

8TH March 2004.

'The Future Licensing of FM Commercial Radio'.

Durham Local Radio Ltd

The board and local consortium that is bidding to secure the license for Durham submit this response.

Question 1.

We agree with the broad objectives set out in the consultation paper.

Question 2.

We agree with the proposed policy for the allocation of the FM spectrum.

Question 3.

It is our view that 'Local Radio' should be 'Local', addressing the needs of a 'community' much as sub regional press has done for generations. Therefore we believe that advertising smaller licenses that will enable a community to identify with 'its local station' is a critical success factor. There is empirical evidence indicating that local radio has a wider social impact that helps to bind communities and therefore is important as a cohesive influence.

Question 4

We do not believe that the aggregation of licenses is the right policy as we have indicated in our response to Q 3. The North East is already served by a wide range of 'regional' and overlapping commercial stations that do not, by and large, address local needs. Cost is important but we believe that innovation is the key to viability in this regard and that the licensing of local stations with promote and encourage this.

Question 5

We believe that the idea of advertising two licences per month is good because it will maintain the pace of achieving universal coverage, whilst at the same time enabling local consortiums to engage in the bidding process with smaller resources in a focussed way and without wider distractions.

Question 6.

It would be very helpful if information tailored to a specific license were available from OFCOM.

Question 7.

It would undoubtedly be beneficial to the Durham Local Radio consortium if the information requested by OFCOM was varied to meet the unique characteristics of a bidding consortium.

Question 8

It would be very helpful if factual existing listening information was made available to bidders in a new license area.

Question 9.

We agree that a single letter is the preferable means of seeking clarification and/or amplification of an applicant's proposal. If in the event further clarification is needed we suggest that e-mail or a short telephone call would enable the process, depending on the complexity of the questions and in the interests of speedy resolution.

Question 10.

We are content with OFCOM's proposals regarding the submission of applications.

Question 11.

We do not agree that a short-listing process would be of benefit in licensing local radio as it would undoubtedly slow the process, and add to the costs of bidding and therefore dissuade investors and managers from entering the contest.

Question 12.

We see no benefit in making reference to unsuccessful applicants.

Question 13.

Regulation of the radio industry is critical to its success, however we believe that regulation should be as light as possible whilst meeting the needs of government, investors and consortia that bid and win licenses. This is especially important for 'local' radio where operational flexibility and innovation is crucial to success. Therefore we are confident that the proposals in this consultation document are consistent with efficiency and effectiveness.

Question 14.

We have no suggestions for changes to this document.

Question 15.

It is clear that the proposed changes will have a significant influence on reducing the costs of the licensing process. However it is important that timing schedules of the process are adhered to as slippage will cause increased costs and concern for smaller investors and consortiums who wish to secure licenses to run 'local' stations.