



INFORMATION ABOUT VIASAT

Viasat Broadcasting, with its main offices in London, Chiswick, is the broadcasting division of Modern Times Group MTG AB, and operates businesses which make it the largest broadcaster of free TV and pay TV services in Scandinavia and the Baltics as well as one of the leading broadcasting groups in Europe reaching viewers in 24 countries.

MTG companies currently produce and operate 25 free TV channels and more than 25 pay TV channels which are received throughout Europe with perhaps the best known channels being those broadcast under the TV3 brand. 20 of these channels are operated from the UK and regulated by Ofcom.

MTG also operates the Viasat satellite platforms in Scandinavia and the Baltics and distributes television services via IPTV, mobile phones, the Internet and xDSL.

The liberalisation and simplification of the advertising rules adopted by the Audiovisual Media Services Directive was very satisfactory and we support almost all of the proposals put forward by Ofcom in its review of the advertising and teleshopping rules. We are concerned however that Ofcom might be considering to adopt a more restrictive approach than appropriate or necessary.

We believe that the competition amongst broadcasters will help prevent abuse of the scheduling of advertising breaks to the detriment of the viewers.

It is worth making a note of Recital 42 of the consolidated version of the Directive which says:

This Directive does not increase the hourly amount of admissible advertising, it gives flexibility to broadcasters with regard to its insertion where this does not unduly impede the integrity of programmes.

If we want the European television and programming to compete internationally in the media market place, we must look to the provision of efficiencies and the removal of historic trade practices which limit business growth.

We have focused our answers to the review questions with particular regard to the proposals for the Ofcom code called the 'Rules on the Amount and Distribution of Advertising' (RADA).

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Entertaining people in Sweden, Norway, Denmark, Finland, Estonia, Lithuania, Latvia, Hungary, Russia, Romania, Poland, Bulgaria, Belarus, Moldavia, Ukraine, Czech Republic, Slovakia, Slovenia and Serbia & Montenegro



Consultation questions

Main document

Q1. Do you agree that these proposed regulatory objectives strike an appropriate balance between the duties and other considerations that Ofcom must take account in reviewing advertising regulation?

Yes.

If not, please explain why, and what objectives you would consider more appropriate?

Q2. Do stakeholders agree that the new Code should discontinue detailed genre-specific rules on natural breaks?

Yes. We agree that removing these detailed rules will not affect the decisions we make when taking breaks as we would still wish to maintain natural breaks and avoid irritating our viewers.

Q3. Do stakeholders agree that the new Code should allow advertising and teleshopping breaks to be signalled in sound or vision or by spatial means, and should drop the requirement for teleshopping segments to be distinguished from programmes by both sound and vision?

Yes. We support this change. Broadcasters will still be required to make it clear to the viewers in accordance with the BCAP code that teleshopping is advertising. We suggest that clear rules on where advertising can be signalled by spatial means be made available in the final consultation.

Q4. Do stakeholders agree that the new Code should discontinue the requirement for a buffer between advertising and coverage of a religious service or Royal occasion?

Yes.

Q5 Do stakeholders agree that the rule requiring a 20 minute interval between advertising breaks should be scrapped?

Yes. It is clear that the 20min rule does not always give broadcasters the most natural break points in programmes and with the removal of this rule viewers are less likely to be disrupted, because broadcasters will be free to take breaks at more appropriate times.

If the scheduling of advertising breaks is not appropriate and designed to meet the interests of the viewers then it is likely that the viewers will be annoyed and switch to another channel and we do not underestimate the

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choice open to viewers in switching channels. Scheduling advertising breaks to the detriment of the viewers will not be without the detriment of the broadcasters themselves. Likewise, the scheduling of breaks will require careful management to optimise the attractiveness of the breaks to the buyers of the airtime.

Furthermore, giving broadcasters the flexibility to determine when to break programmes may well be a benefit to viewers. For example, depending on the nature of a programme, it might be appropriate (in order to maintain or build the viewers' interest) not to schedule an advertising break for over 20 minutes from the start of a programme as the programme builds audience interest; however having built the interest, it may well be appropriate for there to be more frequent breaks in the second part of a programme.

It is also worth having in mind that programme distributors programme (especially big studios) often impose restrictions on when advertising breaks can be scheduled as they are keen to ensure that the integrity of their programmes is not distorted.

Once the principle of identification of advertising applies, there is no reason to maintain the isolated advertising as an exception. Viewers are fully able to make the distinction between advertising and programmes. Also viewers are mostly disturbed by long advertising breaks, rather than from shorter ones.

Continuation of the existing break rule may hinder rather than advance the range of television services available and the plurality of the providers. The issue of the 20 minute rule was heavily discussed at the debate of the Directive and although Member States are allowed to implement stricter rules, in this occasion going back to the 20 minute rule is not commercially reasonable.

The rules should be as flexible as possible in order to meet the challenges of the present and the future.

Q6. Do stakeholders agree that there should be limits on the number of advertising breaks within programmes of a given scheduled duration?

We agree with Option 4 and believe that as long as 12 mins advertising per hour is adhered to, breaks are taken naturally and there is clear separation from programmes, broadcasters should not be limited on the amount of breaks they have to take. We believe that in the majority of cases break patterns will remain the same, but by allowing us and other broadcasters not to have limits on advertising breaks competition (both commercial and editorial) will be promoted amongst broadcasters and create further break opportunities within programmes when required.

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Q7. Has Ofcom identified the right options for break frequencies? What issues should Ofcom take into account in formulating proposals for consultation?

Yes we believe that Ofcom has identified the right options.

Q8. Do stakeholders agree that the restrictions on advertising in films, documentaries and religious programmes and children's programming should be relaxed to the extent permitted by the AVMS Directive?

Yes. We believe that by relaxing these rules will give opportunities for a wider variety of different types of programming in these categories to be shown. We believe that this will not have any significant effect on the viewer's enjoyment of films.

Q9. Do stakeholders agree that changes to the rules on advertising breaks in news and children's programmes that must be made to secure compliance with the AVMS Directive should be deferred until December 2009?

Yes.

Q10. Do stakeholders agree that:

(a) the Code should make clear that advertisements are permitted between schools programmes? Yes

(b) the requirement for a buffer between coverage of a religious service or Royal occasion and advertising should be discontinued? Yes

(c) the rule prohibiting advertising after an epilogue should be discontinued? Yes

and

(d) the rule allowing Ofcom to exclude adverts from specified programmes should be discontinued? Yes

Q11. Do stakeholders agree that the rules limiting the length of individual advertisements on PSB channels should be discontinued? Yes

Q12. Do stakeholders agree that the new Code should discontinue rules on the length of breaks on PSB channels? Yes

Q13. Do stakeholders agree that the draft Code should establish the principle that the distinction between advertising and editorial content must be readily recognisable, and set out the means for doing this, but avoid more prescriptive rules? Yes.

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Q14. Do stakeholders agree that the current arrangements for transferring unused minutage should remain in place, and be applied to Channel 4 in place of the special arrangements in respect of schools programmes?

Yes.

Q15. What views do stakeholders have on the possible approaches to advertising minutage regulation outlined above?

As a Non-PSB broadcaster we are opposed to maintaining the current rules on minutage (as set out in section 7.14).

Advertising and sponsorship currently represents 90% of commercial channels' revenues and with the challenge of alternative services and PVR, there is a need to foster television advertising revenues in order to safeguard the variety and quality of programmes viewers expect.

Higher minutage allowance in advertising will only enable broadcasters to reach their viewers in alternative ways that are appropriate with the technological and commercial changes in the market.

The free TV model needs to be supported, as it offers a good variety of programmes to the viewers, and the pay TV model cannot cover the same needs on one channel (as it works more for thematic channels).

Q16. What views do stakeholders have on the teleshopping options and preliminary assessment outlined above in relation to non-PSB channels?

Our view is that of Option 4. We believe that broadcasting teleshopping content should be an option to the broadcasters and the rules should not be restrictive. At the same time, if broadcasters wish to create programmes which fall within the definition of teleshopping, they should be free to broadcast them, provided all rules applicable to teleshopping are followed; especially the rules for such programming have significantly been strengthened recently for the protection of the viewers and consumers. As our channels are not devoting a lot of time to teleshopping, it is not likely that we will wish to provide greater teleshopping editorial which overshadows existing editorial content and is detrimental to our channel. Therefore broadcasters should be free to decide for themselves how they market themselves to their audience and what types of programmes they wish to provide.

Q17. What views do stakeholders have on the teleshopping options and preliminary assessment outlined above in relation to PSB channels?

We have no views relating to this.

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