

oneword

29th June 2001

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

Dear Vanessa,

New BBC Digital Radio Services. Further Consultation.

Please forgive my unsolicited letter with reference to the proposed New BBC Digital Radio Services as outlined in Andrew Ramsay's letter dated 7th June, a copy of which has been passed to me.

I'm particularly concerned by the apparent nature and scope of the BBC's proposals for its 'Network Z' digital radio service. It is our contention that there is neither need for Public Expenditure on such a service nor that were such a service to be permitted could it be seen as fair competition.

Oneword radio is mentioned at several points in the BBC proposal document, and we would like to start our submission by correcting four key points it makes, which are downright misleading.

1. Distinctiveness

The BBC's claims that Network Z will be distinctive. This is incorrect. Oneword is a national digital radio channel, broadcasting on the Digital One multiplex. It has now been on air for fifteen months, and provides a rich mix of plays, books, comedy & discussions. Oneword, is a private company owned in equal shareholding by The Guardian Media Group plc, UBC Media Group plc and Chivers Communications plc.

If you are unfamiliar with its output, we would invite examination of our marketing material (enclosed), including the programme schedule, and comparison with the BBC's proposals for Network Z. You will immediately notice that while the BBC have omitted to include specific details, in terms of programme genres the two are almost identical. For example in one area alone, which Network Z highlights as a "unique feature" Oneword already broadcasts 23 ½ hours of children's stories, poems, songs, quizzes and magazines every week, much of it originated in our studios.

Oneword represents a pioneering initiative by the UK's commercial radio sector. It has been created with a substantial investment encouraged by the government's desire to initiate digital radio and which is now at risk from a government subsidised body. It would be hugely discouraging and will result in the loss of a substantial investment and jobs if this initiative were to be instantly copied by the BBC.

Naturally we resent this wholesale pirating of our format and programming, and the BBC's wilful misrepresentation of our radio station as simply a vehicle for our shareholder's audiobooks. It is important to point out that Oneword is in no way "based upon its shareholders' audio book catalogue" as the BBC allege. In fact Oneword has negotiated ongoing licensing agreements with Penguin, Harper Collins, Hodder Headline, Simon and Shuster, Naxos and Thorsons with others in the pipeline. Chivers supplies less than 15% of our total output which will reduce over time as Oneword increases its own original programming.

Within our schedule you will see that we are already recording and broadcasting plays by new writers, original readings by authors, discussion programmes, poetry, and author interviews. The only original aspect of the BBC's proposal seems to be its access to the BBC archive.

2. The BBC Archive

The BBC claims that Network Z will be the only channel capable of broadcasting the BBC archive. This is not true. It is however true that Oneword, as yet, cannot offer its listeners material from the BBC's archive, although we have offered to do so. This offer is still very much open. But then, the BBC have no automatic rights to broadcast it either, as the copyright and talent agreements will have to be revisited. The necessary infrastructure for renegotiating these agreements makes it unlikely, in our opinion, that the BBC can work within its projected £3m budget for this network.

3. Creativity

The BBC claims that its New Writing department will give a platform for new writers. Yes, the BBC has talent initiatives, which, rarely (on radio) result in anything being broadcast. Oneword, on the other hand, already has regular dedicated daily slots for a) new playwrights b) new short story writers and c) new poets. No other broadcaster can even approach that commitment.

4. Innovative scheduling

The BBC claims a package of Innovative scheduling for Network Z. This is merely a replication of Oneword's schedule. A significant part of Oneword's appeal can be attributed to the fact that it ALREADY offers an alternative to what is currently available. For example the BBC document highlights the 'school run' period as a target area for Network Z. Oneword has been running school run stories, poems and songs morning and afternoon since September 2000.

Timeshifting – the proposed timeshifting of Radio 4 material is a complete red herring. Part of the benefit of digital radio technology is the future ability for timeshifting on demand by the listener and as Radio 4 broadcasts digitally already there is simply no need for another channel to offer this facility for Radio 4.

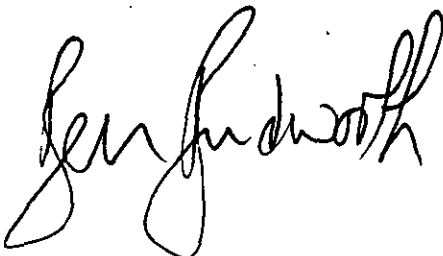
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Whilst imitation may indeed be a form of flattery, our concerns run deep. BBC Worldwide has already made an offer to purchase Chivers Communications from its present owner. We were surprised that it chose not to acquire Chivers' (33%) shareholding in Oneword. At a stroke such an arrangement would have enabled the BBC to find an outlet for its archive material without the costly investment of setting up another publicly funded radio station.

Chivers Chief Executive has today resigned from the Oneword board because of the potential conflict of interest arising from the BBC's pending ownership of Chivers and its intention to copy Oneword. This will result in the loss of considerable publishing experience from the Oneword team. The opportunity for a mutually beneficial partnership may well be missed, making the prospect of unfair, unnecessary and unsustainable competition in the limited market for spoken word entertainment inevitable.

In summary, Network Z's claim that by virtue of its scheduling, creativity, distinctiveness and sole ability to broadcast the BBC archive, it should justify substantial public expenditure is ill- founded. Digital radio has reached a sensitive time in its development. Those few of us in the commercial sector who have already invested heavily in creating this new and innovative format understandably do not wish to see that investment unnecessarily jeopardized by an outright abuse of position by the public service broadcaster.

Yours Sincerely



Ben Budworth
Managing Director

cc. Andrew Ramsay

Enc.

oneword

1st August 2001

The Right Hon. Tessa Jowell MP
Secretary of State for Culture, Media and Sport
2-4 Cockspur Street
London
SW1Y 5DH

Dear Secretary of State,

This letter is written as a last minute plea to you to adjudicate that the BBC's proposed digital radio service, Network Z, is not a sufficiently distinctive offering for the BBC to proceed with this expenditure of taxpayers' money; and, to rebut various allegations that the BBC has been making about Oneword via third parties in an attempt to buttress its case.

It has come to my notice that Michael Hastings of the BBC has been writing to certain MPs (copy enclosed) in an attempt to defend the distinctiveness of Network Z.

He is upset that the scheduling of Network Z has been described as a "clone" of Oneword. However, if, as he claims, the BBC has "not yet developed a broadcast schedule", it is clearly inconsistent to purport to give specific examples of how the BBC's service will differ from ours.

The programme details he provides to back up his argument add up to a duplicate of Radio 4 minus the news, and not a "distinctive" service in its own right.

His letter makes various allegations which are clearly based on misleading information about us.:

1. "Oneword is not commissioning any poetry programmes". Oneword actually broadcasts an average of 10 poems a day, both commercially available and unique to the station.
2. Oneword does indeed produce a weekly children's magazine show, but to read Mr. Hastings' letter, the reader would think that that was all we did. Oneword actually broadcasts 24 hours of children's programmes per week.
3. Mr Hastings claims that Oneword has commissioned but one new piece of writing. The fact is that we have commissioned playsonthenet.com to provide us with 52 original dramas per

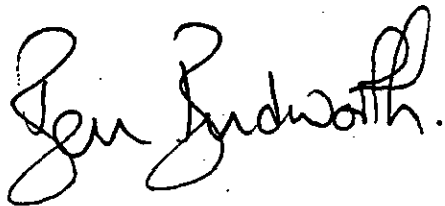
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year with more to follow, and abctales.com a total of 504 new stories and poems, some of which are already being broadcast. That is 555 more programmes than he gives us credit for.

The BBC's market research findings are spurious. The results depend on the questions asked. If respondents had been made aware that a digital radio service very similar to Network Z was already in existence that does not cost the licence payer anything the result may have been very different.

I would like to end on a constructive note - we take Mr. Hastings' point that a percentage of Oneword's comedy is American. We would love to feature more home-grown talent, but the owner of the broadcast rights in the biggest archive of this material will not allow us access to it. The owner is the BBC. We would be very happy to licence comedy, drama and readings from the BBC and pay them, thus saving them the need to spend licence payers' money setting up a service of their own seemingly designed to undercut a novel and successful commercial format.

Yours sincerely



Ben Budworth
Managing Director

Enc.



From Head of Political & Parliamentary Affairs

25th July 2001

I have noted with some concern your recent objections to the proposed new digital radio station Network Z.

I think it's worth pointing out that superficial similarities between the genres covered by *Oneword* and *Network Z* mask vastly different approaches between these two services to commissioning and producing speech radio.

We believe *Network Z*, in providing additional broadcast windows for the best in BBC Radio speech entertainment, adds genuine choice to the market place for the UK speech listener; *Oneword's* schedule is overwhelmingly built on book readings *already available in the shops on cassette or CD*. Comedy and dramatised plays, alas, make up a very small minority of its schedule.

In contrast, *Network Z* will give full radio dramatisations a much higher profile in the schedule whether as a chance to catch up with current Radio 4 or Radio 3 presentations, as gems from the archive, or as brand new commissions or co-commissions of contemporary classics or new writing. Similarly, comedy classic BBC favourites and new cutting edge work will receive at least equal billing in the *Network Z* schedule, and it will be BRITISH, unlike the *mostly US-originated comedy on Oneword*.

Oneword is broadcasting a children's magazine programme once a week (repeated twice) *Network Z* will be broadcasting a daily original children's programme from the team already producing *Go 4 It* on Radio 4. In addition the network will be commissioning original readings and dramatisations for children on a regular basis.

Oneword is not commissioning any poetry programmes, *Network Z* will be broadcasting poetry every day. Since its launch *Oneword* has commissioned one new piece of writing, *Network Z* will be commissioning new writing regularly in partnership with the BBC's New Writing scheme.

In addition to these core genres, *Network Z* will offer magazine programmes about the arts and other interests. *Oneword's* genre base expands beyond readings and the few plays and comedy programmes only to interviews with authors.

Misleading claims that the scheduling of *Network Z* is a clone of *Oneword* are both bizarre and ill-informed. The BBC has not yet developed a broadcast schedule for *Network Z*, let alone released one. Nor will it do so until it has received approval for the service from the Secretary of State for DCMS. We do, however, plan to build *Network Z*'s schedule around the lifestyles of its prospective listeners, including placing children's programmes in appropriate slots (early morning, school run, etc.) and provide a complementary experience to our existing speech networks (particularly Radio 4).

The BBC announced as long ago as 1996 that it intended to use its speech archive for new stations on digital Radio. The BBC's Director of Radio told the Voice of the Viewer and Listener in 1999 that one of the services the BBC intended to create for digital radio would be a plays, comedy and readings service in response to numerous requests from listeners for greater access to our archive and output.

The BBC Radio archive is a rich resource, paid for by the licence fee payer, that - thanks to new outlets like digital radio - we can offer to licence fee payers *once* again. We have taken the decision to provide digital listeners with further chances to hear our archive as part of a service paid for by the licence fee, rather than within an advertising-funded service provided by a commercial operator.

Indeed, during our full public consultation (October-November 2000), only 8% of respondents thought *Network Z* should not be a BBC station.

The BBC take its responsibility to Public Service Broadcasting extremely seriously. *Oneword*'s claim that *Network Z* is stifling young entrepreneurial talent is just plainly unfair.

MICHAEL HASTINGS