



## Amazon written evidence to Public Bill Committee inquiry into the Media Bill

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### **Introduction**

We welcome the Public Bill Committee’s call for evidence on the Media Bill. Good regulation has an important role to play. This is the first major broadcasting legislation for 20 years and it’s important we get it right.

We recognise the need to ensure the audio-visual regulatory framework is fit for the digital age and the new ways in which consumers access and enjoy content. Changes in audience habits over the past few decades reflect the positive impact of having so much choice of content and services, and it is important that regulation reflects this. The UK is an important home for Amazon and since 2010, we have invested over £4.2 billion in the UK Creative Industries; and we look forward to supporting the continued growth of the Creative Industries over the coming years.

Our investments in the Creative Industries supported more than 16,000 full-time permanent jobs in 2022. Amazon has doubled its investment in the creative sectors across the UK in the last five years, reflecting the support for more UK-based creatives, a record number of Amazon Originals filmed in the UK, and state-of-the-art studios and facilities for Amazon Music, Audible and Prime Video, including new production facilities to open at Shepperton Studios, which is our first long term lease outside of North America.

One way we are creating opportunities across the UK is by investing in skills and apprenticeships. Our ‘Prime Video Pathway’ initiative is committing £10million over the next three years to broaden access and provide more opportunities for those from diverse backgrounds; with a target of over 50% of places for those based outside of London. We also have over 60 apprentices supporting our creative businesses and our alumni have gone on to different roles within Amazon after completing their apprenticeship as well as moving across the industry, including to the BBC.

As well as creating our own in-house programme, we have utilised our ability to transfer up to 25% of our apprenticeship levy pot to external organisations and have pledged £2 million to create an apprenticeship levy transfer [fund](#) dedicated to helping support small businesses across the creative industries take on apprentices. This [fund](#) is covering the cost of the training of 200 apprentices and includes initiatives such as Prime Video becoming the lead partner on a Screen Skills and Department for Education flexible apprenticeship [pilot](#), where we are funding 20 apprentices to support our Original productions such as *The Devil’s Hour*. This has also funded apprentices on non-Amazon productions including on over 20 Public Service Broadcaster (PSB) shows such as Channel 4’s *Derry Girls* and the BBC’s *Have I Got News For You*. We are also working with the UK Screen Alliance to support dedicated Post Production and VFX [schemes](#); supported the BRIT Trust [scheme](#); and Amazon Music is [working](#) with the Association for Independent Music and Women in CTRL on a programme.

Amazon is one of the few stakeholders impacted across three different areas of the Bill – by the new Video on Demand Code; the Must Offer Must Carry between PSBs and connected TVs; and the radio provisions impacting Voice Assistants. Amazon wants to be a constructive voice and our focus is ensuring that the draft Bill is evidence-based, proportionate and continues to protect innovation and our ability to keep developing a personalised customer experience across Prime Video, Fire TV and Alexa.

### **Prime Video**

Our European Prime Video headquarters are located in London and includes the second largest global Prime Video tech hub, with hundreds of software engineers supporting the maintenance and smooth delivery of the Prime Video service globally.

Since launching in the UK in 2014, Prime Video has been regulated by Ofcom. We take our responsibility as a content commissioner and distributor extremely seriously and are committed to ensuring customers receive the highest levels of protection by providing a number of tools, policies and processes to ensure their safety when using our service. We recently [launched](#) an enhanced collaboration with the BBFC to help us move towards in-house classification using BBFC-certified age ratings for use on Prime Video in the UK.



48 A dedicated UK Amazon Studios commissioning team was established in 2018. They commission a handful of  
49 UK Originals each year, including popular series like *Clarkson's Farm*, our *All or Nothing* football club  
50 documentary series or the Martin Compston and Iain Glen led drama series *The Rig*. Prime Video's  
51 contribution to the UK creative industries is built around:

- 52 • Commissioning UK-produced Amazon Original content for our UK and global service;
- 53 • Directing investment when our global Amazon Originals are developed and filmed in the UK;
- 54 • Licensing UK third party and PSB content in the UK and internationally;
- 55 • Commissioned over 25 co-productions with the PSBs to finance and co-produce content for UK and  
56 global audiences; these include *Fleabag*, *Catastrophe* and *Small Axe*;
- 57 • Bringing content from across the world to UK customers;
- 58 • Investing in long term, sustainable training programmes for UK entrants to the creative industries;
- 59 • Providing audiences with the ability to rent or buy content via Prime Video's transactional  
60 marketplace;
- 61 • Enabling customers to subscribe to UK based channels such as the BFI Player.

62  
63 Many of our productions have called the UK home. Whether its global hits such as *Citadel* being based in  
64 Maidenhead or *Clarkson's Farm* in rural Oxfordshire to *5 Blind Dates* in Manchester; *The Rig* in Leith and *Good*  
65 *Omens S2* in Bathgate; *How to Date Billy Walsh* in York to *My Policeman* in Brighton, *Catherine Called Birdy* at  
66 Stokesay Castle in Shropshire, to *Mammals* in Cornwall, amongst others.

67  
68 Ofcom [research](#) found that Video on Demand (VoD) services have such high levels of popularity, particularly  
69 among younger audiences, because they offer their customers easy-to-use and intelligent, personalised user  
70 interfaces and tailored content recommendations and that subscribers appreciate the vast content libraries  
71 and range of choice available. A subscription to one service does not preclude others, with 46% of British  
72 people subscribing to two or more paid-for video services. One of the many positives of the development of  
73 streaming services, is that audiences have more choice than ever before. The industry includes a variety of  
74 different business models as UK customer demand continues to create room for new services and diversity of  
75 content, with launches of Discovery+, Disney+, Paramount+ and Amazon Freevee a testament to this. Yet  
76 audience appetite for the PSBs remains strong. As the BBC [notes](#) UK audiences spent more time watching BBC  
77 TV or iPlayer than Netflix, Disney+, and Prime Video *combined* last year. Meanwhile, Ofcom research has [found](#)  
78 that BBC iPlayer is the most popular streaming service for watching "programmes, films and other video".

79 The Government has stated that an objective of introducing a new Video on Demand Code is "*to protect*  
80 *audiences from the potential harm arising from the gaps in the existing regulatory framework, new regulations*  
81 *will ensure UK audiences receive a similar level of protection no matter how they watch television – whether it*  
82 *be live or on-demand*". Prime Video has been regulated by Ofcom since our launch in 2014 and support  
83 regulation of VoD in the UK. We believe the best way to help meet that objective is for **the new Video on**  
84 **Demand Code to be applied universally across all Video on Demand services that are watched by UK**  
85 **audiences.**

86 The Broadcasting Code regulates 168 hours of content per week and is designed for an environment where UK  
87 audiences have little control over their content environment, and rely on broadcasters to make certain viewing  
88 choices for them, such as the 9pm watershed. In contrast, some VoD catalogues hold tens of thousands of  
89 titles, with audiences completely in control of what they decide to watch and when using tools and features,  
90 like age ratings, Kids' profiles and parental controls to be able to tailor the service and control their own  
91 viewing decisions, and the viewing of vulnerable people around them. Given this fundamental distinction, it is  
92 right that the new VoD Code reflects the differences and nuances of viewing habits on VoD services; and that it  
93 is not merely an extension of the Broadcasting Code.

94  
95 UK audiences also agree. Recent Ofcom [research](#) found that UK audiences have different expectations of what  
96 content is acceptable on a VoD service, where a customer was making an active choice to view it, vs a linear  
97 television services where content is scheduled and viewers – particularly children – could come across it by  
98 chance. In addition, the research found that most participants felt audience protection tools on SVoDs were  
99 generally effective and this was seen as justification for offering greater choice to consumers, and indeed for  
100 less rigorous regulation.

101

102 In addition, VoD services curate their catalogues in a different way to linear broadcasters. VoD services may  
103 commission Original content, both in the UK and around the world, they may license exclusive content, they  
104 may license existing content from UK and global partners, including the PSBs, or they might commission co-  
105 productions with partners with the co-producers having the rights to broadcast the production in different  
106 territories. Catalogues, particularly those that have a strong global component, or that license content that is  
107 older, have not been curated with a new UK VoD Code in mind and it will take time, resource and planning to  
108 ensure that services can comply after Ofcom publish the final Code. **We would therefore recommend that the**  
109 **compliance timeline is extended to 18 months.**

110

111 We welcome that the Bill, in Clause 368HH, includes additional considerations for Ofcom to take into account  
112 when drafting and enforcing the new VoD Code and Fairness and Privacy Codes. As per the above, it is  
113 important to have distinctions in place. We think Ofcom should also consider aspects such as **the size of a**  
114 **service’s catalogue, how the content is sourced and/or promoted** as well as **the original country of**  
115 **production.**

116

### 117 **Fire TV**

118 Amazon introduced the first-generation Fire TV Stick in the UK in 2014. Our focus then, as it is now, is to offer  
119 viewers attractive and diverse content in the most convenient and user-friendly way. To make it easier to  
120 discover and enjoy a wide variety of entertainment and apps, Fire TV surfaces a diverse content selection  
121 across all our partners with recommendations for what to watch based on the shows, genres, and apps a  
122 customer likes; and provides a number of features that allow a customer to optimize the User Interface for  
123 their preferences.

124

125 For viewers, the Fire TV experience can provide significant value add to the devices and television they already  
126 own, at an affordable price. Findings from Public First, commissioned by Amazon, show that 80% of Fire TV  
127 owners had bought the product either to improve the performance and capabilities of an older smart TV or to  
128 convert an old non-smart TV into a smart TV<sup>1</sup>.

129

130 We continue to innovate and reimagine the TV experience, and our relentless focus on creating a better, more  
131 intuitive experience for customers is resonating around the world. To date, we have sold over 200 million Fire  
132 TV streaming players and connected TVs to customers in more than 85 countries around the world.

133

134 The connected TV industry is incredibly competitive with the likes of Roku, Samsung, LG, Panasonic, Sky, Apple,  
135 Google and Virgin, to name but a few, all offering connected TVs and/or streaming media players. This is not to  
136 mention the other devices through which UK audiences choose to consume content such as on laptops,  
137 tablets, gaming consoles and mobile phones. Given the fierce nature of competition in this industry, and to  
138 keep up with changing customer expectations, we have to constantly develop our products and services to  
139 remain relevant and provide the best possible experience for our customers. This innovation requires constant  
140 investment across our engineering and technology teams. In addition, we incur ongoing operating costs,  
141 including providing dedicated technical support to our content partners.

### 142 **Must Offer Must Carry (MOMC)**

143 We appreciate that these proposals have been considered by Ofcom and Government since 2019. We believe  
144 freedom of choice, quality and relevance helps provide the best possible customer experience and are keen to  
145 support the development of a framework that promotes the best TV experience for customers. After extensive  
146 discussion with a variety of stakeholders, the Government has concluded that appropriate prominence is the  
147 most appropriate term. **We support the draft Bill’s use of “appropriate” prominence under Objective A**  
148 because firstly, the prominence regime still needs to be drafted by Ofcom so think it’s too premature to say  
149 that appropriate is not sufficient. Secondly, appropriate is already used in the linear EPG under the  
150 Communications Act so don’t think it proportionate to have some parts of the regime regulated to a lesser  
151 degree than others.

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<sup>1</sup> Amazon commissioned the research consultancy Public First to conduct primary research using a nationally representative survey of 2,004 adults and an additional 1,000 smart speaker owners, carried out between 16 and 19 October 2023.



152 The UK's PSBs are valued partners to Amazon and their content selection is important to our customers, and  
153 available on FireTV. We have mutually beneficial bespoke arrangements in place, including with the BBC, ITV  
154 and Channel 4, and have done for many years. As part of this, we provide dedicated technical and account  
155 management support, as well as the digital infrastructure and devices to store and serve their content. This is  
156 enabled through Fire TV's investment in R&D, and provision of an ongoing service which are all material costs at  
157 significant scale. Our partnerships drive value for the PSBs as Amazon enables the PSBs to increase reach and  
158 quality of engagement with UK audiences, through digital innovation.

159 We do not charge carriage fees to any of our partners, including the Public Service Broadcasters. Our agreements  
160 are focused on mutually beneficial additional benefits and how best we can drive engagement for the PSBs. PSBs  
161 do not pay for us to distribute their apps.

162 Our Inventory Optimisation Policy, which has been referred to by some of the PSBs, is a value exchange policy  
163 for Amazon and broadcasters to both share value from in-app advertising generated on Fire TV devices. In the  
164 UK, this policy applies specifically to sharing inventory on ad-enabled Fire TV apps, not a broadcaster's revenue  
165 or ad inventory as a whole. This approach is deliberately designed to be mutually beneficial, as we help generate  
166 additional advertising revenue for our broadcasting partners; which in turn also enables us to continue to invest  
167 and innovate our user experience. Apps that don't include advertising, such as BBC iPlayer, or that are watched  
168 less than 30,000 hours per month are exempt from this inventory sharing.

169 This policy is negotiated as part of our overall terms and conditions for broadcasting partners, and the final  
170 terms and conditions depend on the broadcaster's needs and specific business model. This is not a one-size fits  
171 all approach and we are always happy to engage with our partners in this regard. It is not in Amazon's or our  
172 customers' interest to try to force our partners, including the UK PSBs, into an agreement which doesn't  
173 enable them to operate a sustainable and successful business.

174

175 For the MOMC provisions we would ask the Committee to consider:

176

177 • **Any unintended impacts on the customer experience.** Unlike the linear TV experience, many  
178 connected TV customers have opportunities to personalise and customise their service and User  
179 Interface (UI), adding significant value to their experience. This ability should be protected at all costs  
180 under the Bill. Broadening the scope of Objective C would allow more freedom and flexibility for  
181 Regulated Television Selection Services (RTSS) to innovate on the UI and continue to develop the  
182 customer experience. It would also help ensure this legislation is future proofed. **We propose**  
183 **expanding Objective C; not just limiting it to the way a user selects and accesses content but to**  
184 **prevent any inappropriate restrictions on innovation.**

185 • **The technical feasibility of the proposals.** It is important that prominence remains at an app level,  
186 rather than at an individual content level. Not only would prominence requirements over individual  
187 content be technically challenging to implement, they would also have a significant negative impact  
188 on the ability of RTSS to provide the personalised experience that customers enjoy and have come to  
189 expect.

189 • **We would ask for a minimum 12-month implementation period** after the publication of the final  
190 Codes of Practice.

191 • **Impact on Data and Privacy.** The draft Bill sets out that RTSS must provide prominence to national  
192 PSBs such as S4C and STV. It is a significant technical lift to provide prominence on a postcode level;  
193 and new customer data collection would be required to comply with this Bill. Instead if an RTSS  
194 enable users to customise their experience on the UI to be able to pin a PSB, then this should satisfy  
195 the requirements. We would ask that no new customer data collection should be required to comply  
196 with this Bill. Instead if an RTSS enable users to customise their experience on the UI to be able to pin  
197 a PSB, then this should satisfy the requirements.

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#### 199 **Alexa and our Radio Skills Kit**

200 Amazon has invested significantly since the launch of Alexa in the UK in 2016 to provide the best and most  
201 accessible experience for our customers. We have Alexa teams based in our London HQ and our Cambridge  
202 Development Centre, including a dedicated team to support our radio partners. We know Alexa can only be  
203 successful if it provides customers with convenient access to a broad selection of content. This is also true for  
204 radio broadcasts, with over 89% of UK adults listening to radio every week. Alexa customers can access the

205 vast majority of the radio broadcast they want by simply saying the name of the station in their request to  
206 Alexa (“Alexa, play Classic FM”) and Alexa will play the requested radio stream.

207  
208 Radio broadcasters are our partners in providing customers with a broad selection of content, and we also  
209 consider them to be our customers. That’s why we want to make it as easy as possible for radio broadcasters  
210 to make their stream available via Alexa. We have invested in our Radio Skills Kit (RSK) to provide a scalable  
211 route to enable hundreds of stations to use it, regardless of size and so that technical innovations such as new  
212 features can be made available to all our radio partners.

213 RSK is a free service and removes many technical and financial barriers that local and independent stations  
214 face when trying to reach listeners via voice assistants. It enables radio broadcasters to provide appealing  
215 features to their listeners, e.g. multi-room casting (so that customers can listen to several stations on different  
216 devices/in different rooms at the same time) and radio alarms. It also gives radio providers access to insights  
217 into how customers use their radio stream. For example, we provide aggregate listening data such as the total  
218 listening duration for a station and the average listening hours per customer – data that is specifically relevant  
219 for advertisers when deciding on which radio station they want to place their ads. Alexa continues to work  
220 hard to invest and scale an experience that all radio stations can benefit from, with the likes of Global and  
221 Bauer as well as local and independent radio stations like University Radio Bath and Kent-based station KMFM  
222 all using RSK, with the latter setting out why they prefer RSK [here](#).

223 Radio broadcasters are also able to make their stations available via Alexa through an aggregator’s catalogue.  
224 Finally, the BBC has opted to build a ‘custom skill’, an Alexa voice app, which [as the BBC notes](#), we work closely  
225 together on to keep developing and innovating the experience for our customers; as we recognise the unique  
226 role they play as a UK PSB. To date, our RSK is the default route for hundreds of stations, onboarding over 940  
227 radio stations for UK audiences to enjoy.

228  
229 Crucially customers agree, and greatly enjoy the radio offering and listening experience served by Alexa and  
230 RSK. Our original research<sup>2</sup> shows that 80% found it easier to ask for a radio station from Alexa than turn on a  
231 radio and over 60% think Alexa is the most enjoyable way to listen to the radio.

232  
233 We recognise the Bill’s objective of ensuring that radio stations can be easily accessed and discovered via  
234 voice-assistant smart-speakers, but the same data shows this is already the case for customers with 78%  
235 finding that Alexa offers them radio stations that they want to listen to. The research also shows that Alexa is a  
236 powerful tool to drive new and long-term engagement for the UK radio industry as 52% of users had used  
237 Alexa to discover a new radio station in the past year, with two-thirds of young people aged 18-24 doing so.  
238 The latter is especially important for the future health of radio, and one of the key value propositions that  
239 Alexa offers our radio station partners. To this end, it’s crucial that the provisions in the Bill continue to protect  
240 the current customer experience.

#### 241 242 **Scope of part 6**

243 It’s important to recognise that smart speakers with Voice Assistants are only one way that UK audiences  
244 choose to access radio. Voice Assistants are accessible across a number of different devices whether it’s a  
245 smart phone, smart speaker, smart watch, automotive or other connected devices around the home.  
246 According to recent [RAJAR data](#), smart speakers currently account for only 14% of listening; meanwhile  
247 websites and apps are at 10% but they wouldn’t be included in this regime. 31% listen to live radio via a  
248 smartphone or tablet yet it’s unclear if these will be in scope. We’re not sure of the rationale to target one  
249 small part of how audiences access radio. It risks becoming a piecemeal approach with some routes regulated  
250 and others not, and these proposals **should apply universally to every way audiences access radio**.

251  
252 Voice Assistants are still an emerging technology and we continue to innovate on behalf of our customers.  
253 Business models around audio content delivered via Voice Assistants are still evolving. It’s important that any  
254 legislation in this area continues to encourage and enable continued innovation and the ability for Voice  
255 Assistants to enhance the customer experience over the long term.

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<sup>2</sup> Ibid.

257 It's also important for these provisions to have a level playing field for all parties. For example, the Must Offer  
258 Must Carry provisions in part 2 of the Bill place obligations on both PSBs and Regulated Television Selection  
259 Services to both offer and carry content. This should be replicated for part 6. Although the Bill includes a  
260 provision for the Secretary of State to prohibit radio stations from charging Voice Assistants, this does not  
261 provide the same level of certainty that a Must Offer would and ensures that neither side could charge for the  
262 live audio radio stream. **A Must Offer should be introduced on radio stations to ensure they provide their live  
263 audio stream for free.** This would also support the policy intention to provide the widest possible access for  
264 radio.

265

#### 266 **Preferred Route**

267 The Bill requires Voice Assistant providers to "take all reasonable steps" to serve a radio stream using a  
268 method designated *by the radio provider*. We believe that instead the Bill should ensure that Voice Assistants  
269 provide *a* route to listeners; instead of a preferred route. This will help meet the policy objective of ensuring  
270 that wide availability of radio stations; and will also support the ability for technology providers to have  
271 certainty, and allow them to continue to prioritise the customer experience and to continue to innovate. Voice  
272 Assistants should continue to prioritise how *customers* get access to radio stations in an easy and efficient way.

273

274 As worded, the requirements are *very* technically challenging for us to implement, since it would require us to  
275 account for the technical preferences of hundreds of radio partners. This is an overly prescriptive provision  
276 which we do not believe supports the policy intention of ensuring customers get easy access to the radio  
277 station of their choice. Routes designated by radio providers may confuse and frustrate customers, could  
278 increase costs for both Amazon and radio partners, could specifically disadvantage small radio providers and  
279 could prevent us from innovating. **This provision should be changed to ensuring Voice Assistants provide *a*  
280 route to listeners for radio stations.**

281

282 The preferred route requirement is comparable to mandating map providers to, when a user asks them for  
283 directions to a restaurant, serve the directions as determined by the restaurant owner. The restaurant owner  
284 is not an expert in maps or routing, nor in building the software backend to calculate and serve those. Nor will  
285 they have additional context such as understanding traffic congestion or roadworks that should be factored  
286 into producing the best route for customers. The same is true for radio providers regarding the routing  
287 through Voice Assistants. Users of a map service as much as users of a Voice Assistant expect a consistent user  
288 experience customized to their needs— no matter what restaurant they want to go to or which radio station  
289 they want to listen to. This Bill needs to maintain the Voice Assistant's capability to protect a consistent and  
290 customer-friendly user experience.

291

292 As our original data (noted above) shows, Alexa users are already accessing a wide variety of radio content in a  
293 way that suits their preferences. Introducing new technical preferred route obligations will create un-  
294 necessary friction and likely result in a poorer customer experience – when the experience today is enjoyed by  
295 our UK customers.

296

297 We have a good relationship with our radio partners, provide an easy to use and free onboarding process, and  
298 have invested significantly to ensure that our customers are able to access and enjoy the content they want on  
299 Alexa. The radio industry are important partners for us (it's why we have invested and scaled our free Radio  
300 Skills Kit to help simplify the onboarding process for our radio partners) and we want to play a constructive  
301 role in this debate.

302

#### 303 **Conclusion**

304 Amazon wants to play our part in helping develop and support the UK Creative Industries. We were delighted  
305 to join the Creative Industries Council earlier this year and want to play a constructive role in supporting the  
306 continued growth of the sector. We're conscious that it's been twenty years since the last major legislation  
307 and we are focused on ensuring the Media Bill is evidence-based, proportionate and continues to protect  
308 innovation. Good regulation has a role to play and it's important that we take the time to get it right. We  
309 welcome scrutiny by Parliament and believe it will help ensure the Bill is future proofed and can support the  
310 continued growth of the Creative Industries over the next twenty years and beyond.