



THE AUTHORITY FOR TELEVISION **ON DEMAND**

Minutes of the second meeting of the ATVOD/Industry Forum Fees Working Party held at the offices of NBC Universal, Monday 10th October 2011, 10.00am

Present:

ATVOD:

Pete Johnson (mins)

Industry Forum

Gidon Freeman – NBC Universal

Janet Greco – Consultant, Broadcast Projects, representing Microsoft (by phone)

Martin Stott – Channel 5

Chris Gosling – Serious Leisure TV

Mark Rowan – Everton Football Club

Steve Middleton – IP Vision

1. Apologies

1.1 Apologies were received from Derek Nelson of Classical TV.

2. Minutes

2.1 Minutes of the last meeting were approved as an accurate record.

3. Matters arising

3.1 There were no matters arising

4. Membership of the working party

4.1 Membership of the working party had been expanded to include CG, MR, SM and DN, in order to ensure that a greater range of service providers was represented. It was **agreed** that membership of the working party would be kept under review

5. Possible metrics

5.1 The working party considered a list of metrics previously considered by ATVOD and Ofcom in relation to fee setting for Year One and Year Two to decide which should be taken forward for further consideration and **agreed** that:

- The revenue of the ultimate parent company should not be carried forward as it was of less relevance than the revenue of the service provider. However, this should not preclude any future cap on aggregate fees being applied at the group level.
- The profit of the service should not be carried forward as it has no advantages over revenue as a metric and raised greater issues with regard to relevance, reliability, verifiability, cost reflectiveness and simplicity
- The profit of the service provider should not be carried forward as it has no advantages over revenue as a metric and raised greater issues with regard to relevance, reliability, verifiability, cost reflectiveness and simplicity
- The number of programmes included in the service should not be carried forward as it is not cost-reflective and is unlikely to be a fair proxy for the value of the service
- The number of hours of programming included in the service should not be carried forward as it is not cost-reflective and is unlikely to be a fair proxy for the value of the service
- Polluter pays (number of complaints) should not be carried forward due to issues over reliability and the possibility of abuse
- Polluter pays (number of breaches) should not be carried forward due to issues over reliability and the possibility of abuse
- Flat rate per provider should not be carried forward due to issues over fairness and cost-reflectiveness

- The revenue of the service should be taken forward for further consideration
- The revenue of the service provider should be taken forward for further consideration
- The number of programmes viewed should be taken forward for further consideration
- The number of hours of programming viewed should be taken forward for further consideration
- Type of service or type of service provider should be taken forward for further consideration

5.2 The working party discussed issues around the availability of data for services provided via third party platforms.

ACTION: PJ undertook to contact platform operators to investigate their ability to provide

reliable and verifiable viewing data about third party on demand services.

5.3 The working party also considered two metrics not previously considered by ATVOD / Ofcom and **agreed** that

- Cost of providing the service should not be carried forward due to issues over verifiability and simplicity, and over how, for example, production costs might be apportioned when a commissioned programme was made available on a linear and a VOD service
- Proportion of provider's business accounted for by the VOD service should not be carried forward due to issues over relevance, reliability, verifiability, cost reflectiveness and simplicity

6. Next steps

6.1 A third meeting would be scheduled as soon as possible to further discuss those metrics which the working party had agreed to take forward.

ACTION: PJ undertook to arrange next meeting

7. Reporting on progress

7.1 A report of progress will be given at the Industry Forum meeting on 18 October and once approved the minutes will be published on the ATVOD website.

8. AOB

8.1 There being no other business, the meeting closed at 11.15am