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Independent Communications Authority of South Africa's (Icasa)
Private Bag X10
Highveld Park
0169 Johannesburg, SOUTH AFRICA

4 October 2019

Inquiry into subscription-based television broadcasting service

Dear Ms. Pillay,

the Sport Rights Owner Coalition (SROC) is composed of more than 50 international, European and national sport bodies. Individually and collectively, we represent some of the world leading sport competitions which attract millions of spectators each year. With regard to media coverage our events are widely available and accessible to consumers across a growing variety of broadcasting platforms.

We have been informed by some of our licensees that Icasa is currently conducting an inquiry into subscription-based television broadcasting services with a special focus on professional football, rugby and cricket competitions.

The attractiveness of audio-visual sport content varies significantly depending on regions and countries; reflecting the local sporting culture, the history and the success of particular teams and individuals. The current state of the market for audio-visual sport content reflects these differences in culture and demand.

Therefore, what unites all sports - when it comes to licensing of media rights and financing sport competitions - is the necessity for broadcastings services contracts to be based on territorial exclusivity. The use of territorial exclusivity in sporting content is the standard practise worldwide, because it delivers benefits for the seller (sport competition organiser), the purchaser (broadcaster/distributor), and consumers.

Based on the territorial exclusivity principle, some sports have managed to build a "virtuous circle" of strong consumer demand and willingness to pay for sports content services, investment by broadcasters and distributors to personalise these services according to demand, and reinvestment by sports rights owners in the overall attractiveness of sports competitions and talent.

Any legislative measure reducing the contractual freedom of the parties to agree on territorial exclusive licenses will have huge disadvantages for sport events' organisers and consumers as it reduces revenues for sport (and reinvestment into sport, especially re-distribution into grassroots) and the quality and editing of content and production which will impact consumers and fans.

SROC members would therefore respectfully recommend that you carefully assess the impact of the proposed legislative measures and do not threaten the sustainable development of all levels of sport.

Yours sincerely,

Mark Lichtenhein
Chairman of SROC