

## **Sports Content over third generation mobile communications networks: Response by Reuters**

I am writing on behalf of Reuters to respond to the Issues Paper from DG Competition.

### **Introduction:**

Reuters is a major European supplier of news services in a range of formats, and delivered over a variety of communications media.

Reuters would wish to draw the distinction between the coverage of sports events as

- (1) premium entertainment; and as
- (2) general news.

By way of preface, it may be worthwhile reproducing a paragraph from an article in *The Utilities Journal* of March 2005 reviewing the Issues Paper:

#### ***Content as a driver of demand.***

*To drive demand for 3G services in the areas covered by the new networks, the 3G operators will have to provide additional services above those available from the 2G operators. For private consumers, many of these additional services will involve having access to good-quality content. That content could be informational services, **such as news services** or film trailers, or content that has been previously been considered as **premium content** viewed solely through the pay-TV mechanism—most notable in this context is **sports-related content**. (emphasis added).*

As *The Utilities Journal* suggests, news services should thrive in the 3G environment, alongside, as well as premium content services.

We would urge DG Competition to ensure that the interests of both are considered carefully, and, in particular, that the **commercial** interests in the commercial exploitation of premium content do not override the **democratic** interests in news diversity.

Sports is news as well as premium entertainment. The sports pages of newspapers are ample evidence of this. In the broadcasting context, where minute-by-minute premium entertainment rights to a major sports event may be sold exclusively to a single broadcaster, other non-rights holding broadcasters<sup>1</sup> are generally able to include highlights of the same event in their general news bulletins. A general news service without access to sports news content would not be comprehensive, just as a general news service without access to political, economic or other types of news content would also not be comprehensive.

For the purposes of democracy, we have to ensure that when important new consumer communications technologies such as 3G are introduced, the implications for news

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<sup>1</sup> if based in the same Member State

supply and news diversity will be considered carefully and safeguarded. There is a fundamental “*right to information*” that must not depend (capriciously) on whether, and on what terms, the entertainment rights to a newsworthy public event may, or may not, have been licensed.

News pluralism is a vital component of European democracy. Unless news pluralism is safeguarded, the entertainment rights holder would also control news supply, with the undesirable news manipulation and censorship consequences that result from news monopolisation. In economic terms, the rights holder would also have the opportunity to leverage its dominance in one market—the premium entertainment market—into the separate market for general news. Smaller operators unable to afford to purchase premium entertainment content, and therefore compete in this area, would find their competitive disadvantage extended into competition in the provision of news services. A 3G general news service lacking news coverage of major sports events would find it hard to compete.

The “*news challenge*” arising from the introduction of any new mass communications medium is to achieve an appropriate pragmatic balance that will (1) safeguard news diversity, while (2) respecting the investment by the rights owner in premium entertainment content. For example, in the TV broadcast context, the balance is sometimes struck by imposing maximum time durations on news highlights transmissions. In the context of 3G, other factors may well be relevant to achieving the right balance.

## **Conclusion**

The Issues Paper appears to take no account of the implications for the supply of general news, as opposed to the supply of specialist premium sports content, to the European public via 3G. In the case of Reuters, we would like to stress that sports news is one component of our general news supply, together with political, economic, war conflicts and other types of news. Hence, restricting access to sports news would prevent Reuters from offering comprehensive general news services for 3G to the wider public.

In the context of paragraphs 13-17 of the Issues Paper, we recognise that there may be separate entertainment markets for 3G sports content “*that [are] distinct from the demand for other content provided via mobile networks.*” (Paragraph 13). However, there is also a distinct market for general news content over 3G, of which news from major sports events will be one component. Likewise, there may be separate entertainment markets for the Olympics, Formula 1, soccer leagues and other major sports events, but each of these events will also generate news of general interest to the wider public suitable for inclusion in general news services over 3G.

As they progress with this work stream, we would urge the European Commission and the EFTA Surveillance Authority to ensure that the role of news is recognised and protected, and that news diversity will not be sacrificed to the increased monetisation of sports as entertainment.

Reuters would welcome the opportunity of contributing to drawing the appropriate 3G balance, so that Reuters news editors may continue to include sports news in general

news services where they judge it be as newsworthy as political, economic or any other type of news, while respecting the investment of the rights owner in premium entertainment content. In our judgment, such a balance is achievable. Indeed, it **must** be found in a democratic society.

We hope this contribution is useful. We would be delighted to provide any further information.