



**Mobile Broadband Group
PO Box 34586, London SE15 5YA**

23 March 2007

Mr William Garrood
Ofcom
Riverside House
2a Southwark Bridge Road
London SE1 9HA

Dear Mr Garrood,

A new approach to public service content in the digital media age

The Mobile Broadband Group (MBG) represents the five mobile network operators in the UK, together with the largest virtual operator, Virgin Mobile. We engage with Government and regulators across a range of public policy issues. As such, we welcome the opportunity to lend our support to Ofcom's concept of the Public Service Publisher.

We recognise that Ofcom's current document "A new approach to public service content in the digital media age" is just one step along a path that will require much further analysis and more detailed consultation. At this stage, we are therefore restricting our response to some observations about the state of the market and comments about the broad principles that should frame the development of the Publish Service Publisher.

The MBG agrees with Ofcom's overall thesis that it will be increasingly difficult for the traditional broadcasters to sustain PSB obligations in the absence of a renewed funding settlement. We also agree that there should be competition to the BBC in the provision of public service content and that the content itself must go much wider than traditional broadcast material and embrace the interactivity of the new media platforms.

While Ofcom is right to say (in paragraph 5.48) that traditional television will remain for some time an important part of the mix, the Internet and mobile will become increasingly important for the distribution of all content, including public service content. 79% of households now have at least one mobile phone¹. There is growth in the build-out and uptake of the equipment required to consume feature rich content. The number of customers accessing the Internet over mobile phones is growing quickly. In the fourth quarter of 2006, 15 million unique users are recorded as having

¹ Office of National Statistics, March 07

used the Internet browsing facility on their mobiles (up 2 million on the previous quarter)². TV services on mobile are also becoming more popular, either through broadcast technology or 3G streaming (on which there are already over 200,000 subscribers). There is strong evidence that the mobile platform is not a substitute for traditional broadcast television but delivers additional audience, with different viewing patterns

Mobile is particularly important in the younger age group, a segment that Ofcom has identified as decreasingly consuming public services television. 75% of 12 year olds and 33% of 8 year olds now own a mobile phone³. Mobile will be a key component for ensuring that public service content reaches the younger age groups and presents an exciting opportunity for content creators to develop product for this market.

In progressing its PSP concept, it will be important for Ofcom to pursue, among others, the following principles:

- *Scale & Governance*

The PSP must have reasonable scale, of the order set out in your proposal. If it is too small, it will be irrelevant. To be sustainable, it must be comprehensive and have a broad base of support among the audience/viewers. There must also be commensurate levels of governance that guard against the PSP distorting the normal processes of the commercial market.

- *Rights management*

The MBG agrees with Ofcom that it will be worthwhile and necessary to explore new avenues for rights management. First of all, we need to make sure that all the relevant rights are recognised. In many cases, the rights for existing content are not even dealt with for the new media platforms. As a consequence content development has been unnecessarily held back. We agree that content originators should be rewarded for their creativity but should not be in a position to operate too restrictively.

- *Access*

Content created under the banner of the PSP should be made available on all platforms on fair, reasonable and non-discriminatory terms, without creating any 'must carry' obligations. Furthermore, all parties in the chain should have the opportunity to make a return from offering public service content. Only if all those involved in production and distribution have some commercial interest in making it work, will the PSP idea take off and sustain itself.

Conclusion

The MBG agrees with Ofcom that the right to supply public service content should be acquired through a competitive process and that it should not have a recognisable brand. This would risk the content being badged as 'good for you' – and thus even less likely to find resonance with some of those to whom public service content is designed to be accessible.

² www.text.it

³ Ofcom media literacy audit, May, 2006

The MBG is confident that mobile will be a viable and valuable distribution channel for public service content. We look forward to participating in future discussions and consultations on this subject.

Yours sincerely,

Hamish MacLeod

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