[GB] Independent Review Clears BBC's Policies on Unfair Trading

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The BBC is financed by a licence fee, a form of special levy on all owners of television sets. However, it has also recently become heavily involved in commercial activities, for example joint ventures with private-sector companies. Considerable concern has been expressed by competitors that it is able to distort competition through using public funds to support activities in the commercial marketplace. To meet this criticism, the BBC has developed a Fair Trading Commitment and detailed Commercial Policy Guidelines. Nevertheless, the 1999 review of the future funding of the BBC (see IRIS 1999-8: 11) recommended that these policies be reviewed, and in December 2000, the Secretary of State for Culture, Media and Sport and the BBC Governors asked Richard Whish, an eminent competition lawyer, to undertake the review.

The Whish Report concluded that the Fair Trading Commitment and Guidelines are appropriate to ensure that the BBC does not distort competition in commercial markets. It noted that "in my view the fair trading policies of the BBC compare favourably with those of other undertakings. Indeed, I am not aware of any organisation that is subject to as much scrutiny - internally and externally - to ensure compliance with Competition Law" (section 6.1). The policies are consistent with both UK and EU competition law. No changes are needed in the key principles, although some detailed textual amendments and clarifications were suggested. However, the Report does stress that it was essentially a paper exercise concerned with the rules rather than actual compliance with them in practice or the details of individual complaints by competitors, both of which were outside Professor Whish's terms of reference.

BBC Commercial Policy Guidelines

http://www.bbc.co.uk/info/commercial/index.shtml

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