



News release

15 March 2006

ITN gives cautious welcome to Government White Paper on the BBC Charter

BBC Governance

Commenting on the Government's White Paper on the BBC Charter, published yesterday, Mark Wood, Chief Executive of ITN, said: "The creation of the BBC Trust marks the Government's intention to create clear separation between the BBC's management and its regulation. However, it will be vital for the Trust's decisions to demonstrate fair balance and independence as there remains some scepticism from commercial competitors that the Trust will be truly impartial."

Market Impact

ITN welcomes the emphasis placed on the importance of a dynamic media sector and safeguarding competition. "We are pleased that the White Paper confirms Ofcom's role in conducting the market impact assessment for any new BBC service. However, we don't believe the Trust should be able to over-ride Ofcom's assessment on the grounds of Public Value if it is clearly demonstrated that a service would distort the market." said Wood.

Service Licences

The fact that all BBC services must now have a Service Licence is a helpful development. However, ITN is very concerned that it will be the Trust's decision alone as to whether the BBC's new media services will require a Service Licence or not. "The BBC has already said it proposes only to have a single Service Licence for BBC Online, so that the Creative Archive, MyBBCPlayer, the BBC's content to mobile and other such services will have no measurable remit. This falls short of the transparent approach we've all been promised," he said.

Fair trading

ITN welcomes the overhaul of the BBC's fair trading regime required by the White Paper, in particular:

- Its application, for the first time, to the BBC's publicly-funded as well as commercial services
- the explicit duty on the BBC in the new Charter to have regard to competition issues
- a new system of *ex ante* rules or codes operated by the Trust and drawn up in consultation with Ofcom
- the appointment of a competition expert to the Trust

"ITN has been unimpressed in the past by the BBC Governors' cursory treatment of complaints we have made under the Fair Trading Commitment. Though we would have preferred an external regulator like Ofcom to be responsible for competition complaints, we are pleased that the BBC's fair trading policy will be toughened up and will now apply to its public services as well as commercial ones," said Wood.

Conclusion

Wood commented: "We don't want to stop the BBC developing new services and offering value to the British licence payer. But past experience has shown us that BBC activity can damage commercial services, particularly in new media markets, and it has been difficult to get the Governors to take such issues seriously."

He concluded: "It is important that the BBC can be a strong player but this must be within the context of a dynamic media industry, in which there is plurality of content and services and where innovation can thrive. The White Paper has sought to address these issues but much depends on the ability of the Trust to deliver independent and impartial decisions."

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Notes to editors:

About ITN

ITN News

ITN's news operations provide news programming for ITV1, London Tonight, Channel 4, More4 and over 260 commercial radio stations in the UK, and its combined news broadcasts reach over two-thirds of the UK population. ITN International also produces a weekly programme, *World Focus*, which summarises the week's international events. The company has a strong reputation for the creative and innovative use of technology, winning the Royal Television Society's 2004 Innovation Award.

ITN Multimedia

ITN is driving expansion in the fast-growing new business area of ITN Multimedia, where the company is established as the UK's leading supplier of news and other video entertainment content to 3G mobile phones and established broadband operators. Key partners to ITN Multimedia are mobile operators such as Vodafone, O2 and 3, as well as broadband operators BT Yahoo! and MSN, search engines such as Google Video and Blinkx TV and enterprising new companies such as Greengrass.tv.

ITN Archive

ITN Archive is an international company and one of the largest commercial archives in the world, with nearly 700,000 hours of moving imagery. With footage from 1896 to the present day, ITN Archive represents exclusively the collections of ITN, Reuters, British Pathe, Granada, Channel 4, Film Four, Fox News and Fox Movietone. The enormous range of the collections provides imagery from celebrity and entertainment to politics and current affairs; from wildlife to history to fashion.

ITN programme production

ITN Factual is ITN's award winning documentary-making unit which leverages the archive collections as well as relationships with existing broadcast clients. Visual Voodoo is a division of ITN specialising in factual entertainment; since its creation in 2000 it has established a reputation for popular, controversial, cutting edge programming across a wide range of UK channels.