

22 February 2001

The Rt Hon Chris Smith MP
Secretary of State for Culture Media & Sport
Department of Culture Media & Sport
2-4 Cockspur Street
London SW1Y 5DH

Please Reply To:

MXR Limited

The Chrysalis Building

3 Bramley Road

London W10 6SP

Telephone: 020 7470 1077

Fax: 020 7314 1062

e-mail: phlr@chrysalis.co.uk

Dear Chris

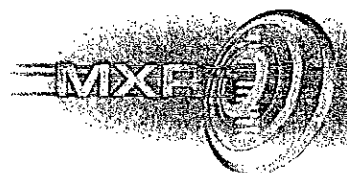
RE: DCMS CONSULTATION ON PROPOSED BBC DIGITAL SERVICES

In my capacity as Chief Executive of Chrysalis Radio, I have already written to you with regard to Network X, the proposed BBC black music digital radio service. I know further representations are being made, so I will not belabour that point again here.

However, a further, more technical, matter needs to be brought to your attention. In addition to my Chrysalis Radio role, I am Chairman of a consortium, MXR Limited, which was recently awarded the regional digital commercial radio licence for the West Midlands. On that licence we are required to reserve capacity for the BBC to transmit its Asian Network service. In the BBC's current digital radio proposals they are now planning to transmit that service across the whole of the UK on their national multiplex. Given their national ambitions for this service, to simulcast the Asian Network on a regional multiplex as well would seem perverse.

The only alternative to simulcasting open to the BBC would be to run a separate Asian service on the West Midlands multiplex from that carried across the national network. You will have already received significant representation from the commercial sector on the potential commercial damage posed by the strength of a nationally networked Asian programme. A second service, aimed at the West Midlands, clearly represents an even more significant threat to the digital commercial Asian broadcasters (XL in Birmingham and Sunrise in both Wolverhampton and Coventry), and would clearly represent an intolerable burden for them commercially.

Therefore, should you find, after representations have been made to you, that you are minded to allow the BBC to carry the Asian Network on their national multiplex, I would be grateful if you could make it a condition of that approval that the capacity currently reserved on the West Midlands regional multiplex be released back to the commercial sector, and more specifically the MXR consortium.



Meeting

01/09843

10 July 2001

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

Please Reply To:
MXR Limited,
The Chrysalis Building
13 Bramley Road
London W10 6SP
Phil Riley, Chairman:
Telephone: 020 7470 1077
Fax: 020 7314 1062
E-mail: philr@chrysalis.co.uk

Dear Ms Brand

Thank you for your letter of 6 July.

In conjunction with our colleagues at Choice FM, we are hopeful to arrange a meeting with you and the Minister before 27 July.

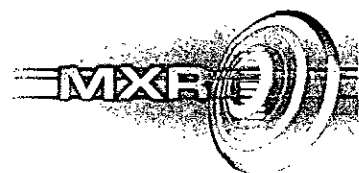
Finally, I can confirm that we are happy for any information we have provided to be made public.

Kind regards



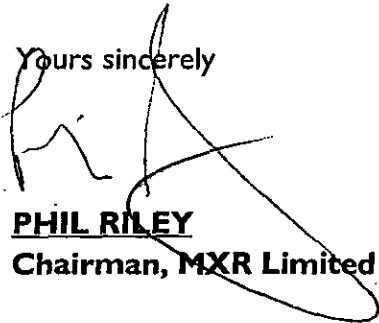
PHIL RILEY
Chairman

PP



I can assure you that we would have no difficulty finding services to fill that capacity, thereby more effectively broadening choice than the current situation might allow.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Phil Riley', written over the typed name and title.

PHIL RILEY

Chairman, MXR Limited

cc. Tony Stoller
Paul Brown

28 June 2001

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

Please Reply To:
MXR Limited,
The Chrysalis Building
13 Bramley Road
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Dear Ms Brand

BBC ASIAN NETWORK ON DIGITAL RADIO

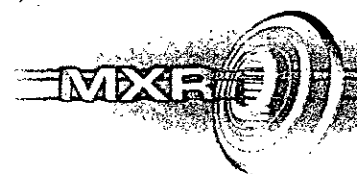
I have, as you will have seen, commented at some length on the BBC's proposed new digital radio services and, specifically, its plans for 'Network X'. On an unrelated issue, I would like to raise a point with regard to the BBC's plans to roll out its Asian Network service nationally on digital radio.

As you know, commercial multiplex operators are obliged by the Broadcasting Act 1996 to carry relevant BBC local radio services on their multiplexes, and the Radio Authority makes the determination, in consultation with the BBC, as to which of the Corporation's local services should be carried on which multiplex.

At present, the Asian Network is required to be carried on the West Midlands regional multiplex, which is to be operated by MXR, of which I am chairman. In addition, there will also be a requirement for carriage of this service on the planned local multiplex for Leicester, in which it is possible that Chrysalis Radio may have an interest.

Carriage of BBC local services involves a significant opportunity cost for commercial radio. The reservation of a 128 kb/s channel – capacity capable of carrying almost any stereo music service – places a constraint on the ability of commercial operators to gain access to local multiplexes. In the West Midlands, for example, MXR was approached by several well-resourced and experienced commercial radio operators, keen to offer attractive and distinctive programme services for the region, who had to be turned down because there was insufficient capacity available on the multiplex.

We have unconfirmed reports that the BBC is planning a series of local opt-outs for the Asian Network in order to continue to secure local digital carriage on the grounds of separate local programming. It remains unclear what difference this will actually make to the service and it is entirely possible that the local and national variants of the Asian Network would remain largely indistinguishable from each other. I would respectfully urge the Secretary of State to reject any such move by the BBC, because of the detrimental effect it would have on the existing Asian commercial operators in the Midlands. The region is already well served by Asian radio operators on digital, with Radio XL's analogue Asian service available digitally in Birmingham, Sunrise Radio broadcasting on both the Coventry and Wolverhampton multiplexes, and Sabras



Sound, as an existing analogue broadcaster in Leicester, likely to secure carriage on the local multiplex planned for that city. It is already of questionable fairness that these commercial services should face such direct competition from the BBC on both analogue and national digital platforms. I hope you will agree that the preservation of what would be a third strand of BBC Asian programming in the Midlands would be grossly unfair to commercial operators already fulfilling this need in the region, particularly as their business plans, devised at the time of their being licensed by the Radio Authority, were predicated on there being direct competition from the BBC on only two platforms.

Whilst I have no wish to argue with the policy of allowing the BBC access to commercial multiplexes, there is surely no point in allowing for the effective duplication of any service by having it carried on local or regional multiplexes, where it is also available nationally. May I suggest, therefore, on the assumption that the Asian Network will be approved for transmission on the BBC's national multiplex, that such approval be conditional on the service's removal from the West Midlands and any other local multiplex (whether licensed or planned); and further that the Radio Authority be permitted to allow MXR in the West Midlands to make the capacity currently reserved for the Asian Network available for use by an additional commercial radio service.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Phil Riley', with a large, sweeping flourish extending downwards and to the right.

PHIL RILEY
Chairman