

GWR group plc

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Paul Heron,
Broadcasting Branch
Department for Culture, Media and Sport
2-4 Cockspur Street
London
SW1Y 5DH

28th February 2001

Dear Mr. Heron,

Consultation on new BBC Digital Services

I am writing on behalf of GWR Group, the UK's leading commercial radio company, to give our wholehearted support to the CRCA response to the invitation to comment on the BBC's proposals for new digital radio services.

The UK's lead over the rest of the world in digital radio is a result of GWR Group's vision in putting together the Digital One consortium, and the effort and imagination of the Digital One team in bringing 10 channels of digital radio to listeners all over the country.

The BBC's digital radio aspirations appear to have been revitalised by the success of the commercial sector in promoting and operating this new technology. The more new channels the better, as these new listening choices drive consumers to adopt the new technology. We welcome the BBC's rediscovered enthusiasm for digital radio, but its new channels must be truly complementary to existing provision. In the current (rather vague) BBC proposals we see a risk of considerable overlap and duplication between "Network Y" and the Planet Rock and PrimeTime channels on the Digital One multiplex, and between "Network Z" and the Oneworld service on Digital One.

As the CRCA document points out, BBC services must innovate, not imitate. If the BBC has the funds to invest in new digital radio services, these must be distinctive and offer extra choice to listeners at this crucial stage of digital radio development.

I commend the CRCA response to you.

Yours sincerely,

Simon Cooper
Group Public Affairs Director

Vanessa Brand
Public Service Broadcasting Branch
Department for Culture, Media and Sport
2-4 Cockspur Street
London
SW1Y 5DH

29th June 2001

Dear Ms Brand,

New BBC Digital Radio Services – Further Consultation

I am writing in response to Andrew Ramsay's letter of 7th June with our further comments on additional information supplied by the BBC in relation to the proposed new digital radio services.

GWR supports the principle of additional BBC services as the extra choice will drive listener demand. However, we believe that these services must be distinctive – in listeners terms – to avoid duplication against those proposed by the commercial sector on a national, regional or local basis. Until 1998, most areas outside London could only receive on average five or six commercial stations (both INR and ILR), increasing up to 10 in metropolitan areas. Under digital radio, these numbers have increased to circa 9 and 18 respectively. The commercial sector has introduced a wide range of new formats, ranging from services for children to the over 45 market, from young Asians to the gay community, from country music to rock, from plays and books to financial news.

GWR recognises that many consumers are not yet aware of digital radio and of the new formats they are already and will shortly be able to hear. Therefore, research which only compares the existing commercial and BBC analogue services to an expanded BBC digital arena, without correctly identifying the range of the new commercial services, will skew any results in support of formats which consumers do not believe will be available to them commercially.

We have detailed our views on each of the proposed new radio services in the annex to this letter.

Finally, we re-iterate strongly our view that the BBC's role must remain firmly rooted in public service radio and that BBC licence fees should not be used to chase commercial radio audiences. We would be concerned where these new channels, in whole or in part, compete head-to-head with services already provided by the commercial sector on digital radio.

Yours sincerely

Gregory Watson
Group Corporate Development Directors

Annex -GWR Digital comments on proposed BBC digital radio channels

BBC Asian Network

We understand and accept the decision of the BBC to formalise the Asian Network's pan-regional status by launching the service on a national basis.

Currently, there is a requirement for the commercial sector to reserve 128 kbits for the simulcasting of the Asian Network on the Wolverhampton and West Midlands multiplexes, and this requirement is likely to increase as further local multiplexes are advertised, particularly within the Midlands. In all areas, this requirement is additional to capacity required for the simulcasting of the main local BBC service.

We believe that if the Asian Network were to be broadcast on a national basis, the requirement for the commercial sector to reserve capacity on local multiplexes for further BBC Asian services should be removed. Maintaining this requirement restricts the commercial sector in maximising consumer choice and catering for groups currently under-served on digital radio. GWR is an investor in DRg who recently were awarded the London Three multiplex. Through capacity management and no requirement to reserve capacity for local BBC services, DRg was able to offer 11 new digital services, including services specific for young Asians and children. The ability to offer such diversity would be limited if the BBC were able to super-serve the Asian community through national and local services.

Network X

Whilst we accept that under analogue radio the proposed Network X will provide a service which is not currently provided by the commercial sector outside of London, under digital radio the commercial sector will be providing this format. Soul Media Ltd, the licensee of Choice FM, will be providing a service targeting the Afro-Caribbean community through the regional digital radio multiplexes held by MXR and on the London digital multiplex held by DRg.

We would wish that Soul Media Ltd is given assurances that the proposed service will not duplicate either their proposed digital service or the existing Choice FM services in London. If satisfactory assurances are made and are enshrined by the DCMS to the BBC in a 'format' or 'promise of performance', we do not object to the development of such a service by the BBC. Any 'format' or 'promise of performance' should also include the BBC's promises about new black music and live music and its commitment to 20% speech content.

Network Y

The proposed Network Y service is a format being developed by the commercial sector on both analogue and digital platforms to fill a market gap. We believe that this is a more mainstream format which falls suitably within the commercial sector and that the only differential between the commercial sector and the BBC relates to the commitments on specialist and live music and speech content. However, we feel that the BBC response is verbose.

We would therefore wish to see in-depth clarification of the proposals and to see these commitments enshrined and quantified in a DCMS 'format' or 'promise of performance'. We would also wish that the DCMS commitment ensures that the channel does not rely on repeating programmes from existing BBC Radio archives to fulfil its speech or session commitments. A declaration of the ratio of old to new content would be helpful in crystalising the proposition.

Network Z

We note that the BBC makes two comparisons with new digital commercial services – OneWord and Abracadabra. OneWord has broadcast a plays, books & comedy service on Digital One since May 2000 and Abracadabra will provide a service for children aged under 10 and their carers on the recently awarded London Three multiplex from December 2001.

We believe that the BBC's proposals will replicate these two services to a high degree and undermine their commercial viability. We are also concerned about the proposals to timeshift certain aspects of Radio 4. In terms of offering something new, this format offers the least of those proposed. The majority of the proposed content is already currently available on BBC radio. This appears to be purely repackaging.

Indeed, the recent purchase of OneWord's shareholder, Chivers, by BBC Worldwide opens up the prospect of BBC archive material being made available to listeners at no cost to the licence fee. BBC Worldwide should maintain its shareholding in OneWord and licence archive material to the channel for digital broadcast. In this way, the BBC would achieve its objectives in launching Network Z but using existing commercial resources and spectrum – an imaginative solution.

FiveLive Sports Plus

We believe that it is right that where a broadcaster (commercial or BBC) has rights to broadcast live sporting events that capacity should exist for those broadcasts to be made. However, we believe that it would be undesirable for the BBC to be able to create a monopoly position in relation to radio sports rights as a result of its bidding ability (given its large public funding) or from a requirement to fill airtime because of a commitment to operate such a service.

BBC Commitments

In their Radio Authority licences, commercial radio services are required to commit to a characteristic of service by examples to music, other content proposed and percentages of speech and music. We believe it would be unfair and anti-competitive if, having been granted permission for new digital services by DCMS, the BBC was able to alter the proposed formats or, more particularly, the percentages of speech and music, their commitments to new material or material repeated from existing networks.

We recognise that tastes and demographics change over time and that any broadcaster should have the ability to change parameters. In the BBC's case, this could be to reflect the changing tastes of its audience or to better fulfil its public service remit. However, we believe that the BBC should not have such a degree of freedom that it could deliberately re-position its network to compete more directly with commercial services as and when it sees fit.

Ralph Bernard Chief Executive

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Dear Secretary of State,

I thought you would be interested in the attached letter which shows what GWR is doing in response to the BBC proposals for extending their digital radio services.

With best wishes,

Ralph

Vanessa Brand
Public Service Broadcasting Branch
Department for Culture, Media and Sport
2-4 Cockspur Street
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SW1Y 5DH

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Oxford Circus
London W1R 7AA

29th June 2001

Dear Ms Brand,

New BBC Digital Radio Services – Further Consultation

X I am writing in response to Andrew Ramsay's letter of 7th June with our further comments on additional information supplied by the BBC in relation to the proposed new digital radio services. Our detailed views of the proposed new radio services are attached in an annex to this letter.

GWR supports the principle of additional BBC services as the extra choice will drive listener demand. However, we believe that these services must be distinctive – in listeners terms – to avoid duplication against those proposed by the commercial sector on a national, regional or local basis. Until 1998, most areas outside London could only receive on average five or six commercial stations (both INR and ILR), increasing up to 10 in metropolitan areas. Under digital radio, these numbers have increased to circa 9 and 18 respectively. The commercial sector has introduced a wide range of new formats, ranging from services for children to the over 45 market, from young Asians to the gay community, from country music to rock, from plays and books to financial news.

GWR recognises that many consumers are not yet aware of digital radio and of the new formats they are already and will shortly be able to hear. Therefore, research which only compares the existing commercial and BBC analogue services to a expanded BBC digital arena, without correctly identifying the range of the new commercial services, will skew any results in support of formats which consumers do not believe will be available to them commercially.

GWR wishes to re-iterate strongly our view that the BBC's role must remain firmly rooted in public service radio and that BBC licence fees should not be used to chase commercial radio audiences. We would be concerned where these new channels, in whole or in part, compete head-to-head with services already provided by the commercial sector on digital radio.

Finally, GWR believes that the BBC and commercial sectors should be treated on a comparable basis and that a two-track timetable should be avoided. Therefore, until a Communications Bill provides for the relaxation and development of the commercial sector, further development within the BBC should not be allowed.

Yours sincerely



Simon Ward
Director of New Media and Digital

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