



15th September 2000

David Gookey
Department for Culture Media and Sport
2-4 Cockspur Street
London SW1Y 5DH

Dear Mr Gookey

Consultation on the Review of the Statutory Requirements for the Provision of Subtitling, Sign Language and Audio Description Services on Digital Terrestrial Television (“targets”)

CNBC Europe welcomes the opportunity of participating in this consultation process. Our principal concern is the suggestion contained in paragraph 22 of the consultation document which addresses the desirability of the imposition of certain targets on satellite and cable broadcasters (although this would clearly be a matter for Parliament). We believe that there are a number of serious considerations which need to be recognised as part of the development of policy in this area, as follows:

1. The targets would disadvantage live services and live news channels in particular

Virtually all of CNBC's 24 hour a day business news is live on air production. Unlike other more general channels, CNBC does not make extensive use of pre-recorded or archive programming, but relies on live analysis and interviews.

In order to meet any proposed targets all live channels would need to acquire special equipment and hire the services of stenographers and/or signers. 24 hour a day live programming would require multiple personnel and a multi-shift system. This situation is exacerbated by a shortage of professionals with suitable skills and experience. Over and above this there would be additional screen design, software adaptation and studio costs. The total costs would be prohibitive and could jeopardise certain programming or even the existence of dedicated live news channels. None of these costs would be necessary to the same extent or at all in the case of more general entertainment channels that are to a great extent pre-recorded.

Some of CNBC's most popular and unique live programmes and interviews are fed live from the US or Asia (rather than produced in the UK) where there is no capacity or equipment installed to meet these requirements. The imposition of targets could lead to a scaling back or replacement of these services by inferior non-live content.

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10 Fleet Place, London EC4M 7QS

2. The targets are unnecessary where other visual text aids are used

CNBC Europe uses a visual presentational style, with information being given both orally and summarised visually in the form of graphs, tables, news headlines, “ticker” information and breaking news stories which are flashed up on screens. Many of our viewers watch CNBC in the office and the programming has been designed to enable them to benefit from it with the sound muted. The screen is already full of visual information. The addition of subtitling or a signing window would detract from the quality, regularity and readability of the visual information already provided.

3. “Bundling” of targets among channels would disadvantage smaller or niche channels

CNBC does not support the suggestion that broadcasting organisations producing multiple channels should be able to meet targets by averaging them among all the channels they produce. This would discriminate against single channel organisations and could hence adversely affect the variety and diversity of content on offer and reinforce the position of larger media organisations.

4. Any threshold system should be profit not turnover based

If a “size” criterion were proposed, either as a threshold below which subtitling requirements would not apply or above which a contribution to any central fund would be levied, this should be related to profit, rather than turnover, and should recognise the significant investments undertaken by cable and satellite services, and the variance in costs between live and non-live channels and channels of differing quality. Imposing targets or levies on organisations not yet in profit would go directly to programming budgets and affect the quality of their programming, or even jeopardise their viability.

Conclusions:

- targets are unnecessary where other text-based visual aids are already used in programming;
- the costs of meeting targets would affect live channels disproportionately and specialist news channels in particular. Live content produced outside the UK would suffer additional costs;
- live channels should be exempt or subject to much reduced targets, as the costs would otherwise lead to a reduction in the quality or extent of live programming;
- bundling or averaging targets among channels under common ownership would discriminate against smaller players and could affect the variety and scope of available channels;
- thresholds for the imposition of subtitling requirements or any levy into a central fund should be profit-based, as a turnover-based calculation would ignore differing levels of investments and costs of production of different channels.

We look forward to further opportunities to assist in the development of policy by the Department and to receiving further information on the process of the present consultation. I should be happy to answer any questions in person or provide any further clarifications that you may require.

Yours sincerely,

Lindsey Oliver
Director of Legal Affairs