



Keynote Speech by Adam Singer: Chairman, British Screen Advisory Council

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The British Screen Advisory Council - BSAC - is both think tank and mouthpiece. Our members include the UK TV broadcasters, the Hollywood studios, cinema chains, independent producers - for both TV and film - as well as game developers. BSAC is at the crossroads between the UK screen industries and public policy, and at the heart of the UK media debate. We have been influential on copyright, the future of UK media, and getting tax breaks for British film. No one knows the UK screen media better than Fiona Clarke-Hackston, BSAC's CEO, and if you need a guide to UK issues, contact her. I am BSAC's Chairman, but I should stress that these are my own views.

I am going to talk about the UK Digital Britain report and the resulting UK Digital Economy Bill. That's a real 'abandon hope, rush for Starbucks' killer sentence. Don't panic! As Stephen Leacock almost said, "It's called 'digital economy' because it has nothing to do with either digital or economy." So let's start with a tour of UK media and how its protagonists, and regulators, are coping with the digital plague, and see if we have found a 'cure'. But you don't know me well enough yet to risk irony, so the problem is how do I do this without descending into a warm bath of English parochialism, that's comforting for me but excluding for you.

An experience I once had reassures me that we should manage. I was involved in a franchise hoping to provide multichannel cable TV to a still British Hong Kong. The under Minister responsible for communications had those thin lips that drizzle smiles onto supplicants and said, "We have studied cable television in the United States and Europe. You must realize that Hong Kong is unique, that Hong Kong's cable television must reflect Hong Kong's uniqueness, if it's to serve the unique needs of Hong Kong."

I muttered obsequious agreement and asked what form this uniqueness should take?

He said, "In Hong Kong we want channels dedicated to movies; channels dedicated to sports and entertainment, channels for children and channels showing pop videos; a few documentary channels; and maybe some late night adult dalliance, but not too much as the population density is high enough."

Plus ca change: so in the spirit that the universalities are greater than local differences, I will press on, and hope that the UK sounds vaguely familiar.

There are roughly 26 million UK TV households. Half take pay TV, at an average spend of around C\$600 per year, and that does not include the C\$240 compulsory annual licence fee for the BBC.

9 million-ish, homes get pay TV from Rupert Murdoch's Sky satellite service; 3.1 million homes get pay TV from Virgin Cable (that's a brand, not a description of the plant), and about half a million get pay TV from British Telecom.

40% of UK homes are getting free, over-the-air multichannel digital terrestrial television, and about 10% are still 5 channel analogue only, but they will be switched off in 2012 when the UK Government sends the last analogue TV sets to a Swiss clinic for the digitally challenged.

In addition, 70% (80% in Urban areas) are on the internet; there are movies on your Xbox, and assorted forms of catch-up TV. The Economist tells me that the Brits spend more time on social network sites than North Americans, but less than Australians - but there isn't much in it. In other words, the UK is similar to any other western media economy.

I suspect as here TV viewing is holding up, but the increased number of TV services means that audiences are getting fragmented. Where once a show on the publicly owned BBC, or its commercial rival ITV, regularly commanded audiences of 20 million, now a good audience is under half this. We do have programmes that allege 'Britain has talent', or involve sports, that still get large audiences, but it's getting rarer.

Excluding pay per view there are over 500 channels in the UK, including an impressive diversity of documentary services showing 'Hitler's Generals', 'Hitler's Tank Victories', 'Kayak's - Their Role in Hitler's Defeat', and of course, the ever popular 'Hitler's Downfall: Rainwear of World War 2 in Colour'.

The UK music industry generated almost C\$6 billion in 2008. DVD sales are declining, but movie theatres are thriving. In the UK we define the creative industries as including TV, film, music, print, live theatre, but also architecture and fashion. In total they generated C\$98 billion to the UK economy in 2007: that's 4.5% of GDP, making it the second largest sector in the UK after finance.

The debate in UK broadcasting is concerned with many familiar issues including; how do you define public service broadcasting (PSB)?

On You Tube there are hours of material from quantum physics to improving your musicianship, or on National Geographic there is anthropology and science, both examples of a modern non-traditional public service broadcaster. Once public service broadcasting was defined as what the BBC, or CBC, or WGBH did. Now that PSB can no longer be defined by the unique output of an institution, how do you save what you can't define, if that output is no longer unique?

How long can we support traditional public service broadcasting? If television audiences are fragmenting, how do we pay for major drama? As audiences for current affairs and documentaries wane, how do you save investigative TV journalism?

Can you preserve democracy if your citizenry don't have access to impartial and unbiased news? This is an important question to us Brits, as we believe in the stainless steel grail of impartial television news, bestowed upon the populace, so that if one strays into the hell fire of Fox News, or the hallucinogens of Al Jazeera, or worst of all, the English language version of France 24, there will be an unbiased British public service news to detox' with.

Canada has a proud tradition in factual programming - I think Canada was the first country to be allowed to make documentaries in Communist China - and I would suspect you are going through similar anxieties about how one keeps making this type of programme for shrinking audiences?

The significant local UK twist is the equivalent of C\$6 billion that is the UK tax on TV ownership - known as the television licence fee - put into the media economy via the BBC. You can't understand UK media without acknowledging the BBC.

If I have understood CBC's 2008/9 Annual Report, entitled 'Great Success and Greater Challenges (in the UK, whenever you see the word 'challenge' juxtaposed with 'success', you know you are being dipped in corporate babble - I am sure that can't be true here?)

I believe that CBC broadcasts to 13 million Canadian households and has a revenue of roughly C\$1.8 billion. The BBC broadcasts to 26 million homes, receives an annual licence per home of C\$240, plus commercial activities and other grants, giving it a total revenue equivalent to C\$7.7 billion. The BBC has twice the homes of CBC but is four times richer.

You can add the Canadian Film Board, plus other sources of provincial media aid. In the UK you can add the Government-owned, but advertising supported, Channel Four, plus tax breaks for our small feature film industry: it makes little difference to the direction of these numbers. In the UK we are spending roughly C\$320/350 of public support per UK home, per year, on TV and film, and this excludes the money that goes to the Arts. We do not have a blank media levy, as you do, but there are those in the UK that would love increased public support through an additional levy, as compensation for piracy and diminishing audiences.

Public money is a significant act of intervention in UK media, but this is not a judgment about whether it's good or bad, or socially enhancing, but a statement about the nature of the cash flowing though much of the UK media economy.

I bet there are Canadian content makers who would like similar levels of commitment to the Canadian cultural economy. Be careful of what you wish for, the lesson from the UK, is that when you have that many jobs supported by that much public money you are in a constant debate about institutional preservation, as opposed to encouraging innovation.

The way I think about the UK's public funding of its broadcast economy is that most of us have areas in our lives where we spend disproportionate amounts of money on things we love. It might be fishing, or stamp collecting, or fashion. We call them

hobbies and - like people - every country should have a hobby, in the UK it's our public broadcasting system.

But an aside - in the UK we were the number three creator of video games in the world, now number 4, heading for number 5 - you Canadians beat us out of the number three slot, I believed unfairly, as you issued assorted forms of closet state aid to boost your games industry, i.e. tax breaks and pay incentives. However while writing this talk and looking at the UK's public broadcasting, not as culture but as interventionist cash, I felt my moral high ground on the games issue wobbling.

In the UK public broadcasting is our hobby; we see our own hobbies as harmless, gentle pastimes. Collecting stamps is an engaging diversion. "I have forcibly evicted my neighbour to get his house to store my stamp collection" could be deemed a tad compulsive, but the thing about hobbies is that if you had run out of storage room for your stamps that would seem a perfectly reasonable thing to do. We are seldom aware when our pastime has strayed into obsession and is diverting us from what we should be doing.

Hobbies, like alcohol, are OK in moderation, but you can get obsessive and addicted. There are those in Britain who wonder what else we could do if we were not so consumed with our hobby of public service broadcasting. Maybe we should join a 12-step programme to help with PSB addiction?

"Good evening, my name is Great Britain, I am a public broadcasting-oholic. It's been a week of bad craving, wanting just one more public news service, but then I realise there is no such thing as social public broadcasting. It always starts as a little local financed news service, and by next morning I am on a global satellite news binge."

As a UK citizen I would be reassured if we were putting more of our TV tax/licence money, into a wider portfolio of new media investments, not least games.

That said, the BBC provides UK citizens with their most viewed television, across four national TV channels; the most listened to radio, on 8 national channels; dozens of regional variants, and websites. It funds orchestras and writers, and pushes broadband connection with their catch up service iPlayer. It gives an outlet for politicians and, most of all, generates a wide range of cultural reference points that contribute to our national identity. Opinion polls show it's popular, there is little resentment about paying the licence fee, and it's going through a golden age with great programmes - especially documentaries - which are unlikely to be made by others.

But the BBC's glory rests on the dictatorial philosophy that you 'can't trust the public to know what's good for them.' This is not necessarily the BBC's position, but part of a political consensus that has evolved over the years, where the UK voter is given little say. I would freely pay the BBC C\$240 a year. The sadness is I am not trusted to vote for them with my cash.

In an era of monolithic broadcasting supply, compulsion was understandable, but compulsion is hard to maintain when you exist in a world of increasing choice.

Imagine walking into Indigo, or Barnes and Noble and once past the door were not allowed to move into the building until you paid a compulsory C\$240, and in return were made to take a stack of books - some wonderful, some desirable, and many of no interest at all - and only after you had paid this entrance fee, were you allowed to move into the rest of the shop to purchase what you will.

This is analogous to how the UK licence fee works in a free market of AV product. I believe that compulsory licence fees and culture taxes go against the trend, that it's hard to maintain the dictate of provision against a wave of democratization. But as you will hear, in this rising sea of information you might yet feel there is a need to preserve national culture and identity through tax.

Why has he inflicted all this on us? Because this is not a debate about a British institution, it's about traditional analogue suppliers and you have plenty of them here: they are all variants on the issue of dictated supply. For the purposes of this talk the BBC becomes a metaphor for all of us raised in the limited supply of the analogue world. The question at the heart of this, becomes what is a BBC, or PBS, or CBC, or an NHK in a post-broadcast world? By comparison with the fecundity of digital, all legacy analogue suppliers look like - if not monopolies, then oligopolies, and oligopolies rest on the collective dictate of a fettered market.

How can we guarantee the creation of all that music, drama and documentaries that our generation loved, if the compulsion is removed? .... Maybe we can't.

Now 'digital' has become another one of those babble words: it's just three enervated syllables, describing rebased economics. Rebased economics means no barriers, no boundaries, and no borders.

The broadcast media world we knew was based on those three 'b's'. With those barriers gone there is little scarcity in a recording, and we were all in the scarce recording business. How do we preserve what we know, what we are comfortable with, if dictated culture is removed, once the boundaries are down?

Now It's a truism to say there is no geography in a net world, but if there is no geography, who are you? And with that we come to a major routine in the software of our brains. It's identity: the deep, tribal, 'are you one of us or one of them' question? We humans are economic units, hard wired for scale - the scale conferred by family, tribe, and nation; the scale conferred by religion, ideology, and community; the scale driven by identity.

Wikipedia tell me that the leitmotiv of CBC has been its role in maintaining Canadian identity. This was easier when we thought geography defined our identity, in this era national identity is a set of shared cultural references.

What differentiates Canadians from Puerto Ricans, or the English from the Scots is no longer geography but cultural references. It always was, but now national identity is shared cultural references stored in binary code available anywhere.

True, this shared set of references may have a cluster bias to specific geographic nodes, like Blue Jays fans in Toronto; but if you live in a house in Ulam Bator, and

courtesy of broadband and home delivery you have never ventured out of the house, only consumed Last Mountain Saskatoon Berry Jam, Canadian Club and maple syrup; your only media is Canadian publications, Canadian Radio, Canadian TV, and sports, you absorb Canadian political debate - when it's not prorogued - and endless listening to Bryan Adams, k. d. lang, and Leonard Cohen - who induces a slight melancholia that can only be cured by visiting newfiejokes.net - are you a Canadian or a Mongolian? A Canadian of course: sure there is more to being Canadian than just those references, but you can have as many Canadian references as you like, anywhere.

That's why the net is so threatening to those poor Mongolian Parents in Ulam Bator who are bemoaning, "Oh Chengis, you can't build a yurt, ride a horse and recite the secret history of our people. All we hear is, Alexandre Bilodeau , and could we send a yak to Maelle Ricker and what about those Senators fighting with sticks for Mr. Stanley's beaker?"

Anyone with even a cursory knowledge of Quebec, or Northern Ireland, or the Basques knows you brush with identity at your peril. Underneath the calm reason of our media debate is this identity issue seeping, odourless, like radon accumulating in a basement.

I mentioned earlier how an increased supply of media has fragmented audiences for traditional broadcasters. Likewise, the web means a horde of references that fragment notions of national identity. That's fine if you believe travel - albeit broadband - broadens the mind; not so fine if you believe that it 'slutifies' your society and mocks your deity. Here lies fear, as we all have borders, boundaries and barriers we wish to preserve.

Where once allegiance to territory meant allegiance to community, we are now caught in a gap where allegiance to territory and allegiance to community are increasingly different things. Al Qaeda is an example of those who use the web to work for a triumph of community over loyalty to their respective states. This is not new: major religions have always been about a community that transcends territoriality, and history is full of martyrs, whose allegiance to religious community trumped their allegiance to state. It's in these issues of allegiance to cultural references that there is reason to be afraid 'cause here lie the identity wars of the net world.

Luther disrupted Europe with a community over geography concept, armed with merely a printing press. What could be wrought now? What happens when an irresistible homogeneous force meets an immovable cultural reference?

In this era 'country first' politics get hazy. For example, I have a good Canadian friend: we have been corresponding for over 45 years and he argues for preserving Canadian jobs for Canadians, but in a world where community trumps geography does this include my cultural Canadian in Ulam Bator?

In the UK public broadcasting policy is concerned with historic geography issues and is yet to focus on the trend towards community.

So if national identity is important to you, you may well argue for more state-funded media as a cultural reference generator to reinforce notions of identity, more money for public service content and for broadband distribution systems to carry it. At the very least you may realize that in this geography free world the title 'UK Digital Economy Bill' is a tad oxymoronic, as every act of digitization erodes borders and fragments notions of what it is to be British.

So to quote the website: 'The Digital Economy Bill sets out Government plans to ensure the UK is at the leading edge of the global digital economy.' Now you didn't need me to fly here to tell you to go to the website. My role is to provide you with the most important philosophical tool since Plato invented the cave.

It's called the Dude-0-meter. If the word 'dude' sticks, if it bonds to a sentence like superglued Lego then you know you have entered a *fifth dimension where language no longer conveys meaning, an area which we call the Banality Zone*. 'Dude' does not stick to the artfully wrought, 'to suffer the slings and arrows of outrageous fortune dude,' does not resonate. 'I could drink a case of you'..dude', and dude quails before the art. The problem with the internet is that it's so huge that descriptors wither and language slithers into banality. See what happens when you add 'dude' to any well-known phrase, or saying about the internet. "Whoa the internet it's like the biggest thing since the printing press dude." Yup, sticks nicely! The Dude-O-meter is just a test for the blindingly obvious, and shows where thought has shrivelled before the enormity of the subject, 'the net it's too big Dude' and this is why 'dude' sticks nicely to many Government exhortations about the net. I.e. the UK's new Bill, with its gotta be 'at the leading edge of the global digital economy' dude'.

This UK Bill came from The Digital Britain Report: This wanted *Upgrading and modernizing of our digital networks*. It had a vision of guaranteeing a universal 2mb for all, knowing that if we could manage that, most speeds would be higher. This would be paid for by a household telephone line tax, but this didn't make it into the Bill.

The bill does call for; *a dynamic investment climate for UK digital content*, (this so deserves a 'dude'): This is the perennial how do we create a silicon valley in the UK? That's hard, as Silicon Valley wasn't created by command, it grew.

*UK content for UK users: content of quality and scale that serves the interests, experiences and needs of all UK citizens; in particular impartial news, comment and analysis.*

I think in Canada you too are concerned about local news and have introduced measures to sustain it. In the UK we are considering IFNC's Independently Financed News Consortia, an attempt to use public money in partnership with private entities to sustain regional TV news, which can no longer be sustained. This is brave, and every time I hear the phrase IFNC, I hear the mournful tune of Lady Franklin's lament. "*I dreamed a dream and I thought it true Concerning Franklin and his gallant crew.*" You all know how that ends! See what I mean about addicted to PSB?

*Fairness and access for all: universal availability coupled with the skills and digital literacy to enable near-universal participation in the digital economy and digital*

*society.*

How do we get every citizen to be a digital participant? A laudable aim, but it's amazing how much we have done for ourselves without government.

This is the 'digital divide' issue, the 'who has access to the on ramp of the information super highway', as we used to say back in the 90s. This is to recast information politics into early 20th century industrial politics. There is no such thing as the digital divide. As there was no such thing as a refrigerator divide, or TV set divide, or telephone divide. All tech' worth having gets adopted fast, and gets cheap fast. Computers cost less than TV sets back when we achieved 95% penetration of TV sets, and everyone will soon have an iPhone. 'Digital divide' is a phrase used by politicians struggling to find their relevance to the debate, and 'digital divide' is babble for the real issue, poverty.

*How do we reduce piracy?* The Bill introduces obligations on ISPs – to send notifications to subscribers infringing copyright, and make this data available to rights holders on an anonymised basis. This would allow the rights holder to apply for a court order for the name and address of infringers, and to take legal action. This is pretty controversial among the ISPs who don't want to be policemen. In addition, the regulator Ofcom could be asked to draw up a code for these offences that could include bandwidth capping.

The Bill provides a flexible approach for online copyright issues. This allows the Minister to amend the UK Copyright Act for the purpose of preventing online copyright infringement. This is known as the Henry VIII clause, as it's pure power for the Minister to wield, it's like the magical sword the bad sorcerer has in a fantasy novel. If you could have a smite-tastic sword like this in World of Warcraft, you would pay anything for it!

Some say the UK Government has been over-lobbied by the legacy recording industries - particularly music - To quote one MP close to the process, "I have never dined so well as I have in the last few months working on this Bill." It's easy to forget that copyright is a compact between society and creator, not just a law for the 'Majors'.

I am reluctant to say more on this Bill, as an election is looming and how much of it will survive - if any - is a moot.

So as you leave the room, being a genteel and discerning audience you will ask what the hell was that all about?

Well; institutional public service broadcasting has moved from living to hobby, and in the old adage it's not wise to let your hobbies become your living.

You can't have audience fragmentation without cultural fragmentation. Thus the Internet redefines identity, and identity issues are disruptive. Tish and piffle you say as the reality of where one's feet are, trumps the realities of a screen. The trend is ever rising levels of information, and every time bandwidth increases so does our level of engagement. Print, movie, TV, video game, modern 3D, look back over 20 years of video game development and you can see the trajectory, where the only difference

between reality and a game is the level of information.

Regulation is a synonym for border, barrier, and boundary conditions, what is regulation if these are rebased? How do you avoid preservation regulation that props up the old and inhibits the new? Good regulation in this world will be bottom up not top down, by that I mean internet regulation must be like Asimov's laws of robotics, three laws from which consequences, and boundaries grow. Internet regulation will be recursive, fractal, coral like accumulating into protective reefs.

A final thought. I admit to being unhampered by knowledge about Canada but there seems to me a resilient sense of Canadian identity. I believe this strongly because when I was a 14 year old walking the autumnal parks of London, my Canadian friend George, used to hit me whenever I accidentally trod on a maple leaf.

I believe that the countries and companies that do well are those with the right culture for the circumstances; because, or in spite of, the cultural zephyrs from the US, France, and Britain you have been inured in the 'who are we question', from the beginning, and this may give Canada exactly the right cultural DNA for this era.

We were raised in an era of institutional depth, held together by vertical integration, and now we are in an era of fragmented breadth, held together by search. But it's only tech, and there is nothing new in any of this, it's merely the form it takes. Every generation feels threatened by the newly invented bandwidth it wasn't raised with, and cries get your nose out of that book, that picture palace, that comic, that television, that video game, yet some how we always seem to manage.