

David Davies Esq.  
Chairman, Listed Events Review Group  
c/o Tony Dyer  
Department for Culture, Media and Sport  
2-4 Cockspur St  
London SW1Y 5DH



13 July 2009

Dear David,

### **Free-to-air events review**

I am writing to set out in brief the thoughts of the British Horseracing Authority raised by your consultation process into the future of the list of 'free-to-air' events. To clarify, the Authority is the governing and regulatory body for Racing, representing all sectors of the sport including racecourses, owners, breeders, trainers, jockeys and stable staff. It is our role to ensure the continued health and successful development of the sport as a whole.

Our response is deliberately concise, as it is our view that the single most important voice in this debate is that of the rights holders of sporting events, who must themselves take responsibility for balancing the various conflicting interests and objectives set out in your paper. The Authority has worked alongside The Jockey Club, the rights holder for the two current racing events on the A list, the Grand National and the Derby, and we fully endorse the evidence presented to you by them. It would not surprise the Panel that we consider these to be two of British sport's greatest occasions.

The Authority believes that the free-to-air review Panel needs to give very careful consideration as to whether the "list" itself should continue. The Authority would contend that the decision of how to sell its rights (all rights, as audio visual rights form one part of a whole rights architecture and have to be seen as such) is one best left for sport, rather than Government, to decide.

It is the sport itself that has to weigh up the many different factors that come with the sale of its audio visual rights including the income secured, the exposure those rights will receive, the associated marketing support the broadcast partner will offer to promote the event and how that coverage fits in with the wider broadcasting narrative of the sport. It is also a fact that sports are highly likely to have a number of events that they wish to consider in their commercial strategy. Isolating "crown jewel broadcast" events from others may have had a logic in a narrow, restricted, analogue environment, but that cannot be the case in a highly competitive broadcast market that is as fragmented and multi-faceted as it is now, and will be in the future

Through proposing the listing of an event, the Panel would in effect be endorsing intervention into a market, which has to be a very high bar. As a policy, it does appear to run entirely contrary to the principles of competition that must apply to rights sales.

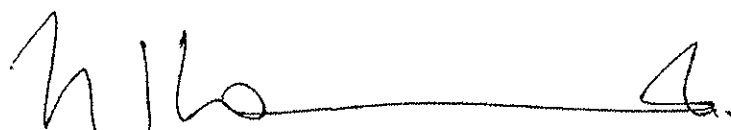
As we believe The Jockey Club has demonstrated to you on a confidential basis, the listing of events can lead to a terrestrial broadcaster ending up with the opportunity to secure rights at an artificially low price. This is an even greater danger in the current economic environment which sees both ITV and Channel 4 under severe pressure and the recent collapse of Setanta.

We doubt that any member of your Panel would have predicted when you began this process that the Grand National - undoubtedly a fantastic event with considerable reach and resonance and a very high performer for the BBC with whom Racing has had a very long standing and important relationship - would have seen a fall in the value of its rights in recent years.

In light of this the Authority hopes the Panel will give serious thought to whether there is still a case for the operation of a list. Were the list to end, it would certainly not automatically be the end of major events on free-to-air television. The Panel will be aware of the recent coverage of Racing's reaction to the decision by the BBC to broadcast fewer meetings, and also agreements between Racing and Channel 4 in order to secure regular Saturday afternoon coverage of the sport. Racing is proud to be the sport that has the highest terrestrial coverage in the UK. These arrangements will apply for the next 3-4 years.

We would suggest that the current deals demonstrate the importance attributed by Racing to ensuring wide terrestrial coverage, and this despite the fact that Racing through its racecourses owns and operates two dedicated racing channels.

Kind regards,

A handwritten signature in black ink, appearing to read 'Nic Coward', followed by a long horizontal line extending to the right.

Nic Coward  
**Chief Executive**

