

MISC 128 - BROADCASTING

Broadcasting Legislation

Creating greater competition in television is not going to be easy: it is certain to meet considerable resistance from the existing duopoly; and it is just as likely that the Home Office, and to a lesser extent the DTI, although agreeing to increased competition in principle, will nevertheless wish to drag their feet to protect existing investors and maintain programme quality.

But the momentum for change has now been firmly established. The seminar which you held last month played a crucial part in this. It is very important not to lose the initiative. Each individual step taken must be based on a firm foundation. Yet concern with individual items should not distract your attention from the main goal, namely:

the creation of a competitive television industry which is a world leader, which has special provision for public service broadcasting, and is subject to proper standards regarding sex, violence and bad language.

Three kinds of reforms

Judged against this criterion three kinds of reforms are being put forward:

- (a) those which restrict the monopoly powers of the duopoly while it lasts (such as 25% quota for independent producers, franchising arrangements for ITV companies, the new levy proposals);
- (b) those which increase competition in the longer run (radio proposals, Channel 5, MMDS, subscription);
- (c) those which preserve standards: whether of public service broadcasting (Channel 4) or other standards (Broadcasting Council, regulation of non-DBS satellites by the Cable Authority, Council of Europe convention).

The Contents of a future White Paper

The DTI has commissioned an independent assessment of the use of the spectrum for additional services and this should report by the end of the year. It is important that this is published as it will play an important part in maintaining momentum.

The next step in maintaining momentum is to publish a White paper. We owe it to the private sector to tell them as much as we possibly can about the future direction of broadcasting policy. Paragraph 2 mentions ten candidates for inclusion in the legislative programme (radio, ITV System, Channel 4, Broadcasting Standards Council, programme regulation, Council of Europe Convention, BBC licence fee collection, data services subscription, financing of the Cable Authority). Paragraph 3 mentions a further two candidates for legislation (MMDS and fifth UHF Channel).

The White paper could certainly cover the ten items listed in paragraph 2. Moreover you should insist that it give a

clear signal of the direction of government policy and the competitive climate you are trying to create.

When it comes to the items in paragraph 3, the situation is more complicated. Competitive television depends crucially on the introduction of MMDS and a Fifth Channel. It is these which will create new advertising time and be competition for the existing channels.

A major objection to introducing MMDS may well be made on the grounds of telecommunications policy. If MMDS goes ahead, it will be argued, it could kill cable television and the cabling of the country which would have important telecommunications implications. This and other issues are being considered by MISC 131. The Steering Group (chaired by Alistair MacDonald) on this subject is due to report early next year. It is important that this date is not missed.

On the basis of the independent report on the spectrum and the MISC 131 report on telecommunications policy the government could then decide what to say in a White Paper to be published by Easter. It would be a major omission if the government were to publish this White Paper and omit these items.

Conclusion: A White Paper to be published by Easter could include government policy on all of the items mentioned in paragraphs 2 and 3. The White Paper could make a clear statement on our intentions for MMDS and a Fifth Channel although the details would need to be worked out over time.

The Legislative Timetable

From the point of view of creating a competitive television industry the worst of all worlds would be to have a major bill in 1988/9 from which MMDS and a Fifth Channel were omitted, only to find that in later sessions of this parliament there was no room to fit in a small bill covering these items.

The Second Option is therefore to be preferred. This would involve a short bill in 1988/9 covering radio and the Broadcasting Standards Council; and then a second bill, in 1989/90 covering ITV, Channel 4 MMDS and a Fifth Channel. This option would ensure that the government would be forced to have a second bill, with there therefore being less chance of MMDS and the Fifth Channel being squeezed out of the legislative programme.

Recommendations

1. Ensure that the White Paper is published by next Easter, covers as much of the broadcasting issues as possible and sets down your concern over creating a competitive television industry.

2. The second option will at least ensure that we have a second broadcasting bill in this Parliament and that therefore MMDS and the Fifth Channel receive proper legislative attention.

As the White paper will already have set the direction of policy we can afford to leave a number of detailed items for this second bill.

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