys where they do not particularly want to go. There is a huge amount of testing going on out there. It is all a bit wild west, for sure, but it is all very new and, to be honest, I do not think the human race has ever created an alternative reality in which millions of people lived before.

### **2. Challenges**

Does it present a regulatory challenge? Certainly, but consumers are starting to understand it. The way that we see the digital natives interacting with our services and products is very different to the people of my generation. The way they use them is much more intuitive and they seem to have a sense. Somebody said that children do not understand intellectual property law. I can tell you that my children do. I have had to explain very clearly what the implications are of putting content on Facebook, and what can happen if one of them wrote a poem or put a photo up. They understand that very clearly. They understand very clearly why they should never download pirated music. There is a responsibility that lies with the consumer to be able to do all of that. It will not come as any surprise to say that I would heartily recommend very light touch regulation on this. People have to be safe. We do not have the same kinds of health and safety rules online that we do in the real world. Also, there is a lot of space to place and there has been a huge amount of benefit there.

### **3. Consumers as Creators, Publishers and Distributors**

It is a wonderful, wonderful thing that they can play all of these games and really create, because that has important net effects.

Through strange circumstances, I met the CEO of eBay a couple of weeks ago. I ended up having dinner with him. He is a very nice man. Something he said was that they had never guessed, in all of the time that they set up eBay and started the whole idea, that anyone would ever buy a car on eBay. They thought that was crazy, and that nobody was ever going to buy a car that they had never seen, but they kept receiving requests from people to put cars up on eBay. Finally, they thought they would, and let it go. eBay Motors is now one of the most successful sections of the whole eBay site. He had no idea how this happened, saying, 'I would never buy a car on eBay.' However, there are millions of people out there who would, apparently.

It was that consumer demand and just the response to consumer behaviour that turned their product into something they did not ever expect or plan it to be. It is a good example of how listening to consumers, and interacting as much as possible with the people who use your services, moves them on, gives people what they want, and offers both consumer value and a business success.

Bringing all of that together, what it creates is a culture of innovation, an expectation that new ideas can be produced from what is around us, from simple ideas like the mashup of a couple of

existing songs, to whole new pieces of media, content and ideas for whole new devices and services

That, in itself, is a huge opportunity for the people involved. Economically, it is a massive opportunity and certainly one we need to capitalise on. An increasingly non-manufacturing-based world, we are an ideas-based economy. We need a culture of innovation. We need people to be thinking 'out of the box' and convergence makes a great contribution to that.

#### **4. Piracy**

Finally, there are clearly challenges. Piracy was mentioned obliquely. It is difficult to address completely the full scale of the issues, questions, legal issues, and regulatory questions etc. around legal content without turning to this at some point.

I heard this number somewhere: for every one legal track that is downloaded from the internet, there are around 40 illegal tracks downloaded from the internet worldwide.

Clearly, something has to be done. It is about producing very compelling legal offers. We hope we are managing to do that, or certainly pushing for and perfecting that. There are many other very good ones out there. We are moving that on, making great, highly functional devices, creating systems that are very easy to use, and that are more compelling than free. That is what we are up against. In a lot of this industry, what it comes down to is that we are competing with free. It must, therefore, be very, very good.

There is a great challenge there. That is the appealing side of it. We need to attract people into the legal content world. Clearly, there is a driving side of it as well, as the memorandum of understanding signed recently between the ISPs and the music industry in the UK shows. The French are involved in a process, known as Olivennes, where they are looking into the graduated response. Other ones are happening in numerous other countries, all of which is vitally important. Action on piracy is needed.

#### **5. Intellectual Property Rights**

Another side of the rights issue is managing rights. Personal intellectual property rights was raised this morning. As such, if I put something up on Facebook, what are my expectations about what will happen to it? Is there a personal intellectual property? There is, of course. However, how do people understand that? Can it be enforced in some kind of useful way? We have an intellectual property system, which is supported and 'entrenched' in a hugely complex matrix of laws and regulations across the whole of the EU, and which was designed for a world that no longer exists. That is a challenge, clearly. We live it every day just trying to license one piece of music across 27 European Member States. However, we are working with the music industry and, indeed, collection societies etc. all of which are involved in that debate. It is something we will have to take on together, but it is clearly a major issue, because if we are going to make compelling legal offers we have to have the content to drive it.

#### **6. Keeping Up with the Kids**

The speed at which everything changes, technology is adopted and thrown away is just absolutely phenomenal. It took us about 14 months to sell one million iPods. By way of comparison, it took Sony about three and a half years to sell one million Walkmans. It took us three days to sell one

million iPhone 3Gs. The scale of the take-up is absolutely phenomenal and they will come and go that much faster. The whole industry is operating on those kinds of timelines now. One of the side effects of a converged world is that the expectations just grow and grow, so keeping up with all of this is going to be a challenge for everybody. However, there is great opportunity in there. Thank you very much.

### **Robin Foster**

Thank you, Tom, for that excellent presentation. As well as discussing earlier that there are confused consumers out there, thank you for reminding us that there are some who are very smart and in control in some circumstances too. It is quite a complicated picture.

## **Panel 2:** **Maximising the opportunities offered by** **convergence for Consumer and Citizens**

### **Tess Read**

This afternoon we have the panel you see in front of you, and Tom has agreed to join it for questions and answers. This morning we heard some of the positives about what convergence could bring, but also some of the negative sides; we may have a similar mix this afternoon, possibly with more focus on the positive things. The subject we are discussing here is how we use convergence to democratise creativity and opportunity across all sectors, for all the people in the country.

A report by DEMOS out this week said ‘content is not just an economic asset, content is culture, it is the currency through which we build the sense of who we are. There is a democratic imperative to give people the ability to contest, remake and critique it’. Hopefully we are going to pick up some of those issues in this panel, when we ask what are the social and economic benefits of convergence to consumers, and how can these be achieved.

### **Becky Hogge**

#### **Open Rights**

Democratising creativity and opportunity sounds like a worthy but unobtainable goal. The remarkable thing is that with the world wide web, we already have this. It is a communications network that is open to anybody with a PC and an internet connection. It really is the first many-to-many communications environment that we have known. There is plenty of anecdotal evidence to show that this environment can deliver substantial social and economic benefits.

If you can leave hearing me speak with one idea it would be that the world wide web is citizens and consumers. On the train here today I saw a scope of the top 25 websites in the UK from a service called Alexa.com. I found out that that included 11 user-generated content sites; there were two

regular media institutions – the *BBC* and the *Guardian*. There were two content portals, there were two pornography sites – including one user-generated pornography site. Among the 11 platforms that I would call user-generated platforms, or platforms for contents that users generate, was Facebook. There were two blogging platforms, and the one I am going to talk about is Wordpress.

These platforms really deliver benefits for citizens and consumers. It was through a Facebook group, for example, that students last year managed to successfully take on NatWest over unfair overdraft terms, by developing the group, and getting people to join to say they were unhappy with these terms and are thinking about moving bank accounts. That was something that NatWest listened to and acted on by changing their terms. Wordpress is a blogging platform that is used by my organisation – the Open Rights Group – although we have ours separately installed with us and you will not see us in the top 25 visited sites in the UK. Wordpress supplies citizen journalists, campaigners like ORG and even politicians with platforms that talk directly to the public, and these have all sorts of consequent benefits for civil societies institutions. Not having to go through the sometimes narrow media lens to raise awareness about the issues they care about.

Hopefully we are going to hear more anecdotal evidence from other panellists today about the social and economic benefits of getting peoples' voices online and out there. I am glad that you mentioned the DEMOS pamphlet; I have a copy spare if anyone wants to read it. Their Video Republic concept, where young people are getting their voices heard in what is the most compelling format, the audio-visual format, really bypasses institutions to find space on the web.

There are barriers where legislators can still help. I was pleased to hear public service publishing mentioned this morning. One of the things that could really put quite powerful tools in the hands of the public would be if the archive of the BBC was somehow liberated, just as in my youth the BBC Acorn computer was in school rooms, in my opinion building the generation of computer software developers that now make the games industry such a vibrant one. If the wealth of content that the BBC has in its archives, which it is unable to release, and it's not commercially viable, were made available to young people who wanted to remix content and use it to express their views, that would be an equally powerful tool for creating the next generation of creatives. I think DEMOS makes this recommendation as well, that intellectual property law can be modified to allow for transformative use in the settings where young people are using it non-commercially to get their voices heard. I think legislators should look at that.

As other communication and media platforms converge around internet protocol, in a sense two worlds collide. We have a coherent narrative about what the old world looks like. We have a narrative based around standards, with words like 'the watershed' being used. We actually do not have a clear evidence base of the benefits delivered by the many-to-many communications environment. I think before we start trading off those benefits, which I have tried to elucidate anecdotally, for the securities of the old world, we need to know what we are losing. Too often, scaremongering around harmful content makes the headlines, and the stories of empowerment get lost. In the end we have to accept that the internet is a reflection of the people who connect to it. You cannot always blame technology for social problems. I would like to see Ofcom doing, as they have in other areas, some serious evidential work on how an open network performs for society and the economy, before they start to regulate the content sphere.

That is not to say that we cannot regulate the net. The world wide web has introduced its own mode of regulation. Self-regulation is the watchword here, and I am not talking about industry self-regulation, I am talking about citizen regulation. The first successful sites on the web, those that attracted the most content the fastest, were forums like Slashdot, where the tech community came to discuss ideas and trade opinions on the news items of the day. They developed very

successful user regulation tools, which I think regulators can learn from. An example is that they call on users to rate certain content over others, and flow that content to the top. They also allow users to filter what content they would like to see. ‘Just show me the fun stuff’, or ‘don’t show me the offensive stuff’. As for the idea of a watershed on the internet, or a standard ratings system: if we wish to preserve the benefits of the many-to many communications environment to society, I think those sorts of old-world systems are utterly unworkable. That does not mean that we cannot have 62 million watersheds, each one set by the end-user, or indeed by their parents.

### **Tess Read**

Thanks very much. Two things that I have picked up on that you were saying that other people might have views on, were that you were saying that government should lead, and there is a role for public sector broadcasting to lead in some areas. I also picked up that you were talking about citizen-led regulation as being a way forward so I think those are both interesting points.

### **Mick Chesterman**

#### **Manchester Community Information Network**

Manchester Community Information Network is a group that has had quite an experience at working in the grass roots of community ICT. We have used IT to empower communities through doing, in the past, things like community websites, providing ICT services for community groups, and offering training in that area. I am working on setting up a media centre, with my colleague Teresa, in Salford. It is called the Social Media Centre, and we have got a view of convergence using the internet as our platform, especially using self-publication tools. You might call it Web 2.0, but I find that a problematic term in that I think the internet has always been interactive in that way. I do not see why it is a second generation.

The bedrock of what we do is the community reported programme, where we empower members of the community to use recording equipment and publish that online. We give them access to a blog or other publishing tools, recording equipment, and access to media centres as well, which act as peer-learning environments. Therefore, not only do people get access to equipment and training, but we are also providing the kind of environment where people can teach each other these kinds of skills, which we are vital for the project. The Social Media Centre is a key part of MCIN’s new project, ‘People’s voice media’. What this does is to try and roll out on a regional, and hopefully national level, the kind of success that we have had with the community reported scheme in Greater Manchester. What we are looking to do is to try and use aggregation tools and websites to take diverse outlets for people publishing their community news – what they are interested in, video, and audio – then bring them together in a site that can be easily searched and arranged by content and category.

In terms of the products and services, we are trying to use as a bedrock people’s voice media, allowing us to be able to commission content to get a local angle on what people really think. We are looking at developing a toolkit for training with social media skills, specifically with an angle on digital media skills; delivery of consultations, and finding new ways of creating conversations between different communities, using social media and other media skills. Additionally consultancy packages on all aspects of social media and community empowerment.

I want to give you a quick demonstration of one of the projects we are going to launch next year. It is one of the many innovative projects we are going to do to create these conversations and a much

more linked-up media environment on the local level in Salford. It is the idea of an internet television station. People will be able to view all the content via web pages, but we are also going to allow a downloadable player, that is like iTunes in the way it picks up RSS feeds and displays them as a channel guide. It is called Nero; it is like iTunes with much better functionality for video, and is opensource, so it allows you to alter the distribution of the application, meaning that your channels can be pre-installed. When people install it and connect to the internet, it automatically downloads a channel guide of your content.

When you click on a channel you have a playing guide of what is on. Looking at the social media channel, you see the recent videos that we have created. It shows the length, whether they are watched or unwatched. You can keep or delete them. If you have watched one and have not clicked on 'keep', it will delete it after five days. All you have to do is click on the image and it will play it, and can be made full screen if you want.

[Video shown]

That gives you the idea. It is a channel guide, and this is something that we would be looking at collaborating on with other organisations that are also producing relevant community video content, in order to bundle together five channels to create this player and do a joint launch. That is just one of the projects that we are doing.

### **Tess Read**

Was there a reason why all those films were shown as unwatched?

### **Mick Chesterman**

That is just how they are showing; lower down there are ones that have been watched. The ones at the top are the ones that have been recently downloaded. That is why they are flagged as unwatched.

### **Tess Read**

This is the first seminar we have had outside London. It is nice to be up in Liverpool, and it is great to have so many local voices telling us about local things.

## **Mark Dickinson**

*Liverpool Echo*

Life changes so quickly in the media world that you never know when information is going to be out of date. As Becky said, there are tectonic collisions taking place in the media world at the moment. It is very exciting, unless you are standing astride the fault line. Large media organisations like Trinity Mirror, of which the *Liverpool Echo* is its manifestation on earth – as is the [theliverpoolecho.co.uk](http://theliverpoolecho.co.uk) online – is under an immense amount of pressure. We would argue just as much as any high street bank; we do not see Alistair Darling meeting over our future fate though. We certainly cannot discuss convergence without understanding how the media business economic model is going to change.

As Tom showed we are seeing fundamental structural change, many parts of it have happened, but I would say we have only seen the tip of the iceberg in terms of realignments and the convergent industry shakeouts. Peter Preston on Sunday was most assuredly counting chickens when he said we had not seen anything very fundamental happening within the media sector yet. I think that is absurdly ill-informed.

Convergence effectively sees previously discrete media content, process and organisations on a collision course. ITV are selling classified advertising on the internet, commercial radio are selling jobs advertising, video and music downloads on demand. Wherever you go, Google has an advertisement. It is great fun for consumers, and is couch potato heaven, every taste is catered for, millions of website, free films, hundreds of TV channels, and that is just the BBC.

Only it is not free; someone somewhere is covering the cost, whether it is the licence-payer or the PLCs. We have seen music sharing decimate the record industry, it is now slowly coming back into line. Film piracy is spiking the film industry; someone happily downloaded and offered me 'Mirrors' and 'Someone Called Maria' or whatever it was the other day, and was handing out sticks in the office. This is here, now and this is HD – YouTube and Google are offering stolen content for free everyday. That is just an observation, people throwing up their hands and saying 'let the market decide', are just abdicating their responsibilities.

Forget about regulating content, I am with Becky here; it is important but not urgent. There are far more fundamental things going on: eBay selling counterfeit or stolen good for example, refusing to check, or carry any responsibility for unfulfilled orders. How come they can do that? No other English operator can do that. Why can eBay sell tickets for events at 100 times face value, when I cannot? Sometimes we seem to fight shy of trying to regulate on the internet, and it is possible. The global web pirates ultimately will succeed if we decide we will allow the market to play out.

We have the large global web pirates that I would liken to Russian trawlers – they move in, they suck out everything in the market, they will destroy our market, and destroy our local media ecology. Perhaps ultimately international treaties on content, potentially even advertising quota. They are not quite as bizarre as they sound.

There is another paradox in convergence, internet opportunism means that content owners have become much more proprietorial and commercial. They are able to control their own means of distribution. Within that area I would count the government and local government in that spectrum. Now you are able to serve up your own content online, the e-directives of the government have actually depleted the revenues within the genuine local media considerably. NHS privatisation of advertising for example has taken millions out of local media. Local government public notices, for example, pretending that council publications or websites are actually watched or observed. Dare I say that government departments also stay behind this pretence?

All these self-published magazines and TV stations, whether they are observed or not, can be seen as a democratising influence, but I think ultimately they are quite undermining of the fabric which glues communities together. I think we have seen from Mick that some of the examples of things at the ultra-local level can be very important for people. Certainly, at the sub-regional, city regional level there are big areas of content that are being ruled out by policy or proprietorial instincts. Football clubs are a good example, as is Formula One, the major sporting events which are now kept exclusively for their own websites, and or are charged for.

I will not dwell on the BBC, as it has been mentioned a couple of times. I just mention the plainly ridiculous acquisition of Lonely Planet, the absurdly redundant Radio One, the spurious claims of

licence payer obligations to hyper-localise news, and information at one end of the spectrum. Is it not time that the BBC became open source? I felt Becky was heading that way, and I felt it was not just the archive. This is the licence payers who are creating this huge behemoth – which now invades every corner of our communications industry. Should that BBC content not be shared? Is it not something we should be considering?

Concerning the consequences of these shifting plates, I do not expect any tears for Trinity Mirror as we are big boys and PLCs. However, consumers do have very high expectations of very rich content, and are very demanding. We are now beginning to respond to that; some would say too late, we would say as quickly as we possibly can. Those sources of information are equally becoming divergent, and you are seeing millions and millions of websites. We can say that that is democratic, because now every citizen has a voice, or we can say that this is now becoming undemocratic because ultimately a million voices is something where someone else's voice will be heard. That is where ultimately someone somewhere has to make sense of the environment which we are growing up in. That helps, whether it is in Facebook, because a Facebook group is people gathering together and creating a network where they can share values and begin to act together.

We would argue that newspapers like the *Liverpool Echo*, their website and accompanying media plays are just that. We are part of the community, believe that we represent and champion the community. We have a stake in the community, and are not sucking out revenue and moving on. People who live, work, and operate in the area where we create the wealth and jobs for people there.

The North West Trinity Mirror now has over 50 websites; we have over 2 million unique users online every month. Trinity Mirror has over 10 million users online across the UK. We do not rate into the top 11 sites, but in Merseyside you will find us one of the most used and viewed sites. Our journalists and structures have to change as a result; we have to adapt to a multi-media future. Just as Apple struggled with how that is going to manifest itself in terms of consumer behaviour. We are producing videos, interactive media, blogs and podcasts. We produce online polls and forums, we would argue that the focusing and championing of that within a community is absolutely the role of local media.

That is not the result of a god-given right to exist, but we do think as a democratic organism we are most important. You have to have some critical mass for people to take notice. I think it is great when Facebook groups can make banks change their policies, but ultimately there is a championing role for the passionate, opinionated local media. When that is creative, charitable and really useful, and observes its duties properly then there is no room for the BBC, and there is room for everyone else as well. There is a massive need to invest, and at the moment precious little capital floating around. We know we cannot turn the tide on that, it has happened. There are parallels with the banking system, people sat aside for the last 10 years saying it will all end in tears. When it did everyone is saying 'well I told you so', but no one acted.

At this stage we are saying 'are we prepared to sit on one side, and look at a complete disintegration of media organisations?' That is a risk, this is something we need to view, and a think tank like this is an interesting area. It is why I am throwing out some provocative thoughts. In newspapers, we have a very powerful medium – they are not dead yet, and will not be for another 50 years. There are still 200-300,000 readers in Liverpool, who read the *Echo* every day. However, they also have every right to expect rich multi-media alternatives to that, and we seek to meet those needs in which ever way possible we can. A rich, local-rooted, multi-channel media, with a stake in the health and wealth of the city, and its neighbourhood is a true bastion of democratic society, and the glue of true community. I think that is a system worth preserving.

**Tess Read**

That is excellent. You have thrown down a few gauntlets there, which is great. I do not know if you think there are specific areas which government should step in on, or regulation that needs to be changed on to try and facilitate this.

**Mark Dickinson**

We have to think about whether the Communications Act applies to one certain time, when life has moved on. The next thing is due next year, but life will have moved on even faster by that point. I think relaxing regulation is really what we are talking about. Trying to regulate around the old certainties of an ITV region, a newspaper region can lead to the absurd position where the Competition Commission decided that certain titles in the East Midlands we could not sell to another newspaper group, and ultimately those ended up being closed down. That cannot be the right outcome for a competition commission. Now the internet or world wide web is there, everyone has an opportunity to express their views in different ways. Thinking that we must regulate in one way is wrong.

**Tess Read**

Now, over to the BPI. Richard has stepped in, as we were meant to have Fergal Sharkey speak.

**Richard Mollett****BPI**

As has been said already this morning, the age of convergence is clearly among us. We have gone past the end of the beginning, we are now in the thick of it. We could try and talk about the opportunities that mobility, functionality, and convenience present to consumers today, but we would not come up with an exhaustive list. We definitely would not come up with an accurate one. They are simply so hard to foretell.

My [schtick or take?] on this, as representative of a rights organisation of records labels, is that the opportunities for consumers are immense, and they will be realised at the same time that opportunities for rights holders are realised. Contrary to what is often implied in some of these debates, the consumer and the rights holder in the age of convenience have closely aligned interests. Even though, and I will talk about piracy shortly, it is true that the record industry, and other rights industries, are being badly hit by piracy.

We are still doing something right, music consumers are still closely aligned to what rights organisations are doing. We sold nearly £1 billion worth of music last year. 138 million albums were bought, 86 million singles were bought. The UK has the highest rate of music purchase of any leading music production country – second only to Norway. It is interesting, as Tom said earlier, 99% of music is consumed digitally, it is still only bought about 7% digitally. CD sales are still it when it comes to album buying. We are seeing digital rise, which is great. I make those points because what consumers of music are doing is buying quality. They are buying quality songs, performances, musicianship, and sound engineering. They are buying it in increasingly diverse formats, and they are buying into the longevity of an artist. That is a really key point to talk about the democratisation of creativity. What record companies can do for music consumers is invest in the artist that those consumers want to continue listening to. We do not mind the odd one-hit

wonder, they are fun to have in the charts at Christmas, but most music consumers invest some emotional energy in tracking the career of an artist - groups like Radiohead and U2. Even Keane are on their third album. I believe firmly that it is only record companies that can provide that level of investment to allow longevity of career.

They might not do it in a way they have used historically, but they will continue to do it. Rights holders are in a funny position when you have this conversation about consumers.

We have the consumers I have spoken about those who spend just under £1 billion last year, but we have the other people who consume music who do not pay any money for it. In that sense we are unlike most other areas of the economy. I am not a consumer of a Bentley because I cannot afford it; if I went to ask for one I would not get one. Of course a consumer of music who does not want to pay what we ask him to pay just goes and gets it for free. That is our problem, what do we do about those shadow consumers? Those that on a normal supply and demand curve would be off down in the right hand corner not buying our product. We do two things with them – we try and enforce copyright, and try and prevent them from taking our music in large quantities. We also educate them, it is not enough – as said this morning – just to say ‘copyright is wrong’. We inform them of legal services, we try to direct them to places like iTunes – but many others as well, where they can get the music they want. We are now working with the ISPs through the memorandum of understanding, and with the government on three elements of that.

As well as enforcement and education a key principle of the MOU, principle 3, was to work to ensure there are attractively packaged services. That is going to be the way in which the major opportunity for consumers in the convergent age are realised. We are already seeing some of these. Nokia has announced its Comes with Music device this week. You buy a Nokia phone, you get free downloads for the whole year, and you can put them on your PC. Now, the catch is you have to buy a new device in the subsequent year, but it is aimed at a demographic that updates its devices frequently anyway. As Tom said earlier, you have got to keep up with the kids, and that is where that demographic is. The Comes with Music model is not the end of the story; if you go on to the music blogs, people are already talking about ‘How about a Comes with Music hi-fi or a Comes with Music car? Instead of a car stereo I could have unlimited downloads for a period of ownership.’

The point is that those things are possible, and with the right licensing deals behind them, as long as rights holders are paid, then there is no reason that consumers will not benefit. The only way these opportunities will be realised is if we also recognise that there are huge threats to consumers in the convergent age, which will prevent them enjoying music the way they might like to. One, is ‘snacking fatigue’, if you are in sweet shop as a young child, and you are told everything is free you are pretty likely to end up being sick. There is a danger of that in a world where you can access any track you want at any time that you try to. For a lot of people in this room who grew up buying one album a week, a fortnight, a month you engage in an emotional attachment with that album. The lyrics of ‘Dare’ are actually in my DNA. There is a danger that consumers will not enjoy music in the way they have historically if they are constantly sampling and snacking rather than getting into the music in the way that people from our immigrant generation – digitally speaking – can do.

The biggest problem consumers will face is through copyright infringement. The age of convergence makes copyright infringement dreadfully easy to do for the industry. That is deleterious to artists and record companies. If people infringe copyright, and artists do not get paid, and the companies that invest in them do not get paid, in the long term that is bad news for artists and for consumers who like to have quality music and artists to follow. We are on a

last-minute crusade with the ISPs and government to make sure that those threats to copyright infringement are dealt with so that consumers can carry on enjoying music in the way they always have.

## **Tess Read**

Thank you very much Richard.

## **Mike Stubbs**

### **Foundation for Arts and Creative Technology**

Good afternoon FACT has been converging people, publics, audience, and artworks for the last 20 years. From its inception as Moviola and then over the last five years in its fantastic new building at the top end of Wood Street. If you have got time I would invite you to come and visit Britain's new media and media arts centre, in Liverpool. It is a great thing, we are trying to turn it inside out, because we have to.

When it was invented, I think people thought media art and new media was a genre, an artform, was the next great thing. Similarly lots of people thought new technology was the next great thing. of course that has been precluded very quickly. Thinking back to 1993 when Negroponte's book 'Being Digital' how quickly some of the early thinking around new media and society would have become completely ubiquitous and embraced by all factors within society.

It is my job as running a venue which has four cinemas, two galleries, a bar, a café, a massive education programme – including a TV studio, how I can embrace new audiences, and new producers. For me that is the interesting bit of what I would like say today.

We need new models of commissioning, engaging, and developing new content. I have got mixed feelings about content. In a previous life I worked for S4C, I worked for BBC as a technician and a director. I always felt that I was trying to get a word in edgeways. As an artist or an independent producer, looking at the demography of this room, I am sure that many of you had previous lives of when you were active or passionate in terms of wanting to make things.

How do you get into the business? I was trying to a union card in the mid 1980s as a technician, and the apprenticeship at the BBC disappeared. I was trying to get independent films I had made on the telly, as it seemed like a great place to get people to see what you had done. Clearly, in terms of models of public service broadcasting, we might need to reflect on some of the language we use. Perhaps it is not all about audience and consumers, and it's about content. Perhaps we need public service reception, and to be listening. Yes, there are ways in which we can procure new content, programmes and artworks. How do we support those people to make it? They do not come out of nowhere, and they do not turn into Feargal Sharkey instantly.

They start as people who are working through some crazy idea, people who might be thinking outside the box, and might not know what they are doing. We need to find ways to encourage that, and find a method and provide an economy to sustain that. In terms of rights clearances, rights holders the loss of control and regulation around that is difficult. For an organisation like FACT which is in receipt of public funds, like Arts Council and Local Authority money, along with private income through sales, we are continually trying to find new collaborative models to engage with the public sector and the private sector. Some instances might be through the health sector, in

terms of actions of wellbeing as a cost savings device in terms of what they spend. Ultimately, when people are engaged, listened to or heard they are happy, or more comfortable and not thinking about their bad toe.

I think there is a really strong case to be said that public support of developing new content, perhaps within the framework of creative industries has is a really good thing to do. All the time we will explore partnerships which will give multiple entry points, both in terms of production, consumption and discussion. This inside model is one where we have a stronger online component and are more visible. At the same time the way we use a public building is a lot more friendly, and this is no longer about high art or broadcast, or community stuff. Everything is much more integrated. It needs to be sustainable, to encourage risk, and we need to be listening to people who want to make stuff as well.

## **Questions and Answers**

### **Tess Read**

Thanks, very much. We have got a lot of points to pick up on there about the creation of content, the role of the BBC creative archives, the dangers of piracy, and perhaps what we would lack if we lost our local media. I want to open it out to questions from the floor.

### **Mark Selby, Nokia**

Just to clarify quickly on one point. You actually keep all the music you download in the 12 month period of Comes with Music. Secondly, I have been surprised in both sessions by the fact that we have been talking about consumers, citizens and the creative process. We recognise that piracy is a major issue, and that the vast majority of people do not understand what copyright is. I would suggest that every creator is a consumer, and the vast majority of consumers are creators. Yet, when I look at the way in which the images, music, movies, and writings of those creators – I am referring to people that are not currently members of collecting societies – when through a sense of social responsibility they send users to the website of a major media organisation, the terms and conditions put in place actually transfer all ownership to that organisation. I was wondering what the panel think about the protection of citizen's user generated content, and how we can use that to help people understand what copyright is.

### **Becky Hogge**

A few years back Billy Bragg led the campaign to get the MySpace terms and conditions changed, because of that exact problem. If you were uploading content to MySpace you were handing over your contents to MySpace – or the situation was unclear. The terms and conditions were changed, and I think people working with MySpace welcomed that. You have raised a valid point, and I see pressures from below changing this radically. My personal experience of this is that on the weekend my organisation is going to unveil an image on Parliament Square made up of lots of tiny images that supporters in the wider community have uploaded to the website Flickr. What we asked them to do, because we wanted this composite image to be photographed and captured and circulated, was to apply a creative commons license. Instead of applying all their rights to us, to say; 'I understand that you are going to use this in a variety of settings, and I give my consent to that'.

I think there are going to be various solutions for various platforms, and I do not think it is good enough for large institutions to say 'it's inconvenient for us to respect individual user's rights'. I think aspects of the user generated content angle need to be worked out.

### **Mark Dickinson**

We are absolutely open to that. We use Flickr and YouTube in various ways. In terms of UGC going forward we would respect the rights of the citizens to restrict those rights and the usage. I do not know what the mechanic for that would be. What we are also interested in exploring the commercial exploitation. If someone is an originator of a piece of work, and potentially it has some value. There is no reason why, if you create something spectacular that people want to look at, that you should not share in the fruits of that. How that split would work I am not sure. That is something that should happen going forward.

### **Daniel Dyball, Channel 4**

My question is about the find-ability of public service content online. Obviously convergence has created a number of opportunities for consumers to access a wide range of public service content online. Channel 4 is doing it through Channel4.com, 4IP, the BBC is doing it. There is also a large amount of content from a range of other institutions out there, which consumers might be finding it difficult to access. You have all spoken about content that you have provided. I wonder if you have any thoughts about how we can make public service content more easily discoverable. Is there a role for established public service broadcasters like BBC and Channel 4 in that space?

### **Mike Stubbs**

This came up at a meeting of the Labour party, where we were looking at arts and broadcasting. The BBC were present. Finding new mechanisms for commissioning web-based content is something we would like to establish quickly. There are lots of young producers that are producing the best stuff, but how do you get at it? I am aware of some of the Channel 4 and BBC schemes, but that needs to be extended into a method of operation within an industry. It is also worth considering that Lev Manovich, a media art theorist, invented the term 'more media'. We are all at the stage where we need better filter systems, better robots, as we cannot do our own selecting. We need mechanical devices to do that for us – which are extensions of measurements of social preferencing systems. We also need curators; we trust really good record labels to give us the bands we like. When I go to Channel 4 or the BBC I am expecting a particular type of programme. We need that, and that's the whole process of community building. Whether you are inferring that we need a supra-body to do that, it needs to be whole combination of those things.

### **Mick Chesterman**

I think the tools are almost in place for this to happen. We are looking at the application, Nero and iTunes as place for people to feed their own sources of information that can be searched. If you searched iTunes for 'Salford' you would get a list of podcasts of UGC, and can search for the description that people put in their podcast. This is aggregating a wide variety of content into searchable terms. I think the technology is there, media RSS, and aggregating tools like iTunes or websites like Drupal can pull this all together, as can community curators. The PVM model will have different geographical areas, that will be curated by community members. They will pull out relevant content to promote, and filter out content that is not relevant. That does not necessarily need regulation, it needs nurturing and inspiration. That will hopefully be the direction to go in.

**Becky Hogge**

In terms of public service content getting it out there is the first step. I agree with Mark that there is a whole ecosystem out there that is filtering content at the moment. It reminds me of a documentary I saw on BBC3 called *Mischief Makers* on identity theft. If that had been available permanently on the web I would have happily blogged about it and said ‘watch this, it is incredible, it gets all the issues out there’. However, as this was only going to be on the iPlayer for seven days I did not bother, as the post would not have worked in seven days. In the public service context there is a value in allowing for more permissive rights regimes so that content can enter the ecosystem which is already out there.

**Peter Williams, Peter Williams TV**

I have a question for Mick. What you are trying to do in Salford seems to be public service content in one of its purest forms. You happen to be operating in an area covered by one of the experimental local television stations, Channel M. I would be interested to know what your relationship is with that, if you feel it is helpful, what you have learned from them –if anything, and whether or not you think that is a contribution to the democratic process.

**Mick Chesterman**

We are very lucky to be in an area where there is Channel M, Salford University, Salford College, and other operators. We are working closely with all of these, in order to provide choices for people that take to self-publishing. It is great that they are there, and can provide different levels of opportunities. Channel M is a great model, but it is still a broadcast model. This is essentially different to the social media model we are working with, but it is great to have those choices for our community.

**Mark Dickinson**

We are currently talking to a number of independent operators, and doing bits and pieces on the community side of IP TV. There is a role, and it may not have occurred to me that it is a public service role because we are from the private sector. We believe that we serve the public in what we do. There is an aggregator role for IP TV, and there are things we could do Merseyside-wide in this area, with things like Wirral TV, and Toxteth TV, we could fund content, which is all over the place, unless you know what it is there. It needs aggregating. Mike calls it ‘curating’, I would call it editing, but the term is exactly the same. It is about creating something of interest that helps people filter the millions of pieces of content.

**Peter Williams**

The end of my question was if Mick and Mike feel that what is happening there is a [contribution?] to the democratic process, which is under threat simply through ITV cuts?

**Mick Chesterman**

It is a contribution. If that was your goal, whether that would be the best approach, I am not sure. Certainly it is a contribution because access to self-expression in these mediums can only be a

positive thing. Whether you can achieve more with a smaller scale and wider community centre-based provision is up for debate.

### **Daniel Tall, Aegon Consulting**

My question is if the panel could balance their views on the opportunities afforded by the web's global audience. Given the issues discussed around piracy, data protection and IP, the difficulties of regulating on a global basis. To put in a bit of context, Tom talked about the democratisation of consumption. What is great about what Apple did in the video space was bringing the cost point down. The other thing we have seen is that immediate distribution on a global basis we have created niche audiences for content that was previously economically unviable. The web was set up as a fundamentally unregulated space, with different regulatory regimes on data protection, IP, rights clearance. As well as for global companies, like Google, that step beyond country policy. They withstood the US trying to get access to its content. The question was balancing the global audience opportunity with the difficulties of regulating on a global basis?

### **Richard Mollett**

To focus on the part of that on the rights regimes, earlier we were discussing democracy. What is important is that different countries, different member states can decide how they treat their performers. The reason you hear people complain about this patchwork of IP rights that exists around Europe – is that even though we are signed up to the same copyright directive, and are all part of TRIPS, and WIPO, there are still different rights regimes because different countries decide to treat their performers and rights holders in different ways. In a perfect world we might think it would be easy if we could have a global licence, but it is important that rights holders are respected in each of those regimes. There is a balance, but the record industry's view of the balance is it is great that we can globally distribute, and that people around the world can buy, but everyone has to respect the rights holder. If that means that in a certain country you cannot do what you would like to do then that is democracy.

### **Mike Stubbs**

In terms of face-to-face contact, that is great. FACT has been in China quite recently in the cultural Olympiad programme – presenting on a national media arts show. That was a great opportunity to talk about co-producing work. At the time of making the commitment to invest money in getting out there with the British Council we had to make a political choice. It was the correct one in the way things have turned out so far. In terms of the partnership with Liverpool, and its special relationship with Shanghai for 2010, it means that we are now in a position of influence: influencing behaviour, and working on best case practice. At the moment there has not been much conversation about disability access, social media, how art can be anything other than a commodity. Of course we actually need to meet people, talk to people, and co-commission work.

### **Tom Brookes**

Obviously, we are living the patchwork on a daily basis. Essentially, most regulatory intervention thus far has made the situation worse. It was operational, we have an excellent relationship with the record companies. There are huge amounts of creative thought on how to solve these things. We at Apple are huge copyright holders ourselves, and are also a substantial music distributor. The challenge we face is about how we make sure that the artist gets the money. That is the bottom line, and that has to happen.

We have got a system that is very complicated, because it was designed for a world that no longer exists. We are reengineering it, but the rights holders – and I use the record companies as an example – know the opportunity that exists there, recognise the opportunity of the global audience, and are doing everything they can. We have one copyright directive, with 27 different implementations of it. The model of rights distribution, all the different people you have to pay for different types of rights in Europe, adds another layer of complexity. At the end of the day the factors that will benefit the interests of the rights holders, the consumers, and the platforms in the media industry are exactly the same. That being the case, we will fix it as it is in all of our interests. What exactly the regulatory role is in that is a conversation that we have to have very carefully. Any swift move and the whole process could collapse. We need to be very careful about how we approach it, but what has happened over the past couple of years is that people have really understood the scale of the problem. Now, I think the parties are aligning and everybody is getting in the correct place. I think we will find that balance.

### **Tess Read**

Great, I think we need to wrap. We have another panel afterwards about the choices issues. Please join me first in thanking our excellent panellists.

## **Panel 3: Making Informed Choices**

### **Tess Read**

Welcome back to our third and last panel session, where we have four excellent panellists in front of us to discuss how we can best equip consumers and citizens to make informed choices in this new digital converged age that we approach. It has been one of the government's central planks of the convergence think tank, and what we hope the converged world will look like, which is to have confident and empowered consumers who are able to reap the benefits that convergence can bring.

We have got various different bodies here to represent various different institutions who might have some relevance with media literacy, and we are interested to hear what they say.

### **Robin Blake**

**Ofcom**

### **I. Preamble**

Thank you very much, and thank you for the invitation to be here today. I am relieved I am going first in the panel, because I have little new to say, and I suspect that at the end of the session Alex will have nothing to say. This is brilliant opportunity and I am relieved that there are many new faces in this room. When I turn up to things like this invariably it is 'the gang', it is the same old crew, the guilty parties, and so on, and it is nice to have a different set of perspectives aired today. I have taken a fairly literal interpretation of what was asked of us as a panel, and I will try and address the various questions that are listed for panel three.

## **II. Awareness**

One thing that has not been mentioned particularly much today is a precursor to the empowerment story that we have heard on a number of occasions, and that is awareness. There are a lot of people out there that do not know this is happening to them, or that they have a role to play, and that is a precursor to all of the things that we have been talking about. I just want to make that point: we need to recognise that people need that basic understanding, that we are in a new place, or going to a new place, and they have to come with us. We are perhaps in a transitional stage, between the old traditional media offering, which they are very familiar with, and a new media offering, which their children are more familiar with, and that they need to go on that journey. The traditional model of regulation will ultimately erode to a new model of media literacy, personal responsibility, and personal empowerment.

In terms of empowerment there are a number of issues I want to touch on, because they have been aired today. By empowerment we mean, of course, people making informed choices. In Ofcom we are working to try and make the availability of information not greater, but more accessible; people need to be able to find the information about the offering at a point where they are making those decisions in a way that is easy for them to understand, and in that way it does become, at least, closer to a real choice. I know Anna Bradley touched on this morning that it is not more information, it is better and more relevant information.

## **III. Tools**

People need the strategies and the tools to cope with that information, to make the informed choice, and the strategy might simply be to find out, for instance, what your children are doing on MySpace. If you are happy with it, great, do not pull the plug out of the world, but become part of that discussion. We recognise people need tools and help, it is a brave new world they are going into, and there are lots of offerings out there that people need to be aware of that will help them make this journey, they are obviously the tools to do with protectionist agenda, but they are tools to do with the empowerment agenda: do people understand how they can search for the information that they want, to find the things they want, and to manage that aspect of it? Do they know how they can put in place barriers to restrict information that they do not want? It is the whole debate about internet content, access controls, filters and firewalls, and all of that, but on the other side there is this huge amount of meta-data out there attached to your digital product, how can people use that to explore and navigate this rich wealth of stuff that is out there.

## **IV. Digital Natives**

The question that is posed to us also makes comment about other particular groups in society: yes, there are, and in some cases they are the obvious suspects and in some cases not. We have heard endlessly about digital natives, the digital natives may be familiar with the technology, but may not have the life skills to deal with some of the opportunities and threats that are coming their way. Let us not pretend that the young people that we work with know all about it, because they know more than us; they do not. Parents in particular will need help. We know there is an issue with older people and their access and motivation to get involved in this digital environment. We know that there are issues to do with certain demographic groups, people with lower incomes. We have heard the discussion around access and inclusion, we know about the digital equality action plans on the horizon, and these are very important first steps towards becoming more media literate.

## V. Players

The question goes on to ask who the players are in this space that have stuff to do? I will put my hand up: Ofcom as a regulator has ‘stuff to do’. We need to facilitate, to help, to encourage, to catalyse, and in some cases resource some of the things that we think need to happen. Government has a role to play to incentivise the players. It is all well and good Government making calls on industry, but what is Government going to do to help industry, and there are ways that they can do that. Education needs to recognise that they have a place in the planning of the curriculum, and the delivering of the curriculum and the support for teachers. An anecdote that I can relate to you when I first got this job at Ofcom and went to DFES and had a conversation with various people, and they returned the answer, ‘there is no evidence at all that in school giving children access to media education makes them any more or less media literate than if they just simply live in the society in which they belong, so why should schools bother?’ I have to say that that story has now changed considerably, there is a political will and momentum in education to step up to the plate, and try and make young people and their parents more media literate, so they can deal with it. That is a huge step forward in the last five years.

Industry: I probably do not need to go on about the things that industry needs to do, we have those conversations all the time. You know that in some cases it is probably in your best interests, both in terms of brand protection and CSR, but more importantly in terms of your market share, that you treat your customers in a way that they would expect. You do not harm and offend them, why on earth would you? You want to bring them along; you want to encourage them to take more of your services. The NGOs: charity and voluntary groups have an opportunity to become an independent trusted brand and advisor, to provide support to people as they make this journey.

On a number of occasions today we have touched on the self, we, our friends, our families: we all have to play a part. It was interesting what was said about how you get to know more about the content and services on offer, it is not through the information provided by the service provider necessarily, but it is about the anecdotes that we hear from our best mates, and you say to them, ‘what phone have you got?’, ‘I have got a 3 phone, it is brilliant’, ‘I must go and get one of those’. Those are the ways that we can all, as peers, support each other.

## VI. Conclusion

Does Government have a role to play? It is Government’s role in my view to set the priorities, what is it that society needs in this space, what are those priorities, how can we raise awareness, is there something that Government can do in terms of a broad based awareness raising campaign. I mentioned incentives, what can they do in this space to help all those other players that I listed earlier on, and how can they monitor, encourage and see those new emerging challenges. It is for them to oversee this space, and then let all the other bodies get on with delivering it. There must be better ways than statutory regulation on the internet, and we have heard quite a number of opportunities today that will make it better, quicker than statutory regulation. Please do not ask me whether Ofcom has an appetite to regulate content on the internet; I will deal with that now: no.

### Tess Read

You say that Government can have a role in incentivising market players; can you briefly say a little more about that?

**Robin Blake**

There must be ways in terms of the financial support, the tax regimes, the opportunities; we have seen it work in others areas like in film, where certain tax breaks and opportunities will encourage that particular sector. Let us think about that more broadly; what can be done? We recognise that Government can make decisions around public service broadcasting, we know that is a live debate and discussion at the moment, and the political decisions that arise out of that debate will have an impact, not just on public service broadcasters, PSBs, but the now PSCs, the public service content, which is being delivered across a whole range of things. There are ways in which that political debate can either help or hinder the process of making the various players in the game effective in what they need to do in order to bring about the changes that we as a society think are important to be done.

**Joanna Newman****British Library****I. Preamble**

I want to start by saying that there has been quite a lot of talk today about how much more savvy the digital natives are than the digital immigrants, but part of what I am going to say is that the digital immigrants have still got a very large and important role to play in digital literacy and information, to support digital natives who are emerging now and becoming researchers, and the creative content of the future. It is particularly apt that we are speaking before Andy Burnham, who has been at the PLA conference this morning launching a debate on the future of libraries. There will be a very important campaign about putting libraries back into the heart of communities.

**II. The Google Generation**

Several months ago we published a report with JISC (Joint Information Systems Committee) called The Google Generation, or to give its proper title: The Information Behaviour of the Researcher of the Future. It was a mix of secondary source material mainly on North American sources of the Google generation, those born after 1993, but also deep log analysis of Intute, which is an arts and humanities website, and the British Library's learning website, of how users were using those websites, what they were doing on them. The main finding was that we were all doing the same thing, which was being very promiscuous, flicking, browsing, downloading, and not paying a lot of attention to what we were seeing, whether we were very young or very old. The findings also showed, not surprisingly, that young people and old people were using the internet the most, if you discounted work use of the internet, because they have much more leisure time to use it.

If we are all flicking and being promiscuous, and having attention deficit disorder, which might be seen as creative in some ways or it might not be, what is the difference between those born digital native? The difference seems to be that if you are a digital native, the way that you are accessing information you might be very familiar with the search engine, and feel a relationship of trust with the brand, but when you get that very long list of content in front of you how do you know what is to be trusted and what is not? How do you know how to separate the wheat from the chaff? If you are a teacher or a parent, and you are faced with those things, you might feel far less ease with the technology and feel less comfortable with how to use the gizmo, but you will have grown up in an atmosphere where you might have learned more about how to use analytical search tools.

### **III. Libraries**

That is where the British Library and libraries in general come in. If we do not change the way that we reach out to users, so that we remain relevant to them in a digital age, we will lose our relevance, and there will no longer be the information specialists there to support communities of the future. This Google generation report to us was a real wakeup call, in terms of what we can do to engage with kids who are growing up now, where their access to information is a direct relationship between them and a computer screen, and for many of them they will not have visited libraries, or even understand that the sources that they access in their first year undergraduate degree are actually being paid for. The licenses are being paid for by libraries, and often they did not know what ATHENS was, they thought that it came from Google.

### **IV. Digital Platforms**

One of the first thing that the library is doing is putting as much stuff as possible on digital platforms, so we are going into our stacks and we are trying to find ways of getting that stuff out there; IP Committee. So we are doing various different relationships, and I wanted to show two slides. Archival sound recordings is a relationship we have with JISC, where we have digitised 40,000 hours of sound from our sound archive, and the sound recordings vary from Beethoven to a large collection of interviews with artists and designers, birdsong, frog sounds: a very distinct collection. This is a case study that we produced with an FE college, where the lecturer is saying how interesting and helpful she finds it to use in teaching, because not only has she got a new resource, but students are being encouraged to use digital sources in an imaginative way. What archival sound recordings is doing is, JISC are paying for the license, which means that when the institution signs the license, which is free, their communities can use that material, they can repurpose it, they can do what they like with it, within a learning, teaching and research environment.

We have a similar relationship with newspapers, and we have digitised something like 3 million pages of 19<sup>th</sup> Century newspapers online. These, again, are free to HE and FE, they are free on site at the British Library, and they are pay per view for the public from their home computer, which is a similar model to the national archive.

### **V. Research and Teaching**

We are trying to put as much of our content out there as possible to support research and teaching. We also want to engage with users in different kinds of ways, for example, if people are using Facebook and Web 2.0 activities more and more, and that is where they feel comfortable, we have got to try to adapt the way that our website speaks to users. We now have curators' blogs, we have decided that we do not want to get into Facebook, because users like to generate their own content, and probably do not like the British Library brand on that, but we are trying to encourage users to put their comments on to British Library content, and tell us what they think about it. It also creates new communities of users, if you have got a 40 hour archival sound recording that has not been indexed, we have 150 million items in our collection, we are a national deposit library, we have probably a fingertip of our content digitised, and it will not be in anybody's lifetime that we will have our entire content digitised, let alone indexed. Therefore, let us get our users involved in tagging the content, and finding new ways of providing meta-data to describe it.

## **VI. Information Literacy**

There is also a large role to play in information literacy. We have been talking to teachers in the learning sector about bringing students in, but also more importantly bringing trainee teachers into the library so that we can work with our information specialists to show them the different sources that they can use. Teachers have told us that they are very familiar with the white boards, and being taught how to use the technology, but quite often they are given very rigid choices of what content they can use. Let us try and free up that content, and encourage individual expression and creative use of digital resources, and more and more material is born digital.

## **VII. Infrastructure**

That is another area that we are campaigning on; a more sustainable e-infrastructure. An average UK website lasts 44 days and then it is down. With official publications there is no longer, in many cases, an official publication track. Publications are done on websites and they disappear, so a visitor in ten years time will not be able to find any content. We are putting more material out there digitally, but we are also seeing that space matters, and that people need to meet. People need to meet because they need to meet with expertise, information technologists, but also because they want to collaborate with each other. Research libraries, school, and universities have lots of cool spaces, the Saltire Centre in Glasgow, Leicester, MIT in America have just produced a new philosophy and IT centre, which is nomadic on the inside to allow for new collaborative spaces.

## **VIII. Conclusion**

We are doing all these sorts of things, but the future means that unless we have sustainable infrastructure, a copyright law that changes to adapt for the 21<sup>st</sup> Century, it is going to be a challenge to put that material out digitally, because there are opt ins and opt outs. We try to be as risk adverse as possible, but if we are not able to influence Government to change the law in certain ways we are not going to be able to put any more content out digitally. Those are the challenges and the issues, and how we hope to support.

### **Tess Read**

Thank you very much. It was very interesting and particularly good timing that we should have you speaking on the day that Andy Burnham has made this announcement about libraries. I would like to pass to Julie Minns at 3, and intriguingly we gave our panellists the challenge of speaking for three minutes, and as we are running short of time, if you could stick to that.

### **Julie Minns**

3

## **I. Preamble**

Thank you very much Tess. I was listening to Robin, and made a mental note to self, next time we appear on a platform together to talk about media literacy, we need to compare notes beforehand, because I found myself agreeing with most of what he said. For those of you who are not familiar with 3, we are the youngest mobile network in the UK, and 3 was born very much as a converged

provider of new media services. Our customers have always been able to access not only voice and text, but mobile broadband, television services, and on demand value add services. Convergence has been very much a reality from 3's inception in 2003.

## **II. Informed Choices**

I have tried to address myself to the questions that we were posed, and the first one is turned slightly from the one that is on the paper before you, which is, why would providers want to equip consumers and citizens to make informed choices? Providers such as 3 are very much incentivised towards ensuring our customers can make informed decisions and choices. Firstly, we want to ensure that the activities that they are undertaking using our services, they are doing them as safely as possible, both in terms of personal safety, but also – and it is particularly relevant in the mobile sector – that they are able to make informed decisions about the purchase they are making, so they are not in line for a nasty financial shock further down the line. We also want to ensure that we have given our customers appropriate information, so that they can make active decisions about the type of content and the type of service they want to use, because ultimately we want to drive that usage. We want our customers to have a positive experience when they are using our services, and if they have that positive experience, ultimately we want to retain that customer.

## **III. My3**

How do we do that? There are three key watchwords: it has to be relevant, immediate and accessible. This screen shot here is taken from 3's website, where there is a secure area our customers can go to called My3. They can check their balance, purchase add ons, look at their data usage if they have purchased an internet add on. While this is taken from the website, it is also possible for our customers to access My3 from their handset on a free portal. Similarly we provide user guides for our customers, so that they understand the handset that they are using, we provide information about how to use some basic tasks; this is a screenshot from our website describing the Nokia N95, which tells our customers how to do some basic things like copying their contacts or creating a playlist if they have got music stores on their handset.

We also provide some generic information, because you do not make an assumption that the customer always knows what they are looking for when they go to our website. So 3 has an A-Z jargon-buster, where they can find information about what 3G means, what SMS is, and we provide that information on the website.

## **IV. Mobile Portal**

The next slides show the information we make available on the portal. The first one is a screenshot taken from a mobile screen, that shows the information we provide to our customers on social network safety, and that is accessed from the area on our portal where you would access your social network services, where you will find your Bebo and Facebook, so it is easy to find that safety information if you have concerns. Similarly mobile viruses are not a huge problem yet in the market, but we do find customers who have this problem. Again, on the handset, it is possible for them to find out what steps they can take to tackle mobile viruses. Then we can provide information for adults, about safe usage for their children when they are using our services online, and also how to protect themselves from issues like identity theft.

The main point here is this is all available via the handset, via our portal, because mobile customers do not tend to carry round the user guide that their handset came with; equally they want the

information that is relevant to their use of the service and product, and that it is immediately to hand when they need that. That is why we provide that information on the portal, on the handset.

## **V. Conclusion**

To finish up on our last question, the issues with specific groups and role of Government: yes, I agree, there are specific groups and there are specific issues, but with over 70 million mobile customers, it is impossible to address ourselves to every single one of those areas. What providers can do is provider relevant information for our products in a way that our customers use those products, and in a way that they can easily access that information, but the role for Government, regulators and NGOs is to provide some signposting and generic advice for those areas that we are 3 would not necessarily provide information for, because it is not immediately applicable to our products and services.

It is impossible to legislate for the type of information that 3 provides on its portal; we have to be able to tailor that to our specific customers, and that collaborative partnership approach between industry, the regulator and government is exactly the approach that the Byron Review took, and is a very good template for how we might develop media literacy in the future.

## **Tess Read**

We are going to have a slight change to the order of things now, because I am delighted to say that we are joined by our Secretary of State, and we are going to pass over to the Secretary of State for Culture, Media and Sport, the Right Honourable Andy Burnham.

# **Keynote Speaker**

**Andy Burnham**

**Secretary of State for Culture, Media and Sport**

## **I. Preamble**

Good afternoon, everybody. As Culture Secretary it falls to me to welcome you formally to the European Capital of Culture. I am very pleased to see you all here. This is the third time I have spoken to the think tank, I think at the very first one I did say it would be nice if we could meet outside of London, so here you all are, and I am very pleased that you are here. The time before I was beginning to talk a lot about standards and quality, so the things you have been discussing today very much pick up on the themes that I put before you in June, which is very welcome.

## **II. Themes**

Since I spoke to you then there have been some very major events, not least a major Cabinet reshuffle, so can I say that I am very, very pleased indeed to be here today. There have been some other events since I spoke to you in June, and I thought I would recap some of those, because they are very germane to what you have been discussing today, and provide something of a gathering momentum in the context of what we are discussing. Before I do, picking up some of the things

that you have been discussing and some of the threads that have been prevalent during the day, it seems that the theme has been very much how you help people navigate and find their way around this complicated and changing world, make informed choices, and understand more about the proliferation of services, and jargon that is out there. The theme seems to have been expressed by many that trust is the key to this; giving people services they can trust, and brands they can trust. It says that everybody has a role to play in making that happen, building that trust; consumers themselves, industry, regulators, and begrudgingly even politicians, we are not completely out of a job yet! That is good to know. The conclusion is that the interests of all these groups can align, and that is the challenge as we go forward.

### III. Developments

As I say, there is a developing [moment momentum?], and I will just recap a few of the relevant developments since I spoke to the CTT in June. First, and most recently, we have got Ofcom publishing its models for the future of public service broadcast, which are crucial, because public service broadcasting is in many ways the offering that forms the bedrock of media literacy, and what people will take as their basic standards. It is obviously crucially important. On Ofcom's report I have said that it is now a matter of urgency for Government to address the issues raised, and come to a swift conclusion. We have compressed the timetable by which those conclusions will be reached.

Second, another relevant development is that we have seen the launch for the UK Council for Child Internet Safety, which I know that people in the room are looking at some kind of involvement in. This follows a key recommendation of Tanya Byron's report about child safety online. If you have not read that report I would recommend that you do; it is an excellent exploration of all of these issues, we have got the balance between the Government's action and self regulation, and parents themselves feeling empowered to make their own decisions. There is a great quote in Tanya Byron's report, which actually brings home this need for literacy and navigation, it is just quoted as an anonymous nine-year old boy that is apt and relevant, 'I always worry when I go online that within about three clicks I have found that I have joined the army'. That gives you a little insight into how young minds feel about the online world, and the changing world that they too are beginning to explore and cope with.

Third, you will see a change of gear from the Government's side on these issues, and that is the welcome appointment of Stephen Carter, the former Chief Executive of Ofcom and now Minister for Communications, Technology and Broadcasting, working between the two departments that co-sponsor this think tank. I hope you will see that is a very welcome step, in that his role and appointment brings the two departments into much closer alignment and that we are now addressing these issues with urgency. Stephen's brief falls across both my department and BERR, as does your considerations. In terms of the next stage of all of our work, this work, he has a very important role to play.

A further development that did not particularly attract huge amounts of coverage in the press, but I feel is a significant development, is the publication just before the House rose for the summer of the House of Commons Culture, Media and Sport Select Committee's report on harmful content online. We are about to reply to it this week. Many of the conclusions of their report, again, will chime with what you have been discussing today and, again, takes the debate further on.

## IV. Regulation

The issue that has crystallised for me since I spoke to the think tank in June is how we bridge this fracture between the heavily regulated old media world, and the new converged media world. That is essentially thinking about media literacy and all of the issues that come with content as its standards. It is a debate, I am not giving you anything more than my instincts that I bring to the debate, but nevertheless it is very important. I have said that I feel politicians, even of my generation, have been a bit trapped in the headlights of the growth of the internet and the online age. We have a belief that we cannot really shake that it is going to be done to us, and the role of the politician and the regulator is to just let it happen. It is almost as if it is so good and fantastic that you cannot bring to say, can we not shape this thing more in the public interest? That debate is changing, and you will see that changed tone in the Select Committee's report.

All of this is about appropriate systems of regulation, and that does not necessarily mean state regulation; it could mean co-regulation, self-regulation, or individuals regulating services via online communities. In many ways it is hard to use, it is a hard word, but obviously we are living in times where people are, certainly in terms of financial markets, talking very much about the role of regulation, and perhaps we need to break out of a fear of using this word and talk about what is appropriate regulation to ensure the public understand where they are, what kind of content they can expect. That is crucial to them giving them the stakes in the ground that enable them to develop media literacy in the online world.

Now that it is in everybody's houses and offices, I think the consensus, the ultra-libertarian ideology that underpinned the internet in the very early years, and to some degree took considerable hold, is no longer appropriate. The question increasingly being asked is how we ensure in trying to curb the internet's harmful and antisocial darker side, we do not shackle or diminish its life enhancing powers, its powers to open new horizons, and that clearly is the key question that is before us all. What is illegal offline has to be illegal online, but how do we best police the online world in a practical and pragmatic way, how do we reach a consensus on where the balance of acceptability lies? These are major questions, and obviously they have to be debated by far more than politicians. It is a much bigger debate.

## V. Standards

What is clearly the case is that the public - viewers and listeners - have developed our bearings in the old world through trusted standards like the watershed, film classifications, and impartiality. Some of the things that we have regulated for have built media literacy, and an understanding of the quality of what people can receive from broadcast services, perhaps as opposed to less authoritative or more unsourced services. The question is, as the Director of Communications in my department, [Jon Zeff] said, what is the equivalent of the watershed for the new media world? That is not to say that there has to be a watershed, because we are dealing with something completely different, but what are those things that cut through and immediately communicate to all, parents particularly, basic systems so that they know where they are, and know the parameters within which their children are learning, exploring and accessing content.

The situation we are in today seems to be one where the old world and the old systems of regulation are indirectly regulating the new media world. There is a carry-through to the online world of the standards that have been developed over many years in the old media world. An obvious example is the player, but actually other examples from the print websites too, in the standards that have been developed through self regulation of the Press Complaints Commission,

which carry forward into the standards with which online newspapers sites are operating. It is done indirectly, not because of the direct requirements on ISPs or new media content providers.

It is because the BBC and PSBs are applying the same standards on and offline, but that may not always be the case, there may be a trend towards the public accessing regulated content by the TV, but then being pushed towards unregulated, X-rated, content online, as a way of driving traffic. These are potential issues that we need to think about.

## **VI. Global Debate**

The question we have to ask is how we adapt the tools that we have to regulate the new world; crucially what is the correct balance between self-regulation, co-regulation and legislation? Legislation might not be appropriate, and I accept that, I think we have a growing sense from your deliberations that big landmark legislation that is all-embracing is not necessarily the right prescription at this moment in time, but in the absence of that what are the other systems of self-regulation, or co-regulation that we might need. Where does personal responsibility and media literacy end, and the hard rock of state regulation begin?

There is another layer of complexity here, and it is that we can set standards in this country and debate them here, and I agree they can be commercially advantageous standards in that people around the world may have a sense of trust in British content, because of those standards. I am keen that we do not lose that sense of quality and standards going forwards, it is a very important part of British broadcasting, and its international appeal. However, what we have to recognise is that we may have standards, but how do we ensure that they are relevant and can be upheld in a global environment? Do we need to achieve a consensus internationally in the converging world, where there are basic agreed standards in more than one country about how these things need to be done? How do we begin to get a better international dialogue on these issues, so the same principles can apply more than just here?

We have made a very timely contribution to the global debate this week, with the publication of a pamphlet by Demos, Video Republic. They are calling for the same thing, an international summit to debate these issues, to try and begin to get international standards of digital rights. We can see a growing need for an international dialogue more generally, to address issues of copyright or content, for all of the legal systems that we have developed over the years. They were also saying that rather than straightforward censorship, the call seems to be for regulation based on peer groups; peer censorship seems to be the way in which young people particularly want to see the world going. On the other hand there is the recognition from some of the research that Demos has done, that young people see the online world as chaotic, and lacking clear rules and protections. There is that sense that it is an environment without clear parameters, and that is interesting. Demos is challenging me, saying that they felt that I was leaping too much for state regulation, and that there needed to be a different approach of self-regulation and individuals regulating in peer groups.

## **VII. Harmful Content**

It is a difficult debate, but we need to have that debate. It was one that we began yesterday with the steering group, which is: are there still images that should not be accessible by any device in this country? Are there some things that are so abhorrent that they should continue to be inaccessible? If there are, I would argue that is a place where state regulation would need to be considered. Other people may have a different view about that, and I am not saying that I am right; I am simply

saying that there probably does need to be a moral debate about the ethical framework. I think that the assumption should be challenged that everything can be available all the time anywhere, because it is not necessarily one that the wider public are comfortable with.

The Cultural, Media and Sport Select Committee's report on harmful content does take this debate on, and their view is that it is not a case of whether we should act but how we should act. That is the phase we are in now: how do we act in response to some of these challenges that we are seeing? The Council for Child Internet Safety is one of those things. It is all a very delicate balance, and it is also stuff that needs to be handled with the greatest of care, and we must at all times be very sensitive to the views of young people, and to hear their views coming through, so that we are not putting a five channel view on the world that does not accord with the experience of young people today.

## **VIII. Conclusion**

It is coming through in so many different ways that young people do not want to lose any of the freedoms they have, they do not want heavy handed state regulation, but there is a growing call for order out of some of the chaos that we may find, and that is something that we obviously all need to think more of. I wanted to update you on where our thinking has reached. In summary: what you are discussing today is crucial. I would counsel people to feel that there are no absolute assumptions about how we intend to operate, and it is important that we have a fresh look at some of the assumptions that have been developed to this point, and then begin an open and honest debate about what the future might be. There will be some decisions that Government will have to take in the short-term, such as the systems that will preserve a strong offering of public service broadcasting into the future, and that will have an impact in the longer-term, for the quality of content online, but there is a broader debate, and one that probably needs to be conducted internationally, about what is the appropriate balance of self, co and state regulation. We have to snap out of the old mode that the internet cannot be regulated, and go into a new phase where we say that it should, but what is the correct form of intervention.

## **Questions and Answers**

### **Tess Read**

Thank you very much Secretary of State, we are delighted that you could come and speak to us today, and it was interesting to hear you. I think we have a little bit of time to have some questions.

### **Becky Hogge, Open Rights**

I would like to thank the Secretary of State for what was a very wide-ranging speech covering an awful lot of issues, and perhaps because of that sending out maybe a couple of mixed messages. You talked about images that people should never see, in a sense we need to look to the work of the Internet Watch Foundation around images of child sex abuse, and their good work there. You are right, that does not have legislative cover, perhaps it should, but there is a good model there and we need to look to it. You also spoke rightly of the way old media are bringing the very good standards on to the online space, and that is to be applauded, and you also welcomed the Byron Review, which recognised the importance of parents in making sure that children were safe online,

and the regulation at the end points, as it were. Then, of course, you mentioned the Demos report, which has been mentioned quite a few times this afternoon for good reason.

My question is, in between the space of old media – we saw a chart that showed that old media was still the trusted sources for news – where they are regulating themselves, the institutions already in place to prevent appalling images from the sight of people in the UK through BT Clean Feed and the work of the Internet Watch Foundation, the recommendations of the Byron review, where do you see the spaces still for these ideas of standards? I want to put to you the proposition that perhaps that would challenge the emerging democratic voice that Demos have identified in their paper, Video Republic, where the standards would be a hindrance rather than a help for the user-generated content there. If I could ask you to put some clarity on that it would be very helpful.

### **Andy Burnham**

That is a very intelligent question; it is difficult for a politician to start talking on some of this stuff, because whenever a politician gets into this territory it is construed as: I am in favour of really heavy-handed [interventionist interventionism?] curtailing people's freedom of actions. I want to assure you that I do not come at it necessarily from that point of view. I think it is premature to say that there is any public consensus about this. I think there is public anxiety about what can be accessed, and yet no body has really articulated to the public the absolute basic bedrock stuff that gives them some sense of bearings of what can and cannot. We have to have a debate about that.

I personally feel that any images that are based on harm inflicted to other individuals, harm where it is not with the consent of the individual who is being harmed; I find it hard personally to feel that should be accessible to watch, in my view: non-consensual harm and serious violence. It is acceptable to me that people may take a different view, but that is my view, and I am simply saying that you need a debate about lines, and where those lines are, and where there are absolutely firm lines. The confusing thing to the public, and this is what the Select Committee identified incredibly well, is this sense that there is not a standard around take down times, or monitoring user generated content. People do not know where they are and what they may come across, because they have not got sufficient confidence in the filter or the editorial control that is being applied at the top level. That is acutely important to parents in using their literacy to shape what they allow their children to see or not see.

I apologise if there are mixed messages; it is probably because it is dangerous territory to stray into, but I am being honest, there has to be a new phase. I said at the convergence think tank, that the idea that this is space that governments cannot reach, and is a social space that is above national legislation; governments around the world are getting increasingly uncomfortable with that notion, because the central duty of government to protect the public starts to be challenged. As it becomes more mainstream you are going to find this debate growing and growing. It is growing also in terms of copyright, what is the right international response to copyright infringement. In this country we are pursuing a self-regulatory and co-regulatory model, France is pursuing a legislative model, so you are seeing these different approaches emerging as people come out of the initial shock that the internet was something that they could do nothing about. We are in that phase now where we are gluing together the consensus that has been reached about these issues. It is right to be up front and try and contribute to the debate, but to not misunderstand that I am just calling for legislation.

**Tess Read**

Personally speaking and I hear this a lot, it is refreshing to have a politician who says what they actually think.

**Simon Milner, BT**

One of the most striking things you have done recently is accelerate the debate around the public service broadcasting review. Can you give us a sense of the timetable around this debate you are talking about today, because we know what you said in June, we are hearing it again in October; a sense of how you see that been taken forward in terms of a timetable. Currently, BT is involved in the MOU around copyright, and we know the timetable for that, but we are not quite sure how we engage in terms of a timetable for thinking about the wider and welcome debate on the regulation of the internet?

**Andy Burnham**

The truthful answer is that there is not one. As we look to the stuff that comes out of the CTT process, that might help flag up that next phase, that then we could look to put more clarity on the timetable for debate. Clearly that is something that Stephen Carter in his new role ought to be pursuing, ideally the old role versus the new. It is going to come into sharper focus at some point, when debates kick off around content that is being accessed online that is not regulated in the same way as content, but almost appearing to be content that is traditional broadcast content. At some point in the not too distant future this collision of the old and the new worlds is going to come into the public debate in a much more raw and real way.

The honest answer is there is not a timetable, but what I have been flagging is that we are only four years away from switching off analogue TVs, we are in a multi channel world, people are using broadband to a much greater extent, there will come a point where there has to be a broad-based societal consensus about this. It might be that people opt for co-regulation, self-regulation, or user-regulation, as people do it within internet communities: I do not know, but I feel there will have to be a public debate about it. We are looking longer term, it is not immediate, it will have to be the widest possible debate in the country, and that is clearly not imminent. I feel that this year we have moved into a slightly different mode, and the Select Committee report was a key moment in that. It was the first time Parliament moved into this phase, which has been expressing angst about the internet for ages, but has not articulated it in terms of a way ahead, but I recommend the report to you.

**Tim Hartley, S4C**

Without confusing matters, is there a European dimension to this and is there any benefit in trying to locate it in a sort of American – European angle in the first instance?

**Andy Burnham**

There must be. I was at an EU Culture Ministers meeting in Versailles in June, and we were debating copyright. The French made their proposals, and we were looking at ours as well, but around the table everyone was pouring out the same angst about sustaining creative industries, the future for systems of copyright, and it is the same debate; if you have got legal systems that society has developed, be it in content regulation or copyright, everyone is in the same boat about how to

sustain them, as they are part of the fabric and glue of society. There really is an urgent need for a debate at the European level on these things. Interestingly, evidence from the US shows that they are already much more interventionist on these matters than we are here in terms of access to content online. Clearly the solution has to be international.

### **Robin Blake**

The Audio Visual Media Services Directive started this conversation some while ago, although it might not be perfect. The outcome that we have achieved is a lot better than we started with, and that shows the European dimension beginning to take effect. There are other initiatives, certainly in industry working together with things like the framework for mobile content, and soon to be published social networking framework in that same European context, which are huge steps forwards that five years ago would have been a pipe dream. It seems that the direction of travel is there.

### **Joanna Newman**

There is also work to be done in that in the US and in most European countries students are educated from the beginning of any research that they do to clear third party rights, so that when their work is published, even if it is digitally published, it is available. In this country in many cases it is quite patchwork, and there is an awful lot of UK research that is not yet globally accessible that could be. That is what we should be working towards to get parity with Europe on that.

### **Mike Stubbs, FACT**

As I was leaving Australia a year and a half ago, John Howard, the then Prime Minister, tried to invoke a system of classification for painting. This happened as I was walking around the Caravaggio show at the National Gallery in Melbourne. This is a complicated, complex, nuanced discussion, where we are looking at multiple art forms, with multiple points of entry, which sit in a global context that cannot be ignored. We cannot brandish the same set of rules across everything. That is a comment, not a question.

### **Andy Burnham**

It is a nuanced debate, and it will be different in every country and everybody will have different take on it. I am not about to propose censorship or classification of the arts world, so do not worry about that. There are some stakes in the ground of key things, just fundamental things, on top of which you can build a sense of literacy, because you can then help people know where they are, and they have bearings, for example, there are some standards around take down times. Again, I do not want to be the politician regulator, but the idea of warnings on user-generated clips, before you click on this thing, when they are getting such traffic, it is not too much to say that there should be advisory warnings. That is the way to go, and I am pretty certain that state legislation and national legislation will not be the answer in the vast majority of cases. It may be the answer or some particularly horrendous or abhorrent material, but to a large degree it will not be the answer to everything else. The public does not yet have the stakes in the ground, the clarity that if somebody is on there, I know that that user-generated site is operating a one hour take down time for inappropriate content. They do not have that kind of clarity yet.

**Owen Fernandez, CEOP**

You mentioned that there will be some areas where you need to take action much more quickly, and I suspect the Council for Child Internet Safety will identify those areas that need to be worked on much more quickly than perhaps waiting until a couple of years have passed, simply because of the dynamic nature of the environment and changes that are happening so quickly.

**Andy Burnham**

Yes, absolutely. The Council is going to have an interesting journey, and because of the structure it is also there to be engaged with. It is a useful forum, and I have paid tribute to the work that the Internet Watch Foundation has done. It is one of those areas that we will have to see how things develop. The trouble with self-regulation is that it always leads to suspicion in the public mind; it has still got a looseness that might not cut through and give absolute certainty and clarity, which is what people need at times. That is sometimes the role of state legislation, and perhaps people's appetite is now for less state regulation, but do we still need to define what the minimum bedrock is.

**Sonia Livingstone, Voice, Listener, Viewer and LSE**

We have been talking about possible models for extending regulation from traditional media to new media. I was wondering if you could offer some reflections on what you see as the future of content regulation, particularly for traditional media? I ask that partly because it was said earlier that once people are familiar with the idea that there is less regulation in new media, they would start to question why there exists stronger regulation on broadcasting. Also because it is sometimes said that the prospects for regulation broadcasting are doomed, perhaps the Ofcom Broadcasting Code is not going to be necessary in 10 years.

**Andy Burnham**

The whole thrust of my speech back in June was I was rejecting the argument that some were saying that because of the unregulated world that is out there, you therefore start ditching what you have got in the old world. I rejected There was a suggestion from Parliament that impartiality for commercial news should be dropped for non-PSB commercial news, because newspaper websites can do things in a far more opinionated way. Again, my response to that is, no, I think the standards are worth preserving because they are commercially advantageous. I would say that I do not buy that kind of argument, that because there is a big unregulated world out there, that you start ditching the baggage from the old one. Impartiality or product placement, and Robin mentioned the AVMS directive, which was another key part of that; it is complicated, but my approach is that these standards have been good, the public know where they are, they trust television on the whole, they feel there is a quality there. They feel different about their children being left to watch TV all day than go on the internet all day. My feeling is that these standards should not be surrendered because it is all beyond us now, and we may as well weaken television as well. I want to carry forward what is worth carrying forward.

**Robin Blake**

To add to what the Secretary of State said, if you look at the various tiers that are applied to commercial broadcasters, tier one, to do with standards, to tier three, the higher level obligations based upon PSBs, I do not think there is any appetite within the industry or audience to erode the

standard side of it. There is a comfort and a need to have that trust there, but it may well be that in some of the other requirements that market forces that are applied in the PSB space make it more difficult for them to be able to achieve tiers two and three obligations, and that may be an area of debate. Certainly, I do not detect an appetite amongst the general public to have a free for all in the broadcasting space.

### **Steven Pearse, NUJ**

This follows on from the last question, which was talking about trust and where you find it, we had a slide up earlier on today talking about media that people trust, and at the top of that were media that were very familiar, because they are the media where our members are working, because they are professional journalists that check their facts. The question is, as we look at what is happening at the moment, across the regional and national press, we are looking at serious cutbacks in regionalising the news, how do we ensure that the citizens' interests are heard before it is too late? Earlier on Anna, from the Ofcom Consumer Panel talked about how this week more people know about financial regulation than they ever would have done in the past, because it is something that has come up to them because there is a crisis that is there. As a comparison we saw 13,000 people write to Ofcom to campaign against loss of local news at Border, but that has come in because people can see it. How do we ensure that that interest is heard before it is too late?

### **Peter Williams**

I thought I would allow you to mention local TV first.

### **Andy Burnham**

The interesting thing is that the old world has produced journalistic standards, because people have lived in a world where they have had to have two voices on the programme, they have had to understand what it is to make an impartial programme, and that creates a discipline where they are about informing the public of the issues, rather than informing the public of their own views. That is why some of this is important, and the important thing for journalists working in a purely online world, are we sure that they are going to get the same grounding in that kind of journalistic experience? I would hope that ways are going to be found that they do.

You mentioned regional TV; we are obviously seeing the beginnings of real change in the old TV system. Robin and Ofcom have produced the second stage review, and on any level everyone has to accept that the value to ITV of holding the analogue license clearly diminishes, so what it can sustain for that clearly will change in time, and there is no point getting outraged about that. You have to be understanding of how the ecology is changing, but precisely the things you are saying are important, the time is now here, and that is why I was saying we have got a compressed timetable on these matters, to signal what is important and how we are going to sustain it in the new world.

Local TV may be part of the answer, if we can find ways of releasing enough spectrums or parts of the country, so that new partnerships emerge to fund local and regional television, be they local authorities working with RDAs, working with smaller media companies. There are a lot of innovative ways of funding a local TV offering in the region, and this is the time to put these voices forward. It will clearly be the case for some years to come that the TV offering will have a carry over impact on to the internet, and the standards that people learn and the quality and the breadth of what they do will affect online content. I say again, my objective is to carry forward as much of

the best of the old world into the new, and the stuff that people know they can trust and feel comfortable with, as part of helping them navigate the new world, let them go back to the stuff that they knew as a way of helping through. Obviously it is a very changing picture, a very fast-moving debate, but if it helps, I am clear in my mind that regional and local TV radio and news is very important, and it is important there is more than once voice providing that content to people's living rooms.

### **Tess Read**

Thank you very much Secretary of State, we are delighted that you have been able to spend time and share your views with us, and also join together so many of the threads that we have been discussing today. We have Alex Graham yet to speak, why do you not sum up in a few sentences?

## **Closing remarks**

### **Alex Graham**

#### **Media Literacy Task Force**

So much has been said I do not think that there is much to add. From the Media Literacy Task Force perspective, I have only been in the job for a week, and my intention was to come here and learn rather than pontificate, so perhaps I should not speak for very long. All I would say is that I hear everything that is being said about regulation and the importance of regulation and protection, but I want to put in a very brief play that we continue to stress the importance of empowerment and education. Maybe just an attempt at a brief analogy; the Secretary of State talked about the danger of being trapped in the headlights, and because this is a very a technologically complicated world and a world that those who are not natives find scary, there is sometimes a danger of overstating that. Actually the principles of providing a moral framework, whether it is for our children and ourselves, are not that different.

It is a little bit like the approach you might take to go into an unfamiliar city on holiday; you can take the very cautious approach, you can go on to the Foreign Office website, make sure you never leave the main streets, and if you are lucky you will never have to speak to anyone in a language other than English. You could be a little bit more adventurous and take guide book and phrasebook with you, and you might even negotiate a meal in a restaurant and find out how to use public transport, or you could invest some time on understanding the history and culture of that city, and maybe even try to speak the language, and you may get some advice from some of the natives in that city. Of course we all want to take that cautious approach, because there are bits of any city, even my home city of Glasgow, you would not want to find yourself in on a dark night, but Glasgow also has a great deal to offer culturally and architecturally.

Just because there are scary bits of this new world, we should not allow ourselves to be intimidated by it or, indeed, our children to be intimidated. The more we can empower them and give them a sense of understanding, the equivalent of being able to speak that language, understand that culture and embrace that history, those principles apply just as much to the strange new world of the internet as they do to distant foreign lands.

**Tess Read**

Thank you to everybody for engaging with the CTT, we have another seminar coming up in a few weeks. We hope you can come to that and we welcome your submissions. I would like to finish by thanking our panellists today and the Secretary of State.

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