

25 April 1990

Broadcasting Bill:  
Transitional Networking Arrangements

The Home Secretary's revised proposals still give unnecessary power to the ITC.

A networking arrangement for C3 under the new regime will be to the advantage of all C3 companies. Hence, it will be in their commercial self-interest to set up such an arrangement.

What is important is that such an arrangement, does not as at present, discriminate in favour of the largest five companies and against the five middle sized companies. The Home Secretary proposes therefore that any such arrangement should be approved by the OPT. This is sensible and very important.

In view of both these points I cannot see any reason why the ITC should publish a specification for a networking system (covering hours of networked programmes, cost-sharing arrangement, mechanism for commissioning and scheduling) when they invite applicants for Channel 3 licenses. This is typical bureaucratic interference by regulators.

Under a commercial arrangement, the new C3 companies would get together, work out an arrangement among themselves and submit it to the OPT for approval. The ITC is best kept out of the process completely - the danger being that they become a lobby for the largest companies.

Recommendations

- (i) Accept the proposal that the OFT must approve the networking arrangement. ✓
- (ii) Reject the idea that the ITC be involved. ✓

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