

**Submission to Lord Burns seminar on the BBC Licence Fee by Emap Radio.**

Emap is a modern, multi-media business with a portfolio of brands that includes consumer magazines, radio, music television, internet sites, trade magazines and trade exhibitions. Emap Radio has over 50 stations across the UK and Eire including a network of local analogue services and digital stations on DAB, Freeview and satellite.

We are deeply concerned about the funding available to the BBC via the licence fee and the increase it is seeking from 2007. The BBC has already demonstrated that it is able to distort the marketplace by paying salaries, that commercial radio companies would find impossible to match, to nationally known celebrities to present radio programmes. Its lavish budgets also allow it to lure away talent that has been nurtured by commercial stations and to outbid its rivals or artificially inflate the price of broadcast rights for content such as sports and other events. The recent repositioning of Radios 1 and 2 means that our audiences are now being targeted by these stations with a peaktime diet rich on the populist programming pioneered by commercial stations but light on public service broadcasting content. It has launched new services that compete directly with those established by commercial radio and which it can maintain with finances far beyond the reach of any commercial operator. To ensure their success they are afforded high profile, and seemingly endless, cross promotion on the BBC's television stations.

Emap accepts that the BBC should continue to be funded by the licence fee and that, as such, it should offer a broad range of services and programmes that appeal to all sections of licence fee payers. However, its services should complement those that are provided by the commercial sector and it should be funded realistically at a level that does not allow it to stifle, thwart or usurp the efforts of its rivals. To grant the BBC an annual increase in the licence fee of 2.3% a year above inflation, will allow it to continue with the strategies mentioned above which pose a very real threat to the viability of commercial radio and, ultimately, the audiences they serve. Emap urges that this claim is rejected and that consideration is given to capping the licence fee and curtailing the activities that replicate those of the commercial radio companies who suffer from format replication and outbidding for both presenter and programme rights.

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