



ÚDARÁS
CRAOLACHÁIN
NA hÉIREANN

BROADCASTING
AUTHORITY
OF IRELAND

Broadcasting Services Strategy

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1. Foreword

The broadcasting sector in Ireland may sometimes appear like a small boat adrift in an unsettled ocean, such have been the global challenges in recent years. However, the wise sailor knows that in a tempest one must first find a fixed point to navigate by. That is the ultimate purpose of a Broadcasting Services Strategy.

The BAI Strategy Statement for 2017-19 committed the Authority to *'develop and implement a revised Broadcasting Services Strategy that continues to facilitate dynamic licensing policies and plans, and promotes quality programming in the Irish language'*. This BSS document delivers on that commitment.

The first BSS, which was published in March 2012, anticipated change and evolution in the media landscape. However, the degree of the change since then has been significant and, in particular, the pace of change accelerated exponentially and continues to do so. The broadcasting environment is now one of significant disruption and challenge. In preparing this revised BSS, the BAI was mindful of this environment, the legislative requirements and key economic, regulatory and technological factors.

This new BSS has been informed by extensive public consultation including a focussed stakeholder event. We are grateful to all those who participated or who made submissions. It has also been informed by an independent assessment of the broadcasting landscape which was undertaken on our behalf by Mediatique and by a survey of viewer and listener attitudes conducted by Kantar Media. The latter revealed a broad satisfaction with the existing range and quality of content available on broadcast media while identifying scope for even more diverse and culturally relevant content.

The BAI envisages an Irish media landscape that reflects and shapes who we are. We believe that the people of Ireland should be served by a vibrant and dynamic broadcasting sector. To this end, the BSS aims to ensure that Irish audiences are served by a diverse range of broadcasting services that are open and pluralistic in nature.

Central to realising this goal is an optimum mix of national, regional, local, community and niche broadcasting services. The strategy has a number of more specific related objectives including facilitating a mix of voices, opinions and sources of news and current affairs; promoting quality programming in Irish language; promoting creativity and innovation throughout the Irish audio-visual sector; and working with stakeholders to achieve greater sustainability

That is the broad framework. It is based on a clear vision and goals. We think that it will facilitate the growth and development of the Irish media landscape in the period ahead.



2. Introduction to the Broadcasting Services Strategy

The Broadcasting Authority of Ireland

The Broadcasting Authority of Ireland (BAI) is the body responsible for the regulation of broadcasting in Ireland. Its functions and responsibilities are set out in the Broadcasting Act 2009 (“the 2009 Act”). Section 26 (1)(a) of the 2009 Act requires the BAI to “*prepare a strategy for the provision of broadcasting services in the State in addition to those provided by RTÉ, TG4, the Houses of the Oireachtas and the Irish Film Channel (not yet established)*”.

Authority’s Strategy Statement

The first BSS, which was published in March 2012, anticipated change and evolution in the media landscape. However, the degree of the change since then has been significant and, in particular, the pace of change accelerated exponentially and continues to do so. The broadcasting environment is now one of significant disruption and challenge.

The BAI was cognisant of this continuous change and the ongoing structural and financial challenges facing the broadcasting sector when devising its Strategy Statement 2017 – 2019. A key deliverable further to this statement is to “*develop and implement a revised Broadcasting Services Strategy that continues to facilitate dynamic licensing policies and plans and promotes quality programming in the Irish language*”. The BSS is consistent with, and reflects, the mission, vision, values and strategic goals of the BAI as set out in this Strategy Statement.

The BSS provides the framework for the formulation of licensing plans and associated licensing activities by the BAI. It is one of the key means by which the Authority fulfils many of its statutory objectives and, in particular, its key statutory objective of endeavouring to ensure that the number and categories of broadcasting services in the State best serve the needs of the people of the island of Ireland, bearing in mind their languages and traditions and their religious, ethical and cultural diversity. It also supports the provision of open and pluralistic broadcasting services in Ireland.

Broadcast Environment

To support an informed and responsive revised BSS, the BAI commissioned an independent expert assessment of the broadcasting landscape. This included consideration of current trends and likely drivers of change nationally and internationally; potential for new services and models; sustainability of revenues; the needs and preferences of the audience; consumer behaviour; platform and distribution developments; and, the regulatory framework. The research report published is entitled ‘*A report on market structure, dynamics and developments in Irish media*’. This research report was supported by audience research conducted by Kantar Media to identify the main needs and preferences of broadcast viewers and listeners in Ireland. The research was also informed by the BAI’s public call for submissions from parties interested in the provision of new analogue sound broadcasting services on the FM band to add important insight on the potential for new services, which was further interrogated in the course of the research project.

These research and consultation activities have facilitated the BAI to provide a revised BSS that facilitates a framework for the licensing and regulation of the independent broadcasting sector that is cognisant of the current and future challenges facing the sector in a rapidly evolving

media landscape, one that will ensure the continued provision of culturally relevant and diverse content for Irish viewers and listeners.

The research, submissions of interest and the submissions received in response to the public consultation and the feedback garnered at a targeted stakeholder event have greatly informed and shaped the Authority's decisions in respect of the final BSS. This information, excluding personal and/or commercially sensitive information, and other BAI publications and information are available on www.bai.ie.

Broadcast Services

The BAI's intentions for this BSS are to facilitate the long-term sustainability of the independent broadcasting sector, to support and foster plurality and diversity of content for Irish audiences including in the Irish language, and to support innovation and development, now and into the future.

The BSS outlines the BAI's vision for the optimum mix of broadcasting services, which is centrally concerned with the content that is available to Irish audiences. It articulates the policies that will guide the licensing and associated regulatory activities of the BAI to support the achievement of its stated objectives and the commitment of the BAI to being responsive to the ever-changing media landscape. It sets out the principles that the BAI will apply when conducting its statutory functions and regulatory practices over the lifetime of the BSS, in order to facilitate the realisation of that vision.

3. Context for the Broadcasting Services Strategy

There are several influencing factors fundamental to the preparation of the Broadcasting Services Strategy. There is the existing broadcasting environment, including the current mix of services already established and available to Irish audiences, the legislation which underpins the establishment and licensing of broadcasting services in the State, and a range of economic, regulatory and technological factors impacting upon the provision of services. Each of these is discussed in more detail below, informed by the BAI's research findings.

Legislation

The Broadcasting Act 2009 envisages that three principal strands of broadcasting will shape the Irish broadcasting environment – public, commercial and community. From an audience perspective there may be similarities in some of the content delivered by the various broadcasters within these strands, however, each has characteristics or features unique to that strand such as: the way in which they are owned and controlled; the means by which, and the persons to whom, they are accountable; the mechanisms by which they are funded; and, of course, the nature of the content provided. The 2009 Act prescribes specific objects for each of the public service broadcasters¹ and sets out the defining characteristics of community broadcasters².

The role of the BAI is to facilitate and support the continued provision of a range of television and radio services within the three principal strands of broadcasting in order to realise the vision of the statute and to ensure vitality in the mix and range of services available to Irish audiences. This is achieved across the full range of the BAI's statutory functions including, in particular, through the licensing of television and radio services.

The 2009 Act is prescriptive in its requirement of the BAI to develop and implement a licensing plan and in respect of the types of broadcasting contracts into which the Authority may enter as well as the mechanisms for the award of such contracts. The statute also shapes and influences the broadcasting environment through a range of provisions such as media concentration requirements, news and current affairs provision by broadcasting services, etc. Further provisions of the 2009 Act impose a range of advertising and programming regulations, as well as a range of contractual conditions on broadcasters.

Current Landscape

The Irish broadcast media market is mature and competitive. It comprises multiple business models and numerous operators providing a range of both domestic and international audio and video content. It is characterised by evolving consumer behaviour around content consumption, where and when desired, increasing fixed line and mobile connectivity, and growing device take-up, including smartphones, tablets and connected TVs.

It has experienced significant structural and behavioural changes over the last ten years in common with international trends, leading to greater complexity and competition for both the radio and television sectors. These drivers of change can be categorised under four broad

1 Section 114 and Section 118

2 Section 64

headings; technology and connectivity; ownership of connected devices; changes to consumer behaviour; and, changes to corporate strategy.

Technology and Connectivity

The high-level of broadband penetration and increasing download speeds year-on-year are allowing individuals to access internet delivered services which are viable complements to, or substitutes for, traditional broadcast media.

Ownership of Connected Devices

The ownership of traditional radio and TV sets coupled with the ownership of internet connected devices such as smartphones, tablets and smart TVs, is enabling the consumer to have greater control over their engagement with broadcast media (e.g. personal video recorders are now in 59% of Irish homes, allowing viewers to record and store content, and on-demand services are now available to anyone with a broadband connection).

Changes in Consumer Behaviour

Consumers are making greater use of on-demand services and viewing/listening outside the traditional broadcast window, on multiple devices, in and out of the home.

Changes to Corporate Strategy

Content is now packaged in several ways including via multiple outlets across free and pay, subscription and discrete payments (e.g. Virgin Media One and RTÉ on-demand services, Netflix and Amazon now provide over-the-top on-demand access to deep libraries of high quality content).

Current listenership and viewership performance figures reveal that Ireland remains a country strongly attached to broadcast radio and TV: 82% of adults 15+ age in Ireland listen to radio stations every day (JNLR Report, April 2017), while 67.5% of all individuals watch live TV channels everyday (TAM Ireland figures for 2016). The Kantar audience survey revealed an increasingly complex picture of content consumption within a landscape that is still primarily led by broadcast media. There is overall satisfaction with the nature and range of broadcast content provision and the output and performance of Irish broadcasters.

- **Television Broadcasting**

Current Structure

Television services in Ireland include public service, commercial and community stations, provided principally on a national level across a range of platforms, including terrestrial, satellite, cable and IPTV. Public broadcasting television channels are provided by RTÉ and TG4. RTÉ's most popular services include RTÉ 1 and RTÉ 2. TG4 provides a valuable Irish language service to the island of Ireland. Virgin Media Television Limited³ is the only privately-owned terrestrial alternative to the public service television broadcasters and operates four services – Virgin Media One, Virgin Media One+1, Virgin Media Two and Virgin Media Three. RTÉ1, RTÉ2 and Virgin Media One achieve significant viewership amongst Irish audiences.

³ Formally TV3 Television Network Limited.

Irish households are also able to receive the Houses of Oireachtas TV, and a combination of UK and international channels (including BBC, Channel 4 and Sky One) depending on which TV platform/service the household uses.

Since the late 1990s, a small number of additional commercial and community channels have been introduced on cable and satellite systems, providing additional choice to Irish audiences accessing those systems, e.g. eir Sport. There are two community television services, in Dublin and Cork.

Current Dynamics of the TV Landscape

The television sector has experienced major changes over the past five years, with viewers benefiting from greater choice of content, prices and providers, as well as an increasing choice over when and where they can watch video content. This mix of channels and services provides Irish audiences with a wide choice of viewing options (broadcast, catch-up, on-demand) on multiple devices (at home and on the move). This presents challenges for the sustainability of Irish content funding, as international channels can generate income from the Irish market but invest very little in Irish content. This increase in choice also challenges the maintenance of current levels of viewership to Irish channels.

The new players in the Irish TV marketplace offering new forms of online distribution are providing competition for the traditional pay TV providers and free-to-air platforms the most common form of which is subscription video-on-demand (SVOD) services. The largest such provider is Netflix which can now be found in nearly a third of Irish households. Recent entrants to the market are Amazon Instant Video and Now TV. Broadcasters have grown their user bases for video-on-demand services such as Virgin Media player and RTÉ Player.

A significant trend in TV content viewing is the move among younger listeners to alternative devices and formats. However, broadcast television viewed on the TV set dominates total video viewing. There is a decreasing trend in live viewing, with increasing trends in recorded content and on-demand viewing.

Future Dynamics of the TV Landscape

It is predicted that over the coming years the penetration of connectivity and connected devices will increase, in turn continuing to drive consumption of video content on a non-linear basis. Live TV continues to decline in share but at a slower pace, influenced by factors such as late adopting homes and the importance of live sport, news and entertainment. However, live TV will remain the major component of all TV viewing in 2022. Audiences will make greater use of non-TV devices to view TV content. There will be relative stability in the platform market. The key change between now and 2022 will be the continuation of the shift to cheaper pay TV bundles. The level of non-TV homes will increase slowly and 41% of households will have subscription video-on-demand.

The sustainability of the Irish television sector and the maintenance of viewership, balancing audience needs and ensuring culturally relevant content, will be significant priorities.

- **Radio Broadcasting**

Current Structure

At national level, the Irish radio sector now consists principally of seven terrestrial radio services, four provided by RTÉ, and three of which are licensed by the BAI. They provide a mix of speech and music-driven services, as well as Irish language and classical music services. In addition, RTÉ provides a range of specialist services on digital platforms.

Regional radio services primarily target youth audiences, while, at local level, the radio sector consists of a mix of music-led and more broad-based, music and speech services. Community radio services also feature across the country, targeting primarily small geographical communities and communities of interest.

RTÉ's radio services are well established and cater for audiences at a national level with a range of news and current affairs, music and Irish language services, principally serving audiences aged 25 and over.

Regional stations were developed in the South East, South West, North West and Midlands/North East areas and these provide services to younger audiences which are also served by local services in the urban areas of Dublin and Cork. Over the mid-to-late 2000s, a number of niche music services commenced broadcasting, mainly based in Dublin, but with one broadcasting on a multi-city basis. A radio service provided on a quasi-national basis caters for Christian interests.

Community radio is prominent in Ireland and a strong network of stations has developed since the first services were licensed on a pilot basis in 1995. Regulatory policy and more recent statutory developments in this area are regarded as providing a strong underpinning for community radio in comparison with other European jurisdictions. The most important dimension of community radio services is the involvement of local communities in all aspects of the service.

Up to thirty temporary or special event sound broadcasting contracts are awarded each year by the BAI serving, for example, college festivals, training for students, annual events and pilot community services.

Finally, institutional sound broadcasting services remain a part of the mix of services providing a valuable service to their listeners, particularly those in hospitals.

Current Dynamics of the Radio Landscape

The radio market is mature, with a dominance of analogue FM radio services. It is now facing similar challenges to those of the television sector; a decline in younger listeners and connectivity – streaming, on-demand and downloads. It now operates as part of a wider audio market. There is also a weakness in the value advertisers place on the radio brand.

Radio listening in Ireland continues to be extremely strong (82% reach for Adults 15+ in 2016, JNLR) and is relatively very strong in a European context. In addition to the well-performing portfolio of public service stations, independent commercial operators enjoy widespread popularity at national, regional, and local levels. While overall listening and reach have been

relatively stable since 2010, statistics for the whole population obscure a significant drop in radio consumption by younger listeners. Traditional radio sets (standalone or in-car) are still the dominant devices for listening to radio among all Irish listeners including the younger audience and this reflects the high level of ownership of such devices, the times of the day with the highest listenership and listener habits.

Future Dynamics of the Radio Landscape

Over the next five years, increased connectivity will lead the radio market to become increasingly converged and crowded as more listeners gain access to new forms of audio entertainment. Nevertheless, it is forecast that live radio will remain prominent, with a slight decline in radio listening by 2022 but reach will remain stable. Increased connectivity and device penetration will drive growth in alternative audio formats such as owned music, podcasts/radio catch-up and streaming, with the latter predicted to be the likely source of most growth. The growth of podcasts should be strong in Ireland, particularly given the popularity of talk radio. Irish audiences think highly of Irish radio as evidenced by the Kantar audience survey. The development in podcasts will depend on the major broadcasters who have the capacity to produce and market podcast content, building cross-format brands.

Regulatory Policy and Practice

The 2009 Act prescribes to a great extent the regulatory role of the BAI, including a number of regulatory measures relevant to the BSS. These include, for example: limits imposed on the ownership and control of broadcasting services; the application of the derogation in respect of the statutory 20% news and current affairs requirement on commercial and community radio services; the amount of advertising time available to certain broadcasters; the restrictions imposed under programming and advertising codes; the requirements imposed on applicants for licences, both in the application process and during contract negotiations and the manner in which services are subsequently regulated from a compliance perspective.

The BAI is committed to regulatory policies and practices that are fair and proportionate, that balance the needs of the sector with the needs of the Irish audiences. The BAI will explore and support regulatory developments that could potentially enhance the sustainability, development and creativity of the sector. The BAI is committed to continually reviewing and improving its administrative capabilities and to seeking greater effectiveness and efficiencies in its regulatory practices. This will include faster response times on regulatory engagement and more regular communications with stakeholders.

The BAI commits to reviewing the regulatory environment governing commercial and community radio on the publication of this BSS.

Economic Environment

Sources of Funds

Irish broadcasters are funded in a mix of ways. Public service broadcasters receive public funding to varying degrees and are also commercially active, primarily through on-air advertising activities. RTÉ is required under the 2009 Act to exploit commercial opportunities in the pursuit of its statutory objects, although public funding generally tends to account for between 45% and 55% of its total funding.

A mix of public funding (including a portion of the television licence fee) is the principal means of funding of the Irish language television broadcaster, TG4.

The main source of funding for commercial television and radio broadcasters is advertising revenue, while the community broadcasting sector depends mainly on government grants and volunteer involvement.

A portion of the television licence fee (currently 7%) is made available to a broadcast fund, operated by the BAI and accessible to all broadcasters targeting Irish audiences. The fund is disbursed through a scheme or schemes, including a programming scheme for television and radio programme initiatives and an archiving scheme for the archiving of programme material produced for broadcast on television and radio.

Current and Predicted Economic Dynamics

As in most mature media markets, broadcasting advertising income has been under pressure in Ireland as a result of structural and cyclical challenges. However, the impact of the significant falls in revenue due to the recession that started in 2008, coupled with Ireland's specific characteristics (a small nation sharing a linguistically porous border with much larger markets), has meant that the challenges in the advertising sector specifically, even as the underlying economy improved from 2014, have been peculiarly acute. Since 2007, when TV advertising reached a high of €311m and radio advertising hit €140m, the trend has been downward for both TV and radio advertising over the last ten years. Revenues achieved for 2016 were €240m and €127m for TV and radio, respectively. The market has been further impacted by Brexit and political uncertainty has compounded pressure on advertising revenues for the broadcasting sector. Research forecasts advertising revenues for both radio and TV will be flat at best over the next five years, following a downturn in 2017 continuing in 2018.

Despite the structural changes including the migration to digital platforms and content, both the radio and television sectors perform strongly in listenership and viewership terms. However, the radio sector has not succeeded in achieving a premium brand advertising rate despite its significant listenership. Also, the advertising revenues for radio and television are below pre-recessionary figures. The growth in the preference of advertisers to use digital media is increasing and will further pressurise traditional media revenues. The sector will need to adopt new business models if it is to continue to develop and attract viewers and listeners, particularly younger audiences.

Like other broadcasters in the Irish radio sector, community radio broadcasters face challenges on the economic front, particularly in view of the significant reductions in the level of public funding available to support such services. The representative community radio body, CRAOL, has been highlighting the significant financial challenges facing the community stations. The challenge not only impacts on the operational aspects of the services, but the sustainability and subsequent viability. Accordingly, the challenges are both operational and strategic. The level and availability of grants and other public funding is therefore impacting on the development of existing services, as well as any potential additional community broadcasting services.

Technological Factors

The BAI's role includes the management and planning of spectrum for suitable frequency bands for analogue radio and to plan for the development of Digital Terrestrial Television (DTT) and digital radio platforms. Regarding radio, spectrum continues to be available in most parts of the country to support the development of further analogue FM services. However, spectrum is currently limited regarding such radio services broadcasting to large geographically-spread audiences.

The development of DTT in Ireland has to-date been prevented by the level of costs to establish, and the costs of access to, such platforms. The cost barriers to entry are continually monitored by the BAI to ensure that any opportunity to progress DTT is identified.

The BAI will explore the potential for digital radio with the broadcasting sector over the next few years, cognisant of the impact the evolution of technologies, and the associated increase in devices, is having on listeners' behaviours.

Technological Developments

In common with all territories, the broadcast landscape in Ireland is subject to a set of structural challenges that have led to increasing complexity and competition in the provision of video and audio services. As stated previously, these relate to consumer behaviour, technology and business models. Broadcast viewers are increasingly able to access content from new providers across a range of networks and connected devices. This extends choice in Irish households but adds a degree of complexity to the landscape, not least by aiding the entry of international players to the market.

Traditional providers of media need to continue to evolve their business models. TV broadcasters have launched HD services and broadcast Video-on-Demand (e.g. Virgin Media Player, RTÉ player) and are experimenting with new forms of dynamic advertising, but there will be more pressures to come.

The Platform Market

The TV platform market in Ireland is competitive. It is dominated by the pay TV platform (65% in 2017) with Sky and Virgin being the two largest platforms, with free-to-air satellite and DTT (via Saorview and Freeview) offering free alternatives with fewer channels and less functionality. Internet Protocol TV (IPTV) is also emerging as a competitive alternative mode of TV transmission via eir TV and Vodafone. Recent noted trends are the increase in popularity of free TV options at the expense of pay TV and the 'skinny bundle' options from IPTV providers at the expense of the traditional 'big bundle' pay TV subscriptions.

Pay TV Dynamics

While there is a recent notable growth in household take-up of free TV, the pay TV market is currently protected to a large extent from a significant switch to free-to-air options by a number of factors including the demand for sport, film and entertainment premium content that is only available behind a pay wall and the convenience and ease of use, combined with technological superiority in the form of personal video recorders and video-on-demand access as standard.

Communications services bundling

The convergence of media is evident in the bundling of TV content with broadband, fixed and mobile telephony offerings by the main providers Virgin Media, Sky, eir and Vodafone. The trend is a shift in focus from TV to connectivity (fixed and mobile broadband).

Radio consumption - devices and networks

The majority of radio listening in Ireland continues to take place on traditional sets, both standalone and in the car. In 2016, 92% of households had an FM/AM radio and 90% had an in-car radio, comparing to a DAB radio set penetration of only 20% (JNLR Media and platform report 2016, February 2017). Despite the recent growth in DAB take-up among the population from 10% in 2012 (JNLR Media and platform report 2016, February 2017), it still only accounts for a small proportion of overall listening, partly because 55+ listeners, who are proportionately heavier listeners of radio, are less likely to own DAB sets. Mobile devices (e.g. smartphones, MP3 players) and computers are popular among younger listeners reflecting their growing preference to consume audio on mobile devices. However, despite the relatively widespread ownership of smartphones, overall radio listening on these devices is constrained by mobile data allowances and cost, low uptake of Irish online/app based radio, and pre-existing user habits. That is, most listeners are accustomed to listening through traditional sets, and they are more likely to listen to the radio at times of day when they have access to traditional/car radios.

Despite the significant digital disruption and changes in consumer behaviours, particularly in the younger demographics, the traditional radio and TV broadcasting services will continue to be dominant in the Irish marketplace over the coming years. The sector has proved to be very resilient in Ireland but now needs to evolve to find new ways to prosper in the changing media landscape.

4. BAI's Vision

The ultimate purpose of the Broadcasting Services Strategy is to ensure that Irish audiences are served by a diverse range of broadcasting services that are open and pluralistic in nature. Central to the BAI's vision is choice and diversity for audiences and an expectation that all audiences will be served. It will provide a framework for an Irish media landscape that reflects and shapes who we are.

The vision is encapsulated as follows:

The people of Ireland will be served by a vibrant and dynamic broadcasting sector consisting of a mix of public service, commercial, community and institutional broadcasters, who provide content and programming that caters for and reflects the diversity within Irish Society.

At the core of this optimum mix is a range of national, regional, local and community broadcasting services, complemented by an additional mix of niche services. Such services may be provided by commercial or not-for-profit business models to provide a diverse range of content, including in the Irish language and programming choices to Irish listeners and viewers.

The Broadcasting Services Strategy has a number of specific objectives as follows:

- *To facilitate a mix of voices, opinions and sources of news and current affairs in audio-visual media which enhances democratic debate and active citizenship in Ireland;*
- *To foster a media landscape that is representative of, and accessible to, the diversity of Irish society;*
- *To foster and promote quality programming in the Irish language and to encourage the development of Irish language initiatives across the broadcasting sector;*
- *To encourage creativity and innovation as distinctive features of the Irish audio-visual sector;*
- *To work with stakeholders to support the achievement of greater sustainability for the Irish audio-visual sector; and,*
- *To ensure an increased focus on creativity and innovation across all BAI activities.*

The BAI acknowledges the importance of the current mix of television and radio services that make up the broadcasting landscape in Ireland; the suite of independent commercial, community and institutional broadcasters coupled with the public service broadcasters across both the television and radio broadcasting sectors.

Television

The BAI considers that a national, commercial television service is vital to the achievement of diversity and plurality in the sources and content of news and other programme content available to serve audiences. In this regard, the BAI recognises the important role that public service television channels play in the overall mix.

The specialist digital television services licensed under content provision contracts also add to the diversity of choice for Irish viewers.

The BAI will facilitate and encourage applications from other parties wishing to establish television services on cable, satellite and digital terrestrial television platforms, particularly from community television groups and Irish language groups.

Radio

The BAI considers that national, local and community radio services are essential components of the radio landscape in Ireland, while regional radio fulfils the provision of services to youth audiences at present. The BAI is open to exploring other service types, including niche and Irish language radio services, and the regulatory basis upon which such services might be licensed, developed and sustained.

This broad range of independent television and radio services is vital to the achievement of the BAI's stated mission to promote a plurality of voices, viewpoints, outlets and sources in Irish media and further, to foster diverse and culturally relevant quality content for Irish audiences. The BAI values this landscape and will continue to work in collaboration with the sector to sustain and progress its valuable contribution to Irish audiences.

Broadcast Platforms

Digital Terrestrial Television

The BAI is statutorily obligated to endeavour to arrange for the establishment, maintenance and operation of three national television multiplexes. The BAI has discharged these statutory duties through the operation of a multiplex licensing process in 2008, which was unsuccessful due to the withdrawal of the applicants from commercial discussions. The barriers to entry were significant and continue to be so, as evidenced in the independent review reports on the marketplace commissioned by the BAI (2013 & 2017). The BAI will continue to analyse the marketplace and assess the capacity for the potential to establish such multiplexes.

Digital Radio Broadcasting

The BAI is statutorily empowered to arrange for the establishment, maintenance and operation of sound broadcasting multiplexes. The BAI will explore the opportunities for establishing digital audio broadcasting through consultation and working with the industry, and conducting an analysis of the Irish marketplace and international developments.

5. Realising that Vision

The services, content and platforms that may be licensed by the BAI are framed by Part 6 of the 2009 Act. It sets out a range of broadcasting service, content provision and multiplex contracts that the Authority may enter into, as follows:

- a) Commercial Sound Broadcasting Contracts (section 63)
- b) Community Radio Sound Broadcasting Contracts (section 64)
- c) Temporary and Institutional Sound Broadcasting Contracts (section 68)
- d) A Television Programme Service Contract (section 70)
- e) Content Provision (Television & Sound broadcasting) Contracts (section 71)
- f) Community Content Provision (Television & Sound broadcasting) Contracts (section 72)
- g) Electronic Programme Guide (EPG) Contracts (section 74)
- h) Multiplex Contracts - Digital Terrestrial Television (DTT) (section 131)
- i) Multiplex Contracts - Digital Radio Broadcasting (section 136)

Over the period of this BSS, licensing plans will be developed based on up-to-date market information, both economic and environmental data, including audience needs and preferences. The BAI's licensing activities will aim to achieve the objectives of fostering a media landscape that is representative of, and accessible to, the diversity of Irish society, that facilitates pluralism, and offers a wide variety of quality content to viewers and listeners, including in the Irish language. Contracts for relevant broadcasting and content provision contracts will be awarded using a combination of competitive and open licensing processes. The potential for DTT and digital radio broadcasting will be explored through research activities and in collaboration with the sector.

The mechanisms by which this will be achieved are as follows:

a) Commercial Sound Broadcasting Contracts – Section 63

The BAI will develop licensing plans for the provision of commercial sound broadcasting services as the need arises. Competitive licensing processes will be operated in respect of all such contracts, which includes the potential for a fast-track licensing procedure. The BAI will consult with the sector when formulating licensing plans, in particular, on the make-up of franchise areas and having regard to factors such as diversity, plurality, economic viability and spectrum availability.

When signs of improving revenues and profitability are evident, the BAI commits to exploring the licensing of at least one new sound broadcasting service on the FM band. The Authority will proactively monitor industry trends and the impact on various initiatives to support the broadcasting sector over 2019, including the Authority's Sustainability Working Group.

The BAI commits to supporting the continued development of the commercial radio sector and to achieving greater sustainability.

b) Community Sound Broadcasting Contracts – Section 64

The BAI's approach to the licensing of community sound broadcasting services is informed by the organisation's experience in licensing such services since 1995. In particular, it recognises the organic way in which such services become established and developed. The approach facilitates the BAI in responding to developments in community broadcasting flexibly and in a manner that recognises the resources available to the BAI in support of such activities and/or, indeed, the resources available to a prospective community broadcasting service. For this reason, an open approach to licensing generally shall be operated by the BAI in respect of community radio services. A community sound broadcasting contract can be awarded for a period of up to ten years generally.

Community radio groups are permitted to apply for both 30-day temporary and 100-day pilot community sound broadcasting contracts. In applying for any of these sound broadcasting contracts, the BAI advises that the community ethos should be imbued in the service from the outset. The BAI encourages prospective services to consider appropriate means of engaging and equipping members of the community to participate fully in their service. As set down in section 64 of the 2009 Act, the BAI expects the following three tenets shall form the basis of a community radio applicant qualifying for a community sound broadcasting contract:

1. members of the management and staffing structures are representative of, and accountable to, the community concerned;
2. the broadcast programme material will specifically address the interests of, and seek to provide a social benefit to, the community concerned; and,
3. the service will have a not-for-profit structure.

The BAI commits to supporting the continued development of the community radio sector and will work with the sector to develop sustainable funding models and the future licensing of such services.

c) Temporary and Institutional Sound Broadcasting Contracts – Section 68

This licensing category is operated using an open application process and potential applicants can make submissions for a temporary radio service for a licensing period of 30 days or less, or for a pilot community radio service for a period of 100 days. An institutional sound broadcasting contract can be awarded for a period of up to five years generally.

The BAI does not consider it appropriate that services provided under these short-term contracts should carry commercial advertising and they should be funded through sponsorship and other sources.

d) A Television Programme Service Contract – Section 70

The BAI has fulfilled its obligation under section 70 to licence a television programme service on a national basis (Virgin Media One).

e) Content Provision (Television & Sound broadcasting) Contracts – Section 71

Open licensing processes shall apply in respect of digital television and/or radio content provision contracts.

f) Community Content Provision (Television & Sound broadcasting) Contracts – Section 72

Open licensing processes shall apply in respect of digital television and/or radio community content provision contracts. The BAI is committed to exploring the further development of community television and will continue to work with the community sector to explore sustainable models and funding opportunities.

g) Electronic Programme Guides (EPGs) – Section 74

This licensing activity provides for contracts for broadcast information to members of the public in relation to the schedule of programme material the subject of any broadcasting service. This provision is somewhat outdated due to technological advancements and is not fully aligned to European legislation and, in particular, the provisions of the Audiovisual Media Services Directive (AVMSD) pertaining to EPGs. Revisions to the AVMSD are anticipated in the near future and when these are ratified, the BAI will develop a policy for licensing EPG contracts.

h) Multiplex Contracts – Digital Terrestrial Television (DTT) – Section 131

Work undertaken by the BAI on DTT to-date revealed that market conditions would not support the launch of commercial DTT services. This work involved a number of independent reviews of the marketplace and the Mediatique research report of December 2017 supports these views.

In this context, the BAI commits to its current approach to DTT, that of commissioning an independent review approximately every three years to ascertain the capacity of the market place, including the identification of potential applicants.

i) Multiplex Contracts – Digital Radio Platforms – Section 136

To date, the BAI and the industry have not explored this area of licensing activity in any great depth due to a number of factors, in particular, the significant contraction in advertising revenues caused by the recession in 2008 and the continued pressure on advertising revenues since then.

The radio sector has withstood digital disruption to date, but there is a fundamental shift in the listening habits of the younger audience that requires that the radio industry consider how it will engage with this audience in five or more year's time. The commercial radio sector needs to evolve its business model and develop digital strategies that have the potential to secure the viability of the radio sector in the longer term.

The BAI is committed to exploring the potential for digital radio, including platforms. This will be accomplished by establishing a working group to review sustainability in the radio sector and commissioning an independent expert review of the potential for digital audio broadcasting.

Regulatory Principles

The BAI is mindful of its role to regulate the broadcasters licensed further to this BSS and is cognisant of the challenges facing the broadcasting sector, in particular, the need to balance sectoral sustainability with audience needs and preferences and the statutory requirements for plurality and diversity in broadcasting. In carrying out its regulatory functions pursuant to this BSS, the BAI will regulate in accordance with its strategic values of being fair, independent, expert and accountable.

The BAI will:

- Ensure broadcasting contractors adhere to their contractual commitments and, in particular, to diversity and plurality;
- Keep the administrative costs of meeting licensing obligations to a minimum;
- Reduce unnecessary regulatory burden;
- Devise licensing procedures that minimise the cost of making a licence application;
- Ensure its regulation practices are efficient, effective and responsive;
- Consult on the regulatory principles and regulatory activities with licensed contractors; and,
- Publish detailed documentation for each licensing category, that sets out its licensing and regulatory approach for that particular category.

Licensing Documentation

The BAI will devise and publish supporting documentation for each of the licensing categories that will set out in detail the BAI's approach to that licence category. There is currently a policy document for community radio, which will be revised and updated.

The development of this documentation will allow the BAI to assess and review regulatory measures for each licensing category thereby allowing for responsive and timely revisions to such regulatory measures as the need arises. It will also provide clearer and more tailored information for stakeholders. It will have regard to the following regulatory measures where relevant:

- *News & Current Affairs 120 minutes & 20% Requirements*
- *Opt-out Programming (radio only)*
- *Opt-out Advertising (radio only)*
- *Programme Automation & Networking (radio only)*
- *Sharing of non-programme functions (radio only)*
- *Studio location*

This documentation will be drafted in consultation with the sector and published within a year of the implementation of this new BSS.

