



THE AUTHORITY FOR TELEVISION **ON DEMAND**

Minutes of the first meeting of the ATVOD/Industry Forum Fees Working Party held at the offices of NBC Universal, Wednesday 14th September 2011, 10.30am

Present:

ATVOD:

Pete Johnson (mins)

Industry Forum

Gidon Freeman – NBC Universal

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

Martin Stott – Channel 5

1. Apologies

1.1 There were no apologies.

2. Aims of the working party

2.1 It was **agreed** that the aim of the working party was to identify a fee structure with longevity and around which an industry-wide consensus could be built. Such a fee structure would need to take account of any impact it might have on the development of the industry.

2.2 Members discussed the implications of current scope investigation activity on the work of the group and **agreed** to proceed on the basis that it was unlikely that the number of notified services in the medium term would exceed the current number by an order of magnitude which would significantly affect the appropriateness or acceptability of a given fee structure. For the current work, the members agreed they would be working on a fee structure on the basis of no more than 200 services being in scope.

2.3 Members shared their differing viewpoints on ATVOD's current costs and operating practices. With MS and GF in agreeing that there was 'no groundswell of disagreement' on fees and JG not in agreement with this perspective. Members agreed that while it was not the purpose of this group to look in detail at the cost structure of ATVOD, it might be necessary to revisit this subject in the context of the work at hand for the anticipated number of services in scope. Members agreed that major discussions about ATVOD's costs and operating practices could be addressed in other fora such as the planned

meetings with Ofcom/DCMS and in the Industry Forum.

3. **Membership of the working party**

3.1 It was **agreed** that the working party should reach out to smaller scale providers and to providers whose audio visual services were a minor part of their business.

3.2 **ACTION:** PJ agreed to identify and approach potential candidates for membership of the working party.

4. **Reporting**

4.1 It was **agreed** that, once approved, minutes of the working party would be published on the ATVOD website.

4.2 It was **agreed** that the working party would feed back on progress at each Industry Forum meeting.

5. **Time lines**

5.1 The timetable for the setting of Year Three fees was discussed. ATVOD were keen to ensure that fees for Year Three were set before the start of that regulatory year (ie before 1 April 2012). In order to achieve that aim, a consultation would have to begin in early- to mid- January at the very latest. In order to consult on an entirely new basis for the setting of fees, new metrics would have to be evaluated to see which ones were worth further exploration and which ones should be rejected as unsuitable. Available metrics could be gathered from service providers willing to provide them or through the issue of a demand for information, but the lead time for the latter process meant that a new basis for fees would need to be agreed by mid- to –late October if it was to be in place for Year Three. If information could be gathered without the need for such demands, that deadline could be relaxed.

5.2 It was **agreed** that the establishment of a fee structure with longevity and around which an industry-wide consensus could be built was the key priority, even if this could not be put in place in time for Year Three.

5.3 It was **agreed** that if an alternative basis for a fee structure could not be achieved for Year Three, the working party would consider ways to mitigate in Year Three any disadvantages associated with the current arrangements.

6. **Possible metrics**

6.1 It was **agreed** that a list of possible metrics on which a new fee structure could be based

would be considered at the next meeting with a view to identifying those which should be taken forward for further consideration. The basis will initially be the list of metrics already considered in the past by ATVOD/Ofcom, to which members of this group agreed to provide further ideas and input in order to create a document that could be shared with industry to demonstrate our approach and reasoning in arriving at a new tariff structure.

ACTION: PJ undertook to provide for the next meeting a list of metrics considered by ATVOD before setting the Year One and Year Two fees

7. Date of next meeting

7.1 To be confirmed.

ACTION: PJ to arrange next meeting.

8. AOB

8.1 There being no other business, the meeting ended at 11.50 am.