

PRIME MINISTER

MISC 128: MONITORING THE 25% INITIATIVE

*Minutes attached.*

On 9 February 1988 (MISC 128(88) 1st meeting) I presented a paper on the publication of information on contracts between broadcasters and independent producers.

I was asked to consult the independent producers' representatives (the Independent Access Steering Committee (IASC)) to determine if they would be content for specific and identifiable contractual information to be passed to the Office of Fair Trading so that they could monitor overall contract terms. They agreed.

I was also asked to consult the Director General of Fair Trading about the type and frequency of information he would need. We agreed that it would not be practicable to monitor the 1000+ separate contracts a year and the summary information which the broadcasters already had for their own internal monitoring purposes turned out to be unsuitable. There is no legal basis to compel the broadcasters to provide information and the BBC (but not the IBA) have made it clear they would not comply voluntarily.

In these circumstances the DG wishes to use the quarterly figures on hours commissioned from independent producers, with which the broadcasters have been providing the Home Office since last summer, as an indicator of the growth of the programme making market. This would be supplemented by quarterly meetings with the IASC (who have agreed) to discuss both general and specific cases where proper competition is involved. The Director General proposes to report on all this to me on a six-monthly basis.



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the department for Enterprise

I believe this degree of formal involvement by the Director General will, in itself, act as a spur to competition in this expanding market place. While the report will not be as rigorous in economic terms as we may have hoped, it does avoid the concerns about confidentiality of commercial information raised in the MISC 128 meeting. We are also tackling the monopsony problem through the expansion of channels proposed in our recent Broadcasting White Paper. And of course we are proposing a "minimum" of 25% of independently made programmes as a contractual obligation on Channel 3 licence holders. Thus by 1993 we will have ensured that the market place is a very different and genuinely competitive one.

In the interim though, I would welcome colleagues' agreement to accept the Director General's proposed six monthly reports and to review in two years time whether any further are needed.

I am copying this letter to Nigel Lawson, Douglas Hurd and other colleagues on MISC 128 as well as to Sir Robin Butler.

D Y  
(Approved by the Secretary of State  
6 April 1989 and signed in his absence)

DEPARTMENT OF TRADE AND INDUSTRY

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