

[GB] Regulator Lifts Ban on Joint Selling of Airtime for Advertising

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The Independent Television Commission and the Office of Communications, the regulators for commercial UK broadcasting until the end of 2003 and after that date respectively, have abolished the former rule preventing the joint sale of airtime for advertising by more than one broadcaster (see also IRIS 2001-6: 7). The review of the rules was a result of conditional approval of the merger of the two major ITV companies, Carlton and Granada (see IRIS 2003-10: 7).

In their consultation on the issue the regulators considered whether to issue new rules or to rely on general competition law alone to prevent anti-competitive practices on the sale of airtime. The respondents supported the latter view, and for Channel 3 the ban on joint selling was lifted immediately from 1 December 2003. Further control of potential abuse will be afforded by conditions imposed on the merger of Carlton and Granada (also discussed at IRIS 2003-10: 7).

In relation to other broadcasters, the respondents' views were split as to the extent to which competition law would provide an adequate remedy, but the regulators believed that it would do so, especially as the Office of Communications (unlike its predecessor) has "concurrent powers", which enable it to enforce provisions of the Competition Act 1998 prohibiting anti-competitive agreements and abuse of a dominant position directly in the broadcasting field. Thus the restrictions were lifted for all other broadcasters also.

The regulators have however retained prohibitions on conditional selling, by which a broadcaster requires that an advertiser who wishes to purchase airtime on one channel must buy another of the broadcaster's products as a pre-condition of the sale, although bundling of airtime on one channel with that on another will be allowed, so long as the sale of the former is not conditional on the purchase of the latter. Withholding airtime to push up prices is also prohibited in the case of analogue terrestrial channels.

"ITC and Ofcom Announce Television Airtime Sales Rules", Ofcom News Release of 1 December 2003

http://www.ofcom.org.uk/media_office/latest_news/nr_20031201_2

