

dti

the department for Enterprise
CONFIDENTIAL

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COMMUNITY RADIO

I am grateful to you for your very full reply of 11 October to Robert Atkins's letter to Tim Renton of 27 September.

This remains a very difficult issue of striving to balance the wishes of those who support community radio against the interests of existing contractors whilst at the same time working towards a lasting long term regime for radio.

As Robert Atkins said in his letter, the problem for DTI in all this is to try to curtail the activities of pirate radio. We see the IBA proposals as a possible route of help to us in this difficult task if the proposals resulted in a reduction of the number of pirate broadcasters. More widely, we saw the IBA proposals as increasing the opportunities for competition and having a helpful effect on inner city policies by encouraging the 'community of interest' stations serving ethnic and non-ethnic audiences.

With this sort of background, I obviously welcome your conclusion that the balance of advantage lies in agreeing to an earlier start for community radio along the lines of the IBA's proposed interim regime. I also strongly support your intention to announce a disqualification provision for pirates who are convicted of offences after 1 January 1989. I am sure that this will assist my Department's enforcement activities. I do, however, have some reservations about the detail of the package that is emerging.



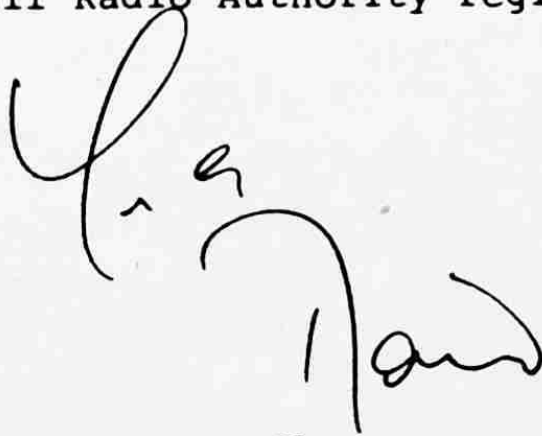

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It was not clear from the IBA's original News Release that in suggesting that out of the 20 new stations 5 will be for ethnic minority interests and a further 5 will be for 'communities of interest (such as jazz fans)'. It is clear from my Department's enforcement work that a major wish of stations catering for the ethnic minority interest is to be able to play the sort of pop music that the minority supports. I think that this point needs further clarification before the scheme is announced. Exclusion of pop-based stations would be a severe disappointment to ethnic minority community radio aspirants.

I feel that there may also be some suspicion about the role of existing contractors as proposed in your modifications to the IBA proposals. I suspect that this role of managing agent will need further defining in order to convince aspirants that there will be real competition to the existing contractors. I hope that there could be some flexibility about your significant minority. Certainly any more than 6 out of 20 awarded on this basis would be likely to provoke criticism and I would hope that the number would be less than 6.

Finally, the proposed modifications are virtually silent on frequency planning. Obviously, the locations of the new stations are a vital consideration but it would be helpful to know what frequencies are in mind and whether there will need to be any negotiation with other spectrum users. My Department is also currently drawing up specifications for community radio transmitters and there will be a need for liaison with the IBA to ensure that any proposed standards are similar. I am glad that you envisage further detailed consideration by officials on frequency matters. Certainly the choice of AM only assignments is likely to be seen as a major restriction. This would remove much of the goodwill that an interim scheme could produce.

I suggest that officials meet as soon as possible to resolve these points but I would not wish to delay your announcement approving the IBA scheme if this can be done while the detail is being finalised. I certainly share your view that the IBA proposals represent a real chance to satisfy some consumer demand in advance of the full Radio Authority regime.

Broadcasting legislation.