

CCBG



HOME OFFICE
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4 September 1987

Dear David,

BROADCASTING SEMINAR: 21 SEPTEMBER

..... I attach a draft of an "annotated agenda" for this seminar which, if the Prime Minister agrees, might be circulated to all those who are attending. It seeks to develop the theme of the seminar as set out in your letter of invitation of 7 August, and also to pick up the reference in that letter to the analysis and recommendations of the Peacock Committee Report.

If the Prime Minister agrees that the subjects for discussion should be arranged in the way suggested, we will then put forward suggestions about who might be invited to introduce discussion of particular items.

As you will see, the draft assumes that the seminar will be concerned with the future development of television services. It did not seem to us sensible, given the relatively short time available, to extend the discussion still further by inviting comments either on the future of radio - on which, as you know, the Government has published a Green Paper - or on the ways in which additional data services might be provided.

I am copying this letter and its enclosure to Paul Steeples at DTI (whose officials have seen the attached draft) and to Anthony Langdon (Cabinet Office).

Yours ever,

Colin

C R MILLER

David Norgrove, Esq.,

DRAFT

THE FUTURE OF BROADCASTING

There are at present four universal terrestrial TV services (two BBC, ITV and Channel 4) with privileged financial positions and public service obligations in terms of programmes. Some viewers who have subscribed to cable systems or have satellite receivers can obtain other services (eg Super Channel or Sky Channel).

Delivery of Additional Programme Services

2. The technology already exists for the delivery of additional services:

- (a) DBS [Direct Broadcasting by Satellite]
- (b) Other satellite services
- (c) Cable

What might be added, and in what timescale:

- (d) New "over the air" terrestrial services (eg ^{use} by MMDS) [Multi-point, Multi-Channel Distribution Systems]
- (e) In other ways (eg via a national fibre-optic telecommunications network)?

by finding spectrum for a fibre channel

use by more intensive exploitation of the spectrum or

Financing of Additional Programme Services

3. The Government has taken the view that new services should be financed without public subsidy, ie by advertising and/or subscription, and should advance at a pace determined by the market:

- (a) Will television always be sold by channels rather than by "pay per view" for individual programmes? If so is there some upper limit to the number of channels that

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advertising and/or subscription will support?

- (b) If the choice is left to the market which delivery mechanisms are likely to be commercially successful, and which might prove unattractive, and in what time scales?
- (c) Should the Government seek to prohibit or restrict the use of some technologies to deliver new services, and to favour others. If so which, why and how?

NB The Peacock Committee saw broad band cable as the most likely way of achieving "a full broadcasting market", reflecting consumer preferences.

forward → Regulation of Programme Content of new services *(not working)* *AN*

To the end.
↓
14. The 1984 Act sought to provide a light regulatory touch for new services. Is this adequate to ensure maintenance of standards (eg on sex, violence and fair reporting)? If so, do the same regulations need to apply to all new services? Does this require a single new agency incorporating the functions of the Cable Authority, and of the IBA in relation to any new satellite services and to independent radio? *Implications for existing services what are the implications of this for the regulation of existing services?*

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The Future of Existing TV Services

So far as the BBC is concerned:

- (a) The Government have accepted the recommendation of the Peacock Committee for the indexation of the licence fee;
- (b) The recent consultants report suggests that subscription might be introduced gradually but could not readily replace the licence fee.

Can the BBC continue to be financed primarily by the Licence Fee when the number of other channels available to the viewers

increases?

6. So far as the ITV system is concerned the Government is considering the Peacock recommendations on:

(a) Auctioning of contracts;

(b) Separation of Channel 4.

7. On both BBC and ITV the Government is determined to see at least 25% of original material provided by independent producers.

8. Are these, or other, measures the right ones to introduce more competition and cost consciousness into what Peacock called the comfortable duopoly?

Public Service Broadcasting

9. At present both BBC and ITV have obligations to educate, inform and entertain which affect both range of programmes produced and their scheduling.

(a) Would the public service obligations survive in practice if the BBC had smaller audiences and ITV faced more competition for advertising revenue? *including time to minorities,*

(b) If not, would that matter in the long run if consumer choice had greater sway? Would minority interests be adequately covered?

(c) If not, is the right Government response in the long run to establish a Public Service Broadcasting Council, as Peacock recommended, to disburse funds to public service programming (defined to mean programming which citizens (as tax payers) might wish to be available even though, as consumers, their collective actions in the marketplace will not bring it into being)?

General Economic Questions

10. Over the whole broadcasting field:

(a) What can be done to make the broadcasting system more efficient and cost conscious, and more willing to prevent labour abuses?

(b) What further action can the Government take to enable British programme makers to play a full part in a wider international market?

(c) Is there a danger of US dominance if restrictions on foreign material are removed and how might this be countered - eg by quotas? Is there a need for restrictions on foreign (ie non EC) ownership of media outlets?

