

A New Future for Communications



Summary of proposals

A new future for communications

Foreword by Rt Hon Stephen Byers, Secretary of State for Trade and Industry and
Rt Hon Chris Smith, Secretary of State for Culture, Media and Sport.



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Secretary of State
for Trade & Industry



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Secretary of State
for Culture, Media
& Sport

Our world is changing, and communications are central to this change. Digital media have revolutionised the information society. Multi-channel television will soon be available to all. More and more people can gain access to the Internet, through personal computers, televisions, mobile phones, and now even games consoles. The choice of services available is greater than ever before. High-speed phone lines give households access to a whole new range of communications services and experiences. Using their TV sets people are able to email, shop from home, and devise their own personal viewing schedules. The communications revolution has arrived.

This White Paper sets out the Government's response to the new communications environment.

We want to ensure the widest possible access to a choice of diverse communications services of the highest quality. All of us can benefit from new services – as citizens, as parents, as workers, as students, and as consumers. We want to include every section of our society in the benefits of these services, and use to the full the opportunities now available for enhancing their diversity and quality.

We want to safeguard the interests of citizens and consumers. The new communications environment may appear bewildering to some, and threatening to others. Our goal is to make the UK the safest and most reliable place to use the new communications

services. We want to protect consumers from poor service delivery and being overcharged. And we want to make sure that the right balance is struck between freedom of speech and basic standards of decency and quality.

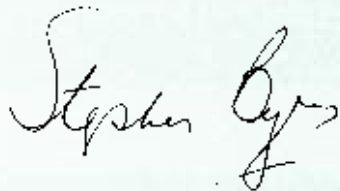
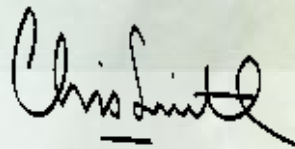
We want to make sure that the UK is home to the most dynamic and competitive communications market in the world. Communications businesses already make an important contribution to both national and regional economies. We want to maintain the UK's competitive advantage in the rapidly changing international marketplace.

To achieve these ambitious goals, our White Paper sets out a new framework for communications regulation in the 21st century. We will make sure that people can continue to receive much-loved broadcasting channels. We will promote access to the Internet and higher bandwidth services. We will strengthen the regional dimension to UK broadcasting and continue to support the independent production sector, as well as consider new plans for community

media. We are committed to reforming the rules which protect media plurality, in the light of the new converging market conditions. We seek to combine a lighter touch in many aspects with tough protection of the genuine public interest in others.

We will create a new regulator, an Office of Communications (OFCOM), with the expertise and the vision to understand the converging communications landscape and to act according to a clear set of principles. OFCOM will promote competition in telecommunications and broadcasting. It will regulate TV and radio by means of a new framework which will allow flexibility for industry whilst fully meeting the expectations of viewers and listeners and maintaining high levels of quality and diversity.

This Communications White Paper is the joint work of two departments with different perspectives but a shared vision of the future. We are confident that it will establish the right conditions for communications services to flourish in the coming decades.

Handwritten signature of Stephen Byers in black ink.Handwritten signature of Chris Smith in black ink.



1.0

Communications in the 21st century:

The government's vision and objectives

- We will make the UK home to the most dynamic and competitive communications and media market in the world.
- We will ensure universal access to a choice of diverse services of the highest quality.
- We will ensure that citizens and consumers are safeguarded.

Creating a dynamic market


- OFCOM will have concurrent powers with the OFT to exercise Competition Act powers for the communications sector. As competition becomes more pervasive, we will expect it to rely more on these general powers than on specific sectoral ones.
- OFCOM will also have additional sector-specific powers to promote effective competition in the communications services sector for the benefit of consumers.
- For most providers of services, the sector-specific rules will cover only the essential issues such as consumer protection, access and interconnection. Stronger sectoral competition rules will, however, be applicable to companies having significant market power.
- OFCOM's powers to promote competition and protect consumers will apply to electronic programme guides and similar new systems.
- We need to ensure that the spectrum management framework is kept up to date and are commissioning an independent review of spectrum management. We will value the spectrum used by broadcasters and introduce new mechanisms to enable communications companies to trade spectrum.
- We will continue to ensure that health issues are properly reflected in the regulatory framework.
- We will also ensure that environmental issues are properly reflected in the regulatory framework, whilst at the same time ensuring that there are no unnecessary barriers to the construction of the communications infrastructure the UK needs.



2.0

Ensuring universal access

- We remain committed to ensuring that public service TV channels are available to everyone, as now, free at the point of consumption, both before and after the switchover from analogue to digital television.
- We will maintain and extend obligations to secure the carriage of public service channels over cable and satellite.
- We will give OFCOM powers to ensure that public service broadcasting channels are given due prominence on devices such as electronic programme guides and that access to them is easy.
- We will continue to support the universal availability of BBC radio services and the widest access to commercial radio channels.
- We will continue to ensure that those telephone services which are used by the majority, and are essential to full social and economic inclusion, are made available to everybody on reasonable request, at an affordable price.
- We aim to achieve universal access to the Internet by 2005.
- We will promote the availability of widespread access to higher bandwidth services and bring together public and private sector stakeholders to develop a practical broadband strategy.
- We will look for ways to build on the public investment that is already being made in broadband and consider whether public support is needed to help research and develop new high-speed networks. We will also keep under review the case for requiring higher bandwidth services to be made available universally.
- We will ensure that relevant education and training programmes allow everyone to maximise the opportunities afforded by these new communications technologies – both to improve the quality of their lives and to enhance their work prospects.



3.0


Maintaining diversity and plurality

- We will retain public service broadcasters' independent productions obligations, and consider adjustments to help ensure that broadcasters' ability to meet their obligations is not jeopardised by events outside their control.
- We will retain and strengthen the regional dimension to public service broadcasting, and ensure that public service broadcasting continues to meet the needs of different communities and cultural interests.
- We seek views on extending the diversity of radio services through 'Access Radio', and will develop a spectrum plan to take effect on digital switchover to give a clearer indication of long-term prospects for local television services.
- We will replace the 15% limit on share of TV audience with a new system for ensuring plurality in television services. We will revoke the rule which prohibits single ownership of the two London ITV licences.
- We will consider the possibility of devising a simpler, fairer regime for radio ownership to replace the current radio points system, or revoking the scheme completely.
- We invite comments on the reform of the cross-media ownership rules.
- We will amend some of the general disqualifications on ownership of broadcasting licences, but retain those that provide safeguards which remain necessary.
- We will retain the nominated news provider system for ITV, but introduce a clause to allow the Government, on advice from OFCOM, to revoke it.
- We will consider relaxing the 20% limit on ownership of the nominated news provider.
- We will consider a lighter touch approach for newspaper mergers.



4.0

Securing quality

- Public service broadcasting will continue to have a key role to play in the digital future, potentially an even more important role than it has now. However, the way public service broadcasting is regulated and delivered by the broadcasters will have to change to reflect the new conditions in which they operate.
 - We will rationalise the system of regulation of broadcasting so that it is more coherent across all broadcasters. We propose a new three-tier structure with the basic tier supporting standards across all services and with further tiers applicable to public service broadcasters. Within this, the quantifiable and measurable elements of public service broadcasting would be consistently regulated by OFCOM, and the more qualitative elements of public service broadcasting would be self-regulated against legal duties but with backstop powers to ensure obligations are met.
 - We will require the public service broadcasters to develop detailed statements of programme policy and regulatory arrangements that will give confidence that this new system will be effective.
 - The BBC's and S4C's current roles and remits will remain, but we will review Channel Four's remit both to make it more positive and to ensure that the service continues to provide distinctive and innovative programming in the future.
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- ITV companies will continue as the main commercial providers of public service broadcasting, before and after digital switchover, but with less prescriptive detailed regulation.
 - Channel 5's public service obligations will be reviewed as the take-up of digital TV makes popular programming of the sort it provides more widely available.
 - The local nature of independent radio must be maintained, but format controls will be lightened.
 - We propose to maintain the requirement for independent national radio to have one predominantly speech station and one non-pop music station, but no other format controls nationally.

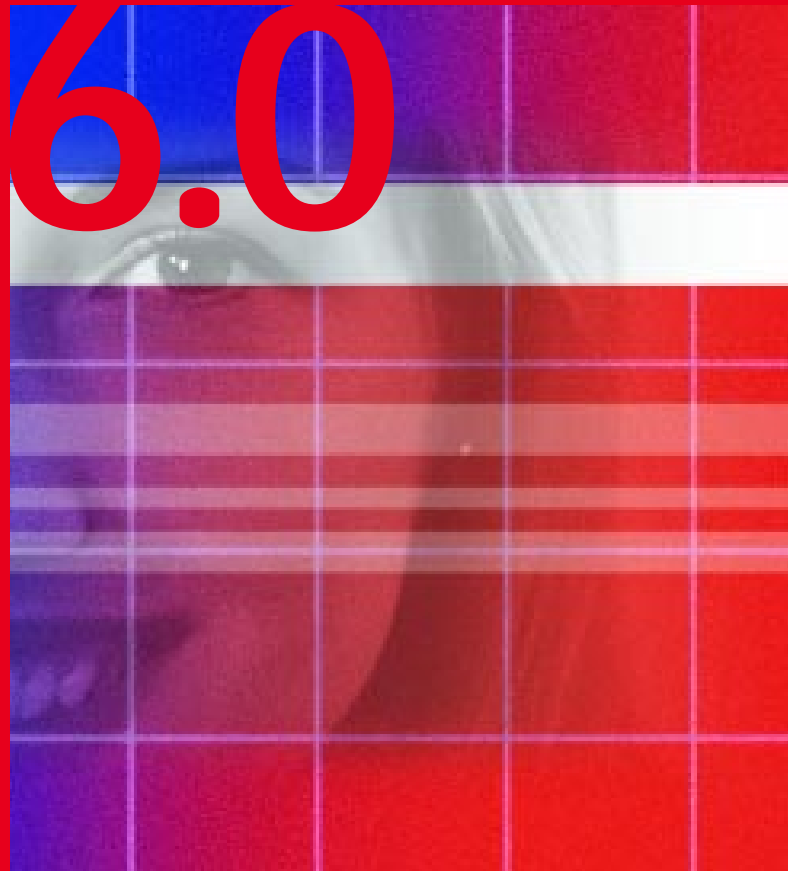
Safeguarding the interests of citizens

- Building on the bedrock of the general protections provided in law, we shall establish a high level set of principles and objectives for the regulation of content across all electronic communications.
- Taking full account of the differences between services and people's expectations of them, OFCOM will be responsible for maintaining content standards in the electronic media. It will develop Codes underpinned by statute, for the most pervasive broadcast services, and work with industry to ensure effective co- and self-regulatory approaches to protection for other services, such as the Internet, where they are more appropriate.
- To inform its work, OFCOM will be able to commission a programme of independent research; it will establish bodies to reflect public interest in the content of communications services; and it will consider and adjudicate on complaints on content, if unresolved by the service provider in a timely manner.
- OFCOM will also consider complaints of unfair treatment or unwarranted infringement of privacy in licensed broadcast services, where no other legal remedy is being pursued.
- Accuracy and impartiality will remain at the heart of licensed broadcasting services. This will guarantee the availability of accurate and impartial news services and political impartiality in programme making.
- We will also maintain the ban on political advertising.




6.0

- OFCOM will promote systems to help people make informed choices about what they and their children see and hear; and have a duty to promote media literacy, working with DfEE, the industries and educators.
- We will give OFCOM principal responsibility for regulating advertising in the broadcast media.
- We will keep current controls on religious advertising and programmes.
- OFCOM should ensure continuing and effective mechanisms for tackling illegal material on the Internet, such as those being pursued under the auspices of the Internet Watch Foundation. It will also promote rating and filtering systems that help Internet users control the content they and their children will see.
- We shall consider the place of the pre-classification system for videos, DVDs and computer games within the regulatory structure.
- We will work with the Data Protection Commissioner to produce and promote clear accessible guidance for those who gather data online and for individuals who wish to protect their data and know their rights.



Protecting the interests of consumers

- We challenge the industry to come forward, even before legislation, with an effective code or codes of practice for service delivery, and with effective means of redress when service standards are not met.
- OFCOM will have a principal duty to protect the interests of consumers and will have powers to take action if the industry does not develop an effective consumer protection regime.
- We will establish a new consumer panel to advise the regulator. It will be able to research consumer views and concerns on service delivery, represent these concerns to OFCOM and other relevant bodies, and publish its findings and conclusions.
- OFCOM will be required to give due weight to the need for improved access to communications services for people with disabilities.
- We challenge the communications industry to devise and implement even more effective methods of crime prevention and to spread best practice among all in the sector.
- OFCOM will encourage industry to develop standards for the interoperability of communications equipment, but will have powers to impose standards where necessary and justified.




7.0

The new organisational framework

- We shall create a new unified regulator (OFCOM) responsible for the communications sector. The regulator will be independent, will act at arm's length from the Government but will work closely with the DTI, DCMS and other relevant departments, including on European and other international negotiations.
- The regulator will incorporate the Radiocommunications Agency's responsibilities for managing radio spectrum.
- We propose that OFCOM's central regulatory objectives should be:
 - protecting the interests of consumers in terms of choice, price, quality of service and value for money, in particular through promoting open and competitive markets;
 - maintaining high quality of content, a wide range of programming, and plurality of public expression;
 - protecting the interests of citizens by maintaining accepted community standards in content, balancing freedom of speech against the need to protect against potentially offensive or harmful material, and ensuring appropriate protection of fairness and privacy.



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In all its activities, the regulator should also give proper weight to:

- the protection of children and vulnerable persons;
 - the prevention of crime and public disorder;
 - the special needs of people with disabilities and of the elderly, of those on low income and of persons living in rural areas;
 - the promotion of efficiency, including efficient use of spectrum and telephone numbers, and the promotion of innovation.
- OFCOM will be a corporate body governed by a Chairman, a Chief Executive and other executive and non-executive members. Its work on content issues should take into account a wide variety of interests and reach consensual judgements. It will resolve any conflicts between its content-related objectives and its other objectives in a clear and transparent way.
 - We will expect OFCOM to develop good links with the relevant policy committees and executives of the devolved assemblies, and with representatives of the English regions.



8.0

- OFCOM will be responsible for the regulation of electronic communication networks and services, including telecommunication systems and other activities currently regulated by Oftel, and will also be responsible for the licensing of broadcasting services. It will reduce the regulatory burden upon communications operators by using general authorisations rather than individual licences wherever possible.
- We will enhance the regulatory powers available to OFCOM.
- OFCOM will ensure that regulation is effective. To achieve this aim, it will develop and maintain the necessary regulatory rules, in full consultation with industry and representatives of citizens and consumers, within a broad framework of guiding principles established in statute. We will ensure there are transparent and effective appeals processes.
- OFCOM will have a duty to keep markets or sectors under review and roll back regulation promptly where increasing competition renders it unnecessary. It will encourage co-regulation and self-regulation where these will best achieve the regulatory objectives.

Process for implementation

- We will bring forward legislation to implement our policy proposals at the earliest opportunity.
- We will work with the existing regulators to ensure a smooth transition to the new regulatory regime. We will set up pathfinder groups involving all the regulators at official level, building on the current arrangements for co-ordinating regulatory work.
- In preparing for this transition, we shall expect the Boards and staff of the bodies to continue to develop greater co-ordination and integration of their operations and to carry out their responsibilities in a way which will help deliver the goals we have set out.

Comments on our proposals

- We invite comments on the White Paper and will make these publicly available, including by publishing them on our website, unless asked not to.

We would prefer to receive comments on our proposals by email, if possible, in rich text or MS Word format. Such comments should be sent to consultation@communicationswhitepaper.gov.uk.

However, if you wish, you may instead post comments to Communications White Paper Consultation, c/o CII, DTI, 151 Buckingham Palace Road, London, SW1W 9SS.

A full version of the White Paper can be viewed at www.communicationswhitepaper.gov.uk.

Print copies of the White Paper are also available from The Stationery Office Limited.

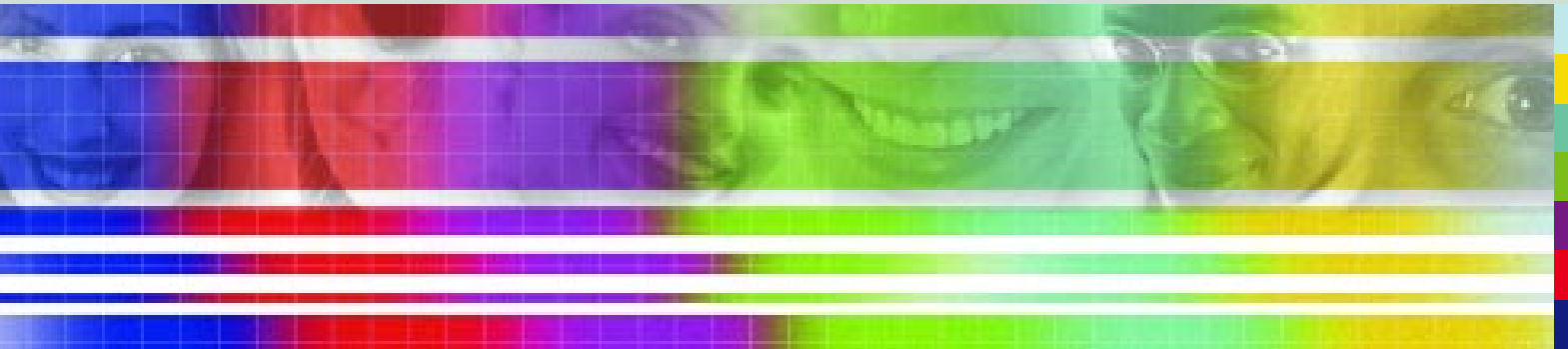
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