

**Moss Media's response to the OFCOM consultation document -
"Radio - preparing for the future"
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Moss Media background information:

Moss Media was set up in 1994 to provide a full range of technical and programme services to existing full time commercial stations and the growing numbers of RSL, Hospital and University radio facilities, whilst also offering consultancy assistance to the rising number of groups bidding for radio licences of all shapes and sizes then and since. With numerous individual and radio company clients spread throughout England and Wales, we are happy to be able to report successful involvement at technical and programme levels in some of the most innovative local radio projects of recent years, and an association in some way or other with many successful commercial radio licence applications. This work continues, now with added involvement in providing input into the preparation of applications for the new tier of Community Radio licences, introduced by OFCOM in the recent past.

The collating author of this response document is our Principal, Dave Moss, who holds a qualification in electronics, and is a Member of the Institute of Broadcast Sound. Dave has been continuously active in British commercial radio since 1974, and has gained considerable experience in operational, engineering, presentation, programming and management posts, at a variety of stations big and small.

This response follows the general format of the "Questions for Consultation" section included in the 'Radio - preparing for the future' document.

Question 1

Do you agree with our proposals to use formats as the primary tool of regulation for analogue commercial radio?

We agree that in general terms the Format is a suitable way in which overall regulation of commercial radio stations may be achieved. Formats have been used for some time as a development of the older 'Promise of Performance.' and we believe they have secured the continued provision of radio services meeting relevant criteria. We see no reason why Formats should not continue to be used as the primary regulatory tool for analogue commercial radio.

Question 2

How do you think the objective of ensuring the provision on commercial local radio of a high quality news service, including local and national news, is best achieved?

Notwithstanding OFCOM's desire to minimise the regulatory burden, which we completely understand, we feel it important that certain minimum levels of ground rules with regard to local news coverage are laid down at licence award and then maintained throughout the life of an analogue local licence. Whilst we naturally feel it

important that flexibility remains to take account of changing public demands and/or the advancement of technology, and prevailing circumstances as they affect a particular licence holder, we believe that such flexibility should be even handed and not tilted in favour of the broadcaster or the listening public.

While commercial stations are not providing news on a public service remit, we feel that the responsibility in news provision outlined in a licence application and taken on at licence award should remain a commitment for the life of the licence, with material changes allowable only for good reasons. Though we are well aware of the financial imperatives of running a commercial station today, and the need to constantly seek savings in running costs, We do not believe that perceived or real internal cost-saving attempts, often under a catch-all heading of 'operational efficiencies' are any real excuse for a reduction or compromise in any aspect of a news service as originally proposed for listeners at licence application and subsequent award.

We feel it is within OFCOM's remit to police this aspect on behalf of listeners who may otherwise, over a period of time, be 'short changed' on aspects of the news service to which they have become accustomed. It seems to us that if an applicant group did not reasonably believe a particular level of locally generated news service was fully sustainable on their original and projected financial plans, that level of service should never have been proposed.

- Should stations be allowed to use news hubs to allow them to operate in the most operationally effective way?

Our principal and various associates have extensive experience of technical installations for news operations, and of the staffing of local radio newsrooms, dating back to the first wave of ILR stations in the 1970's. This includes experience of the operations and output of one of the first news hubs. We are therefore aware of the approximate costs of the technology involved and the number (and turnover) of staff involved in running a news hub, versus the costs of installing appropriate hardware and staffing for solus local news output in the 'traditional' way at individual stations. We have absolutely no wish to see news operations conducted in anything other than an operationally effective way, but as yet are unconvinced that news hubs in general deliver either the tangible benefits being sought by their operators - or an improved service to listeners.

Indeed it seems to us, as a result of close experience, that the introduction of news hubs has brought potential for a reduction in the quality and depth of news output as heard by a listener. We believe quality reductions can range across a very full spectrum, from journalists' lack of detailed (or even working) knowledge of the area from which a story originates - feeding through into inaccurate reports, through inappropriate editorial decisions with regard to bulletin order in a given area as a result of failure to understand the implications of a particular 'local' story, incorrect pronunciations, an increase in the number of dubious quality telephone clips utilised in preference to face to face recorded interviews, a marked absence of important - sometimes any - local sport stories because there is no specialist on the 'patch,' and bulletins simply recorded too late to alter in the face of breaking stories. We have also noted hubs succumbing to a particular temptation when for whatever reason they are short of relevant local material, resorting to what is effectively 'just filling the

airtime.’

Finally, we have noted a range of technical problems through journalists’ failure (not through any fault of their own, they are journalists after all) to properly understand and use to best advantage the technology with which they are inevitably confronted in order for centrally generated material to get to its intended destination.

We have noted also a trend towards (or pressure for) news hubs that seems strongest in bigger groups of stations - which by definition ought to have the resources to maintain separate, highly efficient news operations for each station, staffed at a level good enough to ensure a continued flow of quality local news is available throughout the broadcast day - or as required by a Format promise. In stark comparison we are aware of many smaller stations who seem to have little difficulty in providing regular news and additional feature material of high quality and above and beyond the call of duty.

Our impression is that so far, news hub operations are not being introduced in a bid to primarily improve news services for listeners, which may be regarded as a worrying development. From a group or station’s viewpoint, we feel there may be some cost savings accruing through a reduction in ‘news editor’ staffing levels, but we are otherwise doubtful that those stations operating such hubs today are yet realising the financial efficiencies that were predicted when they were introduced.

We accept that a case may well be made at some future stage for stations to effectively operate news hub systems, but on the basis of what we know and what we have heard on the air in the recent past, we do not believe news hubs yet offer any benefit of substance to the listener, and are more likely to bring disadvantages. We are also of the opinion that, on the basis of what we have heard, the quality of service provided to stations taking a hub’s output is no better, and may in general be poorer, than when the same stations were operating stand-alone news services. It seems therefore that in the near and medium term future, any significant benefits arising from news hub operation are more likely to flow to the radio stations involved, rather than into the quality, quantity, accuracy and wider availability of the news service provided for listeners.

We very much believe OFCOM has a part to play here, for some time to come, as a referee in defining a balance point beyond which news hub operation cannot be allowed to proceed in favour of “operational efficiency” without defined assurances that listeners will continue to receive the type, quality and quantity of news services they have come to expect from their local commercial station. We believe it particularly important that the adoption of a news hub approach is not interpreted as an opportunity to allow a gradual decline in news staffing, or allow a diminution in the quality or quantity of news available to commercial radio listeners.

We do not yet think a strong case has been made for valid news hub operation, and overall feel that at least some regulatory control over the characteristics of the output they deliver to ‘subscribing’ stations should be in place for the foreseeable future. Since OFCOM’s own research has revealed that listeners regard local news as one of the key components of local output, to keep quality up and the hub-delivered service locally relevant on a per-station basis, we feel it important that a regulatory referee

exists to consider the overall situation wherever a news hub is proposed.

In short our current feeling is that if news hubs must become a way of commercial radio life, then some formal safeguards on sufficient and substantive local news and sport content relevant to the transmission area in which the material will be heard are currently required and should certainly continue for some time.

- Do you agree that we should include a statement in the localness guidelines to the effect that, in order to provide a comprehensive local news service, each station must provide direct and accountable editorial responsibility, based within the licensed area, for the provision of a news service equivalent at least to full time professional journalist cover for all of the hours during which its licensed format specifies that it will provide local news programmes?

Yes, in general we agree, though with account taken of the various implications noted in the previous section. We would also point out that, particularly in the case of stations with geographically large transmission areas, some may well feel that provision of just one journalist in the context described cannot really be enough to provide sufficient meaningful and authoritative news contribution input for a given local radio station.

- Is there a better way to achieve the objective that focuses more on output rather than input regulation?

We would prefer that news hubs were not encouraged without additional safeguards, for the reasons stated in earlier paragraphs. On the basis of current experience we believe it necessary certainly for the medium term and possibly longer, that some form of regulation be introduced regarding 'minimum output standards' for news hubs for the individual stations they serve. We believe this necessary to ensure the originally promised (and therefore expected) quantity of adequate, accurate, authoritative local news content is actually provided, in a consistent manner and directly related to the area served by the specific individual commercial station.

Question 3

Should stations decide for themselves how much programming they automate?

This raises the question about what is 'local' radio as much as it raises questions about the desirability of automation. We believe the approach of the Radio Authority was broadly correct in that the Authority allowed limited, controlled and negotiated amounts of automation.

Unquestionably, automation can be a useful tool for station operators to obtain breathing space, and, to an extent, rein in staff costs. OFCOM research has suggested a sizeable minority of listeners are not aware of automation in action on local radio - but this does not, to us, of itself make any case for more, unrestrained automation. There is a distinct feeling that spontaneity and elements of localness are lost in moves towards automation - links tend to be brief, anonymous and less than topical, features tend to appear in 'packages,' natural presenter rapport with an audience inevitably declines, and reaction to major events can be slower. Our feeling is - can a station really be local if a computer is producing significant parts of its output?

We conclude that normal bids for licences might reasonably be expected to be made on the basis of a locally founded service, the vast majority of which is delivered live, and proposed as such for the lifetime of a licence. Automation may well play a varying part in each bid submitted, and it is for the regulator to choose which bid is the best. Numbers and frequencies of automated output elements may well be low in the priority list in selecting a winning bid, but we feel they should nonetheless form a part of the evaluation process, for, whether listeners are aware of automation and its extent or not, by definition automation is not live local radio, which in the minds of most listeners, we believe, is the expectation from a newly licensed operator. After discussion, our conclusion is that excessive use of automation will probably mean many of those characteristics which have made radio listening interesting for so many, for so long, will inevitably be increasingly absent for lengthy periods of time.

After a licence award we can see no overriding day to day reason to allow major increases in automation levels beyond those enshrined in the original bid. However, reductions - the opportunity for more live radio - should, we think, be welcomed. For many years local radio operated without automation since it was effectively impossible to organise. Before there is any relaxation in current automation levels, perhaps questions should be asked about why today's operators feel an ever growing need for automation over live programming. It would, we think, be interesting to know how much of the perceived desirability of automation is actually driven by commercial imperatives rather than a desire to provide the public with the live broadcast service it might reasonably expect. Also, we are not sure precisely how (if at all) listeners to commercial radio are benefiting from automation even at current levels - or how they might benefit from increased automation in the future.

We are of course aware of specialist channels run via satellite distribution on a completely automated basis, and there may be room for such services on wide area digital channels in future. However it seems to us that automation succeeds here precisely because they are specialist channels, whose listeners expect nothing more than a continuous specialist output. We cannot, at the state of development of the radio market today support the view that local stations with a wide ranging general audience should have completely free rein to choose how much automated programming they run. While a case can certainly be made for automation out of peak hours, and elements of localness could of course be included therein at any time, our belief is that the dead hand of automation cannot provide the immediacy, the spontaneity, the connection with an area, and the captivation of an audience as a live presenter can.

When used with restraint and in suitable circumstances we think automation is a useful tool, but one which should continue to be controlled, requiring justification and regulator agreement for significant periods of use during anything other than overnight and weekend off-peak hours on local commercial stations.

Question 4

Should the requirement for a station's studios to be located within the measured coverage area be relaxed to require the station to be based within the licensed area?

This straightforward question seems to us to actually raise some very deep and far reaching issues about the future of local radio. The question “what exactly is a studio?” has never been more relevant than in considering this question.

Today, at one extreme, a radio station can be built into a couple of flight cases, with a computer playing all its music, commercials and speech content to a predetermined schedule. Technology has reached a stage where a playout system can smoothly run material 24 hours a day, and with careful programming the best systems can achieve a standard better even than an expert ‘live’ presenter. Furthermore, the material actually broadcast could have arrived as computer files from literally anywhere - as could the playlist through which the computer determines what to actually play and in what sequence...

Meanwhile, guest participants in daily programme output are no longer a major feature of many stations’ output, and since visitors are frequently not that common either in general daily activities, stations are gradually moving from high street or secondary positions into much less high profile locations.

It follows from all of this that studio premises, necessarily vital in an earlier age of radio, are no longer automatically required as a fixed entity inseparable from a local area transmitter and the management and technical facilities used to produce the programme output.

Local stations today still feel the need for a studio presence, but as consultants we are already detecting a mood of change towards the evolution of what might be called a “studio hub,” from which material might be originated for more than one station. Material for broadcast could today easily be generated and transferred as audio or computer files from a central point - where management and administration of the overall operation is conducted - to destination transmitters located at some distance from the actual studio where the material is generated.

It seems to us that even despite the above, in today’s radio landscape a local station should maintain a base - which hopefully will continue to include at least one studio where quality audio can be produced - within the area in which its transmissions can be received. We have mixed feelings about the possible longer term gravitation of local stations towards a ‘studio hub’ operation, since a number of important issues in this scenario, in particular that of continued localness.

We feel studio location may become an important issue at a later time, but currently see no reason to raise objections to a relaxation of the studio location rule, thus allowing stations to operate from premises anywhere within the licensed area.

Question 5

Do you agree that the stations local hours, as defined by its format, should include local material, but that, outside of these hours, stations should be free to share material with other stations on a network basis as they see fit?

This approach and a requirement for a station to be licensed as local seem essentially

exclusive to us. Our discussions have centred on what, precisely, is licensed as a local station? This question seems to raise the prospect of a channel being used by one station (a local one as originally licensed) during the daytime, and possibly a very different one outside "local" hours (essentially at night)

Whilst there are many precedents for this kind of approach within the history of big-station radio (of which Radio Luxembourg is probably the best known) and many stations already network overnight material, we are somewhat nervous of seeing deregulation go so far as to allow completely unlimited and/or unbridled night-time programme sharing across the country.

Local radio is naturally most in demand during the day, but the opportunities for relaying an 'out of area' station's programming - possibly a deliberately designed "overnight network" station reminiscent of the long defunct "Supergold" service - assisted by unlimited opportunities for automation as previously discussed, would in our view probably not be in the interests of listeners. It would also, we think, start to call into question the precise definition of a local radio station. A situation could arise whereby for at least half of every 24 hour period, a station would be local only by virtue of the definition of the area covered by its transmitter. We firmly believe that a station's ethos and its programming, not its transmitter, should be the key to what makes it local.

Notwithstanding the ability of automation to play material in local 'windows' within network programming, unlimited overnight networking would remove any possibility of programming the non-peak hours to appeal to a local non-mainstream audience. Any remaining specialist programming would become a casualty, and fledgling presenter training opportunities would also be reduced to zero. Further, we see a danger that perceived financial advantages to stations resulting from a contract to take one or other network overnight might well become the sole compelling reason why a particular station would choose to opt for a particular network, with any listener implications - particularly that of reduced listener choice - relegated to a less important role.

We are aware of the argument that experience has shown 'no-one listens at night' We are not altogether persuaded by this. Whilst being aware of the wide range of leisure and entertainment pursuits available today, following discussion we still tend toward a view that a principal reason 'no-one listens to commercial radio at night' is probably rather more about the type of programming offered than a general disinclination to listen because other things occupy people's attention at night. It seems to us that there is evidence to suggest that night-time radio has previously been and could still be popular, but that programmers in Britain have in recent years tended to ignore it or failed to capitalise on its opportunities. This trend may well still be capable of change given more inspiration and effort in programming terms - and, arguably, less networking, not more!

In summary: yes we agree that stations' local hours, defined by format, should include local material, but, old fashioned as it may sound, we regard all hours as local on local radio. We are sure there is a place for continued networking, and indeed we accept that it could be expanded - probably on a regional basis - but we could not reach a cohesive view that stations should be completely free to share material with other

stations on a network basis in off-peak hours without some limitation.

Question 6

Do you agree that each station should be required to maintain a format and localness file, available at both its premises and online, which demonstrates how it is meeting its obligations?

We believe it essential that all commercial stations, big or small, provide a clear indication of the programme output obligations contained in the terms of their licence, and an equally clear, regularly updated indication of how the station is meeting those obligations. The system suggested by OFCOM will involve a need for updating work by stations but seems to us to be a quite equitable way of making public key information which in the past has not always been as easily accessible as it might have been.

Question 7

Do you agree with our revised localness guidance which sets out the factors stations should take into account in providing local programming?

We believe it important here to clarify what is meant by local programming. We sense an increasing danger that a presenter sitting in a studio in the licensed area with a computer terminal, providing very limited speech output and playing music interspersed with pre-recorded news and weather, traffic and travel and 'whats on' information, is increasingly being perceived as 'sufficient' in local programming terms. There also appears to be an increasing tendency to take pre-ordained music output with pre-recorded feature material, all run under computer control, and intersperse that with the occasional, additional, live link.

OFCOM research outlined in the consultation document demonstrates a clear demand for "minimised" local output of this kind, and some of our group actively enjoy this kind of local radio programming. Research we ourselves have undertaken in the course of licence applications over a period of years has regularly shown a sector of the commercial radio audience for whom that type of output is really all that is required

Undeniably this is locally originated programming, which presumably would fill the OFCOM brief under that heading, but our overall view is that it constitutes only a basic level of local programming. In discussing the issue, many other aspects of populist local life and culture were mentioned which are no longer well represented on local commercial radio, and whilst the 'shallower' approach described above seems to be gaining ground, we reached the view that overall localness in commercial radio output is correspondingly suffering. We include here local comment, reflection, information, local music and the other local performing and written arts in all their many guises - which have in the past featured on local commercial radio. The BBC local services have capitalised on such material, but in the commercial world deeper elements of localness seem to have become marginalised, relegated largely to RSL stations.

Our involvement in researching applications and holding informal discussion forums

in the course of contributing to licence applications has long revealed a sizeable cross section of the public unconvinced that elements such as local information - traffic, travel, weather and 'whats on' news, whilst always welcome - can be anything other than just a part of what local radio programming should be about. Such elements are perceived by local radio listeners or potential listeners as material that, by its nature, originates from elsewhere, rather than having been generated by the radio station.

Bearing in mind that these elements usually make up a quite minor part of a broadcast day or week, we think it possible to make a case which says such material is rather different from "real" local content, which (in our estimation) brings with it an implication of rather more depth, substance and production effort. Our research, public questioning and discussion forums have repeatedly shown local sport, music and other arts based events and outside broadcasts from major local happenings to be high on most interviewees lists when asked about expectations of local material on the radio.

Another consistently mentioned aspect is the feeling that radio is well placed to attempt to get 'publicity' or 'action' on thorny topics of current local relevance through tough questioning (sometimes with a phone-in) of invited studio guests - councillors are often cited here, along with other senior personnel responsible for local matters. On more than one occasion our researchers have heard the phrase "what real local radio should be about" delivered in connection with this type of programming. Yet such strands appear to have effectively died out on full-time local stations of any size.

We note that OFCOM has addressed some of these issues in proposed guidelines on localness, and would certainly not wish to suggest direct regulation insisting on output of these types. Many subject areas mentioned above are likely to be minority interests, and would not in any case suit all stations equally. We nonetheless feel that some thought might be given in finalising both localness and networking issues as to how at least some requirement (as opposed to guidelines) for local output over and above news, weather, traffic and 'whats on' information might still be included as part of a local service remit. Without such requirements we sense an increasing danger that news, weather, whats on and traffic topics will become the de facto standard for "sufficient local content," where many would still argue, as detailed above, that local commercial radio should be less about automation and networking and deliver much more than just the most basic information levels likely to interest a given community.

We would be particularly sad if substantive guidelines were introduced suggesting that local output could be regularly aired by automated methods. After full discussion, our view remains that the key ethos of a local radio station is the implication that very significant amounts of output - whatever form that takes - will be locally produced on the spot, by local people, for local people. Our view is that essential elements of that approach will include genuinely live programming - live interviews, live phone calls, live outside broadcasts, live discussions, live performances and more. The airing of a combination of these aspects is, we believe, what has given British local commercial radio its local identity and widespread acceptance in the last 30 years, and the unseeing hand of automation risks removing that bond with a local area, since it is incapable of delivering the spark of enthusiasm and unpredictability which will always set live broadcasting apart.

It seems to us that automated playout of locally recorded material of typical two or three minute duration, scheduled by someone sitting in an office anywhere in the world, may be interpreted as local to the letter of a carefully constructed definition, but it is not what local radio should primarily be about. It may well be undetectable to the average radio listener, but we firmly believe it is simply not what the majority of the population still understands and expects by way of localness from their local radio station. Not yet anyway.

Secondly, how can we best facilitate the growth of digital radio? We would welcome views on the following questions:

Question 8

Do you agree with our proposals to allocate more spectrum in VHF band III for DAB-compatible use (subject to spectrum clearance and international agreement) in the following way:

- Three blocks to provide local multiplexes to those areas which currently do not have their own local multiplex - and some areas which already have local multiplexes

- One or two blocks for national coverage (depending on whether four or five blocks of spectrum are available in total)

We believe this is probably the most equitable way to allocate those frequencies which will be available for DAB broadcasting in the foreseeable future. We feel it important to urge OFCOM to press for the maximum possible allocation of spectrum for future DAB use, since we believe the medium has considerable longer term broadcast potential - and insufficient AM and FM spectrum has long been a major restriction on the development of British radio

On the basis of discussions with colleagues and the public on the subject of DAB radio, our current feeling is that there will probably be continuing medium to longer term demand for additional national allocations. We have noted a perception in several quarters that commercial radio has long been heavily disadvantaged in favour of the BBC so far as national stations to date have been concerned. We are aware of various formats which might be capable of sustaining national services were DAB field strengths set at a more realistic level for portable - and particularly ground floor - use, and sufficient receivers (and the right type of receivers) available and/or in circulation.

The station most often mentioned as missing from the national radio scene in our research has consistently been "a proper oldies station" but at least half a dozen other allegedly 'missing' national formats have been mentioned to us in the last five years. DAB seems the only platform which will ever provide something close to sufficient airspace to bring such 'missing but desirable' formats to a wide national audience.

Question 9

Do you agree that the proposed local DAB digital radio multiplexes should be awarded as broadcasting act licences?

Yes: whilst we acknowledge that the merging of computer and audio technology makes for a constant state of flux so far as future developments are concerned, we can currently conceive of no other viable local use for these channels when they become available. We are at an early stage in DAB development, and takeup has not been rapid. No doubt other uses for DAB channels will come to light with the passage of time, necessitating further reviews of band usage and frequency allocations in the future. Once DAB reaches 'critical mass,' given the continuing fragmentation of music genres, and a latent demand for more back-catalogue channels, as evidenced on satellite radio, we feel DAB spectrum it is likely to be in demand by broadcasters for many years to come.

There seem to be several major stumbling blocks at local level to further DAB development. On the public side, poor field strengths in general, and resultant difficulties with ground floor reception, have been raised with us on several separate occasions. Car manufacturers have not exactly embraced DAB's arrival with open arms, and this is a key area where the public are exposed to radio and have space and time to make considered decisions about their preferred listening choices and methods. DAB radio is available as standard equipment in very few cars, and expensive receivers confined to option lists, as is the case with a few more manufacturers, is not likely to precipitate a wave of enthusiastic buying.

For smaller scale broadcasters, local DAB faces a major stumbling block over the likely transmission costs of actually putting channels on the air - versus the equally likely very low payback from advertising revenue given the currently indifferent consumer approach to the medium and relatively low numbers of receivers in circulation. We believe a significant sea-change will be necessary to kick-start the local DAB marketplace, and cannot currently see from where that change might arise. We do however believe it will in general be helped by the announcement of national digital TV conversion - and the driving forward of as many new national DAB channels of varying, currently unavailable, formats as rapidly as possible. Both these events will undoubtedly raise awareness of the medium overall.

Question 10

Do you agree that the frequency blocks proposed to be allocated to national coverage should be awarded under the terms of the wireless telegraphy act only (i.e without the need for a broadcasting act licence)?

Yes: we believe this will offer the widest possible approach to utilisation of airspace - though we also feel it would be unwise to allocate all available spectrum in this band to non-audio services for long periods of time, since this could easily stifle continued penetration and growth of DAB as a household broadcast audio medium, as well as potentially restricting consumer listening choice. Given the currently still low level of takeup for a system that has been operational for some 10 years, and indifference in various countries around the world, there may be a risk that growth would stall if further tranches of new stations are not seen to appear.

Question 11

What demand do you envisage there being for nationally allocated DAB-compatible spectrum?

We envisage considerable ongoing demand for nationally available DAB channels, as stated earlier. On the basis of discussions with colleagues and the public on the general subject of DAB radio, we have noted a perception (true in our view) in several quarters that commercial radio has been heavily disadvantaged in favour of the BBC so far as national stations to date have been concerned. As stated in our response to question 8 earlier, we have heard suggestions of various station formats which might well be capable of sustaining national services were today's public inertia towards DAB to be overcome, field strength issues resolved, and sufficient receivers (and the right types of receivers) available and/or in circulation. Indeed, the addition of further formats as swiftly as possible would in our estimation aid further development of DAB in Britain by providing new groups of listeners with an incentive to "go DAB."

The station most often mentioned as obviously missing from the national scene in our research has consistently been "a proper oldies station" but at least half a dozen other allegedly 'missing' national formats have been mentioned to us on different occasions in the last five years. We have little doubt up to ten or so new formats could be aired which would provide a major slice of the population with a new incentive to find out more about DAB. However we feel that only two or three of them would currently have any medium term revenue potential, particularly given the current state of DAB market development. This appears the classic 'chicken and egg' conundrum. We urge OFCOM to press ahead with spectrum clearance and the offer of further national DAB broadcast licences as fast as is practical.

Interestingly, amongst those with experience of DAB, whilst we have come across praise for the number of new stations available, the most common complaints seem to centre on low or insufficient field strength for adequate reception (a real problem in the early days of FM broadcasting too) and audio quality which was perceived to be 'not quite as good as had been expected.' This latter point is presumably a result of expectations raised in the sales showroom, later negated though the use of lower bit rates than those of which the system is ultimately capable and/or unsympathetic processing by broadcasters..

Question 12

Do you think the limit on non-programme related data carried on each commercial DAB digital radio multiplex should be raised from the current limit of 20%? If so what should the maximum limit be raised to? What do you envisage the extra capacity would be used for?

So long as the number of sound broadcast services are maintained at the originally intended level within a given multiplex and their bit rates are protected to a level which delivers audio quality on all of them in line with the established standards of FM broadcasting or better, we can see no reason why non-programme related data levels should not be raised.

With technology in a clear state of transition, and computer, audio, mobile phone and TV technology steadily merging to deliver seemingly endless potential, it is particularly difficult to currently isolate new uses or new maximum levels for publicly available data capacity of this kind. We feel sure that many innovative ideas will come to light in the next few years requiring the transmission of data over a local,

regional or national area. In car usage may well be a particular area where more use might be made of data transmissions - well above and beyond the established possibilities offered by RDS and TMC.

Question 13

Do you think the limit on non-programme related data (including radio) carried on each commercial digital terrestrial television multiplex should be raised from the current limit of 10%? If so what should the maximum limit be raised to?

Similar comments apply here as in question 12 above.

Question 14

Do you agree with the proposal to abolish the minimum bit rate limit for DAB digital radio and replace it with a co-regulatory system akin to that applied in television picture quality?

We are not aware of the detail of the co-regulatory system currently in place. In view of comments regarding audio quality received during our own research on radio projects which dates back some years now, we believe a minimum bit rate level should be in place, consistently protecting the audio quality of all channels in a DAB multiplex. Our suggestion is that bit rates are protected at a level which ensures audio quality can be delivered to a standard at least as good as, and preferably better than, that delivered by FM radio.

Thirdly, in terms of future licensing

Question 15

How should OFCOM allocate further MW (AM) frequencies between commercial and community radio?

After considerable discussion, our view differs markedly from that of OFCOM over statements regarding listener choice and the decline in AM listening following the arrival of two national commercial AM channels. Of course the arrival of those stations increased listener choice, but our belief is that this, of itself, is not necessarily a driver for increasing actual levels of radio listening - and we believe this is particularly true in the case of the formats broadcast by the national AM licensees involved. In our view neither format constitutes a strong recipe for mass-market, widely appealing stations. Though both services have carved themselves a useful niche, we would have been quite surprised if their arrival had added large numbers of listeners to AM services overall..

In particular, though of course there will always be notable exceptions, our experience suggests that neither format generally appeals to female listeners. The research we have undertaken in pursuing several applications for local area licences in different parts of the country over the last 10 years has never shown especially strong responses for either kind of material, and in all female categories we have always found a lukewarm response to any proposals for sport or rock music output. RAJAR evidence of actual listenership of these stations as configured today bears this out, though unquestionably Radio 5 live has achieved a highly commendable result in terms of its

reach - given a seemingly almost impossible balancing act in successfully blending both sport and news elements into its programming.

Here, we found ourselves posing and then contemplating a rhetorical question: if those commercial AM frequencies had been utilised for national channels carrying different, more widely appealing music genres, or even perhaps a national rolling news service, who knows what might have been achieved in terms of listenership?

Nor are we entirely convinced about availability of better quality audio and stereo reception being leading components in a mass migration towards FM. Surely, audio quality has a significant bearing on the choices people make in their listening habits, but so do many other, completely unrelated factors. We suspect the 'Hi-fi stereo' reception aspect on FM is taken as a truism when the real-world reality may be rather different. As stated elsewhere in this paper, we tend more towards the view that it is what is actually broadcast rather than the waveband it is broadcast on which ultimately decides listener reception and the size of audience gained by a particular service.

Given the breadth and quantity of popular music recorded in the last 50 years, approaching 50% of which was expected to be heard - and thereby sold - on the basis of quality levels at or equivalent to AM radio, in outright programming terms we have found it difficult to avoid the view that AM has become a less than inspired desert since simulcasting was abandoned in the 1980's. Examination of recent RAJAR data reveals plenty of high audio quality FM stations currently broadcasting whose reach is in the range of 10 to 20%. This is certainly not far above what we feel ought to be achievable by AM stations under favourable conditions with carefully formatted and rather more inspirational programming.

We acknowledge that there are many who genuinely take an opposing view: that (new digital techniques such as DRM apart) the AM waveband is finished, and that the audio quality it delivers is insufficient for public expectations of what is predominantly an entertainment and information medium. Many years of simulcasting certainly gave the public an impression that there was nothing further to be gained by listening to AM when the higher quality FM band was providing the same station and service, and reasonable quality FM receivers were widely available.

Whilst understanding the reasoning behind it, after much frank discussion, we have arrived at the view that we cannot currently subscribe to the "death of AM broadcasting" viewpoint, believing that in general there is still a future for AM services. We do feel however accept that any reinvigoration of AM listening to a level where it is capable of delivering self-sustaining revenues will not be easy. It will probably take a new wave of broadcasters, untainted by preconceptions concerning FM, who are prepared to work hard in order to unleash any latent potential after a long period when the waveband has languished in the doldrums.

As to the future: for small scale broadcasters the difficulties of AM broadcasting are centred around the costs of the transmission installation. Aerials are large in comparison to FM, whilst transmitter equipment is not as readily available and correspondingly more costly. For these reasons we believe that in general the immediate future of AM broadcasting is likely to lie with commercially funded

stations rather than community broadcasters, who will by definition be operating with much lower revenue levels. The current OFCOM approach for community broadcasters, offering the choice of wider ranging AM services in certain defined circumstances seems to us to be the correct one - but it leaves a number of old AM dilemmas in its wake.

In particular there are the extra transmission costs of AM to consider, and the vagaries of night time interference, rendering many channels unusable over any distance after dark at certain times of the year.

Following some lateral thought, we believe the key to unlocking and making viable use of these channels may well be a radical one, through a new and as yet uncharted regime of minimum restriction and maximum opportunity. We wish to suggest that OFCOM considers the possibility of offering any available local area AM licences at the maximum possible ERP levels, to provide the widest possible coverage to potential bidders who can demonstrate access to adequate financial backing - but do not currently hold full-scale - and particularly large scale - commercial radio licences.

We strongly suspect it will be possible to find groups willing to take such services on so long as the risks and the licensing benefits are clear - and there is one particular new benefit now on the AM horizon which could, in our estimation, finally make the band desirable again. It seems to us that the advent of digital AM services provided by technology such as DRM provides a perfect opportunity to add definite value to any AM licence offer which might be made in the near or medium term future,

Such licences could perhaps be offered with a 'rolled-over' DRM licence to be automatically available when that technology reaches consumer-level maturity and viable audiences are available for DRM services. The move towards consumer-level acceptability of digital technology is at long last gaining momentum, helped along by DAB, and more recently the looming advent of an all-digital TV network. The development of dual, triple or quadruple band radio receivers, covering FM, AM, DRM and DAB seems likely to follow in the wake of this digital revolution, and the prospect of a DRM licence as such receivers become reality will offer potential for a much more level playing field over time (if, indeed hi-fi quality really is a major influence) for stations which have operated on AM wavebands with their inherently poorer audio quality.

We feel a DRM licence would be just reward for those who have kept faith with AM broadcasting, and (based on current knowledge of DRM development) could deliver enough attraction to persuade possible licensees that the take-up of an AM licence today will definitely be worthwhile, and will have the potential - certainly in the longer term - to generate revenue and become viable.

Overall, for licences on today's crowded and interference prone pre-DRM AM waveband to be tempting to those with no track record in large-scale broadcasting, we believe it will be necessary to offer such licences at the lowest possible cost, for an extended period of time, with as few restrictions as possible beyond the basic ground rules applicable to all commercial radio licensees. Against such a background, and with operators in place lacking preconceived notions about the viability of the AM band overall, we see no immediate reason why AM broadcasting should not continue

to be a worthwhile feature of the British radio landscape.

Question 16

How might we accommodate the advertisement of new commercial MW licences into our existing FM licensing plans?

With relatively few FM licences still to advertise, we feel that generally, AM licence applications should be dovetailed into the FM schedule, though the rate at which AM licences are advertised could certainly, in our view, be at a lower rate than for FM - in order to avoid unnecessary delay to a pre-announced FM advertisement schedule. We are unsure of the maximum number of possible AM licences which may be available for award, but feel that licence areas will need to be as large as possible (embracing the largest possible population in daylight hours) in order for any realistic proposal, (including the suggestions above) to be workable. We feel that priority should in general be given to the offer of 'widest possible area' commercially funded AM licences. In our general view the greater costs of AM installations - even the smaller ones likely to be necessary for community radio - are likely to act as some deterrent to such operators in the seeking of AM licences except where no reasonable alternative exists.

We nonetheless feel that there should in general be as little delay as possible in making a start on further offers of AM licences. We recognise however that DRM development in particular is at a very early stage of development, and for a variety of regulatory or legislative reasons it may well not be possible to offer licences immediately with the promise of a DRM extension at some as yet indeterminate point in the future. Nonetheless the situation as DAB arrived and stations were offered licence extensions on adoption of the technology is not dissimilar to our suggestion.

An AM licence offer inside the next couple of years, covering say a 10 year period, would we feel not be unreasonable. Given the tendency for digital technology to arrive at consumer level ever more rapidly, precipitated perhaps in coming years by the enforced arrival of digital television, our current view is that a 10 year licence period would bring DRM well into the 'working and available technology' frame. This timetable, commenced in the next couple of years, would give those taking new AM licences plenty of time to establish themselves, plan for a realistic future time-span and introduce digital radio onto the AM band when the technology was available, regulatory issues had been addressed, and the operators themselves were ready, safe in the knowledge that their investment would be secure - as the future licence itself would effectively be guaranteed.

Finally we feel it may be rather premature to ask for letters of intent with regard to AM licences as a part of this consultation. Factors which might tempt groups or individuals to express an interest include real knowledge of areas that might be available, (and thereby some indications of likely revenue) power levels and likely coverage, licensing costs and conditions and any future plans for a DRM scenario. Even OFCOM itself points out that availability of some possible frequencies is still under discussion, and their availability relies on relinquishment by the BBC. Despite extensive contacts in and close to the industry, we are not currently aware of anyone within our sphere of operations wishing to place such a letter of intent. We rather suspect possible applicants are adopting a 'wait and see' approach. Nonetheless we

have had discussions with groups and individuals in the past who have actively considered the possibility of applying for or being a part of a group that might apply for an AM licence, and feel it perfectly possible that some groups will come forward - probably when rather more details are known.

For consideration in phase 2 of this review, we would like to raise questions about the overall strategic framework for radio, both commercial and public sector, and the public purpose of radio. We would welcome views on the following:

Question 17

Do you agree with the proposed strategic framework for the future regulation of radio, which aims:

- to enhance choice, diversity and innovation for consumers at the UK national, regional, local and community levels?
- to secure citizens' interests through the provision of radio designed to meet public purposes
- to do this with as little intervention in the market as possible, consistent with meeting our objectives in a way that is as consistent as possible across media and across platforms.

There seems no reason to add significantly to the statements above: we feel the framework as defined encapsulates the requirement for regulation of the medium very well.

Our only comment concerns "consistent approaches." Whilst we acknowledge there are inevitable similarities across the various media regulated by OFCOM we feel it would be unwise to take a natural desire for consistency in regulatory approach too far. One cannot, in our view, tar every media with the same broad regulatory brush. A consistent approach is desirable, but radio is clearly a very different animal from TV, and needs and deserves its own specialist approach. Whilst regulatory principles might be the same, the way in which optimum operational conditions and public benefit of the two separate media might best be achieved through regulation is very different indeed. Radio is a much smaller and more intimate universe than TV, and requires a very separate, closely focused approach, from an expert team who innately and fundamentally understand the medium and the way it has developed - and is continuing to develop.

Question 18

How important do you think it is to develop a set of public purposes for radio, and what should those public purposes be?

- is the set of public purposes already developed for television a useful starting point?
- what else should be added or taken away?
- what is the relative importance of the different elements?
- Are there things that are better delivered by radio than by other media?

Whilst we think it would on balance be helpful to have available a documented indication of likely public purposes for radio, we do not believe such a move is vital, and note that industry has existed this far without feeling a need to develop - or have developed on its behalf by any previous regulator - such a set of purposes.

If research deems a set of public purposes necessary or desirable, it seem to us that the definitions developed for television may well form a useful starting point, though as stated elsewhere in this paper, it is clear that television and radio are and should be treated as completely separate media for regulatory purposes. This is particularly true of commercial radio, which does not have an official public service remit. It seems to us that many aspects of the TV public purposes defined in the OFCOM document might be applied to BBC local radio (which we do not consider here) but many points are more tenuous when taken in relation to commercial radio as it currently exists.

Commercial radio is largely about entertainment, whether that be at work or in a domestic environment. Yet it still delivers news, and national and international information, and on some stations analysis of current events. There remains a clear desire in many stations to stimulate interest in and knowledge of some aspects of the arts, largely but not exclusively music, and sometimes, via outside broadcasts, to engender direct and close contact with the community. Inevitably output of this nature has impact in reflecting and strengthening cultural identity, largely at local but also in some cases at regional and national levels. Defining such elements as public purposes may none the less be quite difficult, since each station has its own approach to these topics.

The output of commercial stations, whether by accident or design - and largely through music - makes listeners aware of different local, national and international cultures. This is a largely passive activity in the vast majority of cases, since few commercial stations today present programmes specifically targeting an audience with an appreciation of different cultures. Programmes putting forward alternative viewpoints can however still be found, largely though not exclusively in ubiquitous phone-in form.

It is clear that the public purposes aspect of commercial radio differs markedly from television in whatever form - and differs again from BBC radio, but it is equally clear that radio is better placed to deliver some of these purposes, and has acknowledged and capitalised on that fact. Local commercial radio is inherently better placed than television for local content delivery: it is able to serve and cover smaller areas more effectively than its TV or national network radio relations - and has become particularly adept at making traffic news into a tightly packaged yet still digestible art-form.

Though local commercial radio has in recent years shied away from what might be termed “real” community programming, a new tier of community stations now seems set to pick up that baton. The more flexible nature of radio makes it better at providing local speech and music output, responding to demands, and offering opportunities for those already involved and new talent entering these arenas to get their voices and their music heard. Yet it has to be said that the volume of opportunities for such talent on commercial radio is steadily dwindling...

We agree with the OFCOM statement that any public purposes defined for radio will inevitably be delivered in different ways by different sub-sectors of the radio market. We also agree that in terms of direct public purposes many, if not most, are likely to be delivered by BBC Radio.

Question 19

To the extent that it is possible to comment at this stage, how do you think those public purposes are best delivered?

The radio structure as it has developed at local and regional level has in our view served the public quite well, particularly since the number of commercial stations competing for listeners in markets outside the biggest cities is unlikely ever to be large. In such places the approach and broadcast material offered by BBC local stations and their commercial rivals has become complementary. Some overlap between services and occasional direct competition remains, but broadly the choice available to the listening public in terms of style and material delivered - a result of publicly funded BBC local and commercially funded stations operating in essentially the same market - has led to complementary public purposes. It has also led to more choice and particularly depth of locally sourced material than would have been the case without BBC local radio. At local level we can see no major prospect of further wide scale plurality of provision, largely through constraints placed on potential commercial operators by a lack of both revenue and frequencies - and the inability of smaller markets to support more than a very few commercial stations, particularly cost-intensive speech based services. The advent of community radio operators seems to us to represent the only further plurality that will now occur.

At a national level whilst there is a quite diverse choice of radio available, there is little real plurality of provision beyond the instances cited in the OFCOM document. We are of the opinion that the sooner more national DAB channels can be licensed the greater the available diversity will become in terms of alternative approaches and more wide ranging broadcast information - and the better public purposes will be served at a national level.

- How important is the plurality of provision of the public purposes for radio?

On the basis of the truth probably lying somewhere close to the average of the sum of the parts delivered by varying messengers, we feel plurality of provision is vital in radio. Speech output is the area where plurality might seem most important by presenting listeners with diverse and therefore thought provoking interpretation of news and current events. However the issue is of course much more wide ranging than that, impacting on virtually every part of listening life. Newspapers have become adept at presenting the same story from different angles: one man's interpretation of a Chopin Etude is different from another's - and the more information a listener receives, the more balanced a view he or she can form in his or her own mind. Plurality of provision therefore remains vital.

- How much of what commercial radio currently does could be classed as

meeting public purposes?

More than enough, or stations would have no listeners. However, in terms of diversity in broadcast material, and the appeal of a stations output to the widest possible audience, local commercial radio in particular seems to us to be on a sliding scale which continues in gentle decline. A commercial imperative invariably seeks always to minimise as far as possible the types of outlay on resources which deliver the highest levels of public purpose...

- How well does the current market structure help fulfil public purposes in radio?

This point has been covered in the above paragraphs. We do not live in an ideal world but the way our radio system has developed since the advent of commercial radio in the 1970's has in our estimation been generally for the good. Today, audience figures alone tell a story which suggests publicly accessible radio has wide ranging appeal, with over 90% of the population regularly finding at least something they want to listen to. That is not to say that more could not be done, but we think its a pretty good track record...

- Should the BBC's radio archive be made available more widely to commercial players to provide alternative radio services?

Yes, we believe so. However, quite apart from any copyright issues which may prove difficult to overcome, there are a number of matters arising. Commercial radio's current structure, with a major focus on music, means in our view that even if the archive was available and accessible without strings (see below), it would probably not be as well used today as it might have been 20 years ago. There are currently very limited opportunities for individuals or external production companies to offer material for broadcast to local commercial stations, and even if the opportunities existed it is not easy to see where such material might be placed in existing stations' schedules.

This is an issue which we have raised in previous OFCOM consultations, and the situation is not improving as off-peak automation continues its advance, and indeed there are questions in this consultation regarding a future for more widespread networking of material between stations, which may have further impact on this issue.

In looking at the BBC archive situation, the question of charges for the use of material comes to mind. At whatever point in time the material was generated, it was produced by a publicly funded body, using public funds, so on first consideration it seems that any such material cannot really be regarded as an asset for which another charge can legitimately be made at a later time. It already belongs to the public, and in reality has never at any time belonged to anyone else. Yet the dilemma is that were a commercial station or production company to obtain such archive material for re-use free of charge, either the station, or the production company, or both, might well end up making a profit out of the broadcast of a programme containing that material. One could then ask: why should the keeper of that material not, therefore, also benefit from that broadcast, and if he is to charge - at what level and on what basis should such charges be set, so that the potential user is not discouraged on price alone from

utilising archive material?.

If this hurdle - which has parallels in privately-run libraries of historic written material - could be overcome, we would wholeheartedly welcome the opening up of the BBC archive. If it cannot be overcome, there is a latent danger that vast tracts of historic audio material could be prevented from ever again being aired, except by wealthy national stations - and, of course, the BBC...

(Submission ends)

Consultation on Radio, preparing for the future.
Submission to OFCOM from Moss Media, March 2005.
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