



NEWS RELEASE

INDEPENDENT BROADCASTING AUTHORITY

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Prime Minister

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X' is pretty meaningless, since BSB users will have time for be-switched to Sky services.

6
19 November, 1990

67/90

BHP 16/4

MERGER BETWEEN BSB AND SKY

The IBA has considered the information it has received in the course of its investigation into the recent merger between British Satellite Broadcasting Limited ("BSB") and Sky Television PLC ("Sky"). The legal relationship between the IBA and BSB is constituted by a Programme Contract, entered into pursuant to the provisions of the Broadcasting Act 1981 and the Cable and Broadcasting Act 1984. The Authority's rights in relation to the merger derive solely from the terms of that Programme Contract, to which the IBA, BSB and BSB Holdings Limited alone are parties.

It is clear to the IBA that the completion of the merger, for which the IBA's consent was neither obtained nor sought, gave rise to a serious breach of BSB's Programme Contract. The IBA is entitled, in consequence of the merger, to terminate that Contract and intends to do so. It considers that immediate termination would not be in the interests of viewers of BSB's services and will accordingly engage in further discussions with BSB regarding transitional arrangements, prior to issuing the notice which will set the termination date for BSB's Programme Contract.

The Shadow ITC has considered the matter from the point of view of the functions it will assume under the Broadcasting Act 1990. The Shadow ITC will wish to consider feasible possibilities for the continued provision of television services on the frequencies currently used for BSB's services, after the termination of BSB's Programme Contract. The Shadow ITC will accordingly be inviting interested parties as soon as possible to inform it of their proposals for the use of such frequencies.

The television services currently provided by sky will require a non-domestic satellite services licence from the ITC under Part 1 of the 1990 Act. BSB have informed the Shadow ITC of their intention that one or more companies in the merged BSB/Sky group should apply for one or more such licences. The Shadow ITC will be giving careful consideration to the implications of such proposed applications.