

• WEST COAST • RADIO

F.67
P.O. Box 18728
Wynberg, 7824

12th July 1993

The Technical Committee on
The Independent Media Commission and
The Independent Telecommunications Authority
Multi-Party Negotiation Process
WORLD TRADE CENTRE

Dear Sirs

The Independent Broadcasting Authority Bill (Working Draft 4) refers. We make the following submission for consideration by the Technical Committee.

Chapter 3 Section 8 (c)

This section and others, indicate that the IBA will be controlled by the Government of the day, if this is the case, then IBA is a misnomer. The IBA must be seen to be independent of any government interference or involvement, as is the case with the FCC in the USA. Perhaps it would be clearer if appointed IBA members, who did not perform as expected, or were suspected of taking bribes, etc, appeared before a Senate type hearing, or commission of enquiry. Any reference to A Minister or other form of governmental control, will negate the independent function of the IBA and We would strongly recommend that the Technical Committee rethink this aspect.

The report makes common reference to the use of the "Gazette" as it's communications vehicle, again this implies that the IBA is a government body. The IBA should use it's own publication as well as the mass circulation media - very few people in SA have access to the Government Gazette.

The report seems to favour SENTECH as the distributor of signals, as the report recommends that a broadcaster who wishes to transmit his own signal, via his own transmitter would require two separate licences. This is prejudicial to ourselves, as we would be forced into using SENTECH to avoid the cost of a second licence. When an outright purchase of a Transmitter may have been favourable.

Chapter 7 Section 41.7

This is prescriptive. If a licence is granted for 5 years and it costs in the region of R5 Million per annum to operate a 1Kw FM Stereo Local Private Radio Station, does this mean that we must find guarantees for R25 Million before a licence will be approved.

In these economic times, no business can guarantee that it will in business five years from now, unless it is State controlled or subsidised by a conglomerate. For the small entrepreneur to stay in business, and guarantee that up front, will mean that he has to have massive backing or a crystal ball. What about economic conditions, unemployment, inflation and other aspects which will effect his potential advertising sales.

This is unrealistic, as the only people who will be able to supply such guarantees, are monopolies who will start radio stations or TV stations as a way to avoid Tax and transfer assets and funding into them as legitimate expenses.

This clause is detrimental to the small entrepreneur and will certainly do little to "Level the broadcasting playing fields" in fact it will ensure that broadcasting, as with the print media, remains in control of the Big 5.

Chapter 41 Section 9

Should this not be rephrased to read, "Shall commence broadcasting on a mutually agreed date" bearing in mind how long it takes to establish and set up such an operation.

Chapter 41 Section 15

Licence fees should be determined now, so that prospective licensee's can seek the necessary guarantees up front. This should be a relatively simple exercise based on allocation.

Chapter 43 Section 2 (a)

Based on historical values and the fact that the public have never been consulted by the SABC when launching or changing any radio service (remember Springbok Radio) how is this to be determined and what criteria are to be used.

Chapter 43 Section 2 (b)

The same question applies here as with (a) How is it to be determined, whether or not the existing State Services fulfill the needs of the communities within an area, and does this mean that an ineffectual State Service will be given first consideration and be permitted to stay on the air, at the expense of Tax Payers.

Chapter 43 Section 2 (h)

All aspirant broadcasters have been disadvantaged for as long as can be remembered. All potential broadcasters who were not the SABC or M-NET have been historically disadvantaged.

Or is the Technical Committee suggesting a sort of Quota System, and that any small entrepreneur must go out and look for a business partner who is considered to have been historically disadvantaged and if that is the case, then there are problems related to (d) as very few disadvantaged people of any race, colour or creed have had access to Expertise and Experience in Broadcasting, due to SABC control.

Although we have no problem what so ever, with the appointment, on merit, of any person to our Station's Board, in due course, and depending on size, we would consider it an unfair business practice to prescribe who should be appointed to the board of a private company. With regard to a public or community based service we would have no objection.

Chapter 46

Does not specify the number of combinations of stations which one may own. It states that one may not own more than two FM stations in section 2 and two AM stations in section 4 but makes no mention of owning 1 AM station and 2 FM stations.

The report also omits any control over Direct Satellite Broadcasting, for example a station based in Johannesburg, eg Radio 702, could relay some or all of it's programmes via satellite to Cape Town and Durban and retransmit them in those areas over other local radio stations - as in the USA, where Rush Limbar's Radio Show is syndicated on over 1200 stations across the USA - this would be very detrimental to the development of new local independent stations, as, being an established broadcaster, they would use established names and programmes to gain listenership in other areas, at the expense of, and development of new talent locally.

Chapter 50

This is a very contentious chapter as it seeks to limit the format a station may adopt and is contrary to free market principles.

What the committee is doing, is guaranteeing that potentially inferior material will be given air time, regardless of it's worth.

We have decided to adopt a Format which is designed to appeal to an Adult Audience. We will play Adult Contemporary Music and provides "Infotainment" of an Adult Nature, via Talk and News programmes. Are we now going to be forced to switch our listeners off by playing music which does not fit the format?

Music should be played on merit only and it should be the Prerogative of the station whether or not it plays it. The station's ratings will indicate whether or not it has made

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the right move.

Forcing a station to include 30% local music is the wrong way to go, and will do nothing to develop the industry in SA. An industry should develop out of a will to do so, not because someone thinks that it has a right to do so. This type of prescriptive measure should only be applied to Public Broadcasters and the SABC.

CONCLUSION:

We find that the IBA Bill, is prejudicial to any aspirant broadcaster, as it sets unfair limitations on their freedom to operate and perpetuates the unfair advantage that the SABC has enjoyed.

SABC stations that currently broadcast, will not have to apply for licences, nor will they be subject to any of the parameters as laid out in this report.

If the committee really wants to level the playing fields in broadcasting, it will recommend that all current SABC stations apply for licences, and produce the same guarantees, and be subject to the same format controls as any other station. Thereby easing the Tax Payer's burden.

Yours sincerely



JOHN SLABBER