



Vb

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From the Private Secretary

20 November 1987

Thank you very much for your letter of 18 November to my colleague Mark Addison. I know that the Prime Minister will be very interested to see the paper you enclosed, and am most grateful to you for having taken the trouble to send it in.

P. A. BEARPARK

Patrick Cox, Esq.

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cc/BG

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Mark Addison Esq
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18 November 1987

Our Ref: PC/mjb

Dear Mr Addison

Further to your letter to me of 8 September, I am pleased to inform you that we were fully briefed on the Prime Minister's seminar by one of our Board members, Mr John Jackson, who attended the meeting.

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I gather, however, that little time was given to the discussion of the negotiations currently being undertaken by the Home Office on the Council of Europe's Draft Convention on Broadcasting. Certain articles in the present Draft would effectively make the operation of Pan-European channels like Sky economically unviable.

I was therefore most interested to hear the opinions of the Luxembourg Prime Minister on this matter at the recent Admap Symposium on European broadcasting which was held in Luxembourg at the beginning of the month. In the event that this document should not have reached you through the normal channels, I am taking the liberty of forwarding you the enclosed copy.

Yours sincerely

A handwritten signature in blue ink, appearing to read "P. Cox".

Patrick Cox
Deputy Chairman and Chief Executive

Enc

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FIRST EUROPEAN TELEVISION SYMPOSIUM

Luxembourg, November 4-7th, 1987

Address by Jacques SANTER
Prime Minister of Luxembourg

Ladies and Gentlemen,

it is a real pleasure for me to address this audience on behalf of the Government of Luxembourg. I don't know the reasons which let you to meet in this country, but I hope your decision was made partly because of Luxembourg's reputation in offering a positive working climate and a real chance to private enterprise in the field of audio-visual media and of satellites.

Luxembourg indeed decided nearly sixty years ago not to have a public sector or Government run broadcasting system, but rather to licence a private company financing its programmes by advertising revenues. Over time

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the activities of "Compagnie Luxembourgeoise de Télédiffusion", operating the programmes known as "RTL / Radio Télé Luxembourg", became a very profitable export industry.

Those of you coming from the United Kingdom remember perhaps the times when RTL was the most popular radio programme in Britain. Today the french speaking radio station has by far the most important audience of all programmes in France; and in Germany the radio programmes of RTL remain Number One among all private stations.

In television, the terrestrial signal from Luxembourg initially allowed us only a very limited access to neighbouring countries. But in Belgium the RTL-TVI programme, made in cooperation with the daily newspapers of french expression, is carried by all cable systems in Wallonia and Brussels, and it recently was granted the monopoly for carrying commercial advertising, at the expense of its rival, the public sector network. In Germany the

RTL-PLUS television programme, operated in conjunction with the Bertelsman group and major newspapers, reaches via a Luxembourgish transponder on the Eutelsat satellite about two million households connected to the cable systems. A few weeks ago RTL-PLUS took its competitors by surprise with the early start of the first breakfast TV programme for Germany. And in France CLT continues to broadcast its regional programme RTL-TELEVISION and holds simultaneously a 25 percent stake in the new "M6" network.

With the expectation of major changes in the audio-visual landscape in Europe, Luxembourg was anxious, already a number of years ago, to secure its market share and seize the new opportunities for expansion. Ten years ago the Government encouraged the private sector to invest in the latest space technology for satellite transmission of television programmes. "Société Européenne des Satellites", created in 1985 and owned by well known investors from all over Europe, is today in the

position to offer the television community of our continent for late 1988 the satellite with the finest European coverage. When we initiated this project in 1983, we attracted a tremendous hostility from various countries, and our project was called a "paper satellite". In the spring of this year, our P&T administration secured the registration of the necessary frequencies and the orbital position at the International Telecommunications Union in Geneva, and more recently my Government was able to reach an agreement with Eutelsat, once the strongest opponent to our project.

It is not my job to convince you about the technical and other merits of the ASTRA system. The trade press as well as the international newspapers have been full of praise for the ASTRA opportunity, and I have nothing to add to the judgements of the professionals.

I am convinced that ASTRA represents a chance for Europe, for the new television programmes relying on satellites and cable, for the manufacturers of reception equipment, for the audio-visual production, for the advertising business, but more importantly for the European public and the programme choice offered to it, and finally for the economic and political integration of our nations and the improvement of their mutual understanding.

You may be aware of the fact that all opinion polls show the Luxembourgers as the strongest supporters of the unification of Europe. One reason might be that for centuries we have suffered from invasions and foreign domination by various European states, but an other reason is certainly the fact that nearly everybody in Luxembourg is able to chose from between 15 and 20 different European TV programmes.

This leads me, Ladies and Gentlemen, to use the present opportunity to speak up against

some recent developments in Europe, and more particularly against the present content of the convention the Council of Europe is drafting with respect to the barriers impending the free flow of television programmes in Europe. Three weeks ago the Secretary General of the Council of Europe paid me a visit, and I spent about halve an hour to explain to him our position about this matter.

I want you to share my concern regarding these developments. I may stress from the outset that Luxembourg always accepted the idea of a Europeanwide harmonization of cross-border television, because our experience is that a successful programme can never ignore the fundamental sensitivities of the receiving countries. But it is in our opinion, on the other hand, indispensable that such a minimal regulation assures to all complying programmes the guaranty of a free entrance into all European countries.

What seems to be now the likely outcome of

the Strassbourg working group is not "Television without Frontiers", but rather "Frontiers for Television". The present draft tries to impose on all crossborder programmes a set of restrictions, but leaves the receiving countries more or less free to discriminate against foreign programmes, even complying with the standarts, and to object to their entrance both for reasons mentioned or not mentioned in the convention. Let's be frank: a treaty of this kind would not dismantle any barrier, but on the contrary would provide an international legitimation to the protectionism and further discriminations.

If the draft is implemented as it stands now, the activities of targeted foreign programmes which Luxembourg has developed for over 55 years - in the respect of the spirit of good neighbourhood - will suddenly become an unlawful undertaking, unless we get a formal prior consent of the receiving countries. This simple fact illustrates better than a long speech the perversion of this project.

This question is, by no means, in accordance to the Unique Act decided in december 1985 by the European Summit, the meeting of the heads of States and Governments of the Community. Haven't we decided less than a year ago to set up by 1992 a single market in Europe for all goods and services, and to dismantle all technical and regulatory obstacles acting as protectionist barriers? Do the diplomates and civil servants of the twelve EC countries present in Strassbourg simply ignore the Community legislation and the binding commitments of their Governments? Luxembourg has signed the Helsinki agreement assuring the free flow of information in Europe, and we are not ready to accept a convention giving a restrictive understanding of this freedom, just in order to protect the comfort of public broadcasters in a given country or some other particular interest.

There will always exist arguments in favor of protectionism. But if a country tries to stop the import of foreign cars by referring to

traffic accidents, something is wrong. The right way is to design together international standards for the safety of new cars, and to have them implemented in the imported cars. Once these cars comply with the norm, any difference in treatment is clearly a discrimination. The same should apply to cross-border television. I can't accept the principle that the restrictions to be imposed shouldn't give any right to those who comply.

I want you to know how isolated Luxembourg - which represents only one tenth of one percent of the population of Europe - has been until now in the Council of Europe discussions, until now I am astonished about the behaviour of the other European Governments and their commitment to the great internal market. What is at stake is the emergence and the mere survival of private television for Europe as a whole, since in all countries - with the notable exception of the U.K. and Italy - the private television operators are all directly threatened by the competition of the very strong public sector broadcasters.

You must of course not care about the selfish interest of Luxembourg's export sector, but you should recognize that for the first time in recent history European Governments are about to decide an agreement going against the spirit of European integration and unification and against the free choice of both the business community and the citizens of Europe.