

Review of the Communication from the Commission on the Application of State Aid Rules to Public Service Broadcasting.

The National Newspapers of Ireland is a non-profit organisation representing daily, Sunday and national weekly newspapers sold in Ireland, 18 titles in total.

We have restricted our submission to answering specific questions and have also made some general observations as they pertain to the situation in Ireland.

2.2 Definition of the public service remit

The public service remit of RTE, as Ireland's public service broadcaster is as follows:

- *RTE, as the national public service broadcaster, shall reflect the democratic, social and cultural values of Irish society and the need to preserve media pluralism.*
- *RTE shall, at all times, strive to reflect fairly and equally the regional, cultural and political diversity of Ireland and its people.*
- *No editorial or programming bias shall be shown in terms of gender, age, disability, race, sexual orientation, religion or membership of a minority community.*

There is no particular reference to new media activities. Clearly any new media activity should be limited to the broadcasting function only within its PSB remit.

It is the view of National Newspapers of Ireland (NNI) that the specific public service responsibilities of the public service broadcaster should be clearly defined.

2.3 Entrustment & Supervision

The Department of Communications, Marine & Natural Resources is responsible for public service broadcasting. The remit of the public service broadcaster is laid down in the Broadcasting Act.

It would appear that the implementation and determination of the exact scope of activities is left to the public service broadcaster.

Any difficulties experienced by competing media in the market place in relation to the public service broadcaster can be communicated to the Minister for Communications and dealt with on a case by case basis.

There are no formal procedures for complaints and no apparent supervisory mechanism to ensure the PSB complies with its responsibilities and restricts itself to its specific remit.

Clearly public service broadcasting has a role to play. However, its role and activities should be clearly defined and laid down so that any departure from that is immediately evident and can be dealt with swiftly to avoid inequities in the market.

Also, the manner in which the license fee is utilised must be clearly accounted for, totally transparent and subject to continuous monitoring of the actual value to the public.

2.5 Transparency Requirements

The situation in Ireland is that RTE is dual-funded. It is in receipt of license fee revenue and also revenue from advertising sales normally restricted to commercial TV. We acknowledge that there are limits to the advertising minuteage allowed on RTE TV and these must be maintained.

RTE also engages in other commercial activities including programme sponsorship, TV and radio competitions linked to purchase of RTE 's TV listings magazine (RTE Guide), advertising on the RTE website and in-programme competitions. These activities have no place in public service broadcasting.

RTE also has - at its disposal - un-rivalled cross-promotional resources to promote its commercial activity and it utilises that resource extensively.

As a specific example, RTE offer a package entitled "Cross Media Solutions":

"Cross-Media Solutions are creatively driven, integrated multi-media campaigns. RTE is in a unique position to offer genuinely bespoke cross-media solutions for advertisers across Television, Radio, Print, Online, Mobile, Teletext, and Events. These campaigns are firmly based on a clear understanding of a client's strategic marketing and communications needs.

The creative impact of a cross-media campaign engages audiences in a compelling way. In the cluttered, fragmented media landscape of today, it is creativity and engagement with an audience that gains an advertiser crucial 'cut-through' for their message." (extract from RTE website).

This is a perfect example of the type of service clients now demand in this multi-media environment. Huge investment has been made in recent years by media organisations in an effort to meet such on-going demands. However, for a public service broadcaster to be offering this type of commercial service - which cannot be matched by other commercial operators - surely raises questions.

It is clear from RTE's website that the organisation has moved beyond broadcasting into a variety of areas including publishing. Whereas newspaper publishers cannot engage in broadcasting without obtaining a license, RTE is clearly operating as a publisher – both editorially and commercially - without any such obstacle despite this not being part of its public service remit.

It is also difficult to ascertain the aspects of its activity that are funded by the license fee. A more transparent and clearly defined structure of its funding sources is required to avoid any cross-subsidisation.

The fiercely competitive nature of the advertising market in Ireland and the continuous demands placed on the bottom line means that all must compete on an even footing. It is anti-competitive for RTE to have the benefit of public funding whilst also operating in the commercial arena. Any activity that distorts competition or impinges on a competitor's ability to operate successfully should not be permitted.

It is imperative that any changes to PSB funding or operating conditions should not be made without a thorough economic impact assessment of the market to ascertain the knock-on effects on other media.

ends
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