



*cc S. Goodchild*

HOME OFFICE  
QUEEN ANNE'S GATE  
LONDON SW1H 9AT

David Norgrove Esq  
10 Downing Street  
London SW1

8 September 1987

*Dear David,*

BROADCASTING SEMINAR : 21 SEPTEMBER

This note is just to follow up our telephone conversations and to confirm:-

- (a) that we would be glad to have a word with you at about 5.15 or 5.30 tomorrow about the preparation of briefing for the Prime Minister;
- (b) that, unfortunately, neither the Home Secretary nor Mr Renton are available for a briefing meeting on Thursday morning, 17 September, but that Quentin Thomas and I will come to No 10;
- (c) that Nick Sanderson will be available to make a record of the proceedings of the seminar. This will be designed for your records, and that of Departments, and not for circulation to all who attended the seminar.

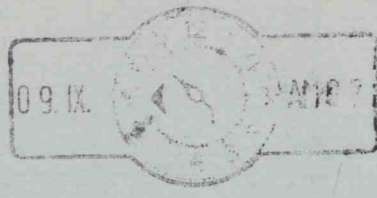
I am copying this letter to Alistair MacDonald (DTI), Anthony Langdon (Cabinet Office) and to Quentin Thomas and Nick Sanderson here.

*Trus*

*Wilfred Hyde*

W N HYDE

1914  
1915  
1916





PRIME MINISTER'S SEMINAR ON BROADCASTING  
MONDAY 21 SEPTEMBER 1987

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 (e.g. Super Channel or Sky Channel).

Introduction

The Seminar is to be introduced by Professor Sir Alan Peacock.

Delivery of Additional Programme Services (to be introduced by Mr. Richard Hooper, Joint Managing Director, Super Channel)

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 (e.g. by finding spectrum on the UHF band for a fifth channel and there are also emerging possibilities for MMDS)  
[Multi-point, Multi-Channel Distribution Systems]
- (e) In other ways (e.g. via a national fibre-optic telecommunications network)?

Financing of Additional Programme Services (to be introduced by Mr. Charles Jonscher, Vice President, Booz Allen & Hamilton International (UK) Limited)

The Government has taken the view that new services should be financed without public subsidy, i.e. 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 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.

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



The Future of Existing TV Services (to be introduced by Mr. Michael Grade, Director of Programmes, Television, BBC)

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?

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.

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

Are these, or other, measures the right ones to introduce more competition and cost consciousness into what Peacock called the comfortable duopoly? (This question to be introduced by Mr. David Graham, Executive Producer, Diverse Production Limited.)

Public Service Broadcasting (to be introduced by Mr. Jeremy Isaacs, Chief Executive, Channel 4 Television)

At present both BBC and ITV have obligations to educate, inform and entertain which affect both the range of programmes produced and their scheduling. Would the public service obligations, including those to minorities, survive in practice if the BBC had smaller audiences and ITV faced more competition for advertising revenue? 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)?

Regulation of Programme Content (to be introduced by Mr. John Whitney, Director General, Independent Broadcasting Authority)

The 1984 Act sought to provide a light regulatory touch for new services. Is this adequate to ensure maintenance of standards (e.g. 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? Are new arrangements needed to ensure the maintenance of standards on existing services?