

## **SATELLITE & CABLE BROADCASTERS' GROUP**

*29 Harley Street, London W1G 9QR*

*Tel : 020 7016 / Fax : 020 7637 0419 / E-mail : chairman@scbg.org.uk*

### **The role of OFCOM**

The satellite and cable broadcasting industry has welcomed the proposed establishment of OFCOM as the replacement to the current regulators. We believe that OFCOM has the potential to bring considerable benefits to broadcasters in providing a single point of reference and through the avoidance of double jeopardy.

But for the Government to achieve its objective of developing the most dynamic and competitive communications industry in the world OFCOM must do more than promote competition, it must recognise that the UK is home to a great number of successful businesses that have benefited from the Government's encouragement of new services.

Because of the different economic environment that satellite and cable broadcasters operate in compared to the terrestrial broadcasters, it is important that a distinctive approach is taken to regulating our sector. Rules that have evolved over forty years of analogue terrestrial broadcasting must not simply be transposed onto the new broadcasting environment.

**In order to meet this objective a number of additional steps must be taken:**

- **It should be explicit that OFCOM has a responsibility: to secure, as far as practicable, that the regulatory framework encourages the development and growth of communications industries; and to promote sustainable competition; and encourage investment and innovation.**
- **The Government must also explicitly recognise that OFCOM should, where possible under EU law, progressively withdraw from regulation where this is judged to be outmoded or inappropriate. In order to do this OFCOM should be obliged to co-operate and consult with industry to identify jointly inappropriate or unjustified regulation.**
- **OF COM will also need to be open and transparent in its dealings with the public and industry. A greater level of commitment to openness and transparency must be given than currently appears in the Bill.**
- **It will also be important for OFCOM to establish effective working relationships with the non-statutory regulators such as ICSTIS and the ASA. There are also aspects of intellectual property protection in which it will be essential for effective working relationships to be established between OFCOM and the Patent Office.**
- **OF COM must not become a slow-moving and unwieldy body because of its size and complexity. It must not simply replicate the activities of the five existing bodies. Therefore, we believe that as part of its requirement and to withdraw progressively from regulation, its licensing and funding mechanisms should be**

A light touch and co-regulatory approach must also recognise that mature businesses must be able to operate free from onerous day-to-day interventions from regulatory authorities. The UK is a world leader in digital television and has fostered much of the innovation that has taken place in the multi-channel environment. Many international companies see the UK as the place where the future of television is being written. If the UK wants to retain this lead then the Government and OFCOM must not regulate this innovation out of existence.

OFCOM has a number of important roles not least in protecting and promoting the interests of consumers. However, the key to its success will be in promoting continued growth in consumer choice in the already dynamic and diverse satellite and cable broadcasting market.