

PRIME MINISTER

The Hunt Report on Cable

The Home Secretary has sent the attached copy of the Hunt Report on cable expansion and broadcasting policy. He has not yet had a chance to study it but proposes to publish on 12 October. The conclusions and recommendations of the Report can be found in Chapter 8 which is flagged.

Broadly the Report proposes that a rapid expansion of cable services is compatible with the maintenance of the standards of public broadcasting and that provided it is subject to safeguards there need be no inhibition on such an expansion. Particular points worth noting in the Report are:

(i) Control

Since local cable systems will be local monopolies the Report proposes that they be subject to franchise e.g. there would be a cable operator for say Leeds who would hold the franchise to provide programme services over that cable system for a set period of years. Franchises would be awarded by a new cable television authority (the Report rejected the proposal that the IBA should fulfil this function because of the possible conflict of interests). The authority would however not regulate the cable services as the BBC and IBA do but exercise a retrospective oversight. ?

(ii) Finance

The Committee recommend that cable services should be financed by rental, subscription for particular additional channels and, because the first two would be an insufficient financial base, by advertising.

(iii) Broadcasting services

Cable operators should, say the Committee, be allowed to provide as many programme channels as the market will bear. They

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should, however, as in the United States, be compelled to carry the existing national broadcasting services. Cable programmes should be subject to the same general rules on taste, decency, bias etc as those broadcast by the BBC and IBA (other than on channels for which a specific subscription is paid). Systematic breaches of these requirements would lead to much closer control by the cable television authority and in extremis revocation of the franchise.

The Report will presumably be discussed in E Committee.

If.

1 October 1982