

RadioCentre's response to the BBC Trust review of Fair Trading Policy
February 2011

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1. Executive summary

- 1.1. RadioCentre welcomes this review of BBC Fair Trading policy. RadioCentre has submitted a number of fair trading complaints over the past few years, and has therefore acquired significant experience of the BBC's fair trading process. All these complaints have either been upheld or partially upheld; suggesting to us that the BBC's fair trading process is valuable and functioning effectively.
- 1.2. However, we have identified a number of matters which we believe the current fair trading policy fails to address adequately. We start from the premise that, when applying the BBC's Fair Trading policy, and specifically the Competitive Impact Principle (CIP), the BBC should distinguish between areas in which it does and doesn't have significant market dominance.
- 1.3. It has often been acknowledged that the BBC is extremely dominant within the UK radio industry, due largely to historical factors beyond the control of commercial radio. Given this dominance, we suggest that the BBC must be extra mindful of potential negative competitive impact on competitors within the UK radio industry. Specifically, we believe that greater consideration should be given to two radio-related fair trading matters; namely BBC self-promotion of its radio services, and the manner in which the BBC bids for radio rights.
- 1.4. In regards to self-promotion, we have two particular concerns. Firstly, the frequency and scale of this self-promotion; commercial radio does not have the reach, financial resources nor the platforms to compete. Secondly, the nature of the services that are promoted. It is indisputable that promotion of the BBC's flagship radio stations, on the BBC's flagship TV services, has a negative competitive impact, further raising awareness of these services, indirectly increasing their listening figures and decreasing those of commercial competitors.
- 1.5. We believe the BBC's self-promotion activity can only be justified on the basis that it promotes public service programming that would otherwise gain little exposure. We do not believe that this is the motivation behind the bulk of the BBC's current self-promotional activity and we believe instead that the BBC devotes far too much air-time and resource to promoting already very popular TV and radio services and programmes, thus breaching the CIP.
- 1.6. We therefore suggest that the Code on cross and digital TV promotion be amended, to include greater guidance on BBC self-promotion. We also suggest that the BBC Trust investigates the production costs of recent promotional campaigns for BBC Radio services, possibly via a National Audit Office inquiry.
- 1.7. In regards to the procurement of rights, we believe that the BBC Trust must recognise that the commercial TV and radio markets are very different in nature, and the BBC must therefore adopt a different approach when bidding for radio broadcast rights than it does for TV broadcast rights, in order to minimise negative competitive impact. This would require the BBC to bid separately for TV and radio rights, and to be mindful of the spending power and merits of rival bidders bidding for radio rights.
- 1.8. We believe that the BBC Trust Statement of policy on fair trading and the BBC Executive Fair Trading guidelines must be revised accordingly. We would also urge the BBC Trust to consider introducing a Competitive Impact Code on radio rights procurement.
- 1.9. We note that it is not the role of RadioCentre to continually monitor the output of BBC Radio, to ensure that it is complying with its own editorial and fair trading framework. We believe that the BBC Trust should more closely monitor all BBC output, and undertake an investigation if it believes that a breach of BBC guidelines may have occurred.

2. **The BBC's dominance of the UK radio industry**

- 2.1 Commercial radio and BBC Radio operate on a profoundly unequal playing field. In regards to the allocation of FM spectrum, the BBC has access to four of the five national FM slots and 11.5MHz (59%) of the FM waveband. Commercial Radio has only one national FM service and is currently assigned 8MHz (41%) of the FM waveband. Whilst the majority of radio listening remains via analogue platforms, this disparity in FM allocation cannot be overlooked.
- 2.2 This is also a significant funding disparity between the two sectors – especially in regards to funding available for programming. In 2010, BBC Radio had c.£463.6m¹ to spend on programming for 56 stations, compared to commercial radio's approximate £75m programming budget for 320+ stations².
- 2.3 The BBC's dominance of the radio industry is reflected in listening figures for the sector. The latest Rajar figures show that the BBC has a 55.3% share of radio listening, in comparison to commercial radio's 42.5% share³. The BBC has very rarely taken less than 55% of the radio audience over the last decade. Indeed, the past ten years have seen the BBC's lead in audience share over commercial radio grow from 2% to 13%⁴. In no other media sector does the BBC's share of audience come close to this level; the BBC has only a 32.7% share of television viewing (a figure that is declining), the sector in which its dominance is most comparable⁵.
- 2.1. The overwhelming dominance of the BBC within the UK radio industry has been acknowledged in recent years – not only by those in the industry (both commercial and BBC), but also by media commentators, policy makers and regulators. The following quotes are illustrative of this:

*"There is a risk that BBC activities can reduce competitor market shares and indeed may have contributed to the decline of specific business. We note that this impact is likely to be more strongly felt in industries where the BBC has a relatively larger share of expenditure and hence suggest that the BBC's impact on commercial radio is a high risk area"*⁶.

Price Waterhouse Coopers, *'The economic impact of the BBC'*, 2008

*"There is a real risk that the BBC's involvement in some market segments may leave insufficient revenues for commercial operators wishing to supply those segments now or in future ... Combined with the BBC's large budgets and relatively loose remits this may, in time, diminish overall levels of competition, investment and innovation ... There is a large disparity between the resources allocated by the BBC to its new services and the budget available to similar digital-only channels or stations"*⁷.

Ofcom, *'Assessment of the Market Impact of the BBC's New Digital TV and Radio Services'*, 2004

*"There are areas to be watched carefully including the impacts on commercial radio"*⁸.

BBC Trust, *'The economic impact of the BBC'*, 2008

- 2.2. The BBC Trust Statement of policy on fair trading states that *'when applying the Competitive Impact Principle to any specific Public Service Activity, the BBC must take a proportionate approach to the assessment by paying particular attention to the*

¹ BBC Executive Review and Assessment, 2009-10.

² Ofcom, *Building on the Myers Review: A submission to the Digital Britain project*, May 2009, p. 7

³ Rajar, Q4 2010

⁴ Value Partners, *'BBC Radio – A Review'*, May 2010, p.10.

⁵ Value Partners, *'BBC Radio – A Review'*, May 2010, p.23.

⁶ BBC Trust report, *'The economic impact of the BBC on the UK creative and broadcasting sector'* (July 2008).

⁷ Ofcom, *'Assessment of the Market Impact of the BBC's New Digital TV and Radio Services'*, January 2006.

⁸ BBC Trust, *'The economic impact of the BBC on the UK creative and broadcasting sector'*, July 2008.

size and scale of the activity concerned⁹ [emphasise added].

- 2.3. We believe that this Statement should be amended, to state that when applying the CIP, the BBC must also have regard to the size and scale of the industry or industries that will be most affected by the activity. Only through consideration of this can the BBC truly endeavour to minimise its negative competitive impact on the wider market, whilst also ensuring the fulfilment of its Public Purposes and take into account other obligations in the Charter and Agreement.

⁹ BBC Trust Statement of policy on fair trading.

3. Self-promotion on the BBC

- 3.1. The manner in which the BBC promotes its own services is a long-held concern of commercial radio. We are therefore pleased that due consideration is to be given to it by the BBC Trust in this review of fair trading policy.

The scale and focus of the BBC's self-promotion activity

- 3.2. Prior to the commencement of this consultation, RadioCentre submitted some monitoring data to the BBC Trust which had been commissioned by Global Radio, one of RadioCentre's members. This monitored promotional activity related to BBC radio services on BBC 1 and BBC 2 between 0700 – 2300, Saturday 25 September to Friday 1 October. A summary of this monitoring, conducted by Media Intelligence, is attached as an annex to this response (Annex 1).
- 3.3. We would urge the BBC Trust, if it has not already done so, to conduct some further monitoring of the BBC self-promotion activity, across the BBC's portfolio of TV, radio and online services. We also believe that the BBC Trust could benchmark the BBC's self-promotion activity against commercial broadcasters of comparable scale – say ITV and Sky.
- 3.4. The findings of the monitoring conducted by Media Intelligence illustrate two points. Firstly, the significant scale of the BBC's cross-promotional activity, even when only BBC One and BBC Two are monitored for their promotion of BBC radio services. The commercial value of this self-promotional activity is estimated to be equivalent to £1.2m (calculated by Rocket PHD, and based on impacts delivered and ITV cost per thousand). This would equate to an annual value in excess of £60m (representing over 10% of commercial radio's annual revenue).
- 3.5. BBC One and BBC Two have a weekly reach of 48.6m and 36m respectively¹⁰. The whole UK commercial radio industry reaches 33m listeners¹¹, and has an extremely fragmented ownership structure. Global Radio, the largest commercial group, reaches nearly 20m listeners, followed by Bauer Radio which reaches over 13m listeners¹², but the majority of the 300+ commercial stations in the UK are either owned by small groups or are independently managed.
- 3.6. Therefore no commercial group, nor indeed the whole UK commercial radio industry acting together, would come close to achieving the impact achieved by a promotion on primetime BBC One or BBC Two – nor indeed would they be able to afford to buy such a quantity of promotion on, say, ITV 1. We recognise that some commercial radio groups have advertised their brands on national television, and also utilised outdoor advertising, but not on a comparable scale, over such a prolonged period, as the BBC gifts to its mainstream radio services.
- 3.7. Secondly, the monitoring conducted in October 2010 illustrates that it is the more mainstream services within the BBC's radio portfolio that were promoted during this period – predominantly Radio 4, 5 Live and BBC London (20, 37 and 20 mentions respectively). These services have a weekly reach 10.3m, 7m and 0.5m respectively¹³. And on these services, it was largely the more mainstream and popular programming that was promoted; including the Today programme on Radio 4, the breakfast show on BBC London, and Premier League and Formula 1 coverage on 5 Live. We believe that this pattern would be repeated, if further self-promotion monitoring was to be carried out.
- 3.8. In addition, we note the high production values of recent television campaigns for Radio 1¹⁴ and Radio 2¹⁵, which must involve the investment of significant sums of

¹⁰ Barb, week ending 16 January 2011.

¹¹ Rajar Q4 2010.

¹² Rajar Q4 2010.

¹³ Rajar Q42010.

¹⁴ <http://www.campaignlive.co.uk/news/926163/BBC-air-controversial-expensive-ad/>

¹⁵ <http://www.brandrepublic.com/go/news/article/1034218/bbc-campaign-aims-bring-radio-2-to-life/>

licence fee funding. We question whether these campaigns represent value for money for licence fee payers, and suggest that the BBC Trust investigates the production costs involved in these promotional campaigns (possibly via a National Audit Office inquiry).

BBC Local Radio promotion

- 3.9. We also note that the BBC devotes significant TV airtime to the promotion of BBC Local Radio. For example, in times of localised emergencies (such as heavy snowfall, flooding, earthquakes, or events such as the recent Cumbrian shootings), BBC TV news services suggest that listeners tune into their local BBC radio service for further information, despite local commercial services often providing a greater volume of locally-specific coverage and information. We believe that suggesting listeners and viewers tune into either their local BBC Radio station or local commercial station would represent greater public value, whilst also lessening the potential for a breach of the CIP. We suggest therefore that the BBC consider promoting the services of rival broadcasters, including local commercial stations, where there would be public value in doing so.
- 3.10. In addition, we have concerns that BBC Local Radio may be under-promoting events run by rival local commercial stations, often with little or no editorial justification. For example, we have evidence that a significant fundraising event, organised by the heritage commercial station in a large urban conurbation, was covered on air by the relevant BBC Local Radio station, but with no reference to the organising commercial station. When this issue was raised with a senior manager with responsibility for the BBC's coverage of the event, it was suggested that reference to the 'rival' commercial station had been deliberately omitted, for reasons of competition. We believe that this activity represents a potential breach of the CIP.

Consideration of the optimal focus of BBC self-promotion

- 3.11. Conversely, awareness and reach of other services within the BBC Radio portfolio, which were not promoted on BBC One and BBC Two during this period, is relatively low. For example, the BBC Strategy Review (March 2010) stated that awareness of the BBC's digital-only radio services was, on average, around 20% of UK adults¹⁶. And in total, the portfolio of BBC digital-only stations reaches just over 4m listeners¹⁷.
- 3.12. We do not have updated awareness figures for the BBC's digital-only radio services, nor indeed for other services within the BBC Radio portfolio, but we presume that they continue to show that awareness of digital-only services continues to be low, particularly when compared to awareness of the BBC's other radio stations – Radios 1, 2, 3, 4 and 5Live.
- 3.13. We believe that the BBC devotes far too much air-time and resource to promoting already very popular TV and radio services and programmes. We recognise that the Trust believes that *'it is clearly in the interests of licence fee payers that the BBC promotes awareness of its programmes across Radio, TV and Online to promote take-up of those services and to make licence fee payers aware of the full breadth of BBC programmes and services on offer'*¹⁸. However, we do not believe that this can be used as an excuse for the BBC to use its most popular services to promote other extremely popular BBC services – specifically not its most popular radio services, given the BBC's dominance of the radio industry, as discussed above.
- 3.14. Instead, we believe the BBC's self-promotion activity should be harnessed in order to promote programming and services that otherwise gain little exposure. We suggest that the BBC Trust must take awareness statistics, and reach and share Rajar data, into account when considering both current BBC self-promotion activity, and the

¹⁶ Pan-BBC tracking study by TNS for BBC, 700 interviews per month, Q4 2009.

¹⁷ Rajar Q3 2010.

¹⁸ BBC Trust Fair Trading Public Consultation, December 2010.

regulatory framework within which BBC self-promotion should operate.

Required amendments to the BBC Trust Fair Trading Policy

- 3.15. Ultimately, we believe that the frequency, scale and focus of the BBC's current self-promotion activity represents a breach of the CIP – there appears to have been little or no consideration of how the negative competitive impact on commercial radio of the self-promotion of BBC Radio services can be minimised. It is indisputable that promotion of the BBC's flagship radio stations, on the BBC's flagship TV services, has a negative competitive impact, further raising awareness of these services, indirectly increasing their listening figures and decreasing those of commercial competitors.
- 3.16. We urge the BBC Trust to amend its Code on cross and digital TV promotion, to include guidance on the manner in which the BBC's Public Services should promote its other Public Services. We suggest that the Code should distinguish between those BBC Public Services that already have relatively high reach, share and awareness – and those that don't. In addition, we believe that emphasise must be placed on promoting programming of high public service value.
- 3.17. To be clear, we are not suggesting that parallel amendments should be made to the Ofcom Cross-promotion Code, upon which the BBC Trust Code on cross and digital TV promotion is based. We believe that these obligations should be applied specifically to the BBC, due to its role as the national public service broadcaster, and its significant market intervention in the UK radio industry.

4. **The procurement of rights**

4.1. As with BBC self-promotion, the manner in which the BBC bids for and procures broadcast rights, specifically for sporting and music events, has been a long-held concern of commercial radio. We would hope that this review of BBC fair trading policy represents an opportunity to address fully these concerns.

The manner in which the BBC procures broadcast rights

4.2. We have a number of specific concerns in regards to this matter:

- Bundling of TV and radio – we recognise that many radio rights come bundled with the TV rights for the same event. A competitive bidding process between TV broadcasters for the TV rights means that those parties wishing to bid for the radio rights are both unable to bid for these separately and are priced out of the market regardless.
- Exclusivity – we recognise that the broadcast rights to many sporting and music events are offered on an exclusive basis, blocking competitors access to that event.
- Warehousing – we are aware of numerous circumstances in which the BBC has acquired the rights to broadcast more hours of radio than it is physically able to broadcast on its available platforms.
- Price – we believe that, due to the BBC's significant buying power, it is often able to submit extremely high bids for broadcast rights, which do not reflect the market price or value for money, and unfairly price their competitors out of the market.

4.3. We believe that a combination of the above factors means that the manner in which the BBC bids for rights often does not represent maximisation of public value – and equally does not suggest the BBC has endeavoured to minimise its negative competitive impact on the wider market.

4.4. For example, the BBC holds exclusive TV and radio rights to broadcast from the Glastonbury festival. Even when broadcasting on BBC Two, BBC Three, BBC Four, Radio 1 and 6 Music, in addition to bbc.co.uk/glastonbury, the BBC is still not able to broadcast material collected from all of the stages across the whole weekend of the festival. In addition, local commercial stations, such as Midwest Radio, serving South Somerset and West Dorset, are excluded from covering the event – despite it being one of the largest newsworthy events to occur in their broadcast area during that year, and of clear editorial interest to its listeners.

4.5. Very often, there is potential for the BBC and commercial radio to offer complementary coverage of a given event or sporting fixture. Competition between the two sectors inevitably stimulates improvements in the standard of radio output. In addition, allowing both BBC and commercial services to cover the same sports or music event broadens the potential reach for that event. Shared access would potentially also have the benefit of reducing the cost of rights, and so improving value for money.

Consideration of the optimal manner in which the BBC should procure broadcast rights

4.6. We therefore reiterate the principles that we set out in our response to the January 2009 review of Fair Trading Guidelines. Namely, that the BBC should not procure broadcast rights in any of the following ways, unless this is unavoidable:

- At above-market prices
- In quantities which go beyond those which are necessary to fulfil the public purposes and/or the BBC is able to broadcast
- On an exclusive basis

4.7. We add to this that we do not believe that the BBC should submit a joint bid for TV and radio rights.

- 4.8. We recognise that it may not always be possible to abide by these principles – especially the first two principles, as the rights holder dictates the terms on which it is willing to sell broadcast rights. However, we welcome the amendments to the BBC's Fair Trading framework that have been made in response to the sanctions imposed by the BBC Trust in its fair trading appeal findings of October 2009, which relate to the BBC's acquisition of FA cup rights for radio. We thank the BBC Trust for providing an update on each of these sanctions.
- 4.9. Namely, we welcome the strengthening of the process via which the BBC bids for sports rights, designed to ensure that the BBC best ensures value for money when bidding for these rights. Specifically:

The BBC Executive has confirmed it formally addresses the following points when bidding for sports rights, adopting a risk-based and proportionate level of analysis for each prospective bid:

- reach, quality, impact and value for money analysis of all bids, with clear success criteria identified

- value for money of the bid for licence fee payers, placing it in a market and competitive context, including what other bidders might offer

- analysis of the bid in terms of affordability

- exploration of alternative options

- estimated value the rights holder places on a BBC bid (where that value is higher (or lower) than the market value)

- estimated lowest value the rights holder is likely to accept

- analysis of whether to bid for exclusive or non-exclusive rights, taking into account:

the rights holder's bid conditions

editorial ambition

value for money

- 4.10. We welcome also the confirmation that the BBC Executive acknowledges that *'the achievement of value for money does not necessarily require the securing of exclusive sports rights, and that where service licence and other requirements and obligations can be met without securing exclusive rights, then proper consideration ought to be given to this option'*¹⁹.
- 4.11. We also await the March 2011 publication of the BBC Trust-commissioned report, which aims to understand more fully how the BBC decides *'what sports rights to try and acquire, how it manages the bidding/negotiation process (including the application of competitive impact assessments), and whether the BBC is achieving its objectives'*²⁰.

Required amendments to the BBC Trust Fair Trading Policy

- 4.12. Whilst the terms on which rights are sold are largely dictated by the rights holder, we

¹⁹ https://consultations.external.bbc.co.uk/departments/bbc/fair-trading-policy-review/consultation/consult_view

²⁰ https://consultations.external.bbc.co.uk/departments/bbc/fair-trading-policy-review/consultation/consult_view

believe that the BBC does have greater flexibility to adapt the manner in which it procures broadcast rights.

- 4.13. For example, we understand that the BBC has already sought to change its approach to the procurement of broadcast rights. For example, for a number of years BBC Radio Scotland held exclusive rights to broadcast all Scottish Premier League matches. However, we understand that the BBC took the decision to not bid on an exclusive basis for these rights, and as a result Scottish radio stations owned by GMG Radio successfully acquired exclusive rights to provide commentary on eight Scottish Premier League games. In addition, Absolute Radio was only able to broadcast from the Latitude music festival once the BBC had ended its own broadcast relationship with the festival.
- 4.14. We welcome the amendments to the BBC's Fair Trading framework that have been made in response to the sanctions imposed by the BBC Trust in its fair trading appeal findings of October 2009, which relate to the BBC's acquisition of FA cup rights for radio. These are outlined above.
- 4.15. However, we believe that this risk-based and proportionate approach should be applied to the manner in which the BBC bids for all rights, not just sports rights.
- 4.16. We also question whether these amendments are sufficient, in regards to the manner in which the BBC bids for radio rights. We believe that the BBC Trust must acknowledge the fact that the commercial TV and radio markets are very different in nature. This should be reflected within the BBC Fair Trading guidelines, by a requirement for the BBC to adopt a different approach when bidding for radio broadcast rights than it does for TV broadcast rights, in order to minimise negative competitive impact (as required by the CIP).
- 4.17. Specifically, we believe that this differential approach would require to the BBC to:
 - Seek ways to share radio broadcast rights with interested commercial stations, should these rights only be available on an exclusive basis
 - Seek to bid separately for TV and radio rights
 - Be mindful of the spending power and merits of rival bidders for radio rights
- 4.18. We suggest that the BBC Trust also consider whether it would be appropriate to consider introducing a Competitive Impact Code on radio rights procurement.

5. The Fair Trading process

- 5.1. The BBC Trust will be aware that RadioCentre has submitted a number of fair trading complaints in the past few years. These include:
 - Sports Personality of the Year – March 2008 - July 2008
 - Radio 1 presents Coldplay – January 2009 – March 2009
 - U2 = BBC – May 2009 – February 2010
 - Radio 1's Harry Potter Day - August 2009 - June 2010
- 5.2. RadioCentre is pleased to note that all these complaints were either upheld or partially upheld; suggesting to us that the BBC's fair trading process is valuable and functioning effectively.
- 5.3. However, we also wish to highlight that we do not believe that it is the role of RadioCentre to continually monitor the output of BBC Radio, to ensure that it is complying with its own editorial and fair trading framework. RadioCentre does not have the capacity to regularly monitor BBC Radio output, nor would it wish to do so. Indeed, instances that have caused RadioCentre to submit a complaint to the BBC, and subsequently the BBC Trust, have come to our attention in our capacity as ordinary TV and radio viewers/listeners and/or via our members, watching or listening in the same capacity.
- 5.4. We are not aware of any instance in which the BBC Trust has instigated an investigation into a potential breach of the BBC's Fair Trading guidelines on its own initiative, or an instance in which the BBC has reported itself following a potential breach. We believe that senior members of the BBC Trust and/or BBC Management are as capable as RadioCentre in identifying that, for example, the U2=BBC coverage or Radio 1's Harry Potter Day may have overstepped the mark and constituted a guidelines breach.
- 5.5. Whilst we welcome the amendments to the BBC's Fair Trading framework that have resulted from RadioCentre's complaints, and those of other commercial broadcasters, these amendments alone are not sufficient to ensure future compliance.
- 5.6. We recognise that the BBC Trust is not the BBC's regulator. However, in the absence of effective regulatory oversight of the BBC, we believe that the BBC Trust should more closely monitor all BBC output, and undertake an investigation if it believes that a breach of BBC guidelines may have occurred. This could take the form of the regular spot-check monitoring that Ofcom undertakes.
- 5.7. We also note that this BBC Trust review of Fair Trading Policy has been undertaken following the BBC Management review of the Fair Trading guidelines. We note that the BBC Trust has not ruled out requiring BBC Management to make further amends to the Fair Trading guidelines, following the completion of this review of Fair Trading Policy – and we recognise that coordination between internal BBC processes and BBC Trust processes is not always possible. However, as the purpose of the Fair Trading Policy is to provide the overarching fair trading principles with which the BBC Executive must comply, we suggest that, in future, reviews of Fair Trading Policy should precede reviews of the Fair Trading guidelines.

6. Summary of recommendations

Application of the Competitive Impact Principle

We urge the BBC Trust to amend the BBC Trust Statement of policy on fair trading, to state that when applying the CIP, the BBC must also have regard to the size and scale of the industry or industries that will be most affected by the activity concerned, in addition to the size and scale of the activity.

BBC self-promotion

We urge the BBC Trust to amend its Code on cross and digital TV promotion, to include guidance on the manner in which the BBC's Public Services should promote its other Public Services.

We believe the BBC's self-promotion activity can only be justified on the basis that it promotes public service programming that would otherwise gain little exposure. We suggest that the revised Code should distinguish between those BBC Public Services that already have relatively high reach, share and awareness – and those that don't.

We also suggest that the BBC Trust investigates the production costs of recent promotional campaigns for BBC Radio services.

The procurement of rights

We urge the BBC Trust to consider introducing a Competitive Impact Code on radio rights procurement.

Should it be decided that this is not required, we believe that the BBC Trust Statement of policy on fair trading and the BBC Executive Fair Trading guidelines must be revised accordingly.

Fundamentally we believe the BBC must adopt a different approach when bidding for radio broadcast rights than it does for TV broadcast rights, in order to minimise negative competitive impact. Specifically, we believe that this differential approach would require to the BBC to:

- Seek ways to share radio broadcast rights with interested commercial stations, should these rights only be available on an exclusive basis
- Seek to bid separately for TV and radio rights
- Be mindful of the spending power and merits of rival bidders for radio rights

Implementation of the BBC Fair Trading framework

We believe that the BBC Trust should more closely monitor all BBC output, and undertake an investigation if it believes that a breach of BBC guidelines may have occurred. This could take the form of the regular spot-check monitoring that Ofcom undertakes.

7. **Background to RadioCentre**

- 7.1. RadioCentre is the industry body for commercial radio, formed in July 2006 from the merger of the Radio Advertising Bureau (RAB) and the commercial radio Companies Association (CRCA).
- 7.2. The role of RadioCentre is to maintain and build a strong and successful commercial radio industry - in terms of both listening hours and revenues. RadioCentre operates in a number of areas including working with advertisers and their agencies, representing commercial radio companies to Government, Ofcom, copyright societies and other organisations concerned with radio. RadioCentre also provides a forum for industry discussion, is a source of advice to members on all aspects of radio, jointly owns Radio Joint Audience Research Ltd (RAJAR) with the BBC, and includes copy clearance services for the industry through the Radio Advertising Clearance Centre (RACC).
- 7.3. RadioCentre members account for 90% of commercial radio listening and 86% of industry revenue. The membership of made up of 267 radio stations of all types – including the major commercial radio groups, small local radio groups, independent local stations and digital-only services.