

Colin Bull  
Head of Spectrum Interference Team  
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By recorded delivery

16 June 2009

Dear Colin

**Agreement for the provision of the Radio Investigation Service, 2<sup>nd</sup> July 1998**

Further to our letter to Ian Eyre on 12 December 2007, I am writing to give notice terminating our agreement with Ofcom for provision of the Radio Investigation Service on 1 April 2010.

As you know, the current arrangements arise under the continuation of an Agreement dated 2 July 1998 between the Secretary of State for Trade and Industry and the BBC. The original agreement expired on 31 March 1999 but has been continued in effect and currently subsists between Ofcom and the BBC. Clause 10.2 of the Agreement provides for termination by either party giving the other not less than 9 months' notice in writing; since the address for notice set out in the Agreement is no longer in use, I trust you will accept this letter as proper notice to terminate the Agreement. The BBC's exercise of its right to terminate the Agreement as detailed in this letter is, of course, without prejudice to any other rights of the BBC under the Agreement or at law.

The BBC must be able to demonstrate value for money in all of its contracts, and to be transparent in how Licence Fee money is spent. From the information you have provided to date, it has become clear that under the current arrangement, we are unable to either control costs or make savings, whether this be by improving the process or by looking for efficiency savings. We have therefore been unable to manage our expenditure in the way we are required to do. We have therefore concluded that we need to replace the current contract with new arrangements.

**Regulatory framework**

As discussed at our meeting in March, the BBC is reviewing its arrangements with respect to Clause 82 of the BBC Agreement for "*reasonable arrangements, for the investigation, at the BBC's expense, of complaints of interference by electro-magnetic energy affecting domestic television and radio reception within the UK.*"

The Agreement does not prescribe what form those arrangements should take, but the BBC's obligation is limited to interference affecting *domestic television and radio reception* within the UK. We have always understood this to exclude interference that is caused by other licensed broadcasters. For example, reception problems caused by planned engineering work as part of digital switchover are resolved by reference to the May 2007 Ofcom *Code of Practice*.

Conversely, Ofcom has duties in respect of all interference. Ofcom has enforcement powers under the Wireless Telegraphy Act 2006 in respect of undue/harmful interference offences. In order to discharge those functions it is necessary for Ofcom to conduct investigations at its own instigation or at the instigation of complainants. Ofcom also has a statutory duty to give advice and assistance to persons complaining of interference.

### **Moving forward**

The BBC has been considering what it can do to improve the experience for those listeners or viewers who experience reception difficulties or interference problems. As part of this process we have been working with our contact centre provider to develop a system that helps the caller to diagnose and rectify a wide range of 'typical' reception problems. We have also been working with Digital UK to determine how calls relating to Digital Switchover should be handled between the two organisations, particularly with respect to issues relating to the Ofcom Code of Practice.

As part of the overall process, the BBC will be taking a greater interest in investigating the causes of reception difficulties where they are not resolved by our contact centre. Whether that will be through the use of BBC staff directly or through a procured service has yet to be finalised, but we are keen to discuss with Ofcom what services you could provide.

We would also like to discuss with you how we can work together in the future to enable both the BBC and Ofcom to carry out our obligations and/or statutory duties. In particular it would be useful for us to discuss how issues can be passed to Ofcom where we believe Ofcom's enforcement powers are helpful.

In the meantime I hope we can continue to discuss how we can improve the process and reporting for the remaining term of the current agreement.

Yours sincerely

Alix Pryde  
Controller, BBC Distribution