

14 April 1989

BROADCASTING: OWNERSHIP

The Home Secretary has proposed special rules to be applied to the ownership of broadcasting companies.

Their objective is to prevent commercial concentration to prevent cross-media interests developing and to prevent religious and political bodies from acquiring franchises.

The 22 rules set out by the Home Secretary (Annex A) however, are very rigid. They exclude:

- why?
- all non-EC companies (except in cable)
 - record manufacturers and music publishers (eg Virgin);
 - ownership of more than one ITV franchise (except on public interest grounds - to be judged by the ITC);
 - newspaper proprietors could hold up to 25% of a Channel 3 franchise, but any holding over 10% would need to be vetted by the ITC;
 - satellite TV companies may not own more than 10% if this is judged (by the ITC) to be against the public interest;
 - satellite TV companies from owning more than so many channels.

The real objective of these rules is to clip the wings of a Murdoch or a Maxwell. But the real beneficiaries are the existing ITV franchise holders who face far less competition at the next tender.

These rules could mean that Thames might be owned by an Italian, Southern by a Frenchman, and Central by a German, but that Canadians, Australians and Americans would be unable to own UK franchises. This is the unacceptable face of a new protectionist Europe. *Agreed*

All ITV companies will be subject to our legislation and the ever-watchful eye of the ITC, as well as the Broadcasting Standards Council. In view of the fact that we cannot keep out continental Europeans then it is surely at these points that we should insist on standards and not at the point of ownership.

Conclusion

There must be grave doubts as to how much we will actually achieve by these ownership restrictions, other than to provide a further stimulus to satellite TV and offshore operations.

Recommendations

The Home Secretary's proposals need to be scrutinised by DTI before being accepted.

Brian Griffiths

BRIAN GRIFFITHS