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Aerospace

Ref. A03630

PRIME MINISTER

United Kingdom Space Policy

(E(80) 129 and 135)

BACKGROUND

The CPRS's note, E(80) 129, summarises the principal conclusions of their study of United Kingdom space policy instigated by the Secretary of State for Industry. Their full report is annexed. The Secretary of State has since asked Mr. Michael Marshall to chair an interdepartmental group of officials (MISC 46) to consider and monitor space policy in the light of the report. Many of the CPRS recommendations are that the Marshall Committee should examine aspects of space policy in greater depth.

2. The CPRS confined themselves to those areas of space technology which offer commercial opportunities within the next decade, i.e. satellites for telecommunication, broadcasting and remote sensing. Their report reviews in some detail the opportunities that now exist in these fields. The main points are as follows. They stress (paragraphs 49-54) the key role of Government in setting the regulatory regime for telecommunications and broadcasting; this will encourage or inhibit private investment in new satellite services. They point out (paragraph 48) the need for Government in international negotiations to have a coherent and clear-sighted view of its policy objectives in space. They consider that until now the management of Government policy for space has been diffuse and unco-ordinated (paragraphs 153-158) and they argue (paragraphs 161-166) for significant authority to be given to the Marshall Committee.

3. The CPRS also make many detailed recommendations in their concluding section (paragraphs 159-198) and identify major decisions that need to be taken shortly, notably over the European Space Agency's L-Sat programme (paragraphs 77-80), the next MOD satellite (paragraphs 93-98) and direct

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broadcasting (paragraphs 102-106). These sections provide a useful survey of the main issues that will have to be faced, but are not essential to the discussion at E.

HANDLING

4. After Mr. Ibbs has introduced the CPRS note, the Secretary of State for Industry will wish to speak to his paper and to ask Mr. Marshall, who has been invited to the meeting, to say something on the work of his Committee. The other Ministers who are mainly concerned are the Secretary of State for Defence, the Home Secretary for the broadcasting and radio frequency allocation aspects, and the Secretary of State for Education and Science because of the involvement of the Science Research Council.

5. I suggest you base the discussion on paragraphs 5 and 6 of the Secretary of State for Industry's paper E(80) 135, which picks up the recommendations in the CPRS paper. The main question is what should be the remit for the Marshall Committee. A general point is that, while Ministers are likely to recognise the desirability in principle of a co-ordinated effort, they may well be nervous over the degree of authority to be given to the Marshall Committee, which includes representatives of the main Departments at official but not Ministerial level. The reassurance on this lies in paragraph 6 of the Secretary of State for Industry's paper, where he proposes that the Marshall Committee should refer back to E if necessary - or (I suggest) E(EA) as appropriate - on specific matters which affect wider policy issues. They will also make a general report to E in about 12 months' time.

6. Of the recommendations in paragraph 5 of E(80) 135, a. cross-refers to the four general points listed in paragraph 7 of the CPRS paper. In particular the Committee will need to rule on the alternatives put forward by the CPRS for dealing with public expenditure on space activities, namely:-

Either To create a single block budget for all space-related activities with the Secretary of State responsible for space advised by the Marshall Committee on the allocation of expenditure to particular activities (see paragraph 163 of the CPRS's detailed report).



Or To maintain the present system but with the Marshall Committee recommending on the distribution of spending on space and with major Departmental projects required to have the Marshall Committee's "seal of approval" before they could proceed.

It is unlikely that Departmental Ministers will accept the first solution and the Chief Secretary will want to give his views on its practicality. The second solution could work if it is understood that the Marshall Committee can recommend but not veto.

7. You will then wish to run through the other points in paragraphs 5b. -e. of the Secretary of State for Industry's paper. In particular:-

- (i) The Home Secretary will wish to comment on the regulatory aspects mentioned in 5b.
- (ii) You might ask the Secretary of State for Industry to clarify what he means in e. when he refers to conveying the Government's intentions to industry and the expectations of them.

8. In paragraph 199 of their report the CPRS refer to public expenditure in pursuit of space objectives, and in particular to the possibility of restoring an earlier £7.4 million cut in the Department of Industry space budget in 1982-83 and 1983-84. You will wish to make clear that this, and any other sum, must be found by reallocation of funds within the Departmental programmes now agreed by Cabinet.

CONCLUSIONS

9. In the light of the discussion you will wish to record conclusions on the points listed in paragraph 5 of E(80) 135 and, in particular, on:-

- (i) the method of allocating public expenditure (see paragraph 6 above) and
- (ii) the point that any public expenditure must be found within existing programmes.

10. You may like to invite the Marshall Committee to report on specific issues either to E or to E(EA) and to produce a progress report for E in 12 months' time.

ROBERT ARMSTRONG

24th November, 1980