

*“Working for quality  
and diversity in  
British broadcasting”*



PO Box 401, Gravesend, Kent DA12 9FY  
Telephone: 01474 338711 / 01474 338716  
Fax: 01474 325440

Founded in 1983 by Jocelyn Hay CBE

E-mail: [info@vlv.org.uk](mailto:info@vlv.org.uk)  
Web: [www.vlv.org.uk](http://www.vlv.org.uk)

Ref: 0118:12

**Voice of the Listener & Viewer's  
Request for Evidence by the  
House of Lords Select Committee  
on Communications Enquiry into  
MEDIA CONVERGENCE**

24 September 2012

**VLV Response to request for evidence by the House of Lords Select  
Committee on Communications enquiry into Media Convergence  
Monday 24 September 2012**

**Contents of this submission**

**1. Introduction - What is the media? Page 2**

**2. Historical perspective Page 2**

- 2.1 Print Media**
- 2.2 Cinema and Film**
- 2.3 Radio and Television**
- 2.4 Recent funding of Television**

**3. Media convergence Page 4**

- 3.1 Some Early developments**
- 3.2 Consequences for Television**
- 3.3 The Internet**

**4. The position of VLV Page 5**

- 4.1 General principals**
- 4.2 Universal access to Core Broadcast Media**
- 4.3 Ensuring that new mobile technology does  
not deprive some citizens of media access.**
- 4.4 Ending the requirement of PSBs to pay carriage  
fees to subscription services**
- 4.5 Other Media**
- 4.6 The vital role of journalists in all media**

**Conclusion Page 6**

# **VLV Response to request for evidence by the House of Lords Select Committee on Communications enquiry into Media Convergence**

*Voice of the Listener & Viewer (VLV) is an independent, non-profit-making association, free from political, commercial and sectarian affiliations, working for quality and diversity in British broadcasting. VLV represents the interests of listeners and viewers as citizens and consumers across the full range of broadcasting issues. VLV is concerned with the structures, regulation, funding and institutions that underpin the British broadcasting system.*

## **1. Introduction - What is the media?**

1.1 Defining the media has always been problematic; are the media distinctive in terms of particular technologies; do they have distinct social uses; are they characterised by large-scale investment in capital equipment and production costs by media organisations; what is the relationship of so-called 'mass communication' to interpersonal communication; how are media regulated. This definition is significant because it affects public thinking and legislation relating to the media. Crucially the development of the media within modern society has been a result of the history and interaction of different media. The dominant pattern of media in Britain has been one of large institutions or companies with investment in expensive media technology producing content which is made available to individual consumers at a cost.

1.1.2 The developments and changes within the media have been as a result of the interaction of media companies, their investment and revenue, the selective changes to media technologies, the regulatory pattern established by successive governments and the cultural roles of the media as perceived by audiences. A key characteristic of the pattern of media organisation is that the 'mass' audience are regarded as consumers who receive access to 'media content' – broadcasts, newspapers, cinema films. The audience have not been seen as in any way active contributors to the production of media. However since much media production is based on the need for profit, generated through sales and advertising, then audience success has been a contributory factor in shaping subsequent production.

## **2. Historical perspective**

It is important to outline the historical aspects of the development of the media since these histories have significantly influenced the present pattern of media operation and the assumptions which shape media policy in Britain.

### **2.1 Print Media**

National Newspapers in UK have a long and complex history prior to the emergence of very large-scale production in the late nineteenth century and the division of the market into broadly three groupings whether 'highbrow' broadsheets, mass circulation tabloids or the 'middle market'. These newspapers have been able to survive for over a century by appealing to different audiences through different pricing structures and mixtures of advertising revenue and sales returns. There has also been a complex relationship between governments, political parties and the national press historically involving direct subsidy of newspapers, attempts to control production through taxation –the Stamp Act. Changes to printing technology and the emergence of mass literacy in the late nineteenth century led to a more commercially orientated national press but did not diminish the involvement of the national press in the processes of government and politics. The continuing significance of such relationships is clear in the evidence recently presented to the Leveson Enquiry about the relationship between the press and politicians. Because of this awkward relationship between the press and politicians, legislation has historically been put in place especially as regards the level of ownership allowed in terms of market share, though the provisions of this legislation have not always been adhered to. It should be noted that the daily press has been just that; newspapers reporting on and commenting on British life and times.

## 2.2 Cinema and Film

The national press, has been regarded as significantly involved with social and political attitudes in Britain. In contrast the cinema has been perceived as social entertainment and was only regulated in social terms over the health and safety aspects of cinema buildings and over the acceptability (or otherwise) of the films being exhibited. As a consequence cinema in Britain became very much a subsidiary of the Hollywood industry; most of the films exhibited in UK were imported from USA. In Britain Distribution and Exhibition mirrored the vertical integration of the US industry with commercial alliances between British companies such as Rank and ABC and particular American studios. Whilst there were some concerns over this US dominance and some government legislative attempts to impose and support British production, these were largely ineffectual. The cinema industry offered an example of media operating on market terms, British feature films could seldom compete in terms of production values or stars since the American box-office was so much bigger; film exports to the rest of the world were then additional profit on films which had already paid for themselves. Currently the US film industry is much more reliant on overseas revenues for its continuing profitability.

## 2.3 Radio and Television

2.3.1 When radio broadcasting was established in Britain in the 1920s it was seen as something different from existing media for a complex of reasons. Other media were financed by controlling access to their content. Broadcasting technology was another matter for once a radio set had been purchased the owner could listen to whatever was being broadcast. Radio did not allow control over point of sale like other media. Thus the only ways radio could be financed appeared to be through the sale of advertisements, direct financing by governments or by the payment of a licence fee. Broadcasting was also complicated by the limited amount of appropriate spectrum which meant that few channels would be possible. The government view was that the likely scale of influence of broadcasting on the audience made it inappropriate for broadcasting to be supplied by commercial operators. By contrast the USA with its libertarian and local traditions and dislike of central control opted for a private advertising funded broadcasting system. It is worth noting however that part of the pressure to adopt a non-advertising funded form of broadcasting came from the newspaper proprietors who did not want competition for their advertising revenue. To protect their own commercial interests they were able to obtain government agreement that the fledgling BBC had to take its news from press sources and was not allowed to broadcast any news until well after the evening papers had gone on sale.

2.3.2 One of the crucial decisions taken about first radio broadcasting and then television, in its developed commercial system collectively known as ITV, was that a substantial part of programme content had to be originated in Britain. Thus television could not simply transmit programmes produced by outside sources such as American television networks, which would have been a much cheaper option and one adopted in some countries. In Britain the result was, at least up until the advent of cable and satellite television services, that the overwhelming amount of programme content was British in contrast to the cinema industry.

2.3.3 A further decision, crucial to the development of broadcasting in Britain, was Reith's choice to include as comprehensive as possible a range of content in the BBC programmes, a policy which became known as Public Service Broadcasting, which was carried over to the BBC's television services and also informed decision making about programming on the ITV channel and also on Channel 4. This is not the place to rehearse the definitions and justifications for PSB but to note the immense cultural value this policy has been for British citizens.

## 2.4 Recent funding of Television

In commenting on the current situation for the communications media, the background paper by the House of Lords Select Committee on Communications proposes that *To date, through a mix of regulation and public funding we have created a highly successful broadcast ecology in the UK.* This picture would have been true of the terrestrial television system up to the 1990 Broadcasting Act where the four channels were financed in different ways; BBC through the licence fee, ITV through sale of advertising time and Channel 4 by means of a levy on the ITV companies, which sold C4's advertising time in return. C4 was, and is non-profit making. Channel 4 now has to compete directly with ITV which has meant it has had to be much more ratings conscious. All commercial PSBs have

faced competition from pay television, whether satellite or cable, as well as the growth of the internet; all potential rivals for advertising revenue. ITV has considerably reduced the amount it spends on production .

### **3. Media convergence**

The Select Committee on Communications is particularly concerned at the present time to investigate the possible consequences of media convergence. Crucially this process of convergence involves a variety of technologies which were once distinct now seeming to overlap.

#### **3.1 Some Early developments**

This is by no means a new occurrence and it is important to look at earlier examples to provide a perspective on the current situation. One obvious example would be the feature film industry in the USA. There the advent of television as a rival source of entertainment was at first challenged by the introduction of aspects of technology - colour and widescreen images - to demonstrate the superior quality of cinema over the new domestic technology. However the film industry gradually came to accommodate television by renting films for showing on the new medium. Similar patterns followed with home video and then DVDs where the film industry initially tried to ignore them only to subsequently recognise them as lucrative sources of income. Similarly, since the arrival of domestic video recorders it has been possible to record television broadcasts and replay them, whilst the development of DVDs has led to the marketing of many television series both from the past and from other countries, so that these can be viewed alongside DVDs of cinema films.

#### **3.2 Consequences for Television**

3.2.1 The introduction of digital media systems over the past decade or more has led to the convergence now facing the media. The newest forms of digital technology are able to transmit an increasingly overlapping media content and consequently to blur what had been distinct media operations. These developments have, however, affected the media ecology in contradictory ways and with differing impacts. So satellite and cable television systems have at once removed the limitations on numbers of channels and at the same time realigned the financing of television since these new technologies allow companies to control access and therefore to charge subscriptions as their main source of income. It was this which allowed BSkyB television to very considerably outbid its terrestrial PSB rivals for the rights to televise the Premiere Football League matches, relying on the cultural popularity of football and the 'must see' factor of people wishing to watch matches live.

3.2.2 If cable and satellite television represent an extension of the traditional practices of media companies controlling exhibition, their subscription systems cut across the PSB tradition of television where broadcasting was 'free at the point of reception' by everyone in return for payment of the annual Broadcast Licence. Access to the new systems depended partly on location, for cable at least, and a willingness to pay a range of subscription charges.

3.2.3 This process of audience fragmentation can be exaggerated. Many people still watch television in the traditional way of choosing to watch what is being transmitted at any particular moment. However broadcasters' revenues have been reduced, just as the BBC's resources have also been cut by government decision. This is influencing production decisions whereby, for example, major drama productions may now require to be organised as co-productions with other overseas broadcasters if sufficient funding is to be secured. There is nothing inherently amiss in this but there is a danger that the subject matter need to have a more international appeal and that the reflection of and examination of particularly British cultural problems may become less likely.

#### **3.3 The Internet**

3.3.1 New subscription services have come into being at the same time as the internet has become a major new media. Here the problem is not simply one of a new or variant technology, whereby the power of broadband systems allows them to carry cinema films or television programmes. The situation now is that content previously available on television or within newspapers is now accessible through a variety of devices from computers to mobile phones or combinations of these. This presents a number of difficulties for media providers, most crucially that of deriving revenue from these new forms of technology.

3.3.2 If consumers have accepted paying for newspapers, albeit at a low cost underwritten by advertising revenue, the tradition on the internet has been for free access to content in return for payment to ISPs for entry to the internet and the acceptance of advertising along with whatever material is being viewed/read. So newspaper websites are expected to be free. The consequences are that national newspaper revenues in Britain are reducing at an alarming rate both through lower sales and the linked loss of advertising revenue, a loss not compensated for by on-line advertising revenue. There is a very real dilemma as to whether national newspapers will be able to continue in production in terms of their range and the quality of their reporting if this downward revenue spiral continues.

3.3.3 The internet has allowed individuals to establish their own web-sites or blogs to publicise their own views and Twitter has extended this blurring of inter-personal communication and 'mass' communication. Traditional divisions have become increasingly questionable with 'the public' able to respond via telephone voting and also emails or tweeting in real time to interact with broadcasters.

## **4. The position of VLV**

### **4.1 General principals**

Fundamentally the role of the media in our national culture is not simply a commercial one of producing and selling access to content. Rather it is the provision of materials through which our society can reflect upon itself and encourage a dialogue or conversation within the nation. The media are a public good which helps to support our society, whether through sharing in such events as the Olympics and Paralympics or the critical reporting of the work of Parliament and Government or the representation of difficult social questions such as the right to die. Convergence may enable this process to develop more fully with the internet offering the opportunity for many more contributions. However we would argue that the power of opinion on the internet and other social media is usually dependent upon comment and discussion in the national press and broadcasting which draws attention to and publicises such individual contributions.

### **4.2 Universal access to Core Broadcast Media**

VLV has always been an advocate for public service broadcasting on radio and television. We view with concern the extent to which BSkyB dominates the pay-television market. We welcome the company's recent decision to invest to a significant degree in British made production, which will help to sustain the excellent communications industry Britain has developed. However we believe that there is a danger of a near monopoly position arising where BSkyB will be financially strong enough to secure a growing range of content, as with their recent agreement with the US cable company HBO, so that audiences would have to take out a BSkyB subscription to access such content. There is already some industry concern over the contractual hold the company has on the showing of Hollywood feature films. There should be universal access to core broadcast media which should be free at point of use. Future legislation should ensure that all citizens across the UK have access to the medium free at point of use. The current arrangements that result in many elderly, low income and isolated citizens being deprived of core programming should be changed.

### **4.3 Ensuring that new mobile technology does not deprive some citizens of media access.**

Much of the consideration of digital convergence has been directed at the economic possibilities of improved broadband access and increased use of mobile devices and consequently of ensuring value for consumers and a proper level of competition between suppliers of services. We believe there is a danger in becoming over-focussed on the technological aspects of media convergence through digital systems. There is the consideration of the enormous sums of money involved in the sale of mobile devices, which are partly dependent upon their access to content, likely to have been originated in the media. However it is crucial that the government retains the strengths of the British broadcasting tradition of PSB. It already appears that the use of spectrum for 4G mobile use may have a significant impact on the reception of Digital Terrestrial Television services by many. This relatively soon after the successful switch to digital television transmission. A technology and government supervised implementation of change that ensured all citizens were able access television services at a modest financial investment.

#### **4.4 Ending the requirement of PSBs to pay carriage fees to subscription services**

VLV considers that a key element in any new communications legislation to be the safeguarding of the providers of public service programming. An opportunity that should be taken is to redress the balance between the pay-tv system and the traditional DTT organisations. Much of audience use of pay-tv channels is to watch programming from the PSB broadcasters. To ensure greater revenue for these broadcasters to reinvest in new production, the terrestrial PSB broadcasters should no longer have to pay for carriage by the pay-tv companies and indeed we think that the UK should follow the example of many of our European neighbours and legislate for pay-tv companies to pay a retransmission fee to the programme originating organisations. This was a suggestion of Mr Rupert Murdoch in relation to the carriage of Fox television programmes on other television systems in the USA. Such developments would help to sustain the ecology of broadcasting in Britain.

#### **4.5 Other Media**

VLV has been concerned with broadcasting but it is evident that the future of the national media are now all affected by the current digital convergence. We do not make any detailed comment on the other media effected by or involved in the current convergence. However any new legislation cannot ignore either the situation of the national and local press. It is essential that as well as safeguarding the future of broadcasting we also consider whether it is now time to reconsider the organisation of the press. The intervention of the government and the use of the licence fee has been used to promote local TV. VLV did not support the further development of local TV and one of the reasons was the potential impact on the print media. However the intervention in local broadcasting has set a precedent for the possible help of other local media.

#### **4.6 The vital role of journalists in all media**

Specialist journalists play a very important role in modern society, often providing the only source of informed explanation about events and situations. There are powerful lobbying and public relations organisations whereby those with a vested or commercial interest can seek to influence both politicians and the public and to control the flow of information and debate in ways which favour partisan positions. If there are fewer journalists with time and experience to go beyond such material the weaker will be the political health of the nation. The widespread concerns about the activities of some of the print media and the setting up of the Levinson enquiry only came about because of the long, painstaking and expensive investigation of newspaper journalists.

### **5. Conclusion**

The media are a public good which helps to support our society. We must ensure the continued survival of both a strong and independent system of broadcasting centred on public service broadcasters and the press. These central pillars of the media in the UK must also be able to take advantage of any convergence with the emerging new media. The older media has a proud history of informing, educating and entraining the citizens of the UK. It must not be weakened by the relatively new media. Rather the new media must enhance these core roles.

The role of the media in our national culture is not simply a commercial one of producing and selling access to content. Rather it is the provision of materials through which our society can reflect upon itself and encourage a dialogue or conversation within the nation. It must continue to

Monday 24 September 2012

Robert Clark  
Secretary to the Board of The Voice of The Listener and Viewer

The contact details for this evidence is on page one.

None of this evidence is confidential