

Written evidence submitted by Masimo Consumer Audio

Letter from Paul M. Ordal, Vice President, Government Relations and Public Policy, Masimo Consumer Audio, 19 June 2023

Draft Media Bill: Masimo's (owner of Bowers & Wilkins, Denon and Marantz) Concerns

First, I want to express my congratulations on your appointment to the Chair of the Culture, Media and Sport Select Committee. You lead the Committee at a very important time for our industry.

Masimo Consumer Audio is one of the world's largest portfolio audio companies and home to eight legendary audio brands, including **Bowers & Wilkins, Denon and Marantz**. We are very proud of our skilled employees in the United Kingdom who are designing and manufacturing products found in the homes of many listeners. Providing our customers access to online radio is a key feature of these products.

As a manufacturer of connected speaker devices (smart and otherwise), Masimo is writing you about the draft Media Bill ("the Bill") as the Committee embarks on its pre-legislative scrutiny process. While we support the Government's overall objective to bring an appropriate degree of content regulation to the online world, we have some significant concerns about the potential detrimental impacts the Bill could have on competition, innovation and consumer choice in our market. As you consider the Bill, *Part 6: Radio Selection Services* is of most interest to us.

Specifically, the current draft appears to allow only two manufacturers in the smart speaker market guaranteed access to all UK live radio stations. This would disadvantage all other companies, including Masimo and our audio brands, as we may not be able to provide our consumers with access to live BBC and Ofcom licensed radio content in the United Kingdom. This is a major concern since the UK is a key market for our brands such as Bowers & Wilkins, Denon and Marantz. The current bill has the potential to distort the overall marketplace by creating barriers for potential new entrants and other smaller companies in the market, and risks handing an unfair advantage to the few manufacturers that already have significant market power.

We understand the proposed legislation proposes broadcasters who benefit from the Bill's 'must carry' requirement will not be subject to a 'must offer' obligation (as in the case of television). This means online live radio will not be available to all.

In our view, this does not create a level playing field. Broadcasters would be allowed to select which devices they want to be available on, giving them significant negotiating power. We are concerned about the impact this exclusivity would have on consumers. It would limit accessibility of live online radio for many listeners. It would also only benefit a small number of manufacturers.

Further, as manufacturers, we are concerned that that bill allows each broadcaster to define different "preferred routes" of delivery for their stations, making the system overly complex and unmanageable. This develops a series of 'walled gardens,' viewed by many as anti-competitive.

We encourage the Committee to support innovation, competition, and consumer choice. We believe that the Bill should provide open access to all BBC and Ofcom licensed UK radio stations for all devices/platforms, guaranteeing radio on any device purchased by a member of the public.

We would be grateful for these points to be taken into consideration during the Bill's pre-legislative scrutiny. Please feel free to share this letter with the other Culture, Media and Sport Committee's members.

Yours sincerely,

Paul M. Ordal
Vice President, Government Relations and Public Policy