



THE AUTHORITY FOR TELEVISION **ON DEMAND**

Minutes of the sixth meeting of the ATVOD/Industry Forum Fees Working Party held at the offices of Filmflex, Wednesday 21 November 2012, 11.00am – 12 noon

Present:

ATVOD:

Pete Johnson (mins)

Industry Forum

Hayden Punter – Filmflex

Adam Minns – CoBA

Tom Dennis – Portland Broadcasting

1. Apologies

1.1 Apologies were received from Derek Nelson (Classical TV), Tony Ghee (SBS Broadcasting), Martin Stott (Channel 5) and Gidon Freeman (NBC Universal) .

2. Minutes

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

3. Matters arising

3.1 The working party noted that the Industry Forum meeting of 23 May 2012 had considered the working party's conclusions (as recorded in the minutes of the fifth meeting) and agreed that a data request was undesirable. In taking such a view Forum Members had acknowledged that it was proposing to keep the current fee structure for at least one more year. Forum Members had also noted that, without the data, further developments would be delayed until industry had itself developed a consensus around audience based measurement.

3.2 Accordingly, Forum Members had agreed that the working party should continue to meet bi-annually in order to assess relevant industry developments and identify when a consensus had been reached. Forum Members had also agreed that the working party should aim to attract members with technical expertise and engage with analytical providers to develop further understanding of the technical difficulties and opportunities.

3.3 Tom Dennis of Portland Broadcasting and Adam Minns of CoBA had now joined the working party and were welcomed at what was their first meeting. As Microsoft and IP Vision were no longer providers of an ODPS, Janet Greco and Steve Middleton had stood down from the working party.

4. Relevant Industry Developments

4.1 Tom Dennis provided an oral briefing on current technical difficulties involved in measuring audience across different platforms and distribution networks. He had considered in detail whether Content Delivery Network (“CDN”) providers might be able to provide accurate information with regard to a significant proportion of ODPs, however this would require agreement from the service providers concerned and would not cover ODPS being provided on ‘non-traditional’ platforms such as YouTube, those using free CDN solutions or those without the scale to require CDN services. He also raised a concern that in sectors where advertising revenue was not significant, providers might seek to raise the audience figures of rivals in order to move them into a higher tariff band. It was also noted that many service providers were likely to regard audience data as highly commercially sensitive, and that those providing services through third party platforms may not have a direct relationship with the relevant CDN provider.

4.2 The possible use of web analytic tools and Alexa rankings was also considered. It was noted that neither would capture non-web based services. The former would require relevant code to be added to each site, and it was considered that many providers would be reluctant to allow this. The use of Alexa rankings would capture traffic but not viewing figures.

4.3 The working party concluded that a method of measuring ODPS audiences which enjoyed consensus support had not yet emerged.

5. Options for consultation on 2013-14 fees

5.1 The working party considered that continued stability would be welcomed by stakeholders and therefore recommended that ATVOD consult on a proposal to retain the basic structure adopted in 2011-12 and retained for 2012-13. The working party did not consider that a flat rate fee or a structure based on a new metric – such as audience or profit or balance sheet - should be included as options in the consultation. However, the consultation should ask whether service providers would support ATVOD seeking details of the means by which content is delivered to consumers, and the identity of any third party (such as a CDN provider) involved in the process, in order to progress work on an audience metric.

5.2 It was acknowledged that, if the current proposal on changes to the notification requirements was adopted, some refinement of the existing tariff would be necessary in order to make up for the revenue previously provided by fees for ‘additional services’ from a service provider. It was suggested that even a charge of £150 ‘per outlet’ could prove a

disincentive to invest in new outlets.

- 5.3** Support was expressed for the retention of the 'group cap'. However, it was suggested that the consultation should consider an option to relax the 'wholly owned by the same parent company' criterion for being considered as a group. ATVOD indicated that careful consideration would need to be given to the implications of any such change.

6. Next steps

- 6.1** ATVOD would consider the views of the working party and would work towards launching a consultation on the 2013-14 fees by the end of January 2013.

7. AOB

- 7.1** The working party thanked Hayden Punter and Filmflex for hosting the meeting.

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