

BBC's response to Ofcom's discussion document 'The Future of Radio'

14 December 2006

The BBC welcomes the chance to contribute to the scope of the consultation on the challenges surrounding the radio industry in the UK.

We recognise the challenges currently faced by commercial radio industry and welcome moves by Ofcom to stimulate and support the industry in order to ensure its continued survival as we believe in a plural marketplace. A healthy commercial radio industry is in the best interests of all sectors of the radio market and we believe a discussion with regard to format controls and localness regulation as helpful.

However, we suggest that Ofcom should consider issues that are common to all parties in the UK radio industry, since many of the challenges faced are common to all. Radio needs to be ubiquitous and offer a quality experience for audiences in the future as it has in the past.

It is our view that the UK radio industry is being – and will continue to be – challenged by technological innovation and new media services – including audio services - which are attracting younger listeners away from radio. This represents a threat for the whole industry, not just the commercial sector.

Unlike the UK television market, there is currently no formal public service requirement in commercial radio. The public purposes for radio proposed by Ofcom are very much in line with those that apply to those public service broadcasters defined as such in the 2003 Communications Act. The decision to create additional public service provision in radio would need to be decided by Parliament after a debate of many of the issues addressed by Ofcom. At this stage we would observe that proposed intervention to support the public purposes as outlined by Ofcom sits uneasily alongside the other proposals designed to lessen intervention in the market. We would welcome the chance to discuss the extent of such intervention going forward.

We take issue with the suggestion that the comparative decline in listening to commercial radio is largely due to the investment that the BBC has made in its radio services. We believe that a failure by the commercial sector to invest in content over the last few years may be partly responsible for their relative decline in audience share. Therefore, we advise against changing the regulatory framework in response to a short-term effect.

We would like Ofcom to consider whether greater consolidation in the commercial radio sector would be helpful. Also, whether a rationalisation of well-funded brands within the market could be in the best interest of audiences and industry alike, and which would help relieve the pressure on the limited supply of DAB capacity.

The BBC appreciates that Ofcom is keen to free up the analogue spectrum currently used for FM and AM radio services so that it could be used by other technologies. We recognise that Ofcom could use the process of re-licensing to encourage that; however, we feel that further work and debate is required in order to determine the possibility of a complete analogue switch-off within the medium term.

As Ofcom has identified, the FM technology is an efficient and effective use of the VHF Band II spectrum delivering significant social, public and private value to listeners and broadcasters. The radio industry has invested heavily in FM and it is a good platform for cost effectively achieving good availability of services for static, portable and mobile reception and near universal coverage of TSAs. Ofcom needs to consider the role that FM could and should play in the UK radio ecology of the future, given the adoption and development of digital radio and audio technologies.

The BBC whole-heartedly supports the further development of the digital radio market in the UK as we believe that this will enable the radio industry to compete in the digital future. However, the industry needs clarity on how that will be encouraged and how it could be achieved. We feel that Ofcom should consult on the possible benefits that additional coding technologies might offer and how new digital broadcast technologies could play a role - alongside DAB - in the development of a strong digital radio market.

We support the further development of DRM as a means of providing digital services for audiences across the UK, and we consider that it could be an alternative use of the MW spectrum. But we need to understand more about how DRM works and would welcome a consultation on what role DRM should play in the future of digital radio in the UK.

The BBC supports the development of a strong and vibrant community radio sector, and will continue to be supportive in the future. Ofcom should consider how community radio could have a place in a totally digital radio world.

We would also like to propose that Ofcom consider the following very specific issues:

What should be done about local DAB rollout in areas where DAB multiplexes may not be profitable – with particular reference to the nations?

How should mobile TV sit alongside DAB?

How does the industry feel the audio quality threshold should be set on radio services?

In summary, the BBC feels that Ofcom should consult on the future of the UK radio industry and how that industry can maintain competitive within the wider global marketplace and in the context of rapid technological change.