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Chairman, Listed Events Review Group  
c/o Tony Dyer  
Department for Culture, Media and Sport  
2-4 Cockspur St  
London SW1A

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Dear David

### **Free-to-Air Events Review**

The Football Association welcomes the opportunity to provide evidence to the Free-to-Air Events Review advisory panel on 11 June 2009. Ahead of this session we have set out below our initial response to the inquiry's terms of reference and some key facts and figures we believe the panel will find useful.

We look forward to providing further explanation of any of the points made and answering any questions that the Group may have in our oral evidence session and, if necessary, in further written submissions.

### **Introduction / Role of The FA and English football**

Football is a huge and remarkable sport, loved in England where it was born and worldwide where it rapidly took root. The FA has the privilege and responsibility to oversee football in England as a whole, in all its aspects. We do so in partnership with the professional game, and by leading the rest of the game administered locally and regionally by dedicated people and played in almost every park in the land.

Since the first meeting of The FA at the Freemasons' Tavern in Great Queen Street, London in October 1863, football has grown to be England's national sport. The FA is extremely proud of the history of English football. Today football is played in England by approximately 7 million adults and children, with 125,000 teams competing in 1,700 affiliated leagues. There are currently 26,000 referees, 150,000 qualified coaches and over 400,000 volunteers helping to run the game.

Alongside its "grassroots" remit, The FA also controls The FA Cup competition (the oldest club knockout competition in the world, which started with 15 entries in 1871, but now has over 750 teams participating). It also controls 23 England representative teams, including the Senior Men's team and Senior Women's team.

Women's football is now the top female team participation sport in the country, currently boasting over 1 million players. The 2008 FA Women's Cup Final attracted a record crowd of 24,529.

The FA has raised the levels of football participation amongst disabled people and enabled them to reach their potential either through playing, officiating, coaching or administering. There are currently 270 disabled football clubs in nine Regional Leagues with over 10,000 players. Last year over 38,000 disabled participants took part in FA supervised activity.

The FA has recently launched 'The FA's Vision 2008-12', outlining The FA's aspiration to become 'A world-class organisation with a winning mentality'. A copy of the document is included with this submission and further printed copies are available via TheFA.com. The FA Vision has three strategic goals:

- Goal 1: Trusted to Lead*
- Goal 2: England Teams Winning*
- Goal 3: Nation's Favourite Game*

These Goals are explained in more detail in the Vision document itself, but a good summary for the purposes of this debate is illustrated by the 'Major Milestones' that The FA has set for itself over the next five years:

- England's senior men and women's teams qualifying for major competitions and reaching the semi-finals at least, by 2012.
- Successfully bid to host the 2018 FIFA World Cup.
- Partnership with the Premier League and the Football League making clear, reported progress on major joint ventures in 2008 and 2009.
- Commercial/Broadcast revenues increased by a substantial amount at the next review date in 2011.
- National Football Centre operating by 2010.
- One million five-eleven year olds trained through The FA Tesco Skills Programme by 2010.
- 125,000 existing teams retained and 20,500 new teams created by 2012.
- 26,000 referees retained and an additional 8,000 referees recruited by 2012.
- RESPECT campaign improves overall disciplinary performance by 25 per cent by 2012.
- Consistently increased distribution to the game by 2012.
- Development and continued success of women's football.
- Wembley achieving an annual operating profit by 2012.
- The FA's move to Wembley completed and Investors in People accreditation achieved by 2010.
- Approval rating of The FA shown to improve year-on-year through the strategic period.

### **The FA's Broadcast arrangements and reinvestment into sport**

The FA has historically always owned and controlled the broadcast and media interest to its key competitions and assets i.e. the England team (and teams) and The FA Cup (and related competitions e.g. The Charity/ Community Shield, The FA Women's Cup, The FA Youth Cup, The FA Trophy, The FA Vase).

The FA does **not** control nor benefit financially from the sale of either Premier League or Football League rights – a simple point but one commonly misunderstood by the media and public alike. It should also be noted that The FA has no ownership of, or rights over, any England qualifying game that takes place outside of England.

The FA's tender document for its rights is presented as an open tender with broadcasters free to make a bid for any of the packages on offer. In total, the Invitation to Tender for 2008-12 had 21 packages for the three key properties, The FA Cup, England Matches and FA Competitions:-

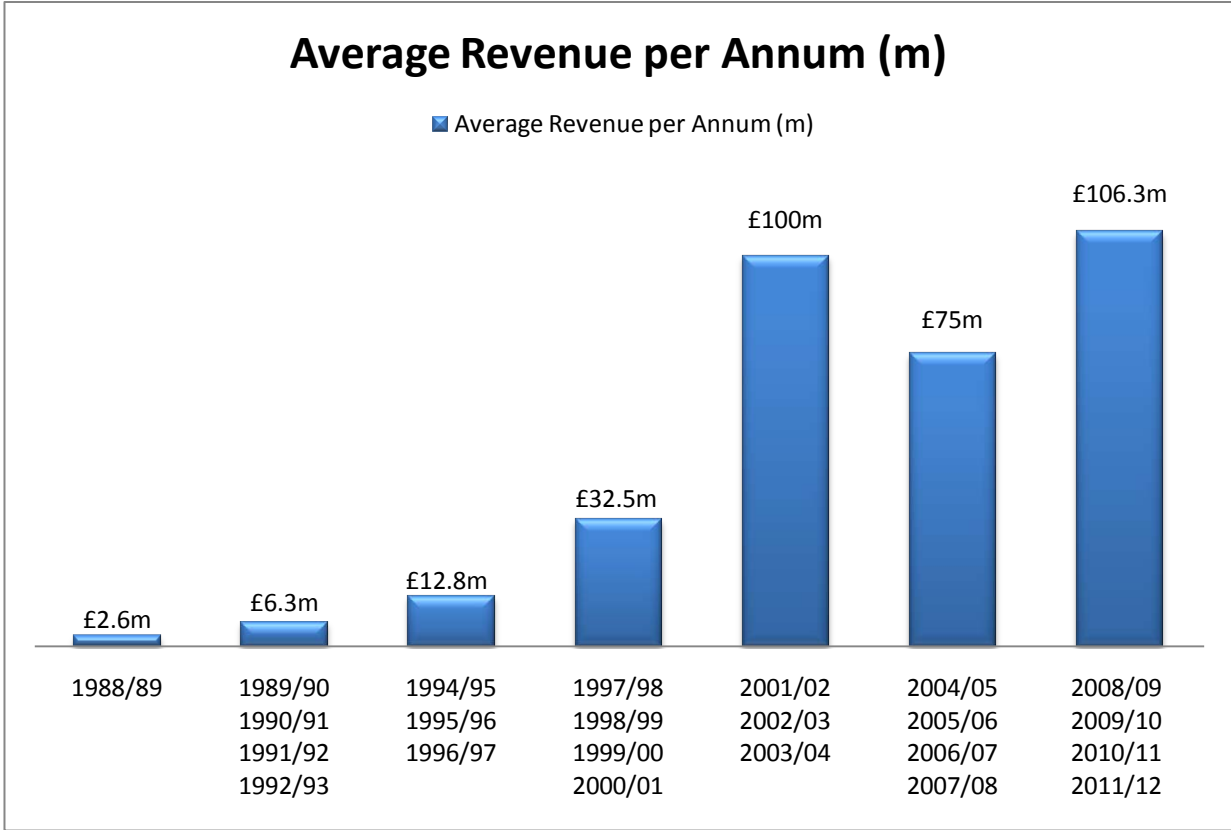
- The FA Cup – 12 packages split by platform /distribution method with covering FA Cup Live, FA Cup Highlights, FA Cup Near-Live, FA Cup VOD and FA Cup Clips.
- England Matches - 8 packages comprising of England Senior Home Qualifying, England Senior Home Friendlies, England Senior Away Friendlies, England Youth Development, England Women's, England Highlights, England VOD and England Clips.
- FA Competitions - a single package including The FA Community Shield, The FA Trophy. The FA Vase and The FA Youth Cup

The outcome of the tender saw ITV and Setanta acquire all the available packages between them. The key properties of the live FA Cup and live England games were shared between the two with ITV having first choice in FA Cup games as well as the high-profile England home qualifying games.

Under the new agreements ITV have enjoyed average viewing figures for England Home qualifiers of 9,263,500 and for FA Cup matches of around 7,400,000. FA Cup matches on Setanta have averaged around 615,200, although Setanta's best rated domestic football game was a 4<sup>th</sup> round replay between Liverpool and Everton which peaked at 1,462,000 beating all its Premier League coverage.

The new broadcast deals for England and FA Cup matches have secured £425 million from 2008-2012, an increase of 42% over the previous contract.

This presents The FA with a unique opportunity to take the game forward and invest in its future development and growth as these resources feed to every level of the game and is a key element to the delivery of The FA Vision.



As the panel will see from the evidence set out above, our broadcast revenues have a vital importance in the future development of the game, such as through rewarding success in FA competitions and to grow the game in a sustained manner at the grassroots National Game Level where The FA recently announced a £200 million investment over the next five years.

The FA fully recognises its responsibilities to satisfy the demand for its content and in particular its home qualification matches which throughout the period of time detailed in the figure above, have always remained on free-to-air television in one form or another.

**The role of National Governing Bodies; the principle of having Listed Events and the CCPR voluntary code**

In principle The FA believes that the organisation best placed to determine how it should sell its broadcast rights is the sport itself. They are the body who have the strategic responsibility for the following core functions of (i) generating income for their sport, (ii) securing as much coverage of the sport to the public as it feels appropriate and (iii) encouraging more participation at every level.

All three of these objectives are closely related to each other and we believe that it should be for the sport itself to determine how it balances these objectives.

The FA believes that the evidence we have set out today shows that we take a balanced approach to this issue. Our properties are shown across a range of platforms with both FA Cup matches and England international qualifying matches shown on ITV. Matches that are covered on Setanta are also available as part of a highlights packages later that day.

However The FA does recognise the wider policy and public concerns that have led to the existence of a list and is comfortable working within the existing framework. Other members of the football family,

especially the Premier League, the Football League and the professional clubs, also generate significant income in their own right from hugely successful competitions.

Taking football as a whole, there is an incredibly vibrant broadcast market with access available across a wide range of platforms. Football matches from a range of International, European, domestic and overseas competitions and leagues could in the season 2008/2009 be watched in both live and highlights form on both free-to-air and subscription channels including the BBC, ITV, Five, BSkyB, Setanta and Eurosport.

The FA was a founding member of the CCPR voluntary code on listed events. The voluntary code frames the key TV broadcast rights owners' commitment to ensure that their events are generally available on free-to-air television in the UK (in live or recorded form) while securing the best possible financial return for their sport. The code also commits the governing bodies to reinvest at least 5% of their broadcasting revenue in grassroots development. The FA remains committed to the code and the principles it sets out.

In light of this, The FA is firmly of the view that it would be not be in the public interest for the free-to-air listed events review panel to recommend any extension of the listing requirements for either FA properties or more widely within the sport of football. Any extension of the list is almost certain to lead to a fall in the FA's income with immediate consequences for the game of football.

### **FA position on our properties; the FA Cup Final and qualifying matches for the FIFA World Cup and European National Championships**

The FA has no objection to the FA Cup Final being a Listed Event. The FA Cup Final is one of the great matches of English football that clearly meets any test of 'national resonance'. Whether or not this match should be listed, the FA would always seek to ensure that it is broadcast to as wide an audience as possible on a free-to-air platform. The 2008 FA Cup Final was watched by approximately 9m people in the UK.

As stated The FA is the rights holder for all home Qualifying matches for the men's England team for the World Cup and European National Championships. The broadcast rights for the away matches are held by the national Football Association of the team England play against.

World Cup and European National Championships qualifying matches have never been on the list of Events and The FA is opposed to them being added to a list. If they were, it would greatly reduce the FA's ability to secure a fair commercial price for the games through tender arrangements in the broadcasting market.

As we have set out above, The FA does currently sell its live rights to these matches to a free to air broadcaster, namely ITV. However were The FA to be restricted by legislation to only selling these rights to a free-to-air broadcaster there is a real danger that this creation of a monopoly/duopoly situation would see a reduction in competition and a consequential fall in the value of rights.

The FA does not believe that these qualifying matches, especially in their entirety, would meet the listed event criteria of 'national resonance' or a 'shared point on the calendar'. The qualifying tournament usually comprises of ten to twelve matches played against teams of vastly different standards due to the seeding process taking place over approximately eighteen months. The change in format to the 2012 and 2016 European National Championship Final Tournaments (i.e. 24 teams qualifying) will exacerbate this situation further.

There are sometimes calls for one particular match to be added, usually at a certain point in time when it can be deemed that this is decisive game in the qualifying tournament, but it is neither possible nor practical to define such matches in advance. It would also undermine the ability for The FA to sell its rights in advance against a secure income stream and to provide a broadcaster with a rational narrative by broadcasting all matches in a qualifying process.

At present The FA sells its qualifying matches to ITV, and even were it to decide in future to sell qualifying matches to a satellite broadcaster it cannot envisage a scenario where these matches were not made available in highlights form to a free-to-air broadcaster as the CCPR code stipulates. While we

believe that this decision-making process is best left to The FA to determine, we would have no strong objection to the qualifying matches for the World Cup and the European National Championships added to the B list so that this matter is made statutory.

### **World Cup and European National Finals**

The FA is aware that there is currently public and political debate about the listing of matches within the World Cup and European National Finals beyond those controlled by “Home Nations” teams. This included a recent Parliamentary debate initiated by John Grogan MP.

The FA is not the rights holder to these tournaments and we would urge the Panel to make sure that it takes detailed evidence from the rights holders on this issue as the primary body in the debate.

The World Cup and European Championship Final are two of the world’s greatest sporting events that clearly have a huge impact on the national consciousness and in their entirety would meet the criteria of establishing a shared point in the national calendar. England games in these tournaments draw substantial viewing figures and the current terrestrial coverage undoubtedly helps to drive interest in the game at all levels.

The increasing international aspect of English domestic football, and the fact that so many nationalities from other countries live in the UK, mean that there is also great interest in all of the games in the Tournament as people look to watch the players they see week in, week out representing their national team and many others seek to watch the national team they identify with. The FA welcomes the profile these tournaments give to our sport which undoubtedly help us to meet our objective of generating more interest in football.

However we also understand that a position of listing every match in the Tournament, for instance 63 matches in the World Cup tournament, could be viewed as disproportionate control on the ability of the rights holder to sell their rights in a way that balances the need to create income set against wide coverage. The FA does note that most other European countries that apply a list of this nature choose not to list every match in the tournament but just those involving their National team and the semi-finals and finals.

This is an important debate and The FA looks forward to discussing it further with the Panel and understanding the thought that the panel is putting into the subject, including whether it is conducting any external research into the impact a change would have or of public perceptions. As The FA believes that these matters are best resolved by sport itself, we would welcome the opportunity to debate this further with the panel, FIFA and UEFA.

One suggestion might be for the Secretary of State to stipulate that in return for greater commercial freedom, FIFA and UEFA could replicate the approach taken by the FA and both become signatories to the CCPR code and commit to uphold the principles it enshrines on both access (highlights) and redistribution of some of its English broadcast revenues to the grassroots game within England.

Yours sincerely,



Alex Horne  
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