

SCHEDULES

SCHEDULE 10

LICENSING THE PUBLIC TELETEXT SERVICE

PART 2

CONDITIONS AND ENFORCEMENT OF LICENCE

Payments to be made in respect of the public teletext service

- 7 (1) A licence to provide the public teletext service must include conditions requiring the licence holder to pay the following amounts to OFCOM (in addition to any fees required to be so paid by virtue of section 4(1)(b) of the 1990 Act)—
- (a) a specified amount in respect of the first complete calendar year falling within the licence period;
 - (b) in respect of each subsequent year falling wholly or partly within the licence period, that amount increased by the appropriate percentage;
 - (c) in respect of each accounting period of his falling within the licence period, an amount representing a specified percentage of qualifying revenue for that accounting period.
- (2) The amount specified for the purposes of sub-paragraph (1)(a) must be—
- (a) in the case of the replacement licence under section 221, the amount proposed in accordance with subsection (5)(a) of that section;
 - (b) in the case of a licence renewed under section 222, the amount determined under section 223(1)(a); and
 - (c) in any other case, the amount specified in the licence holder's cash bid.
- (3) The percentage specified for the purposes of sub-paragraph (1)(c) in respect of an accounting period must be—
- (a) in the case of the replacement licence under section 221, nil;
 - (b) in the case of a licence renewed under section 222, the percentage determined under section 223(1)(b); and
 - (c) in any other case, the percentage determined and specified for the purposes of paragraph 1(2)(f) of this Schedule.
- (4) A licence to provide the public teletext service may also include conditions—
- (a) enabling OFCOM to estimate before the beginning of an accounting period the amount due for that period by virtue of any condition imposed under this paragraph; and
 - (b) requiring the licence holder to pay the estimated amount by monthly instalments throughout that period.
- (5) Such a licence may, in particular, include conditions—

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- (a) authorising OFCOM to revise an estimate on one or more occasions;
 - (b) requiring them to alter the amounts of the instalments payable by the licence holder to take account of the revised estimate;
 - (c) providing for the adjustment of an overpayment or underpayment.
- (6) This paragraph has effect subject to sections 225 and 226 and to the requirement in section 221(5)(b).
- (7) In this paragraph “the appropriate percentage” has the same meaning as in section 19 of the 1990 Act.

Corrections and statements of findings by the public teletext provider

- 8 (1) Section 40 of the 1990 Act (power to direct correction or a statement of findings) shall have effect in relation to the public teletext service as it has effect in relation to a Channel 3 service but as if the references in subsection (4) to a programme were references to an item.
- (2) OFCOM’s powers by virtue of this paragraph in relation to any matter are not affected by any prior exercise by them in relation to that matter of their powers under either or both of paragraphs 9 and 10.

Enforcement of the licence for the public teletext service

- 9 (1) If OFCOM are satisfied that the holder of the licence to provide the public teletext service has—
- (a) contravened a condition of the licence, or
 - (b) failed to comply with a direction given to him by OFCOM under or by virtue of a provision of the 1990 Act, the 1996 Act or Part 3 of this Act,
- they may serve on him a notice requiring him to pay a specified financial penalty to them.
- (2) The maximum amount which a person may be required to pay by way of a penalty under this paragraph is 5 per cent. of the qualifying revenue for his last complete accounting period.
- (3) Where an accounting period by reference to which the maximum amount of a penalty falls to be calculated has not ended when the penalty is imposed, the amount taken into account in respect of that period is to be the amount estimated by OFCOM.
- (4) OFCOM are not to serve a notice under this paragraph on any person unless they have given him a reasonable opportunity of making representations to them about the matters complained of.
- (5) A notice requiring a person to pay a penalty under this paragraph must specify the period within which it is to be paid.

Power to shorten licence period

- 10 (1) If OFCOM are satisfied that the holder of the licence to provide the public teletext service has—
- (a) contravened a condition of the licence, or
 - (b) failed to comply with a direction given to him by OFCOM under or by virtue of any provision of the 1990 Act, the 1996 Act or Part 3 of this Act,

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they may serve on him a notice reducing the period for which the licence is to be in force by a specified period not exceeding two years.

- (2) OFCOM are not to serve a notice under this paragraph on any person unless they have given him a reasonable opportunity of making representations to them about the matters in respect of which it is served.
- (3) Where a licence is due to expire on a particular date by virtue of a notice served on a person under this paragraph, OFCOM may, on the application of that person, revoke that notice by a further notice served on him at any time before that date.
- (4) OFCOM may exercise their power under sub-paragraph (3) only if they are satisfied that, since the date of the earlier notice, the conduct of the licence holder in relation to the operation of the licensed service has been such as to justify the revocation of that notice.

Revocation for contravention of condition or direction

- 11 Section 42 of the 1990 Act (revocation for contravention) shall apply in relation to the licence to provide the public teletext service as it applies in relation to a licence to provide a Channel 3 service.

Penalty on revocation

- 12 (1) Where OFCOM revoke the licence to provide the public teletext service (whether under paragraph 6 or a provision of the 1990 Act or 1996 Act), they must serve on the licence holder a notice requiring him to pay a specified financial penalty to them.
- (2) The maximum amount which a person may be required to pay by way of a penalty under this paragraph is the maximum given by sub-paragraphs (3) and (4).
- (3) In a case where the licence is revoked under paragraph 6 or the penalty is imposed before the end of the first complete accounting period of the licence holder to begin in the licence period, the maximum penalty is whichever is the greater of—
- (a) £500,000; and
 - (b) 7 per cent. of the amount which OFCOM estimate would have been the qualifying revenue for the first complete accounting period of the licence holder falling within the period for which the licence would have been in force.
- (4) In any other case, the maximum penalty is whichever is the greater of—
- (a) £500,000; and
 - (b) 7 per cent. of the qualifying revenue for the last complete accounting period of the licence holder falling within the licence period.
- (5) A notice requiring a person to pay a penalty under this paragraph must specify the period within which it is to be paid.
- (6) A financial penalty that must be paid by virtue of this paragraph by a body of any description shall also be recoverable—
- (a) as a debt due to OFCOM from the person who controls the body; or
 - (b) if two or more persons control it, as a debt due jointly and severally from them all.

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- (7) Sub-paragraph (6) is in addition to the provision for the recovery of penalties contained in section 346, but the amount recovered in respect of any one penalty must not exceed the full amount of that penalty.
- (8) References in this paragraph to a person controlling a body are references to his controlling it within the meaning of Schedule 2 to the 1990 Act.

Power to modify penalties in paragraph 12

- 13 (1) The Secretary of State may by order substitute a different sum for the sum for the time being specified in paragraph 12(3)(a) or (4)(a).
- (2) No order is to be made containing provision authorised by this paragraph unless a draft of the order has been laid before Parliament and approved by a resolution of each House.