

[GB] Regulator Responds to Green Paper on the BBC Royal Charter

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*Tony Prosser
University of Bristol Law School*

The UK Government is now consulting on its plans for the issue of a new Royal Charter for the BBC in 2006 (see IRIS 2005-4: 11). Ofcom, the regulator for the commercial sector of broadcasting (which has some powers in relation to the BBC) has now published its response to the Government's proposals; these build on its broader review of public service broadcasting (see IRIS 2005-4: 10).

Ofcom stresses its support for the continuing role of the BBC as the cornerstone of the public service broadcasting system; it should be properly funded and focused on providing public service programming and content, rather than directly competing with commercial broadcasters. However, other suppliers of public service programming and content should be supported to ensure that the BBC does not become isolated from the commercial sector as a monopoly supplier of public service broadcasting. The Government should explore potential sources of funding for public service broadcasting apart from that provided by the BBC; these could include an enhanced licence fee providing additional funding on top of that required by the BBC. New models of accountability and governance would also be required, with the Government's proposed BBC Trust (to replace the Corporation's Board of Governors) evolving into an independent body external to the BBC with responsibilities beyond the BBC.

The Ofcom response also deals with the question of the applicability of competition law to the BBC. Although it can apply general competition law to the Corporation, Ofcom does not have licensing powers over the BBC which would enable it to impose ex ante conditions to secure fair competition. Ofcom thus proposes a strengthened BBC Fair Trading Commitment which covers licence fee-funded as well as commercial services and which is subject to independent approval and oversight by Ofcom. The Agreement between the BBC and the minister should also contain a requirement that the Corporation has due regard to its effect on competition. Ofcom should also acquire the role of undertaking assessments of the effect on the market of new BBC services and of changes to existing ones.

Ofcom, Review of the BBC's Royal Charter: Ofcom Response to the Green Paper, 8 June 2005

http://www.ofcom.org.uk/about/account/emgd/bbc_charter/charter.pdf

