

COVID-19: COMMERCIAL TELEVISION PLAYS ITS ROLE IN BRINGING PEOPLE TOGETHER DURING THE COVID CRISIS AND CALLS FOR STRONG MEASURES TO SECURE THE SUSTAINABILITY OF THE SECTOR

BRUSSELS, 16 APRIL 2020. The Association of Commercial Television in Europe (ACT) expresses its support and solidarity to all those in the European Audiovisual sector and beyond who are mobilised to face the current crisis.

As European broadcasters, we are continually looking for ways to support the communities we serve; providing accurate and trusted news and information, bringing people together and delivering quality entertainment. It is in times of deep national and international crisis that the unique qualities of broadcasting are most needed. Our members are each taking actions to support their own national audiences, including prioritising news and public health information, broadcasting official recommendations and donation requests, offering additional contents to their subscribers or lowering subscription costs, carrying out technical operations to prevent network congestion... Regrettably, the role of media as providers of trustworthy reporting on Covid is continuously challenged online. The crisis has once again demonstrated the clear need for regulation of the internet where disinformation, conspiracy and fear campaigns have flourished, threatening to drown out quality news and information.

We face the current crisis in the context of challenges impacting the entire AV value chain. Broadcasters across Europe are not an exception. While TV viewership is experiencing a significant increase as viewers turn to trusted media and entertainment, free-to-air and pay TV players are facing a dramatic drop in advertising revenues (in some markets up to 80% for the month of April) and/or major disruptions in their programming due to the lack of availability of live sports events and delays in delivery of new contents. Further, the production of all types of programmes is on hold, with some unlikely to resume or facing major financial consequences. This impact will increase as confinement measures are extended and the repercussions will be felt long after the confinement measures end.

In the short term, ACT calls on the European Commission to demonstrate flexibility in the application of state aid rules; in particular recognising the need for Member States to help their own national broadcasters withstand a major drop in revenue. Such measures should include tax credits for advertising investments, a direct stimulus to the entire economy via the promotion of products and services during the recovery.

In addition, the European Commission can directly help, by extending and reorienting the Media Programme to ensure better access for operators most suited to restart productions across Europe. Broadcasters will also struggle to meet the strict and broad financial and content commitments they would perform in normal circumstances. In this regard, the crisis will only aggravate the lack of a level playing field with the digital sphere. The European Commission in close cooperation with the European Regulators Group for Audiovisual Media Services, should thus develop guidance to enact leniency (such as standstill periods for quota obligations) and liberalisation measures to ensure Broadcasters can rebound from the crisis.

While these measures may provide temporary relief, they will not be enough to ensure the long-term sustainability of European broadcasting which was already under threat pre-Covid from largely unfair market conditions in the digital environment. The European Commission, by way of the Digital Services Act, the AV Action Plan and the Democracy Action Plan, has the means to bring structural changes to the digital environment. This means:

- pro-competitive structural changes to deliver a level playing field and fair competition in the digital sphere, ensuring notably that broadcasters have fair access to the data they generate whilst enabling the vast revenues generated by digital advertising to be redirected to Europe's creative ecosystem;
- liability rules that ensure Europe's creative industries' rights are upheld online, its creations properly protected and valued, and online disinformation properly tackled and sanctioned;
- liberalisation measures to allow Broadcasters to continue playing their essential role as defenders of cultural diversity, media pluralism and investors in high quality local and national news and jobs.

ACT stands ready to work with European policy-makers and regulators to ensure we adequately assess and respond to the immediate and long-term challenges thereby ensuring the sustainability of this vital national and international resource.

ABOUT THE ASSOCIATION OF COMMERCIAL TELEVISION IN EUROPE (ACT)

The Association of Commercial Television in Europe represents the interests of 29 leading commercial broadcasters across Europe. The ACT member companies finance, produce, promote and distribute content and services benefiting millions of Europeans across all platforms. At ACT we believe that the healthy and sustainable commercial broadcasting sector has an important role to play in the European economy, society and culture.



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