

[GB] Cross-media Ownership Rules Proposals Published

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The Secretary of State for National Heritage introduced the release of the Green Paper on proposals for cross-media ownership, saying that 'The public interest requires the protection of diversity and plurality. It also requires a healthy and growing media industry'. The reforms would affect the structure presently set out in the Broadcasting Act 1990, and which, broadly, aims to prevent owners in one medium owning more than 20% in another. There will be a period for consultation, ending in August. The Green Paper's proposed changes are to be phased in over three stages.

First: the liberalisation of commercial radio ownership. Secondary legislation will be used to increase the total number of licences which can be held by one company from 20 to 35%, although no company will be able to hold more than two 'A' licences (4.5+ million potential listeners). Another proposal relates to increasing the equity stake by broadcasters in independent producers from 15 up to 25% after consultation with the BBC and the ITC; EU independents will be allowed to own non-EU broadcasting companies without affecting their independent status. Finally, the circulation threshold for newspaper referrals to the Monopolies and Mergers Commission is doubled, from 25.000 to 50.000. Second: these proposals would be contained in the Queen's Speech in November and would require new primary legislation during the 1995/1996 Session;

- newspaper groups controlling under 20% of the national newspaper market would be allowed to control up to 15% of the total national television market;
- newspaper groups with less than 20% national circulation can apply for national and local radio licences provided that they would not control more than 30% of the media in any local area;
- broadcasters will still only be allowed to hold two regional licences but can expand to up to 15% of the total television audience share;
- terrestrial broadcasters will be permitted to buy controlling interests in satellite and cable companies as long as the combined total of their interests does not exceed 15% of the national television audience share;
- satellite and cable companies would be permitted to have outright ownership of Channel 3 or Channel 5 licences provided that they do not exceed 15% of the

total market of the two-licence limit on ownership;

- no cross-control is to be allowed between newspaper and television companies where the newspaper's regional titles count for more than 30% of the regional newspaper circulation in the relevant ITV area;

- the 50% limit on ITV's ownership of ITN is to go, but no company will be able to hold more than 20%. Third: for the longer term (i.e. in another Parliament) the Government wishes to hold consultations with a view to regulation for a single media market. This could be measured by revenue, audience of 'share of voice'. This last measure is proposed by the British Media Industry Group, whereby television, radio and print are treated as one market with proprietors being allowed a specified share of the total market. The Green Paper suggests long-term ownership thresholds: 10% of the total media market; 20% of the markets in Scotland, Wales, N. Ireland and English regions; and 20% in each sector. Such a scheme would require a regulator which could authorise higher thresholds in the public interest.

The regulator could be the Independent Television Commission, the Office of Fair Trading or a new body.

Media Ownership: the Government's Proposals, Cm 2872.

