

# Hear, hear! Sound 're-tuning'

IN 1916, David Sarnoff, one of America's broadcasting pioneers, predicted that radio would one day become "a household utility like the piano and electricity". His prophecy has been fulfilled.

For, in spite of the obsession with television - at breakfast, on cable or by satellite - the proliferation of free local newspapers and a growing stable of national daily newspapers, there are about 64m radio sets in the UK. That is more than one each for every man, woman and child. It is further estimated that 71% of them turn to radio first for national and international news.

With direct access to practically every home in the land the independent commercial broadcasters enjoy an influential, nay powerful, monopoly for which they pay something approaching £12m a year in rent from revenue (derived mainly from advertising sales) of £60m.

The Independent Local Radio network (ILR) consists of 47 radio companies, covering more than 85% of the population and enjoying an audience of 20m regular listeners. ILR is presided over by the Independent Broadcasting

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Authority (IBA), a statutory body established by the Broadcasting Act with five main functions:

- It awards the franchises. These normally run for 10 years, and their renewal is usually attended by a frantic round of public meetings and presentations by challenging companies. The nature of ILR calls for locally based and financed companies prepared to offer a balanced diet of enter-

tainment, education and information with a strong parochial flavour.

- The IBA monitors output. It must approve of all but the most minor changes in scheduling and be satisfied that impartiality, accuracy and good taste prevail.

- The amount and nature of advertising has to be scrutinized.

There must be no more than nine minutes of adverts per "clock hour" and the IBA's own strict Code of Standards & Practice must be observed.

- The IBA provides transmission equipment. It owns it and is responsible for its maintenance and repair.

- Perhaps the most important function is the collection of rentals. These are composed of three elements: Primary, Secondary and Exchequer Levy.

PRIMARY rental is a fixed annual charge based chiefly on population covered by each station. It also takes into account geographical size and location together with its economic background as well as the station's own profitability and growth potential.

Capital Radio, London's general and entertainment franchise holder and by far the wealthiest

## 'BLIND EYE' TO LAND FEUD OUTRAGES

HUMAN rights violations and civil strife as a result of land disputes are rampant in Southern Mexico, according to Amnesty International, writes *Richard Mernane*.

In a report on the findings of a mission to the two states of Chiapas and Oaxaco, Amnesty catalogues political killings carried out by armed civilians, allegedly backed by land owners, to which the authorities seem to be turning a blind eye.

In one case, which took 16 months to investigate, three arrest warrants have yet to be served.

In addition members of opposition peasant groups are being arrested on trumped up charges and tortured to extract confes-

sions, while their families are subject to summary assault and rape.

These atrocities are occurring in areas where unresolved disputes over land ownership have been festering for years between Indian communities, ejidos (communal holdings established by agrarian reform policy) and private land owners. The problem is exacerbated by disagreements among the Indian communities themselves.

The authorities' somewhat tardy attempts to resolve these apparently complex disputes have so far proved unsuccessful.

# sense needed in of the airwaves..

independent radio company, paid approximately £1.75m in 1985. Radio City, Liverpool's commercial station and a member of the Unlisted Securities Market, paid about £280,000. Little Radio Firth, broadcasting to Inverness, paid £8,000.

Secondary rental is a progressive annual charge on profits and is payable at a rate of 25% when a company's profits exceed 5% of its total income, or at 45% (having just come down from 55%) where they exceed 10%. The cost to the broadcasters is much harder to assess because its application is qualified by, among other things, a provision for a rebate to be spent on a project which the IBA agrees would be of benefit to the community. Such projects have included special documentary programmes and sponsorship of concerts.

The Exchequer Levy is payable at a rate of 40% on profits - after Secondary Rental but before Corporation Tax - in excess of £250,000.

COLLECTION of rent has not always been an easy task for the IBA. A recent meeting of ILR company chairmen discussed the possibility of withholding rent from the body which one of them described as a "worthless parasite". They bitterly resent the fact that, while they have had to trim budgets by £3m, partly by making 200 staff redundant, the IBA has laid off none of its 1600 employees.

They also object to the criteria on which rental charges are based, claiming that they are geared towards the more profitable television companies. It is certainly true that ILR has never really been a licence to print money, though it must also be said that the IBA accordingly cut Primary Rentals by 10% across the board

## .. AND STILL IN THE SKIES



last year, and if any ILR company chose to resign its franchise other companies would be willing to take its place on the IBA's terms.

One other matter likely to cause further irritation to the ILR companies is the prospect of a third layer of radio - Community Radio. The government will shortly be announcing 21 one-year contracts for experimental stations. These will be of two types: "community of interest" aimed at special groups, and "neighbourhood stations".

Before the end of the year a Green Paper will be published on the future of broadcasting and it is likely that these plans will be extended. It may also be proposed to appoint a new body to oversee the community network. What may become of the IBA then? Might it be split? The radio companies want two separate bodies, one dealing with radio, the other television.

There is little doubt that so huge a system as radio offers far

## Windmills that tease the mind

• WINDMILLS in California give new meaning to the word "windfall". Some canyons are like wind tunnels. The mills, row upon row of running blades, stalk the wild winds, harnessing the power of nature. That energy is then sold to the utilities for public consumption. Who are the proprietorial owners of the rent generated by the free winds in the sky?

more potential than is being taken up at present; any extension would be welcome. What is important however is that no one underestimates the value of having exclusive rights to use even only a small part of this resource and that, while broadcasters must be allowed to trade profitably, the value must be given to the community to whom it belongs.