



QUEEN ANNE'S GATE LONDON SW1H 9AT

31 October 1988

Dear David,

COMMUNITY RADIO

Thank you for your letter of 20 October. I am glad that you broadly agree with the proposals I outlined and are content that an announcement need not be delayed while the details are finalised.

I have, as you suggested, asked my officials to take this forward with yours as soon as possible. Perhaps I could say, at once, however, that it is quite clear that the IBA expects its additional services to include pop music appealing to ethnic minority and indeed other audience demands which are not at present being sufficiently satisfied within the law. I also agree with your point, and Nigel Lawson's, that 6 should be the ceiling on the number of services involving current contractors.

In his letter of 26 October Nigel Lawson queried whether the proposed "extra contracts" should be able to run until the end of 1994, and suggested that they should be limited to two or three years. Some of the aspiring new entrants who have expressed interest in the IBA's proposals are looking for a longer period than two or three years for a return on their investment. Such a limitation would be a great disappointment to the Association for Broadcasting Development, which represents such groups. It is also relevant that the most recent ILR contracts advertised by the IBA have been for terms running until the end of 1994. I agree, however, that in the case of the smaller stations under the IBA's proposals a shorter term may be sensible. I therefore propose to modify the scheme to the effect that the terms may last up to the end of 1994, while making it clear to the IBA that this is a maximum, and that the actual term should reflect the size and investment of the new station in each case.

In his minute of 27 October, Geoffrey Howe expressed concern about supervision of the programme content of the proposed extra stations. The IBA are well seized of the need to exercise very

/careful oversight

The Rt Hon Lord Young of Graffham
Secretary of State
Department of Trade and Industry

careful oversight in this regard. The full range of consumer protection requirements under the Broadcasting Act 1981 would apply, and the IBA envisage requiring the "extra contractors" to comply with their detailed "ILR programming notes of guidance". They also envisage monitoring the output of stations and requiring them to keep tapes. I propose to re-emphasise the importance of close programme content supervision in following up their proposals with them.

... I enclose a copy of the statements I propose to make on 2 November in reply to an arranged Question and (on the disqualification of convicted pirate broadcasters) to one from Greg Knight.

I am copying this letter and its enclosures as before.

Lowy

Dwyer.

1. ARRANGED QUESTION AND REPLY

To ask the Secretary of State for the Home Department, whether he has yet reached any conclusion on the IBA's proposals to establish 20 community radio stations under the Broadcasting Act 1981, and if he will make a statement.

Draft Reply

The IBA's proposals are a positive step towards the new radio arrangements which I outlined on 19 January (at Columns 647-649). They provide a way, in advance of new legislation, of broadening the choice available to radio listeners. I am therefore glad to make frequencies available, and have asked the IBA to begin detailed planning, in consultation with my Department and the Department of Trade and Industry, for the introduction as soon as practicable of additional services.

Competition between the new community radio stations and the IBA's present contractors must be fair within the constraints of the Broadcasting Act 1981. In advertising additional contracts the IBA will accordingly make clear its willingness to consider applications from existing contractors proposing to subcontract or otherwise work in association with new entrant groups. This form of co-operation may provide useful experience for certain kinds of broadcasting under the supervision of the Radio Authority when it is established. Where additional services are established they will be expected to make a realistic contribution to regulatory costs with a corresponding reduction in present ILR rentals. The IBA will also take account of the programme output of additional services in considering the requirements on its present contractors.

With these safeguards I believe that the IBA's proposals will benefit the radio industry as a whole, provide valuable new broadcasting opportunities for minority communities and enhance listener choice as far as is practicable in advance of the major changes needing legislation which I outlined on 19 January.

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2. QUESTION BY MR GREG KNIGHT MP FOR PRIORITY WRITTEN ANSWER ON
2 NOVEMBER

To ask the Secretary of State for the Home Department if he will make it his policy that, following deregulation, licences will not be granted to any radio station or consortium containing persons who have been convicted of broadcasting illegally during the 10 years prior to such a licence application being made.

Draft Reply

There is a good case for a disqualification of this kind. Unlawful broadcasting causes interference to other users of the radio spectrum, including safety of life services, creates unfair competition to authorised broadcasters and imposes unnecessary additional costs on the industry. I have today announced, in reply to a Question from [], my intention to make additional frequencies available to the IBA for community radio in advance of broadcasting legislation. It will be open to anyone previously but no longer involved in unlawful broadcasting to apply for such a contract. But it is not acceptable, especially when new broadcasting opportunities are being opened up, for those continuing to act outside the law to be able to compete in due course on equal terms for Radio Authority licences with those who have respected the law. I accordingly propose to include in the legislative proposals I outlined on 19 January at Columns 647-649 a provision making it a condition of all Radio Authority licences that the licensee neither has a conviction after 1 January 1989 for an offence of unlicensed broadcasting within 5 years of the date of an application for such a licence nor employs such a person in the activities covered by the licence.