



English Language Television for Wales

**A response to Digital Britain
and the DCMS consultation on IFNCs**

Institute of Welsh Affairs

September 2009

“An American writer once suggested that a people that doesn’t see itself on television begins to believe it doesn’t exist. From a Welsh perspective, if one had to depend on UK network television for a sense of self or, let’s go further, a sense of being, there would be ample room for self-doubt and anxiety. It can sometimes seem as if a mantle of invisibility has been cast over us.”

Jon Gower
in *English is a Welsh Language:
Television’s Crisis in Wales*
Institute of Welsh Affairs, 2009

1 Background

Over the last two years the IWA has given consistent attention to the issue of the English language television service for Wales, set against the context of many weaknesses in our overall media dispensation.

In 2008, at the behest of the Welsh Assembly Government we carried out an audit of media in Wales, across television, radio, print and online. We also conducted seminars and public consultations jointly with Ofcom. Informed by this activity, all of which has been in the public domain, we have made submissions to various inquiries by committees of the National Assembly and by the Parliamentary Welsh Affairs Committee, as well as to Ofcom and the DCMS.

Following on the publication of the *Digital Britain* final report, and the DCMS consultation document on Independently Funded News Consortia, in July 2009 we convened - jointly with TAC, the Welsh independent producers association - an open meeting that was attended by representatives of many cultural and media organisations in Wales.

This submission is informed by the debate at that meeting and the widely held concern that, while some of the proposals in Digital Britain are welcome, in the round they do not take sufficient account of Welsh circumstances and do not adequately meet Welsh needs.

Although *Digital Britain* raises many issues of great relevance to Wales, we will confine our attention in this document, primarily, to four matters that affect television: i) News and Current Affairs provision, ii) English language general programmes for Wales; iii) Funding; iv) Governance

We intend to make separate representations on *Digital Britain's* other proposals at a later stage.

2 The *Digital Britain* approach

Digital Britain attempts to address both UK issues and the very different requirements of the four nations. While such an approach is inescapable, given that many of the issues are inter-twined, the report fails to address broadcasting in the four nations from their own perspective rather than as a variations on a basic English/UK template. This is *Digital Britain* as seen from the centre.

It is especially disappointing, not to say disturbing that a number of issues and arguments that have been central to most of the submissions from Wales – the importance of general programmes, the proposal for a Welsh Media Commission, the importance of retaining FM radio transmissions – are given no specific consideration whatsoever in the final report.

Many of the submissions from Wales, far from being the work of lobby groups or vested interests, were submissions from the Welsh Assembly Government, the National Assembly's Communities and Culture Committee and the Parliamentary Welsh Affairs Committee. At a time when it is generally agreed that Wales is experiencing a major media crisis that shows every sign of deepening, the views of our democratically elected representatives deserve greater respect and attention.

3 News and Current Affairs

We welcome the recognition in the report that steps have to be taken to safeguard the provision of a television news service that can compete with BBC Wales in terms of quality journalism, while assisting in securing a mass audience for news in Wales.

We also support enthusiastically the proposal that news for Wales should be provided on ITV by an Independently Financed News Consortium supported by public funds. The Government intends that, in Wales, this should be awarded in a pilot tender in 2010.

Before this is done we believe that there is a need for urgent public consultation on some key issues that arise from the proposal.

a. What kind of service?

Before setting a brief for the IFNC we need to ask whether the aim is a continuation of the status quo, or whether we need to aim for something better. Many questions have been raised in recent years about the quality of journalism in Wales across television, radio, print and online.

It would be wise to establish a quantitative and qualitative baseline evaluation of existing services, before defining the requirements of a new service. This could be done by Ofcom, using the expertise available in Cardiff University's School of Journalism.

The quality issue is of particular concern since the 2009 Ofcom Communications Market Report for Wales reports that, between 2007 and 2008, expenditure on television news in Wales dropped by 9% (2% more than the UK average), while spending on current affairs in Wales dropped by 17%, in sharp contrast to the UK where spending across the year was broadly flat.¹

Despite this sharp decline neither *Digital Britain* nor the DCMS consultation document refer specifically to current affairs or political programmes. It is our view that pluralism in the supply of these two programme types is as important as news output, given their potential to provide a much deeper level of scrutiny of distinct Welsh institutions, public policy and democratic process and the outcomes, good or bad, attached to each of them.

Digital Britain also envisages that IFNCs would provide a 'multi-platform service' and 'regional news which would be syndicated more widely within the regional and local news environment'. Both the Ofcom review and the Digital Britain interim and final reports have emphasised the need to manage the transitions from analogue to digital on the one hand and from linear to online on the other. Contestability has been espoused because it could be used to encourage greater innovation.

In the Welsh context it is important that any public funding is not wholly devoted to one IFNC, but that some funding should remain available to encourage a variety of experimentation and development in the online sphere.

¹ p49. *Communications Market Report Wales*. Ofcom, 2009.

b. Auction or beauty contest?

Digital Britain suggests three criteria for the award of IFNC contracts:

- the ability to achieve reach and impact
- a commitment to high production and editorial standards
- and the financial stamina to sustain the service at quality throughout the period of the award.

The report hopes that this will deliver

- an increase in the proportion of total activity devoted to journalism
- a commitment to distinctiveness and original investigative journalism
- a commitment to multi-media training
- a willingness to syndicate news stories to other news organisations

However, the DCMS consultation states that “during the pilot stage the Government will review the effectiveness of the IFNCs and test the use of public funding and scope of commercial revenue opportunities.” Elsewhere it refers to the public funding as ‘top-up funding’.

This begs a fundamental question – **is the tender process to be a beauty parade or an auction?**

We have in mind the baleful precedent of the ITV franchise auction of 1990 when, despite the application of a ‘quality threshold’, the franchises were sold in a blind bidding contest, exacting a punitive toll on the viability and output of many winning companies, not least in Wales. **The Welsh public should be deeply concerned if the determining factor in awarding IFNC contracts were to be the minimisation of the call on public funds.**

We are equally conscious that in assessing quality there can often be a substantial gap between the rhetoric of bid documents and the delivered result. In the award of these contracts this will be a particular danger, especially when considering ‘distinctiveness and original investigative journalism,’ not least since the DCMS document refers specifically only to news and not to current affairs or political programmes.

The nature and cost of original investigative journalism in television news, with its tight time constraints, is quite different to that in current affairs programming. It is our view that the funding of news and current affairs in Wales should be sufficient to sustain a range of specialist coverage of Welsh affairs and investigative capacities fitting for a national service in an emerging Welsh polity.

It is an open question as to whether, in the interests of plurality, current affairs and political programmes should be supplied by the IFNC or through another tendered package, or though a combination of both.

In defining the tender we would wish to add the following criteria to those listed in *Digital Britain*:

- **sufficient funding to sustain a range of specialist coverage of Welsh affairs and investigative capacities fitting for a national service**
- **a demonstrable capacity to cover all parts Wales**

- **that at least one of the partners in any consortium should be headquartered in the relevant nation**
- **that the organisation on the ground in Wales should have editorial and financial autonomy within the financial parameters of the contract award**
- **that the requirements of the IFNC in terms of programme provision and the requirement on ITV to deliver appropriate slots should be enshrined in a new ITV licence for Wales.**

c. IFNCs – what kind of animal?

What kind of organisation will these consortia be? *Digital Britain* foresees that it would be essential for third parties to be

- either an existing news provider with an established audience in the relevant nation
- or a media production company or other broadcast, local television or multi-media company with a track record of delivering news and current affairs
- able to meet financial integrity and compliance tests

While these are reasonable requirements, we also believe that **the Government should create conditions that would encourage new models of ownership, more appropriate for the long-term delivery of a public service – not-for-profit organisations, hybrids that marry public service and private capital, or even trusts.**

This may require the creation of an income stream from advertising in and around the agreed slots in the schedule, so that the service has at least one dynamic income source. The structure of the IFNC should ensure as far as possible that the delivery of a news and current affairs service for Wales will not be subject to the resource attrition suffered by the ITV Wales programme service over the last decade.

4. General programmes for the Welsh audience

From the Welsh perspective the biggest single gap in *Digital Britain* is the failure to address, in any shape or form, the issue of the future of the general English language television programme service for Wales that has for some decades been an integral part of the television diet. The importance of this issue has been underlined by every recent study of the broadcasting environment in Wales (see panel), yet it is not even referred to in *Digital Britain*, let alone addressed.

The case for this sidestep is best encapsulated in Chapter 5 para 11. ‘In an era of limited funding it is critical to distinguish between where plurality is desirable and where it is essential and to focus public intervention on the latter.’² The implication for Wales is that general programmes in the English language, made specifically for the Welsh audience, are desirable but not essential and therefore undeserving of public support. That is not an implication that Wales will or should accept.

² p137, para 11 *Digital Britain*. DCMS/BIS 2009

A Welsh consensus

“The current English language provision in non-news programming outside sport is not a defensible provision for a developed national community with the cultural legacy that Wales commands. Conditions must be created that allow English language provision for Wales to grow in volume, range and ambition....

“Wales is faced with becoming a passive consumer of content created by others rather than having a strong voice of its own....

“The democratic and cultural deficit described in this report is of sufficient seriousness for it to command a very high level of priority and urgency in the formulation of Government policy, as it considers the future of PSB.”

Communication and Content: The Media challenge for Wales
Report of the Broadcasting Advisory Group
Welsh Assembly Government
November 2008

“Wales needs to look beyond news and current affairs alone. Taken in the round, English language PSB should provide viewers in Wales with a range of programmes specifically directed at their distinctive interests. If PSB is to bring [a] range of benefits to citizens... it needs to be able to offer entertainment and information across a wide range of programmes including drama, comedy and other programmes reflecting distinctive aspects of Welsh culture.”

Response to Ofcom’s Second Review of Public Service Broadcasting
Welsh Assembly Government
December 2008

“We do not believe that [news and current affairs] can sufficiently reflect the richness of life in Wales. ITV Wales’s programmes and their impact on their audience show a level of loyalty and support from the Welsh audience that goes beyond news programmes, which is why we are recommending that the aim should be to maintain plurality across the range of public service broadcasting.

Public Service Broadcasting in Wales
Report of the Communities and Culture Committee,
National Assembly for Wales, June 2009

“We believe it is important to address quite explicitly the need to protect the provision, range and development of non-news broadcasting for those in Wales who are not Welsh-speaking, rather than to assume that they are catered for adequately...

“The Government must urgently consider the lack of services for English-speakers in Wales and identify sources of funding to address the shortfall. We are disappointed that the lack of diversity provided for the English-speaking Welsh audience has not been identified by the Government, and that there were no concrete proposals along with funding options in the Digital Britain Final Report...”

English Language Television Broadcasting in Wales
Report of the Welsh Affairs Committee
House of Commons, July 2009

Any mature, modern society needs a full reflection of its democracy, activity, interests and talents on its main means of mass communication. It nurtures a society's self-respect and is a vital aid to its social coherence. Even at the peak of the BBC/ITV duopoly that was only ever achieved in very limited form. Now even their combined service has been allowed to decline and is set to decline further in the coming years.

According to Ofcom³, in 2008 the spend on English language programmes for Wales on BBC and ITV was £33m, a reduction on 2007 of 9% (even prior to the major reduction in ITV Wales output from January 2009 which will have taken the total to below £30m). In the last five years that spend has declined at an annual rate of 8%, a total reduction of £17m or 34%. £12m of the £17m – 70% of the total reduction - has come from general programmes, i.e. programmes other than news and current affairs.

Viewers in Wales have also seen a sharp reduction in the scale of the English language programme service. Between 2004 and 2008 BBC Wales reduced its English language television hours from 846 to 716 (-15%), while ITV Wales dropped its output from 536 to 477 (-11%) – a total reduction across both services from 1382 hours to 1193 (-14%). The ITV Wales output has returned to a level last recorded in 1975.

At the same time less was invested in each of those hours, with the cost per hour reducing by 25% for general programmes, and by 31% for current affairs programmes between 2003 and 2008. The cost per hour for news remained stable.

It is also significant that the BBC's spend on Radio Wales and Radio Cymru – the only national speech radio services for Wales - also declined by 8% in 2008.

All the indications are that this decline, far from being arrested, will continue unabated. ITV Wales will probably withdraw from its commitment to its current 90 minutes a week of general programmes within the next 12 months. It is also known that BBC Wales has to make cuts of nearly £15m in the five-year period up to 2012-13. If a Conservative Government is elected next year and implements its pledge to reduce the licence fee, this attrition will reach of new level of severity.

We are asked to take comfort not from the *Digital Britain* final report but from one sentence in the DCMS consultation document. In the section on funding, which discusses making use of the digital switchover element of the licence fee, it says

“it [the licence fee] could also potentially be used to sustain other essential public service content priorities (e.g. the provision of plural original content for children) if the independent provision of Nations, local and regional news requires less than the contestable sum set aside.’

However, this is highly provisional in a number of ways. First, it is far from clear how much of the contestable sum would remain after dealing with the provision of national, regional and local news right across the UK. Second, it also alludes to other priorities – notably childrens' programmes - which, if we are to judge from both *Digital Britain* and the DCMS consultation, the government ranks ahead of general programmes for Wales or for the other nations or regions. Third, it assumes that the a final decision will be made in favour of using the digital switchover element of the licence fee – a matter that is hotly contested by the BBC.

³ *Communications Market Report*, Wales. Ofcom 2009

Programmes for Wales and market failure

Digital Britain and the DCMS consultation document both refer to childrens' programmes as a priority area that ranks not far behind news. This stands in stark contrast to the refusal to address the issue of general programming in the nations. With regard to childrens' content *Digital Britain* states:

"...there is widespread agreement across Government, Parliament, regulators, and consumers that there is a market failure that needs to be addressed, despite the large volume of programming currently available (30 dedicated channels).

That is because the reality is that fewer than one in five hours of childrens' programming broadcast is made in the UK, with less than 1% made up of new UK originations....Some form of intervention is therefore required...."

Why does the same argument not apply to general programmes for the smaller nations of the UK? *Digital Britain* and the DCMS consultation document both refer to the factors that have produced market failure in the childrens' market. Yet almost all these factors are just as applicable to general programmes for the smaller nations:

Factors adversely affecting the childrens' market	Applicability to English language output for Wales
Re-focused PSB requirements	ITV's PSB obligations have been steadily reduced over recent years.
Increased commercial pressures	Commercial pressures have seen ITV reduce both hours and spend over the last decade, to the point where they declared the costs of their PSB obligations would exceed the benefits earlier in Wales than in any other region.
Restrictions on advertising	There have been no explicit restrictions on advertising affecting output for Wales
Changes to how children consume	Changes in television consumption amongst the younger age groups has been particularly strong in multi-channel homes, affecting most television genres, and particularly news and current affairs.
Less than one hour in five is home produced	This applies 20-fold to output for Wales where less than one hour in a hundred is home produced.

Consider also the following facts:

Television Hours 2008	Hours
Total TV hours broadcast in UK 2008	2,483,495
of which the PSB broadcasters and key multi-channel genres accounted for	1,448,574
of which 1 st run originations were	132,618
of which programmes for S,W,NI and English regions were	12,032
of which originated programmes for Wales were	1,193

In other words, total original English language output produced in Wales for Wales in 2008 amounted to 0.048% of the total hours of television broadcast in the UK in 2008; or 0.082% of the output of PSB broadcasters and key multi-channel genres; or 0.9% of the first run originations. Since these figures were compiled, production of general programmes for Wales has declined still further.

The situation is similar for Scotland and Northern Ireland.

2008	Scotland	Wales	N.Ireland
Hours produced for nation	1743	1193	1142
% change since 2007	2.6%	-4.5%	-0.7%
% of total hours of UK television	0.07%	0.048%	0.046%
% of total hours of PSB broadcasters and key multi-channel genres	0.12%	0.082%	0.079%
% of total 1 st run originations	1.3%	0.9%	0.86%

So, if the lack of indigenous production is the test of market failure, English language general programmes for Wales fare far worse children's output across the UK. The non-Welsh-speaking audience in Wales is worse off than British children since, unlike children, it does not have 30 channels dedicated to its own distinctive interests, whether produced inside or outside its boundaries.

The status quo in television is hardly what one would describe as a balanced response to the diverse cultures of these islands, but even this, as we have argued above, will not hold without some planned support by governments and their agencies. It is not necessarily that there are insufficient funds available in the system, rather that we have inherited a grossly unbalanced distribution within the totality of broadcasting that, in the current circumstances of the four home countries, is now increasingly and demonstrably inequitable.

By now there are 495 television channels operating in the UK absorbing £11.2 billion in licence fee, advertising and pay-tv subscriptions. Yet, according to Ofcom, the spend on English language television in Wales amounts to only £33m. or 0.29% of that figure. Even adding the DCMS grant to S4C to the £33m only brings the Welsh expenditure up to 1.15%.

There will be some who will cavil at the comparison with total market revenues, but the same imbalance is seen even if we confine ourselves to the BBC's expenditure. The BBC's spend on television is £2.6 billion, but its spend on English language television for Wales is £24m or 0.92%. Even if you include the £25m that BBC Wales spends on programmes for S4C, the percentage rises to only 1.88%.

This helicopter view of television puts the issue into a very different perspective, and makes the claims, by organisations in Wales and Scotland, for investments to strengthen national television services in their respective countries positively modest.

5 Funding

Estimates of the funding required to mount a credible and effective English language television service for Wales have varied between £30m and £50m, rather less than has been estimated for the creation of Scottish network, put at £75m.

The Assembly Government's broadcasting advisory group argued that the "minimum policy objective should be the restoration of the £25-£30m per annum value to Welsh broadcasting which...is likely to be lost between 2006 and 2013 in order to begin to achieve a step change from the current situation."

We have argued above that, on any objective assessment of the balance of television spend across these islands, that is a modest sum. However, it has to be generated from specific sources.

It is our view that there is no shortage of funding sources capable, in combination, of generating sufficient funds for this purpose. We list nine possible sources, only four of which (1,2,4 and 5) are canvassed in Digital Britain and/or the DCMS consultation document.

i) *Digital Switchover element of the BBC licence fee.*

This is estimated to be currently c. £130m per annum. Ofcom has estimated that supporting news in the nations and regions of the UK would cost between £65m and £100m. If that were the case between £30m and £65m could be available for other programming.

ii) *BBC/ITV partnership*

The BBC initially proposed some sharing of technical infrastructure and some non-exclusive content to support the continued delivery of regional news beyond the BBC. Since then it has proposed the syndication of some of its news material to other online newspaper sites. While no-one has yet put a precise figure on the value of such a partnership in individual regions, the likelihood is that this will be less in Wales than in the regions of England, since the BBC's commitments to a news service for S4C imposes its own limitations. However, every effort should be made to maximise this value.

iii) *BBC/S4C partnership*

Despite the existence of the BBC/S4C strategic partnership, no-one has yet taken any steps to explore or quantify what value could be released by intensifying this existing partnership *outside the realm of programming*. Arguably, the sharing of non-editorial functions between two publicly funded broadcasters is a more logical step than partnership between a public broadcaster and a commercial broadcaster.

If some part of S4C's non-editorial costs – for example, distribution costs – could be transferred to the BBC, then a portion of S4C's income from the DCMS could be released for English language general programming – or perhaps directly to a Welsh Media Commission – without any detriment to the S4C programme budget. This would make even more sense in the context of the development of a 'media city' complex in Cardiff, possibly serving several broadcasters.

iv) *A foundation created via the profits from BBC Worldwide's commercial activities*

This suggestion, canvassed in *Digital Britain*, could provide a significant sum, though it might prove a volatile source. BBC Worldwide's Annual Review for 2007/08 records profits of £118m. - up 17% - but its dividend actually fell from £75.3m to £49.8m. This would be unlikely to generate more than £15-20m and any reduction in BBC Worldwide's return to the BBC would presumably have to be taken into account in setting the licence fee.

v) *A monthly supplement on domestic and business fixed copper telephone lines.*

In order to fund Next Generation Broadband *Digital Britain* proposes that, from 2010, a monthly supplement of 50p (£6p.a.) should be imposed on all fixed telephone lines and assumes that this will generate £150-175m per annum.

The assumption is that this sum should be devoted wholly to the task of completing the Next Generation Broadband network. Yet there is no more reason that the use of this levy should be restricted to this than that road tax should be hypothecated solely for roads. Increasing this levy to 75p per month (£9 p.a.), would generate an additional £75-87.5m per annum.

vi) *Television advertising revenues related to released slots*

Given the way in which television advertising is currently sold within the ITV system, it is impossible to estimate what revenues might be generated from advertising placed in and around news and current affairs programmes within slots released by ITV. It could be that that current practice will change following the Competition Commission's current review of the system. We believe that the system should change to allow the full value of these slots to be realised, and retained by the third party providers.

vii) *A levy on pay-tv subscriptions*

According to Ofcom's 2009 Communications Market Report subscription revenues continued to be the engine of growth, increasing by £245m (6%) in the year, at a time when total industry revenues increased by only 1.3%. At 39% - more than £4billion - subscriptions constitute the largest single portion of television revenues. A 1% levy would generate more than £40m per annum.

viii) *A levy on search engines*

There is already considerable concern that search engines are already getting a free ride on much of the information generated by traditional media, not least newspapers whose own revenues are under considerable strain. In 2008 the largest of these, Google, generated revenues in the UK alone of £1.6billion.

ix) *Proceeds of the sale of spectrum post analogue switch off*

It is anticipated that the income from the sale of released spectrum will be very substantial although its volume and timing may be unpredictable. The Government could consider this as a reserve form of income for sustaining public service content, making a judgement later as to whether this is preferable to other sources.

In the light of the above we do not think it is tenable to argue that the means cannot be found to sustain a broad television service for Wales, as well as the development of other public service content in radio and online.

Ideally, we would have preferred that funding sources other than the BBC licence fee be found to sustain English language broadcasting in Wales, particularly in a climate where the total licence fee itself may be constrained in the next few years. But if the alternative is that general programming for Wales is to be allowed to collapse then that option, despite its attendant risks, must be faced.

We see no reason in principle why a combination of funding could not be assembled to sustain public service content beyond television news. We also believe that the IFNCs should be allowed to sell and retain advertising revenue within their defined slots.

Whatever level of funding is decided upon, it is essential that the principle of supporting English language general programming for Wales is established and implemented at an early stage.

6 Governance

Two key issues of governance present themselves:

- 1 Who will adjudicate the award of the IFNC contracts?
- 2 Will a more permanent means be established for managing those contracts in the long term and for monitoring and developing media in Wales?

Deciding the IFNC contracts

Since the award of these contracts will be of such crucial importance to the whole media scene in Wales it is important to ask what input Wales will have in the decision? Will the matter be decided upon in London or Cardiff?

There seem to be at least five options:

- i) A single Ofcom panel deciding all three pilots.
- ii) A core panel convened by Ofcom, augmented by an equal or greater number from Wales, Scotland or an English region, depending on which pilot was under consideration.
- iii) A panel convened from the existing Ofcom Advisory Council for Wales
- iv) A Welsh Media Commission, that could have the advantage of being able to take a multi-media perspective
- v) The S4C option, whereby S4C becomes the tendering organisation

The IWA has favoured the establishment of a Welsh Media Commission, absorbing the role of the S4C Authority (but not the S4C management board), and operating on a bilingual, multi-media basis. However, we understand it is not the Government's

intention to establish such a Commission, at least at this stage. This is disappointing since it will leave Wales with no competent agency capable of responding in a timely and flexible manner to technological developments and changing patterns of consumer behaviour that are certain to be a major feature of the next 5-10 years.

In our view this leaves only the first three of these options for deciding the IFNC contracts, since we believe that the matter should not be placed in the hands of the S4C Authority without dealing with the governance implications that should flow from the Authority's assumption of responsibility for such an important element of English language programming.

Absent a Welsh Media Commission we acknowledge that there may be some advantages in having the matter handled by Ofcom, to ensure consistency of approach across the three nations, although we would emphasise that Scotland, Wales and Northern Ireland may require different solutions. However, we do not believe that the matter should be handled by one central panel on the lines of Ofcom's radio licensing committee – a system which has singularly failed to take adequate account of Welsh input with sometimes unfortunate consequences.

In the absence of a Welsh Media Commission we would favour either option 2 or 3 or a combination of them. Direct Welsh presentation should comprise at least 50% of the membership of the awarding panel.

Managing media development in Wales

This still leaves the matter of a long-term solution for nurturing and monitoring media development in Wales. This will need detailed understanding of Welsh circumstances and a flexibility to guide investment in Wales in a rapidly changing technological environment. It seems clear to us that it would be difficult, not to say unacceptable, to use the same mechanism for the design and award of contestable packages of general programming or online initiatives as for the initial awarding of the IFNC contract.

We believe that one way forward would be to set in train a detailed study of the options for establishing a Welsh Media Commission so that a worked-through proposal can be brought forward, with any necessary supporting legislation, within the next two years, and coinciding with or anticipating the first review of the IFNC contracts.