

Notice of Decision to Award a 10 year Broadcasting Act Licence to current Licence Holder 3FM Ltd for the Service 3FM

One of the three existing Broadcasting Licences granted under the Broadcasting Act 1993 ("the Act") will expire in October 2014. There is no process for renewal of licences in the current legislation. The Communications Commission invited applications in respect of the frequencies 104.2MHz 105.0 MHz 106.2 MHz & 106.6 MHz associated with the licence. The Commission received one application, from the existing licence holder, 3FM Ltd, for the service 3FM. Following this, the Commission published a public notice inviting comments on the application.

The Commission has decided to award a 10-year licence to 3FM Ltd.

Process for assessment of applications

The Commission considered the application at its meeting on 23rd April 2014, prior to which the application was circulated to members. The Commission is required to have regard to certain matters under section 2(2A) of the Broadcasting Act 1993 in considering a licence application.

Consideration of Application and Feedback

There was no formal feedback in response to the Public Notice.

In considering the application in relation to section 2(2A)(a), the ability of a licensee to maintain a service the Commission noted that 3FM had provided a sound business plan, had a track record in providing a radio service, and that the recent co-location of premises and merging of some back-office functions with Energy Communications Ltd had cut costs.

In evaluating the merits of the application under 2(2A)(b), the extent to which any such proposed service would broaden the range of programmes available, the Commission were of the view that, as the licence holder proposed to continue the existing service, broadening the range of programmes was a less important criterion for consideration than would be the case for a new service; or if a change in service had been proposed. The character of the proposed service was stated in the application as "a melodic adult contemporary music-led service for over 30 year-olds in the Isle of Man supplemented with relevant news, information and entertainment". The original station format was targeted at over 35 year-olds. The Commission considered that the original station format should be retained, taking into account the age range targeted by Energy FM which is 15 to 35 year-olds. This will maintain some differentiation.

In assessing the application under 2(2A)(c), the extent to which the service would affect the ability of any existing licensed service to be maintained was considered by the Commission. 3FM provided the following submission:

"3FM provides a mainly melodic more music format with minimum speech, aimed at a predominately female 30 years old plus demographic.

We believe that there is a balance that is established between the three local stations and a 'new' station or new operator could not offer anything that is not already catered for by the three existing licensees.

It is also our belief that when considering the impact on existing licences, an award of a 10 year licence to 3FM will have no impact on the other two licensees and will preserve the status quo."

The Commission noted this and were of the view that maintaining the status quo is the preferred option, that is to issue the licence to the current licence holder, as there is insufficient evidence that doing this would indeed cause additional adverse effects to existing licensees. The Commission also confirmed that the station format will show a target demographic of over 35 year-olds.

The Commission also considered section 2(2A) (d) – the extent to which demand for service is or is to be met by other means. As with the recent Energy FM application it acknowledged that the market has changed since the licence was initially granted: internet radio, DAB and internet TV, including local content, are all readily available and increasingly being used as sources of entertainment, information and news. However, the audience figures from 3FM and Manx Radio, together with Energy's estimates, show that there is still a significant demand for local analogue radio.

The Commission also considered the applicant was a fit and proper person to hold the licence in accordance with section 2(4)(a) and was not a disqualified person under section 3 and Schedule 1 of the Act.

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Dr Carmel McLaughlin
Director

Communications Commission,
2nd Floor St Andrews House,
Finch Road,
Douglas,
Isle of Man, IM1 1PX.
www.iomcc.im.
01624 677022
cc@iomcc.im