

<http://www.publications.parliament.uk/pa/ld200910/ldhansrd/text/91202-0003.htm>

**The First Secretary of State, Secretary of State for Business, Innovation and Skills and Lord President of the Council (Lord Mandelson):** My Lords, when we talk about the digital economy, we are talking about

**2 Dec 2009 : Column 744**

every business that runs a website or transfers data digitally; every firm that sells goods online or whose creative or intellectual property is represented by digital content; and every business that enables these business models to exist.

[ . . . ]

Finally, I want to point to the strong defence in this Bill of the principle and practice of support for public service content in broadcasting, both nationally and locally. The provision of high quality UK content-and news in particular-is the clear preference of the public. It reflects the fact-not universally acknowledged, I grant you-that a purely free market for media simply will not produce or preserve the plurality, diversity and impartiality of local news content that people demand. Keeping this function of our media strong means recognising that market pressures and structural changes are putting pressure on commercially provided news in the nations, regionally and locally. Some element of public support is needed if this provision is to be preserved.

The Bill sets out a revised remit for Channel 4. This refreshed remit underlines the Government's clear and continuing commitment to Channel 4 and to public service broadcasting more generally. But it also makes clear what the Government expect from public service broadcasters-that they help advance the development of a well informed, well educated and socially cohesive society. As an additional way of doing this, the Bill also creates the power in Ofcom to support independently funded news consortia to provide regional and local news services. The Government have announced their preference to maintain in the next broadcast licence fee settlement the existing top-up element and to use it to fund the new consortia. However, the multi-year funding settlement with the BBC is crucial to the BBC's independence, so we do not intend to make a decision on this until nearer the 2013 rollout date.

There are serious implications in this work for Ofcom. The Bill creates an adapted remit for Ofcom in three important ways. It requires Ofcom to balance its primary focus on consumers and competition with a new additional focus on ensuring investment in the long-term strength of Britain's communication infrastructure. It also requires Ofcom to take a new forward role in ensuring that the British media market produces the right mix of impartial national and local news. This expanded role is critical and must be well defined and defended. It requires Ofcom to take a new role in shaping our response to online copyright infringement.

There are some in the commercial sector who believe that the future of British media would be served by cutting back the role of the media regulator. They take

**2 Dec 2009 : Column 747**

this view because they want to commandeer more space and income for themselves and

because they want to maintain their iron grip on pay-tv-a market in which many viewers feel they are paying more than they should for their movies and their sport. They also want to erode the commitment to impartiality-in other words, to fill British airwaves with more Fox-style news. They believe that profit alone should drive the gathering and circulation of news rather than allowing a role for what they call "state-sponsored journalism". The Government and this Bill reject this world view, and I hope that the whole House, including the Conservatives, will make it clear today that they think likewise, and that notably they will support Ofcom's efforts to ensure that consumers are getting a fair deal in the pay-tv market.

Ofcom represents an important means of securing media standards, strong public service content and investment in the future infrastructure of the digital economy. In my view, Ofcom should be strengthened, not emasculated as some Conservative spokesmen have suggested.

Although this Bill is broad in the scope of issues on which it touches, every measure has a simple but powerful objective: to equip this country to get the very best out of the digital economy. I look forward to hearing the views of noble Lords today and to engaging with them in Committee. I beg to move.