

digital
classics

9 July 2001

The Rt. Hon Tessa Jowell
Secretary of State for Culture Media and Sport
DCMS
2-4 Cockspur Street
London
SW1Y 5DH

Dear Secretary of State:

BBC DIGITAL CHANNELS CONSULTATION

I noted with interest your announcement of the extension of consultation regarding the BBC Digital Channels, as our company could be seriously affected by the proposed BBC4 TV channel.

Digital Classics TV was launched on 26th June (you may recall we invited you to its opening concert at the Royal Albert Hall on 25th June). It can be seen on digital satellite channel 464 and will soon be seen on digital terrestrial as well. It specialises in largely British TV premieres of classical music and drama television of the highest quality.

It broadcasts the newest operas, concerts, masterclasses and recitals (many of which it produces itself, from venues like the Wigmore Hall), and these form the basis of its schedule; examples this summer include Zeffirelli's 'Aida' from Parma, 'Rigoletto' from Verona, 'Falstaff' from Aix-en-Provence Festival, 'Die Fledermaus' from Salzburg and so on. We are also in detailed negotiations with major British venues such as Glyndebourne for next season and the National Theatre (with whom one of our companies produced two major plays in the last two years) to film their production of 'Candide' this autumn.

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The rest of the schedule offers classic performances from the past, never shown in the UK before (e.g. major Pavarotti and Domingo operas from the Metropolitan, New York) and re-discovered classic plays starring people like Meryl Streep, John Gielgud, Dustin Hoffman and Ralph Richardson.

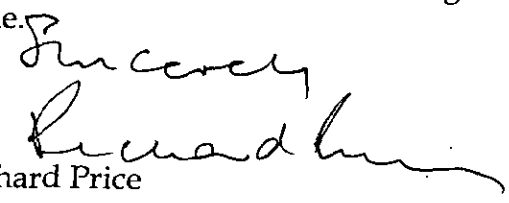
Currently, our channel is subscription but we are in negotiations to be carried free-to-air.

Some time ago, Chris Smith stipulated that one of the criteria the BBC would need to satisfy was that it did not compete directly with an existing commercial operation. By carrying significant performing arts programming, BBC4 would clearly fail this test. We believe that what we are broadcasting constitutes an important cultural public service and would not welcome sledgehammer competition funded by the licence fee we all pay.

As I'm sure you will understand, the arts world is not so economically strong a sector that it can withstand such competition; our prospects would be seriously - possibly fatally - damaged by such a situation. This would be particularly galling as the BBC appears to have claimed to be offering new money for the arts on BBC4, whilst simultaneously removing 'Omnibus' from BBC1 to BBC2, freezing the total BBC2 arts budget and thus removing nearly all the arts budget from BBC1. We wonder whether this might mean that the BBC4 arts budget might not be so new after all? I believe there are also strong doubts that the BBC4 planned budget can produce the level of programming they are talking about.

We bring new converts to digital television by offering the highest-quality cultural service. I hope you will agree that we should be enabled to have the chance to thrive, rather than be hobbled by the BBC's plans.

Chris Hunt, my Chief Executive, and I would welcome the opportunity to → discuss our concerns in a meeting before 27th July. I do hope you can find the time.


Richard Price
Chairman

JB



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27 July 2001

The Rt. Hon Tessa Jowell
Secretary of State for Culture Media and Sport
DCMS
2-4 Cockspur Street
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Fax and post

Tessa Jowell

Thank you for your time on Monday. With such a big subject, it would perhaps, have been better if it had been a little longer!

So, to follow up:

- i. Chris Smith is on record as saying that one of the criteria the BBC would need to satisfy was that it did not compete directly with an existing commercial operation. By carrying significant performing arts programming, BBC4 would clearly fail this test. We believe that what we are broadcasting constitutes an important cultural public service and would not welcome sledgehammer competition funded by the licence fee we all pay.
- ii. The arts world is not so economically strong a sector that it can withstand such competition; our prospects would be seriously - possibly fatally - damaged. This would be particularly galling as the BBC appears to have claimed to be offering new money for the arts on BBC4, whilst simultaneously removing 'Omnibus' from BBC1 to BBC2, freezing the total BBC2 arts budget and removing nearly all the arts budget from BBC1. We wonder whether this might mean that the BBC4 arts budget might not be so new after all? We believe there are also strong doubts that the BBC4 planned budget can produce the level of programming they are talking about.

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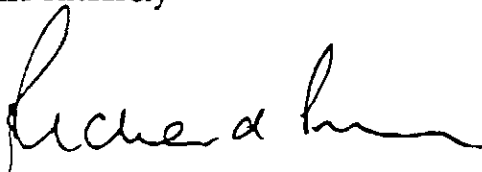
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- iii. We bring new converts to digital television by offering the highest-quality cultural service. I hope you will agree that we should be allowed to have the chance to thrive, rather than be hobbled or killed off by the BBC with its unregulated expenditure and ability to cross promote.
- iv. If you do decide to go down this route, then we feel that such a decision would be unfair, unjust and anti-competitive. We would have to consider the possibility of some form of judicial review to protect our investment. This we do not want to have to do.
- v. There is also a strong possibility that European competition legislation covers this area.

The BBC should be encouraged to provide arts programming, possibly jointly co-produced with us, to the widest possible audience, through BBC1 and BBC2 and not get into direct competition with us. Our national and international production widens Britain's reputation in the arts field and increases Britain's visibility in an important area of the world's broadcasting.

Yours sincerely



Richard Price MBE
Chairman

PS: You will also be receiving a combined letter from me with the other two Arts Channels.