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2 July 2003

Dear Peter

**COMMUNICATIONS BILL: GOVERNMENT AMENDMENTS FOR LORDS THIRD READING AND ON COMMENCEMENT OF PARTS OF THE BILL**

Further to Lord Williams' letter of 13th June, in which he gave us approval to table a number of amendments to the Communications Bill at Lords Report Stage, we are now writing to seek your approval for us to table a number of Government amendments to the Bill for discussion at Lords Third Reading. The purpose and effect of our proposed amendments are set out below. We are also writing to seek your approval for our proposed commencement strategy. We would be grateful for any comments by Thursday 3<sup>rd</sup> July at the latest, to allow us to all Government amendments as soon as possible in advance of Third Reading (provisionally scheduled for 8th July).

Nominated News Provider

We seek permission to introduce amendments (as a result of pressure in the Lords) to remove the nomination and ownership provisions of the nominated news provider system for Channel 3, whilst retaining the quality safeguards. In summary, the amendments would:

- Retain the requirement that national news on regional Channel 3 programmes must be provided by a single body corporate, but remove the system that requires that body to be nominated by OFCOM, and remove also the rules preventing ITN from owning its own news provider;
- Retain the provisions that go to the quality of Channel 3 national news, such as the requirement that it be able to compete with other national news services and that the contract for its provision be adequately funded;
- Add provisions to enable OFCOM to obtain information (e.g. about the contract or service) directly from the news provider;
- Keep some rules on ownership so that, broadly speaking, an organisation that could not hold a Channel 3 licence (or have more than a 20% interest in its holder), such as a large national newspaper, could not be (or have more than a 20% interest in) the news provider;

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- Make transitional provision to preserve the position of the existing news provider.

The amendments would also retain the power to create for Channel 5 a system comparable to the reformed system proposed for Channel 3, and give a power to modify, by order, both the quality and the ownership aspects of the Channel 3 scheme and any Channel 5 scheme.

We will also be tabling a small number of minor Government amendments in response to concerns raised during Report stage.

Commencement of Parts of the Bill

We would also like to seek your agreement, should we receive Royal Assent by 17<sup>th</sup> July 2003, to dispense with the two month minimum interval between Royal Assent and commencement to bring into force various provisions in Parts 1, 2, 5 and 6 of Bill. As the Committee is well aware, and we have highlighted in previous correspondence to the Committee, we are compelled to implement four EC Communications Directives by 25<sup>th</sup> July. In order to comply with this deadline, a number of provisions within the Bill will need to be commenced 8 days after Royal Assent. In addition, we propose to commence clause 260 immediately after Royal Assent. This is to enable OFCOM to begin its first review of public service broadcasting at an early stage and publish its report during the summer of 2004, thereby contributing to the BBC Charter review process.

We have consulted widely on the proposed new regime for networks and services and the industry is aware of the implications of bringing the provisions into force. We shall be tabling an amendment at Third Reading (for which we already have clearance) to provide for amendment of the Bill by order to take account of implementation of the four EC Directives by regulations under the European Communities Act 1972 should we fail to obtain Royal Assent by 17<sup>th</sup> July.

We are sending a copy of this letter to the Prime Minister, members of LP Committee, Sir Andrew Turnbull and First Parliamentary Counsel.

[Redacted Signature]

TESSA JOWELL

[Redacted Signature]

PATRICIA HEWITT