

87.7 QUAY FM

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8 March 2004

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Dear Mr Stock,

The following response is forwarded to your consultation document on the future licensing of FM commercial radio on behalf of the Alderney Broadcasting Association.

The Alderney Broadcasting Association has been a regular participant in the RSL scheme since 2000. Each year the radio station, Quay FM, has operated successfully for 28 days at the height of the Alderney tourist season during July and August. Most recently, the radio station has enjoyed a second 'burst' of broadcasting over the Christmas holiday period. Alderney is one of the smaller of the four Channel Islands and has come to regard Quay FM as its very own local radio station. As you will know, both Island FM and BBC Radio Guernsey are based and broadcast from the neighbouring island of Guernsey some 30 miles to the south.

Fully aware of the small scale of the economy on Alderney, Quay FM has tailored its operations so that costs have always been covered by revenue from advertising. The station has enjoyed the support of most of the active businesses on Alderney.

The ambition of the Alderney Broadcasting Association is to obtain some category of long term licence. Mindful that the population of Alderney (6,000 in the summer and around 2,500 in the winter) is geographically very much a 'closed user group' the Association took the view that a long term LPMF (Low Powered FM) licence was the most appropriate and made approaches to the former Radio Authority. The latter

responded that as Quay FM was broadcasting to the general population of Alderney, however small and isolated, the radio station did not fit the LPFM category the Authority had designed. The Radio Authority indicated that we should lobby to have Alderney put on the list of future possible stations and, if successful, to compete for a standard ILR licence. Given the small likelihood of success in getting on the list, the size of the Alderney economy and the likely costs of such an application, the Alderney Broadcasting Association felt it wiser to maintain a watching brief on regulatory developments.

With the advent of Ofcom and the launch of this consultation, the Alderney Broadcasting Association believes that the time is right to consider applying for a long term licence either in the LPFM category or in the standard commercial category. Consequently, we are interested to respond to your consultation questionnaire.

Ahead of the responses themselves, however, we would like to draw your attention to the constitutional position of the Channel Islands and Alderney in particular.

We are aware that, despite their political independence from the Westminster Parliament, broadcasting in the Channel Islands has for many years been covered by UK Statute and for this purpose Alderney was included under the Guernsey Broadcasting Committee. This was reasonable at a time when the idea of Alderney having its own station was not conceivable, and fits a general pattern whereby Alderney, although having its own States (government) derogates certain responsibilities to Guernsey (education, health etc). It is perhaps now, an appropriate time for a revue of this relationship. Comment in the Guernsey press recently suggests a less than positive attitude to the new opportunities being suggested by Ofcom..

With Ofcom working to broaden listener choice in the United Kingdom, offering additional FM commercial radio licences, long term RSLs and, now, community radio, it is an important issue as to whether or not the people of the Channel Islands are to be offered additional radio services or are to be left with a single local service (two if the BBC is included). It is conceivable that existing broadcasting interests in the Channel Islands will lobby their respective States on a protectionist platform citing financial viability as a reason for denying additional radio services. If this were to be the case, it would be unfair to the people of the Channel Islands.

The following response to your consultation document has been prepared by the members of the Association.

Q 1: We do concur with Ofcom's broad objectives. Plurality and diversity are essential elements if the people of Alderney (and indeed all of the Channel Islands) are to enjoy meaningful additional services brought about by competition.

Q2: The current policy of allocating FM frequencies appears sound and sensible. An observation on the UK is the dominance of the BBC on the band where the installation of 'infill' transmitters has become

unreasonable. A sensible re-allocation of these frequencies would permit a greater expansion of Ofcom's development programme for commercial radio, long term RSLs and community radio.

The use of a very low power, strictly geographically limited, FM transmitter in Alderney (and in the other Channel Islands) should overcome objections based on the fear of international interference – interference and objections by the French form part of the oft repeated mantra from interests reluctant to countenance additional services.

Q3: Experience in the United Kingdom has demonstrated that generally, but not always, larger stations are more profitable than smaller ones. But this only applies where a single market and a surrounding hinterland are served by a station large in comparison to its competitors. Regional stations serving two or more distinct markets suffer commercially against smaller stations serving a single market because much of their coverage area is a 'waste' to single market advertisers.

In the Channel Islands, it would make a great deal of sense to offer a 'regional' licence comparable to the coverage of Channel Television. This would act competitively with the ITV contractor as well as existing radio operators, the advertising industry being geared to the Channel Television coverage area. Geographical coverage of the islands could be achieved with relatively low-powered transmitters on each island rather than a single, more powerful station which could attract international opposition. These separate transmitters would permit separate advertising sales for each island.

Therefore, for Alderney and the other Channel Islands, by their very nature, smaller licences would best serve the interests of the citizen-consumer

As for the UK, our recommendation would be to licence larger stations so that they can compete and survive against the handful of major players who dominate all of the significant markets with Top Forty or CHR formats. Preferably, they should be licensed to broadcast with similar formats so that the dominance of the 'big players' can finally be punctured. As it stands Capital Radio, GWR, SRH and EMAP do not particularly care how many new services are licensed in their markets – so long as the newcomers are committed to niche formats and they are left dominating the centre 'popular' ground with Top Forty / CHR. In a competitive advertising sell, the niche format players are swamped by the sheer 'listener numbers' delivered by the Top Forty / CHR player. This market place dominance should be punctured for the sake of the other players. The most effective way is to simply license another player to compete with a similar format. This particular exercise might not greatly add to listener choice immediately but the puncturing of major player dominance would make the niche format

operators a lot more profitable and viable with obvious benefits for the listener in the long term.

Q4: North-East England – The three cities / towns are all separate markets. Strong local licences covering each city / town properly would have the best chance of survival and service to the community.

South-West England – There are perceived regional differences here within the area delineated. Our recommendation would be to serve Devon **or** Cornwall. Because of population density, the second option would be preferable.

South Wales - Poor old Newport, left out again! Cardiff and Swansea are separate markets with a wide geographical separation. Far better that all three separate markets should get a strong local service.

Solent – Here is a single significant market with a traditional hinterland. The choice here should be for a regional licence.

The costs and benefits of these arrangements are described in **Q3**.

Q 5: Paragraph 42 does raise an issue concerning one particular area of the Home Counties, namely the Luton / Dunstable, Bedford and Milton Keynes areas. Two members of the Alderney Broadcasting Association have experience of the northern Home Counties and offer these comments.

The Luton / Dunstable area is, of course, the largest population centre / conurbation bar none, in the East of England. Yet, during the Radio Authority era, frequencies which might have provided alternative services to the area were sterilised in favour of a larger number of services for London. Consequently, to all intents and purposes, the whole area has been left to the devices of one regional ‘monopoly’ player, GWR. While the rest of the UK enjoys additional, competitive, services, this important, heavily populated area has to rely on one major player.

We would respectfully suggest that this is unjust and that frequencies should be reserved for stations serving each of these cities / towns, perhaps linked so that they can better compete against such a large, dominant, radio group.

On the general point of advertising licences, we would recommend a paced programme. One large and one small per month would seem about right.

Response to the Licensing Process questionnaire

Q6: After some thirty years of commercial radio development, virtually every area in the British Isles has a different competitive situation. Although tailored information will require more effort on the part of Ofcom, it should ensure more focussed applicants.

Q7: A point often made, in Radio Authority circles was that an individual could only ever write one successful application. This was put to the test over the years as larger groups began to apply for 'everything that was going' and the application writers sought new strands of creativity and new ways of writing the same old thing. The problem was that the questions were always the same. The results were glossier applications, copious research, experimental broadcasts and a price tag which acted as a deterrent to smaller applicants.

It would be beneficial to vary the information requested of applicants according to the type of licence and the nature of the applicants themselves. With care, this development could do much to restore the balance between existing larger operators and new entrants to the industry. It could also deter the deployment of the big 'application machine' and ensure that the speculative costs of making an application remain reasonable for all applicants.

Q8: Such a policy of providing factual information to applicants for a particular licence can only be helpful. All applicants will start from the same knowledge base and then build their individual cases as to the superiority of their chosen format and/or the suitability of the organisation to hold the licence. Once again, it might reduce the high cost of professional research for applicant groups.

The proposals under Paragraph 52 are also welcome. It is a pragmatic approach to detail the licence area and the likely full broadcast area just as it is to specify those areas which the licence holder is not allowed to cover editorially. However, it is important to allow potential applicants to make alternative coverage suggestions if this is based on local knowledge. One of our members remembers an attempt, in IBA days, to link Aberdeen with Inverness!

Q9: The former use of the telephone interview for matters of clarification or amplification was probably a 'step down' from the old face to face interviews involving the boards of the applicant group. Small elements of 'advocacy' and 'performance' were felt to be still required. However, it is much more sensible to list all issues in a considered letter. Equally, a considered written response from applicants will be more satisfactory than an oral answer on the telephone from a nervous chairman. This would remove the possibility of complaints that applicants were trapped into giving a wrong or

damaging answer. To paraphrase an old saying ‘Writing maketh an exact applicant’. Finally, these documents can be added to the application submission and, if appropriate, to the written format.

Q10: We welcome all of the proposals contained in paragraphs 59 to 69 concerning the submission of applications.

Q11: We agree that the Irish system would slow down the application process. Furthermore, such a system would work against the pragmatic approach demonstrated by Ofcom in its proposals thus far in the consultation. Public hearings would bring back posturing, manipulating public support and undue promotional activity on the part of applicants. All of this is to be avoided.

Q12: We agree a short statement concerning the winning application should be published after the award of licence. Concerning the losers, if Ofcom is to be completely honest then, from time to time, some of its comments might be brutal. It is far better, therefore, to provide losers with comments privately, leaving it to their judgement as to whether or not to publish locally.

Q13: Taken as a whole, we would be confident that the proposals outlined in this consultation would deliver an effective, consistent and timely regulatory system.

Q14: Continuing the pragmatic approach and with the good of listeners and advertisers in mind, it is hoped that Ofcom can work with potential applicants to agree licensing arrangements which can actually deliver radio stations where they are needed. This may involve looking across all of the licence categories – standard commercial radio, long term RSLs and community radio – to develop hybrids which match local circumstances. In the past these categories have been regarded as rigid and inviolable. A new proposal which encourages lateral thinking and the development of workable hybrids would be most useful.

Q15: We believe Ofcom’s proposals will provide cost savings for the radio industry and save money for some potential applicants in the following ways:

- (a) Additional information in the advertisement might prevent an ill-prepared (or mistaken) potential applicant from pursuing the process and incurring the subsequent cost.
- (b) More focussed research.
- (c) Shorter applications.
- (d) Electronic delivery.

(e) No 'rehearsals' or consultant sessions for applicant chairmen in preparation for the telephone interview.

(f) Less promotional activity to secure widespread public support.

We trust this response to your consultation document is helpful to you.

Yours sincerely,

John Russell

Chairman

Alderney Broadcasting Association.