

26th May, 2009

Mr. Joe Meleady
Broadcasting Policy Division
Dept of Communications, Energy and Natural Resources
29-31 Adelaide Road,
Dublin 2.

Dear Mr. Meleady,

Thank you for your letter of April 17th inviting our comments and observations regarding the Broadcasting Acts and Order 2003. As Ireland's only dedicated sports broadcaster we welcome the opportunity to contribute.

Before coming onto the matter of specific sporting events and the sporting federations that own those rights, it is worth commenting on what constitutes a 'qualifying broadcaster'. The broadcasting landscape in Ireland has changed since 2003 with many new channels on differing platforms in Ireland. Some of these are overseas channels but there are many new channels with Irish advertising opt outs and some new indigenous channels such as Setanta Ireland. Can these channels be considered as 'qualifying channels'? Some commentators would suggest this not to be the case and that the only qualifying channels should be what are commonly known as the 'terrestrial' channels, RTE 1, RTE 2, TV3 and TG4. The given reason for this is that these channels are 'free' to air in the absolute majority of Irish households. However this is not the case. There are approximately 1.1 million households in the Republic of Ireland who pay to have these channels as part of their Sky and chorus ntl. This is an incremental payment to their TV licence. They do not receive these channels for free. If RTE 1 and 2 were to make their channels available free to air on Satellite, this would reduce the figure to approximately 500,000 homes. It is our understanding that the spirit of the original Act was to ensure the widest distribution of these events and we feel that what constitutes a qualifying broadcaster needs to be revisited.

In relation to specific events and the sporting associations and federations that own those rights, there is more at stake than simply attempting to ensure that these events are broadcast on terrestrial television. We would urge the minister and the department to ensure that those federations are not financially damaged or restricted by having to make their premier events available to the terrestrials. It is our experience over many years of acquiring sports rights that this inevitably lowers the TV rights fees that the federations can command. This in turn reduces the amount of funding that sports federations can plough back into the various layers of their organisations. In the long term this shortfall in investment could damage the sports appeal and in many cases reduce their teams' competitiveness on the world stage. This would have the effect of diminishing the societal value of these events in the long run which is the very opposite of what the original act intended to do.

In many cases that healthy competition between broadcasters has had the effect of boosting the coffers of sports federations. This has allowed them to increase funding at grass roots level and the benefits of this can be seen at both a national level and on the international stage. For example Ireland's recent successes in rugby can be partly attributable to the increased funding coming on the back of broadcasters contributions. This success will breed more competition for the rights and hopefully more success for the teams. There are many examples of this happening

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overseas. In the UK the success of the English teams in Europe stems from the TV money that has been put into the game. If the English Premier League was to be listed as a designated event, the TV contributions would be reduced to a fraction of what they currently are and success on the international stage would soon dry up.

Another consideration is the amount of coverage that dedicated sports broadcasters can bring to sporting federations. General entertainment terrestrial channels are restricted in the amount of time they can allocate to sports coverage.

As sports broadcasters and sports fans we appreciate that there needs to be a balance between sports events that are truly of cultural significance and other events or leagues which may receive increased exposure in the short term but less funding in the long run. We would be happy to meet with the Minister or any representatives from the department to further discuss the above points and to demonstrate how Setanta could play a role in ensuring that a balance is maintained.

Once again thank you for asking us to contribute.

Yours sincerely,



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Cc Niall Cogley

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