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25-Sep-2006

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DIRECTORATE FOR SCIENCE, TECHNOLOGY AND INDUSTRY
COMMITTEE FOR INFORMATION, COMPUTER AND COMMUNICATIONS POLICY

Cancels & replaces the same document of 13 September 2006

Working Party on Communication Infrastructures and Services Policy
Working Party on the Information Economy

OECD BIAC WPIE-CISP WORKSHOP
ONLINE AUDIOVISUAL SERVICES, FILM & VIDEO:
ISSUES FOR ACHIEVING GROWTH & POLICY OBJECTIVES

To be held on 29 September 2006 at the CBI headquarters, Centre Point, 103 New Oxford Street, London WC1A 1DU

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**ONLINE AUDIOVISUAL SERVICES, FILM & VIDEO:
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29 September 2006

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Centre Point, 103 New Oxford Street
London WC1A 1DU

The ICCP Committee's Programme of Work contains a proposal for research and analysis of online film and video as well as on communications convergence. For business, the content-rich, audio-visual services becoming available on high bandwidth (including wireless) networks are vital for building and maintaining international competitiveness. This involves creation and upgrading of these networks and the diffusion of new, higher value goods and services incorporating increasing amounts of quality audiovisual content. Content creators are also increasing their investments in non-linear content - content that more fully utilises the potential of networks than standard linear video. If both the infrastructure and content industries collectively overcome the formidable challenges involved they will create a value chain that enables a broad range of businesses to develop closer, more interactive "communities of interest" with their online customers, with positive effects on broadband uptake, growth and employment.

However, it is still unclear how these new services will develop on de-centralised, dynamic and interactive global online platforms that are radically different from established more linear distribution media. Policy and regulatory responses, where appropriate and necessary, need to change to reflect the new forms of video distribution, the changes affecting spectrum scarcity and the nature of competition in the video distribution market. They could review how traditional business and policy approaches may be challenged by innovative audiovisual service development and delivery. Within this context, OECD analysis would be helpful if it could generally identify and illuminate the following topic areas:

- The economic and operational conditions that underpin established and new media growth within new service areas.
- The existence of policies that foster or impede growth in audiovisual services in emerging converged and inter-connected, high bandwidth Internet (IP) based environments.
- The range of regulatory and technological tools (including the contribution of off- and online self and co-regulation) available in a digital world, and their benefits and drawbacks to the achievement of social and economic policy goals in an online audiovisual environment.

The aim of this workshop is to identify and scope the main issues involved in research and analysis of these topic areas.

PROGRAMME

- 9.00** **Welcome Speech:**
Jeremy Beale, Head of e-Business Group, CBI
- 9.05** **Keynote Speech:**
“Competing in the global marketplace: the role of new media”
Mr. Olivier Fleurot, Senior Advisor to the Chief Executive, Pearson
- 9.20 – 10.45** **Morning Plenary Session**

“Value Chains and Business Models: Services’ Supply, Demand and Financing

Analysis of service, supply and demand could usefully be structured around distinct activities along the value chain (content creation, distribution, delivery and use). In addition, it will be important to consider ways in which overlaps and connections between these activities (eg. consumers – traditionally users - becoming involved in content creation and distribution) result from developing technological capabilities and might impact on supply and demand capabilities:

Questions for Discussion

- How do the new value chains differ from the traditional vertically integrated models? What impact does the changing nature of technology and consumer engagement with the audiovisual industry have on the existence of bottlenecks in the value chain? Will reduced entry barriers erode market power, increase actual and potential competition and therefore reduce the need for regulatory intervention?
- To what extent do different delivery mechanisms (wire-based and wireless) and interactive technologies (IPTV, streaming, etc.) impact on content supply, audiovisual service capabilities and possible business models?
- What new forms of revenue generation can be associated with emerging forms of content creation, distribution and interactive activities? Are they replacing or complementing existing business models? In particular, how do innovative marketing practices (broadcast, viral, communities of interest) for different audiences (mass-consumer products vis-à-vis high-value targeted products) impact spending and revenue streams (e.g. in-house vis-à-vis third party)?

Moderator: Richard Simpson, Director-General of Electronic Commerce, *Industry Canada*

Panelists (10 minute presentations each):

Neville Manuel, Director, Strategy and Business Development, *BT Vision*
Casey Harwood, Senior Vice-President Digital Media, *Turner Broadcasting*
Olivier Fleurot, Senior Advisor to the Chief Executive, *Pearson* (Discussion only)
Staffan Jonson, Head of Section Division for Technology, Research and Development, *Ministry of Industry, Employment and Communications, Sweden*
Midum Kim, *Korea Information Industry Promotion Agency (KIPA), Korea*

10.50 - 11.15 ***Coffee***

11.15 – 13.00 Break-out Sessions:

1. Creation and competition	2. Financing and revenue generation	3. Supply and demand
<p>Moderator:</p> <p>Richard Allan, Head of UK Government Relations, <i>Cisco</i></p> <p>How can or do increases in bandwidth and interactivity lower entry barriers along supply chains and stimulate innovation and change how content is created, aggregated and distributed?</p> <p>How are new and emerging delivery platforms changing the creation and delivery of different types of audiovisual content and services? Are there particular obstacles to development of new platforms?</p>	<p>Co-Moderators:</p> <p>Benjamin Bejbaum, Co-Founder, <i>Dailymotion.com</i></p> <p>Stuart Maister, Managing Director, Broadview Communications</p> <p>How can advertisers, producers and corporate developers of content extract value and increase exposure as the “long tail” of content is made available to consumers and businesses in place of mass-market formats? What are the alternative ways of financing rich media content for all of these audiences?</p>	<p>Co-Moderators:</p> <p>Domenico Dimartino, Director International Regulatory Affairs, <i>Telecom Italia</i></p> <p>Kristen Fenney, New Media Division, <i>20th Century Fox</i></p> <p>How can service providers meet the demands of the empowered user in the online environment?</p> <p>What consumer and corporate demand characteristics are necessary to enable sustainable growth of new media services?</p> <p>In what ways can new value chains and business models stimulate new levels and types of consumer and corporate demand?</p>

13.00 – 14.00 Lunch hosted by the CBI

14.00 – 15.30 Afternoon Plenary Session***“Regulatory and Policy Challenges”***

Analysis of how we best accommodate the new developments in content creation through regulatory change while ensuring that essential public policy goals are maintained could usefully support evaluation of the efficacy of regulatory, co- and self-regulatory models. Furthermore, analysis could usefully be done of how new technological tools and forms of online market analysis, segmentation could contribute to improved policy awareness and education campaigns and the contributions of private and public sector actors at different points along the supply chain:

How can competition be enhanced in video development and distribution markets while ensuring that public goals are achieved? Are there limits to the ability of market-based solutions to replace existing regulatory frameworks?

To what extent can market forces, including the changing role of end-consumers, stimulate the growth of new media local content production - in particular amongst small and medium-sized independent producers - and what policy and/or regulatory changes are required to accommodate this? What steps (if any) need to be taken to ensure that programme diversity increases with increased channel capacity and competition among platforms? How can local content be fostered?

In what ways do we expect the technological and consumer demand changes to erode existing bottlenecks in the value chain? What is the scope for new bottlenecks to emerge, how persistent will they be and what will be the most appropriate policy approach in each case? Will movies and sport continue to play a key role in driving demand or will new forms of reality TV, gaming or user generated content provide greater competition? What role do interconnection issues play in the context of facilitating consumer access and content portability across emerging meshed IP networks? What changes, if any, are required to facilitate inter-industry cooperation in this rapidly evolving area?

To what extent can greater self-regulation develop and what obstacles are existing regulatory frameworks imposing on new growth and development of content industries? To what extent can self and co-regulatory models meet new regulatory challenges in areas of consumer protection? How can Governments better understand the needs, interests and requirements of consumers for audiovisual services (according to consumers habits, age, sex, race) such that spillover effects can be created for public online services offered to citizens? What are the tools that can protect the rights and interests of all those involved in the value chain?

Moderator: Dietmar Plesse, Senior Executive Officer, *Federal Ministry of Economics and Technology, Germany*

Panelists (10 minute presentations each):

Campbell Cowie, Director Public Policy, *Time Warner*

Mike Short, VP Research and Development, *O2*

Gianpaolo Scacco, Audiovisual and Media Policies Unit, External Policy, *European Commission*

Chris Bone, Head of International Broadcasting Policy, *Department of Culture, Media and Sport, UK*

Michelle Childs, Head of European Affairs, *Consumer Project on Technology*

Dennis Weller, Chief Economist, *Verizon*

15.30 – 16.00 Coffee

16.00 – 17.30: Break-out Sessions

1. Business innovation and content production	2. Competition and entry barriers	3. Consumer experiences, DRMs, self and co-regulation
<p>Co-Moderators:</p> <p>Stuart Collingwood, VP Europe, <i>Sling Media</i></p> <p>Richard Simpson, Director-General Electronic Commerce, <i>Industry Canada</i></p> <p>To what extent and in what ways does the development of geographically and technologically decentralised online service provision undermine the feasibility of traditional regulatory approaches, and obviate the need for them?</p> <p>To what extent can consumer choice and content creation stimulate the growth of new media local content production and create new opportunities and distribution channels for film/video industries?</p>	<p>Co-Moderators:</p> <p>Business: (tbc)</p> <p>Christina Speck, Department of Commerce, <i>United States</i></p> <p>What are the conditions of entry and effective competition at intermediary levels needed to sustain new distribution service models?</p> <p>What is the impact of reduced entry barriers at the intermediary stages in the supply chain on competition in both upstream and downstream markets, particularly for small producers?</p>	<p>Co-Moderators:</p> <p>Sabine Frank, Managing Director, <i>FSM</i></p> <p>Peter Bourton, Senior Policy Executive, <i>OFCOM, United Kingdom</i></p> <p>What approaches to creating a safe user environment can Internet service providers, software companies and creative industries effectively pursue, given their different positions along the supply chain?</p> <p>What tools (navigational, filtering and controlling) are necessary for effective consumer-empowerment, and industry co- and self-regulation, and how should regulators develop awareness and education programmes that complement and are supported by such tools?</p>

17.30 – 18.00: Plenary Wrap-up Session

Moderators: Graham Vickery, OECD Secretariat OECD ICCP WPIE
Dimitri Ypsilanti, OECD ICCP CISP

Moderators of parallel break out sessions will report on their discussions. Followed by questions and general discussion with the audience.

25/09/2006

Workshop on "Online film and video: issues for achieving growth and policy objectives"

Friday, 29 September 2006, London, UK

CBI headquarters
Centre Point
103 New Oxford Street
London WC1A 1DU

REGISTRATION FORM

Please complete and return to the BIAC Secretariat

Fax: +33 1 42 88 78 38 • E-mail: mazier@biac.org

- I will attend: YES [] NO []
- I wish to participate in the following break-out session discussions (please choose one for morning/afternoon):

Morning Session on "Value Chains and Business Models: Services' Supply, Demand and Financing"

- | | | |
|-------------------------------------|----------------------------------|---------------------------------|
| 1. Creation and competition | YES [<input type="checkbox"/>] | NO [<input type="checkbox"/>] |
| 2. Financing and revenue generation | YES [<input type="checkbox"/>] | NO [<input type="checkbox"/>] |
| 3. Supply and demand | YES [<input type="checkbox"/>] | NO [<input type="checkbox"/>] |

Afternoon Session on "Regulatory and Policy Challenges"

- | | | |
|---|----------------------------------|---------------------------------|
| 1. Business innovation and content production | YES [<input type="checkbox"/>] | NO [<input type="checkbox"/>] |
| 2. Competition and entry barriers | YES [<input type="checkbox"/>] | NO [<input type="checkbox"/>] |
| 3. Consumer experiences, DRMs, self and co-regulation | YES [<input type="checkbox"/>] | NO [<input type="checkbox"/>] |

First Name:

Last Name:

Title/Position:

Organisation:

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Please indicate, if known, your hotel in London: