

Submission to Ofcom's consultation on
modernising the BBC Operating Licence

pact.

September 2022

Introduction

1. Pact is the UK trade association which represents and promotes the commercial interests of independent feature film, television, digital, children's and animation media companies.
2. The UK independent television sector is one of the biggest in the world with total production sector revenues of over £3 billion.¹
3. Pact works on behalf of its members to ensure the best legal, regulatory and economic environment for growth in the sector. Pact has around 800 member companies across the UK and the majority of these are SMEs (small and medium sized enterprises) with a turnover of less than £50m a year.
4. In 2021, the BBC spent £577 million on commissions from UK external producers.² BBC Commissions are important for independent producers as the second highest individual commissioner of new IP.³
5. Pact recognises the important role that the BBC plays in the UK television marketplace and how it nurtures and adds to the finely balanced TV production ecology in the UK. Independent production companies and the content commissioned by the BBC helps it be a positive innovator and experimenter in the marketplace.

¹ Pact Census 2022

² IBID

³ IBID

Overview

- 1.1 The BBC still remains popular with viewers however, increasingly people, particularly young people, are choosing to view content online. Pact welcomes Ofcom's consultation on modernising the BBC's operating licence. However, we are concerned that there has been little consideration given to the supply side of the sector. The BBC spent £577m on external commissions with indies in 2021, a far higher amount than the other PSBs and multichannels.⁴ Many indies, particularly SMEs, rely heavily on the BBC for commissions. We would have expected that some consideration would have been given to indies, especially those who produce at risk genres such as Children's.
- 1.2 While we support the rationale behind moving towards a more service neutral delivery. Pact do have concerns around some of the proposals, particularly under Public Purpose 3. We are concerned that the removal of the children's quotas will have a detrimental effect on the UK children's production sector and could lead to a reduction in investment in UK originated children's content. Ofcom do state that they expect the BBC to continue investing in children's content, however there are very little safeguards in place to stop the BBC reducing this investment. Ofcom should put in place appropriate safeguards, such as a minimum level of hours, in place to ensure that the BBC's investment in UK originated children's content is not weakened.
- 1.3 The increased cost of production, cost of living crisis and the BBC's current financial constraints means that it's unlikely the BBC will be substantially increasing its investment in content. We are concerned that, with no additional funding, the proposals risk a reduction on content budgets across the board. Which ultimately could have an impact on production finance models.
- 1.4 Pact welcomes the additional monitoring and reporting requirements that Ofcom are proposing. We are pleased that Ofcom will be required to set out more detail in their annual plan. However, there is no obvious route for stakeholders to be consulted on these plans. Pact considers that the BBC should be required to consult on their annual plan or Ofcom should outline how stakeholders may have the opportunity to make representations about the BBC's explanations.

Consultation Questions

Question 1. What are stakeholder views on how Ofcom should assess and measure BBC performance?

- 2.1 The BBC plays an important role in the UK television marketplace and is one of the largest individual commissioners of new content in the UK.⁵ As such, it's important that the BBC is regulated effectively and held to account when necessary. It's also important that the BBC is transparent where possible. Previously we have raised concerns regarding the lack of transparency in some areas, for example the BBC's online services, and difficulty engaging with the BBC. We are pleased that Ofcom has picked up on this

⁴ Pact Census 2022

⁵ Pact Census 2021

issue in their consultation document and will putting in place new transparency requirements on the BBC under the proposed operating licence. However, we do have some concerns about Ofcom's proposals on assessing and measuring the BBC's performance.

2.2 We understand the need to adapt the BBC licence to match changes in consumption habits however, Pact have some concerns which need to be addressed. While we are pleased that the BBC will be setting out its plans for each public purpose in its Annual Plan and then reporting on the delivery in its Annual Report, allowing the BBC to determine its own delivery of its licence obligations has considerable risks. We note that Ofcom 'do not consider it necessary for the BBC's plans to be subject to formal consultation.'⁶ However, Ofcom do 'expect the BBC to consider any issues previously raised by stakeholders, while developing its plans.'⁷ It's not currently clear how stakeholders could raise any new issues that arise following the BBC's Annual Plan given that there will be no formal consultation period. It is harder to hold the BBC to account after the matter of fact and it's important that stakeholders are given an opportunity to make representations about the BBC's plans and explanations behind these.

2.3 Pact agrees that the BBC should be required to publish any changes it plans to make from its then current provision that may significantly impact delivery in certain areas, and the reasons behind this. However, the BBC will only be expected to explain 'how it has taken audience preferences and behaviours into account.'⁸ It seems that there is very little consideration given to the wider market particularly, the supply side. If the BBC were to shift content online or dramatically reduce its budget in a certain genre, this could have an impact on the supply side of the sector. While plans that require changes to the operating licence or impact competition would be covered by a separate process, as Ofcom point out, the BBC should still be required to explain any potential impact on the wider market and producers, not just audiences.

2.4 As we highlighted in our response to Ofcom's consultation on how they regulate the BBC, Pact questions how robust Ofcom is going to be in holding the BBC to account after the fact. Ofcom do list a number of steps they could take if they are concerned about how the BBC is performing however, we note that Ofcom state they 'would have concerns about plans or changes which have the potential to adversely impact the BBC's delivery for audiences.'⁹ It's important that Ofcom also take into consideration the production sector and wider market, and not just audiences, when assessing how the BBC is performing given the important role the BBC has in relation to the wider creative industries.

⁶ Modernising the BBC Licence Fee Consultation, Ofcom, P24

⁷ IBID

⁸ IBID, P22

⁹ IBID, P26

Question 2: Do you agree with the proposals for Public Purpose 1? If not, please explain why.

3.1 Pact has no particular comments to make here.

Question 3: Do you agree with the proposals for Public Purpose 2? If not, please explain why.

4.1 Pact has no particular comments to make as we have outlined our concerns relating to children's content below.

Question 4: Do you agree with the proposals for Public Purpose 3? If not, please explain why.

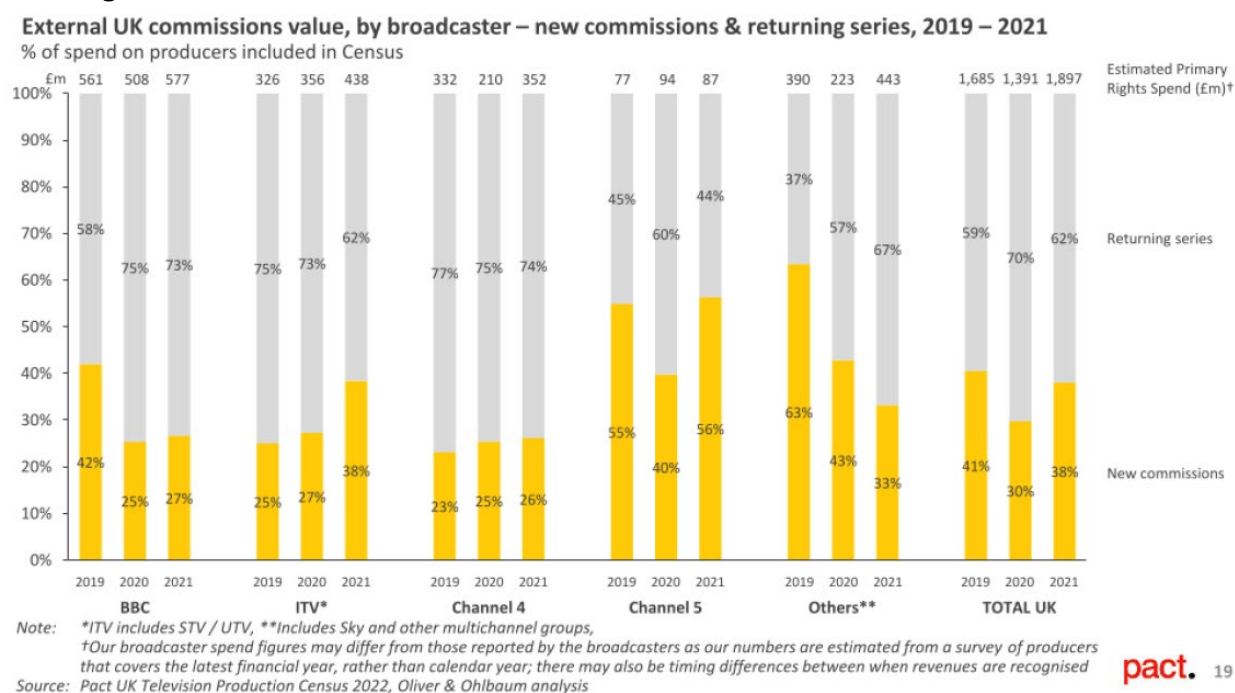
5.1 Pact conditionally supports the rationale behind moving to a more service neutral delivery for the BBC operating licence. However, we do have concerns regarding the proposals for Public Purpose 3, and the impact these could have on the independent TV production sector.

First-Run UK Originations

5.2 The BBC does acquire some content to boost its offering to audiences. These acquisitions are often complimentary, and the majority of the BBC's content offering comes from first-run UK origination. First-run UK originations are an important part of PSB remit as 'viewers and listeners value programmes that inform our understanding of the world and that show different aspects of UK life and culture.'¹⁰ First-run UK originations are also what helps to make the indie sector so successful, and as one the largest investors in new UK commissions the BBC has an important role to play. Figure 1 shows that although Channel 5 spent proportionally the most of new programming, the BBC has consistently been the largest individual commissioner of new content in the UK. New IP provides indies with an opportunity to further grow their business and secure a re-commission. New IP also contributes to the UK economy and helps create jobs in the wider creative industries.

¹⁰ [Small Screen: Big Debate – a five-year review of Public Service Broadcasting \(2014-18\) \(ofcom.org.uk\)](#), p5

Figure 1: External UK commissions value, by broadcaster – new commissions & returning series, 2017 - 2021



Source: Pact Census 2022

5.3 We are pleased that Ofcom have recognised the importance of quota and are proposing to retain a first run-UK origination quota. We are concerned the proposed combined quota could risk a reduction on content budgets across the board. Given the BBC’s current financial concerns, it’s unlikely that spending will increase, and we are concerned that tariffs and content budgets would be at a reduced level than they currently are. For example, currently portfolio channels and online only commissions operate at lower budgets and tariffs compared to the main channels. While the BBC do publish indicative tariffs for television programmes,¹¹ they are not required to publish the same information for online only commissions. Our members’ experiences with online only commissions, for example BBC Three prior to it being brought back onto linear, have been characterized by low tariffs and the BBC demanding additional rights and extensive usage. We have not seen evidence of online-only commissions being less expensive to produce. This will make it more difficult for the producer to find the necessary finance for a production. If the producer cannot find the funding needed to bridge the gap between the commissioner’s tariff and the full production budget, producers often end up forgoing any revenue, or cutting their research and development budget.

Terms of Trade

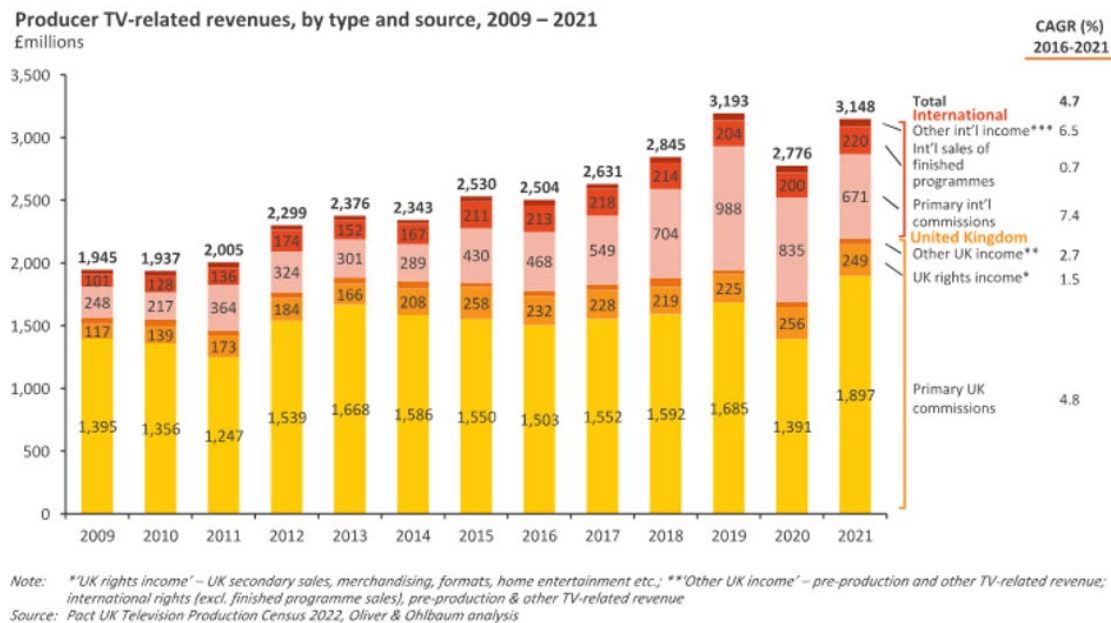
5.4 The Terms of Trade were brought in to address a market failure and the significant buyer power that still exists within particular genres, and as a result the UK independent

¹¹ http://downloads.bbc.co.uk/commissioning/site/tariff_prices_for_independents.pdf

production sector is now worth over £3 billion.¹² The Terms of Trade regulation have been flexible enough to respond to the new demands of audiences and creates the environment needed for high quality, innovative and diverse content that audiences want to see.

Figure 2: independent producer TV related revenues, 2009-2021

TV-related revenues 2009 – 2021



Source: Pact Census 2022

5.5 Currently, the Terms of Trade do not apply to online only commissions for the BBC. In the Government’s Broadcasting White Paper, the Government did state they would be ‘protecting the UK’s Terms of Trade regime, while simultaneously updating it to reflect changes in technology and the way viewers are watching content from our PSBs.’¹³ The upcoming Media Bill, which could set out legislation to update the Terms of Trade, is yet to be brought to Parliament. We have raised concerns before that allowing online only commissions to count towards first-run UK origination quotas could lead to backdoor commissioning practices¹⁴. Which would place producers at a disadvantage when negotiating with the BBC and usually results in producers unable to retain all of their rights. However, if the Terms of Trade are going to apply to BBC before the introduction of the BBC’s new operating licence, we would no longer be concerned. It’s vital that the Terms of Trade regime is extended before the introduction of the new operating licence.

¹² Pact Census 2019

¹³ Up Next – the Government’s vision for the broadcasting sector, DCMS, April 2022

¹⁴ Pact submission to Ofcom’s consultation on BBC Children’s news and first-run UK originated programmes, December 2019

Genre Quotas

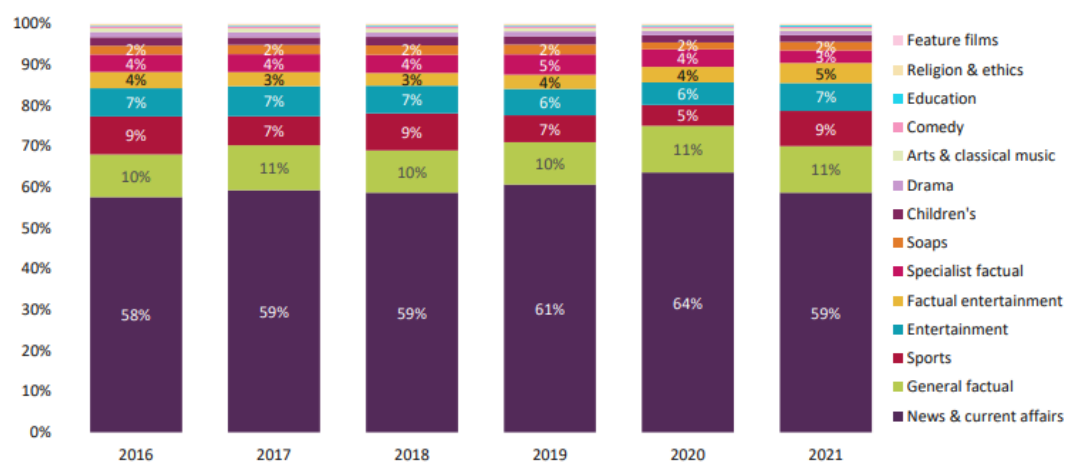
5.6 We do not agree with Ofcom’s proposal to replace at-risk genre¹⁵ quotas with objective P3 (2)¹⁶ to provide a breadth of content supported by transparency requirements. We are particularly concerned about the impact this proposal could have on independent children’s TV producers, and the provision of children’s content in the UK.

UK Originated Children’s Content

5.7 UK originated children’s content is one of the most important areas of public service broadcasting. Pact have long been concerned about the decline in investment in children’s content, something which Ofcom have also raised concerns about. Figure 2 below shows that Children’s first-run originated hours represent less than 2% in the overall genre mix.

Figure 3: Genre mix of PSB first-run originated hours between 2016 - 2021

Figure 55: Genre mix of PSB first-run originated hours



Source: Ofcom/broadcasters. Figures include first-run UK-originated hours for BBC One, BBC Two, ITV, Channel 4, Channel 5, and the BBC Portfolio channels. Figures exclude BBC ALBA and programming for the nations and regions.

Source: Ofcom Media Nations Report 2022

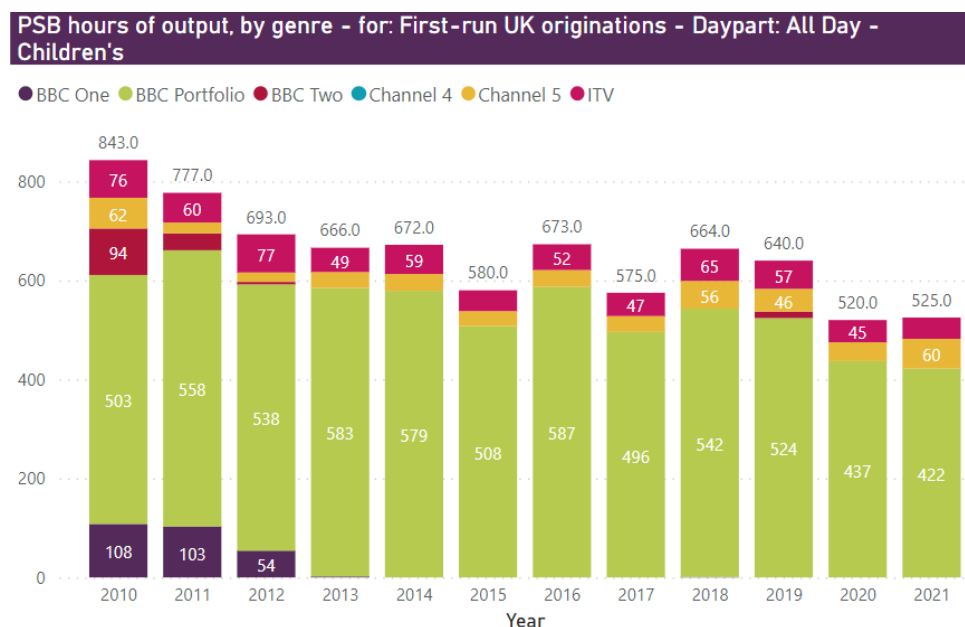
5.8 This decline in investment can largely be attributed to the commercial PSBs. Which has been caused by regulatory changes, namely the Communications Act 2003 removing quotas for children’s programming, and the ban on HFSS advertising for children in 2006. These changes have meant that children’s TV producers are heavily reliant on the BBC for new UK commissions. Figure 3 shows that the majority of first-run UK origination hours are from the BBC. While ITV and Channel 5 do still broadcast some first-run UK originations, with ITV broadcasting 43 hours and Channel 5 broadcasting 60

¹⁵ Ofcom identify these as Arts and Music, Religious Programmes, Children’s and Comedy

¹⁶ The BBC should deliver a wide breadth of output covering a range of genres and content types, including genres that are underprovided or in decline across public service broadcasting (including: music, arts, religion and other specialist factual content, comedy, and children’s programming).

hours, this figure has been slowly declining since 2010. The total amount of hours has also decreased with 2020 and 2021 seeing the lowest levels since 2010.

Figure 4: First-run UK origination hours by PSBs from 2010 - 2021



Source: Ofcom Media Nations Interactive Report 2022

5.9 Children's viewing habits are changing with more moving away from linear TV and watching content from services such as Disney+, Netflix and YouTube increasingly. However, there is still a demand for UK originated children's content. In a BFI report with Cardiff University, only 35% of children think they see young people on TV that share similar interests or experiences with them. Children with no siblings, children from divorced families and children with key worker parents, and disabled children were all found to be underrepresented.¹⁷ While the SVODs have begun to invest in some UK originated children's content, such as *The Last Bus* commissioned by Netflix and produced by Wildseed Studios based in Bristol.¹⁸ However, this investment is small and cannot be expected to make up for the decline in investment from the PSBs.

5.10 The BBC is in a unique position in the UK PSB system with Ofcom 'expecting the BBC to lead the way in producing high-quality children's programmes.'¹⁹ While we note that Ofcom have stressed their expectation of continued investment of first-run originations for children's content²⁰. Pact do not think this goes far enough as we have previously mentioned it is much harder to hold the BBC to account after the fact. The proposed operating licence states that the BBC must provide 'a wide breadth of output covering a range of genres and content types, including music, arts, religion, ethics and

¹⁷ BFI with Cardiff University, 'How do children see themselves on screen? Children's understanding of their place on and importance of public service broadcasting', Laura Sinclair and Cynthia Carter, 2021

¹⁸ <https://bristolcreativeindustries.com/netflix-commissions-new-original-series-the-last-bus-from-wildseed-studios/>

¹⁹ Ofcom's Children Content Review Update, July 2018, p15

²⁰ Modernising the BBC Operating Licence consultation, Ofcom, P51

other specialist factual content, comedy and children's programming'²¹. The phrase 'wide breadth of output covering a range of genres' is too vague. There would be nothing to stop the BBC reducing its investment in children's content and focusing on other genres, such as drama for example. There should be appropriate safeguards, such as a minimum level of hours, in place to ensure that the BBC's investment in UK originated children's content is not weakened.

5.11 Pact is also disappointed with the lack of impact assessment and independent research contained within the consultation. This makes it difficult for us to fully assess the impact of these proposals. We are concerned that if these proposals go ahead in its current form, it could damage the UK independent production sector, but in particular smaller producers who produce at risk genres, such as children's.

Transparency Requirements

5.12 The additional transparency requirements on the BBC are welcomed. We have raised issues previously with a lack of transparency and we are glad that the BBC will be setting their plans annually. We are particularly pleased that the BBC will be required to set out the role that acquisitions will play in their plans, an area which is often lacking information. However, there needs to be a clear route for stakeholders to engage with these plans and raise issues with the BBC and/or Ofcom. As Ofcom will understand Pact has found engagement with the BBC in recent years, which has followed an ex-post framework of regulation, less than transparent and we want to ensure that any new framework allows for industry engagement ahead of any remits being agreed.

5.13 As we have set out above, we believe the phrase 'wide breadth of output covering a range of genres and content types' is too vague. While the consultation document does state that the BBC will be required to set out the hours it will deliver in each at-risk genre and a breakdown of these hours by first-run UK originations and acquisitions.²² What would happen if Ofcom were to deem a certain genre level unacceptable? Ofcom's own five-year review of PSBs show the 'purposes and objectives of PSB have remained important to audiences. Viewers and listeners value programmes that inform our understanding of the world and that show different aspects of UK life and culture. The PSB channels are still distinctive in the amount and range of first-run, original UK programmes'.²³ It's important that there is a continued breadth and depth of original programming across a range of genres, and we are not convinced that the proposed operating licence promotes this.

Question 5: Do you agree with our preliminary view on the BBC's request to change Operating Licence conditions 2.21 and 2.32 for BBC Four, including our proposal to remove BBC Four's peak original productions quota and set the 'all hours' quota at 65% instead of 60% as requested by the BBC? If not, please explain why.

²¹ IBID, Annex 9: Operating Licence for the BBC's UK Public Services

²² Modernising the BBC Operating Licence consultation, Ofcom, P57

²³ [Small Screen: Big Debate – a five-year review of Public Service Broadcasting \(2014-18\) \(ofcom.org.uk\)](https://www.ofcom.gov.uk/consult/condocs/ssb/ssb20180501.pdf), p5

6.1 BBC Four is one of the key commissioners of new music and arts content in the UK. It has also played an important role in developing and nurturing now mainstream talent such as Charlie Brooker (the *Wipe* franchise) and Victoria Coren Mitchell (*Only Connect*), and had success with shows such as *Detectorists*, *Britain's Lost Masterpieces* and *Thick of it*. However, BBC Four's budget has been gradually declining over the years. In 2018/19, BBC Four's spend was £44m²⁴ and by 2021/22 this had reduced to only £22m²⁵. A Pact member survey also found that 74% of people who responded to our survey said that commissioning opportunities with BBC Four had diminished in the last two years, and 21% said they had ended completely.²⁶ We understand the financial issues facing the BBC, however continued investment in new UK originated arts and music content, which Ofcom identify as an at-risk genre, is vital.

6.2 We are pleased that the BBC have committed to doubling Arts and Music spend on BBC Two over the next two years²⁷. According to the BBC's most recent annual report, the BBC spent £31m on Arts and Music,²⁸ with £22m being spent on BBC Four.²⁹ This would take the BBC's total spend on Arts and Music to £62m by 2024/25. However, the BBC need to make clear whether this spend will be on first-run originations or acquisitions. We would be concerned if this increased spend was going on acquisitions rather than new UK originated content, which benefits both audiences and the production sector. Ofcom should also make clear what level of acquisitions would be concerning in the BBC's overall content mix.

6.3 Ofcom state that the BBC will be required to give a detailed explanation for the reduction in its delivery of new arts and music programming on BBC Four as this reduction would be more than 50% below the quota for 2023/24. Pact would expect the BBC to set out the impact this reduction would have on the independent production sector as well as set out any potential benefit the sector may have from the target increase in Arts and Music spend on BBC Two. We remain concerned that a reduction in original programming will have an impact on the access to market for a particular range of producers. Less than 2% of UK commissioning spend is on other commissions,³⁰ which includes arts and music programming. With the UK market already small for indies who produce arts and music content, transforming BBC Four into a solely archive channel will have an impact and the BBC should seek to reassure independent producers in any explanation of reduction.

6.4 Pact cannot support the BBC's request to change its operating licence conditions in relation to BBC Four without further information on the impact this reduction in hours will have on indies. While we are pleased that the BBC are planning to double spend on new arts and music on BBC Two, little consideration has been given to the wider market.

²⁴ BBC Annual Report and Accounts 2018/19

²⁵ BBC Annual Report and Accounts 2021/22

²⁶ Pact member survey, December 2020

²⁷ Modernising the BBC Operating Licence Consultation: Annex 10 BBC Four Licence Change Request

²⁸ BBC Annual Report 2021/22, P58. £31m relates to PSB expenditure

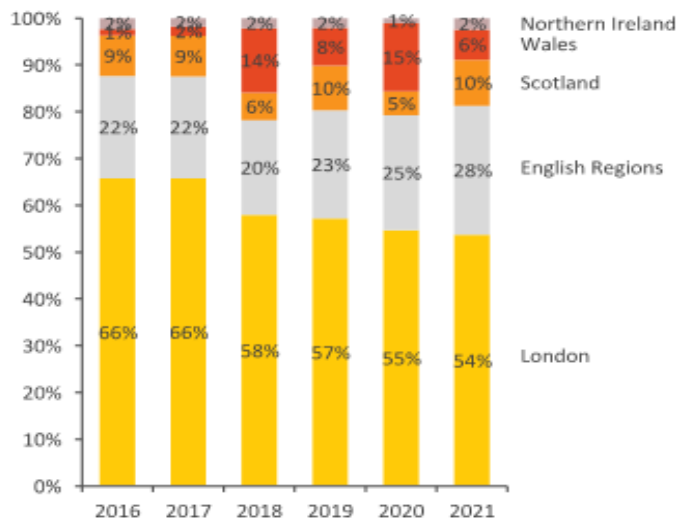
²⁹ IBID

³⁰ Pact Census 2021. Other includes arts and classical music, education, news and current affairs, religion, special events, and sport programming

Question 6: Do you agree with the proposals for Public Purpose 4? If not, please explain why.

7.1 The production sector in the nations and regions has been steadily growing with 46% of total external commissioning spend now coming from outside of London³¹. Figure 4 shows that London’s share of primary commissioning value has been steadily decreasing since 2016.

Figure 5: primary commission value by region of production 2016-2021



Source: Pact Census 2022

7.2 This growth has, in part, been fuelled by the out of London production quotas and the UK PSBs shifting focusing to investing in the nations and regions. Securing commissions allows producers to build sustainable businesses of scale and invest in the R&D of new ideas. Pact are pleased that the quotas for production in the nations and regions will be retained. However, as we have outlined elsewhere, we do have concerns regarding iPlayer commissions to count towards the BBC’s nations and regions quotas. We would be particularly concerned if the Government were to not extend the Terms of Trade to PSB VOD services. While Ofcom cannot introduce new legislation, we would expect the BBC’s new operating licence would not come into effect before changes to the Terms of Trade as recommended by Ofcom and outlined in the Government’s Broadcasting White Paper.

7.3 We note that Ofcom’s proposals in relation to iPlayer and the nations and regions quota do require changes to the BBC Agreement, which only Government can do. Online-only commissions tend to have lower tariffs than content commissioned for linear broadcast. Pact has not seen evidence of online-only commissions being less expensive to produce. This will make it more difficult for the producer to find the necessary finance for a production. If the producer cannot find the funding needed to bridge the gap between the commissioner’s tariff and the full production budget, producers often end up forgoing any revenue, or cutting their research and development budget. We also note the BBC’s tariff ranges for nations and regions commissions are typically lower than other tariffs. For example, the indicative tariff ranges for premium comedy are set at £540k - £700k

³¹ Pact Census 2022

per hour, whereas for nations and regions this is £300k to £500k.³² Again, we are yet to see evidence that this type of production is less expensive to produce.

7.4 Pact is supportive of Ofcom introducing the objective to support the UK's creative industries, P4(2)³³ as part of the new proposed operating licence. The BBC plays an important role in helping to support and develop local production hubs throughout the UK. For example, the number of digital or creative businesses has grown by 70%, since 2010, when the BBC moved much of its operations to Salford's MediaCity. In Cardiff there has been a 54% growth in the creative sector since 2012, when the BBC opened Roath Lock, a new studio centre in Cardiff Bay.³⁴ For producers in the nations and regions, 25% of primary commissioning revenue came from the BBC in 2021.³⁵ Continued support from the BBC will likely play an important role in the growth of the production sector outside of London.

7.5 Pact is committed to improving diversity and inclusion across the industry. Independent production companies are also driving diversity and inclusion within their organisations and in production through a range of initiatives and programmes. We want to ensure that Ofcom's proposals on the diversity commissioning codes of practice will not create an additional burden for producers, particularly smaller producers who often have a limited number of staff.

Question 7: Taken together, do you agree with the proposals for a new Operating Licence? If not, please explain why.

8.1 While we do support the rationale behind moving towards a service neutral delivery, Pact do not agree with all proposals for the BBC's new operating licence. There has been little consideration given to the supply side of the sector, particularly producers of at risk-genres. We would have expected Ofcom to consider – and publish evidence on – the full impact of allowing the BBC greater flexibility in the proposed operating licence on the UK production market and on the overall ecology for audiences and PSBs.

8.2 The BBC is under financial pressure due to the licence fee freeze, high inflation and media super-inflation.³⁶ In its annual plan, the BBC state they will need to find £285m in annual savings by 2027/28, which will require a reduction in content and services.³⁷ For context, this is more than double the combined annual content spend for BBC Four, CBBC, and Cbeebies (£120m in 2021/22).³⁸ Production costs are also on the increase across all genres, with some producers claiming that catering costs have increased by 30% and construction costs increasing by 40% for example meaning that they are

³² http://downloads.bbc.co.uk/commissioning/site/tariff_prices_for_independents.pdf

³³ Supporting the UK's creative industries. The BBC should distribute its investment in a range of productions from across the UK and ensure that it supports sustainable growth in the creative industries across the UK's nations and regions.

³⁴ Levelling Up and the BBC: how the BBC can make a difference to levelling up, BBC, April 2022

³⁵ Pact Census: Nations and Regions Annex 2022

³⁶ BBC Annual Plan 2022/23

³⁷ *ibid*

³⁸ BBC Annual Report 2021/22

becoming increasingly reliant on distribution advances.³⁹ We are concerned that the proposals, coupled with external financial pressures, could risk a reduction on content budgets across the board. Which could put further pressure on producers to find the funding to bridge the gap between the BBC's tariff and the production budget. We note that the BBC are required to publish indicative tariff ranges in line with the codes of practice. However, it's unclear whether these have changed since they were introduced. Further transparency from the BBC either in its annual plan or elsewhere on these would be useful to help ensure that tariffs are not reducing as a result of the new proposed operating licence.

8.3 There is also a risk that the BBC could meet its public purposes through lower budget programmes. Given the financial pressures the BBC is facing, it's likely that its content budget will be not increasing. With budgets stretched further and the rising cost of production, we are concerned that the BBC could fulfil its operating licence conditions through cost cutting measures. Producers now have to work even harder to find the necessary finance to bridge the gap between the commissioner's tariff and the production budget. We are concerned that without an increase in the content budgets, the proposed operating licence could lead to budgets being further stretched and the BBC fulfilling its objectives through lower quality programmes.

8.4 As we have outlined above, Pact would expect changes to the Terms of Trade regime to be made prior to the introduction of the BBC's operating licence. If the BBC were permitted to allow iPlayer only commissions to count towards its original productions quota, this could result in unfair, backdoor commissioning practices given that the Terms of Trade do not extend to iPlayer currently. We also note that currently the independent production quota only relates to television broadcasting services. More clarity is needed on whether this will be extended to online.

8.5 This consultation is focused on the BBC's operating licence. Pact would have an interest in how this will impact the rest of the PSBs licences and requirements. If the BBC is given more flexibility under this new proposed licence, the other broadcasters would likely also seek to do the same. As we outlined in our PSM response, Ofcom should consider how this move to service neutral delivery under a new PSB compact would impact the supply side of the sector and the wider market.

³⁹ Going up: the rising cost of production, Broadcast, August 2022. Available at: <https://www.broadcastnow.co.uk/broadcast-magazine/going-up-the-rising-cost-of-production/5173661.article8.3>