



Media Bill Committee
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Virgin Media O2
Griffin House
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W6 8BS

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To whom it may concern,

Virgin Media O2 is one of the UK's largest combined providers of television, broadband and mobile services. Under our Virgin Media and O2 brands, we have 5.8 million fixed line customers and a total of 44.6 million mobile connections. Our contributions to the debate come not only from our position as a pay-TV service but from our experience across the fixed and mobile telecommunications market: this means that we are uniquely positioned to offer insight and recommendations to the Government and Parliamentarians alike about the exciting innovations that may come to television viewing as the UK becomes ever more connected.

Over previous years, we have supported Ofcom's initial work and the intentions of the Media Bill and welcome the opportunity to help to shape the broadcasting sector for decades to come. Virgin Media O2 highly values the contribution to the UK broadcasting ecosystem made by the Public Service Broadcasters ("PSBs") and the diversity and range of content they produce and share with audiences across the country. That is why we are pleased to note the proposed changes to the public service remit as well as steps taken to keep UK audiences safe, however they watch television content.

We are enthusiastic about the debate around the UK's television ecosystem and we look forward to working with Parliament, Ofcom and others to make sure that the Media Bill places the PSBs and platforms alike on the strongest possible footing for the years to come. We would like to draw your attention specifically some areas of concern, as detailed below.

Prominence

Virgin Media O2 offers a prominent position today for the UK's PSBs and their apps across our services, both in linear spaces and in our on-demand options. We are proud of the carefully negotiated positions we have reached with the broadcasters and the global content providers alike and know that our audiences expect access to this important content to be as easy as possible.

However, the legislation must take account of the fact that prominence represents a critical area for broadcasters and content providers alike as the changing technological and broadcasting landscapes attracts a greater number and scale of well-funded global players to the UK market. Pay-TV providers like VMO2 are impacted too by the increasingly competitive dynamics of the global media and content market. As a result, the proposed legislation for prominence for PSBs on platforms must recognise the delicate balance within the ecosystem and instruct Ofcom to be mindful of the emerging risks when drafting subsequent detailed guidance.

This balance must therefore be addressed in the outcome of the requirements on regulated television selection services ("RTSSs"), regardless of the word ultimately chosen by Parliament for this Section of the Bill. The approach taken must allow us to negotiate within a level playing field with PSBs and global content providers, securing a prominent position for the former while protecting our ability to negotiate for the value offered by prominent positions on our platforms with



the latter. Likewise, we believe that Parliament must set an expectation on Ofcom in its subsequent drafting of requirements to recognise the delicate balance we perceive.

We also recognise the importance of the on-demand public services in their fullest application being available on platforms like ours which reach millions of homes across the country. Although these applications now stretch beyond offering solely public service content in some instances, and this risk must be carefully considered by Parliament and Ofcom, we continue to believe that the interests of each of the broadcasters, viewers and ourselves are aligned in keeping such applications easy to reach on our platforms. **We would welcome the Committee's support for compromise and balance in this area.**

Zero net fees

We would also like to bring to your attention the steps taken by the Government in the revised wording offered in the Media Bill about the "agreement objectives" in Section 362AM. In our response to the pre-legislative scrutiny work conducted by the DCMS Select Committee, we called for further clarification from the Government to ensure that RTSSs did not become sources of subsidy for PSB content and for the zero net fees principle to be retained.

While we support the recent revisions to the agreement objectives, and welcome the policy explanation set out in the Explanatory Notes, we remain strong supporters of the principle of zero net fees within this space, noting the shared benefits offered to broadcasters and TV platforms alike when audiences can access the content they want in the easiest way possible.

As a result, we would welcome additional clarification in the text of the Bill to bring the principle of net-zero fees explicitly into legislation. We believe that this principle, if made into an agreement objective explicitly, would represent a balanced and fair safeguard to support commercial negotiation, protecting the PSBs from onerous or unfair terms while allowing platforms to deliver PSB applications and services in the best way for their individual devices. **We would welcome the Committee's support in promoting and introducing this important principle into legislation.**

Handling legacy equipment

We were pleased by the recognition during the debate of the need to consider carefully the position of legacy equipment in homes across the UK. We welcomed the explanation by the Government of the expectation around the revised Clauses 362 AE, AF and AG of the Bill which deal with the designation of television selection services, regulated television selection services and internet television equipment. Virgin Media O2 has previously highlighted the need for specific language in this section to avoid regulatory burdens arising from the challenges offered by legacy equipment.

We therefore welcomed clarification offered in the new wording of the Bill in Section 362AF (3)(c) – "*...the functions that a television selection service is capable of 40 carrying out or may be made capable of carrying out...*" – to address some of these challenges. We also welcome that the Bill requires that, before making a designation, the Secretary of State must receive a report from Ofcom about the capabilities and use of any relevant equipment. These protections must remain as part of the Bill to ensure that Pay-TV providers are not required to undertake burdensome and unfeasible technological exercises for legacy equipment. **We hope that the Committee can secure a sensible outcome from the Bill with regard to legacy equipment.**

Thank you in advance for the careful consideration given by members of the Committee to this important legislation.



Kind regards,

A handwritten signature in blue ink that reads "David Bouchier".

David Bouchier
Director, TV and Entertainment
Virgin Media O2