

PRIME MINISTER

DIRECT BROADCASTING BY SATELLITE

The Consortium which aims to put up a British DBS satellite have dropped their bid to be given two additional channels. However, they have made two further requests.

First, they ask that the Government should announce that it would not allocate the remaining two channels until five years after the start of the DBS service. The Home Secretary would like to give an assurance which goes some way to meeting the Consortium on this.

Five years is a very long time

Secondly, the Consortium would like to be given an assurance about the competitive threat from subscription television and new "off air" services. The Home Secretary would like to say that "no significant changes will be made in the broadcasting environment without taking into account their possible impact on DBS, Cable and the existing structure of terrestrial television".

We really can't give such a sweeping assurance. We haven't even considered it

The Chancellor would prefer not to give an assurance on the first point, and would like the Government to re-state its commitment to competition as part of the assurance on the second point (which would of course markedly weaken it).

is implicit

It does seem wrong to give assurances on DBS which might tie the Government's hands, particularly since a number of other possibilities are rapidly emerging, e.g., for greater use of time in the silent hours to transmit films and other material into video recorders through pay television.

Agree to write in support of the Chancellor?

Yes - very much so

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6 July, 1987.

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