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News Release

P/2002/274
DCMS 91/02

7 May 2002

DRAFT BILL OVERHAULS LEGAL FRAMEWORK FOR COMMUNICATIONS INDUSTRY

The draft Communications Bill published today sets out the Government's radical plans to overhaul and simplify the legal framework for the media industry.

Jointly published by Trade and Industry Secretary, Patricia Hewitt and Culture Secretary, Tessa Jowell, the draft Bill will bring the current regulatory framework up-to-date, responding to the technological and market changes driving modern media.

The draft Bill will be subject to a consultation period of three months as well as pre-legislative scrutiny by a joint committee of both Houses. The draft Bill would:

- establish a single powerful regulator - the Office for Communications (OFCOM) – replacing the existing five regulators (the ITC, Radio Authority, Ofjel, Broadcasting Standards Commission, Radiocommunications Agency);
- apply a consistent scheme for regulating the public service broadcasters, with greater regulation for the BBC and more self-regulation for the others while keeping the core responsibilities of the BBC Governors, with additional oversight by OFCOM, but with back-stop powers resting with the Secretary of State for Culture, Media and Sport;

- give OFCOM powers concurrent with the Office of Fair Trading to apply competition rules in the Communications Sector;
- require OFCOM to establish and maintain a 'Content Board' that would ensure that the public's interest in the nature and quality of TV and radio programmes is strongly represented within OFCOM's structure;
- remove the requirement for licensing of telecommunications systems, so removing about 400 licences, and replace it with a new regulatory regime for electronic communications networks, services and associated facilities in line with EC Directives; and
- allow spectrum trading to secure more efficient use of the available radio spectrum.

In its final form, the Bill would reform the rules on media ownership. Firm proposals for reform are published today alongside the draft Bill. There would be significant deregulation to promote competition and investment, but a few core rules would be retained to protect diversity and plurality.

The Government plans to remove most ownership rules within the TV, radio and newspaper markets where competition law tends to encourage dispersed ownership. But some will be retained as minimum guarantees of plurality.

The rules that would be scrapped include:

- those which prevent single ownership of ITV;
- those which prevent ownership of more than one national commercial radio licence;

- the criminal sanctions that apply in the newspaper merger regime;
- those that prevent the joint ownership of TV and radio stations;
- those which prevent large newspaper groups from acquiring Channel 5, or radio licences; and
- the inconsistent rules that prevent the non-European ownership of some broadcasting assets in order to boost inward investment and allow the UK to benefit rapidly from new ideas and technological developments.

Three key limits on cross-media ownership would be kept to safeguard the vibrancy of debate at every level of society - national, regional and local:

- first, recognising that most people get their news and information from national newspapers and from terrestrial television, the simple rule that any newspaper group with over 20% of the national market will not be able to own a significant stake in ITV - the only commercial public service broadcaster with universal access to a mass audience - would be kept;
- second, A parallel regional rule would prevent anyone owning all the newspapers and the regional ITV license in any region or major city; and
- third, there would be a scheme to ensure that at least three commercial local or regional media voices exist (in newspapers, TV and radio) in addition to the BBC in almost every local community.

Where necessary the Government plans to retain and strengthen content regulation to ensure the quality, impartiality and diversity of broadcasting services. Therefore OFCOM would:

- have the power to investigate the news and current affairs programming of any local radio service if they have concerns about accuracy or impartiality;
- have a new duty to protect and promote the local content of local radio services;
- be able to vary licences on change of control, to ensure the character of the service is maintained. For ITV, this would protect regional production and programming requirements;
- oversee the nominated news provider system for ITV, to ensure high quality and independent news on free-to-air public service television.

Secretary of State for Culture, Media and Sport, Tessa Jowell, said:

“For too long the UK’s media have been over-regulated and over-protected from competition. Despite this, the last ten years have seen a dramatic increase in the range of voices in the market place. The draft Bill we have published today will liberalise the market, so removing unnecessary regulatory burdens and cutting red tape, but at the same time retain some key safeguards that will protect the diversity and plurality of our media.”

Secretary of State for Trade and Industry Patricia Hewitt said:

“Britain is already one of the world’s leaders in the communications industry. This Bill will give companies a better environment in which to develop their businesses in a sector of the economy which already accounts for 300,000 jobs and £12 billion of investment a year. As a result, inward investment will increase while domestic companies will have the chance to grow and expand.”

Tessa Jowell added:

“In all of these changes, the interests of citizens come first, whether as consumers, as viewers and listeners, or as participants in democracy.”

Notes for Editors

1. All of the supporting documents are available on a dedicated website: www.communicationsbill.gov.uk.
2. The Government's White Paper *A New Future for Communications* was published on 12 December 2000. The document can be found on the dedicated website: www.communicationswhitepaper.gov.uk.
3. For public enquiries call either the DTI on [REDACTED] or the DCMS on [REDACTED]. Or see the departmental websites: www.dti.gov.uk and www.culture.gov.uk

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