# [GB] Draft Bill to Reform Communications Regulation and Media Ownership Restrictions Published

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The UK Government has published a draft Bill to implement the proposals set out at the end of 2000 in its Communications White Paper (see IRIS 2001-1: 8). Consultation on the Bill runs until 2 August 2002; a joint committee of the two Houses of Parliament will also be scrutinising the Bill during this period and will report by 7 August. It is expected that the Bill will be introduced into the following Parliamentary session and will become law by late 2003.

The major changes proposed in the Bill are as follows. A new single regulatory body will be established, the Office of Communications (OFCOM), to replace the five existing regulators (the Independent Television Commission, the Broadcasting Standards Commission, the Radio Authority, the Office of Telecommunications (Oftel) and the Radio Communications Agency). OFCOM will thus be responsible for regulating both the broadcast media and electronic communications networks and services; in addition, it will take over responsibility for spectrum management. The major exception to its jurisdiction will be responsibility for ensuring that the BBC observes its public service remit; the Government's plans for this will be published later.

A new, more self-regulatory system is set out for the regulation of public service broadcasters (the BBC and Channels 3, 4 and 5). OFCOM will report every three years on the extent to which the public service broadcasters have met the requirements set out in the Bill, comprising the public service remit. This includes the provision of a range of high-standard and diverse programming. The report will take into account statements of programme policy to be produced annually by the broadcasters which will set out how the remit will be fulfilled in the following year as well as performance in doing so in the previous year. Should performance be unsatisfactory, OFCOM will be able to replace this regime with more detailed regulation; it retains power to impose penalties, including large financial penalties, for breach of licence conditions, including those relating to public service.

Controversial changes are also proposed to the rules restricting media ownership. The Government will remove the prohibition on non-EEA ownership of a broadcaster, thereby opening up the possibility of takeovers by US media enterprises. It will also lift the restriction on ownership by advertising agencies

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and relax that on ownership by religious organisations. Rules on cross-media ownership will be relaxed, although the owner of a 20% share of the national newspaper market (such as School of Law University of News International) will still be prohibited from holding more than a 20% stake in a Channel 3 service; ownership Glasgow of Channel 5 will however be permitted. The owners of Channel 3 licences will be permitted to merge into a single company and joint ownership of Channel 3 and Channel 5 licences will be permitted.

The Bill also proposes important changes in telecommunications, largely implementing European liberalisation developments; they include the removal of the requirement for the licensing of telecommunications systems.

***Draft Communications Bill (May 2002), Department of Trade and Industry and Department for Culture, Media and Sport***

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