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PRIME MINISTER

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Cable Policy: C(82)39

BACKGROUND

The Ministerial Sub-Committee on Telecommunications Policy (E(TP)) has held two meetings under your chairmanship to discuss policy on cable systems. Its provisional conclusions have been circulated to the Cabinet as C(82)39, which also sets out the matters on which E(TP) did not come to a conclusion. This will allow Ministers who are not members of E(TP) to express a view on what is bound to be a topic of considerable political and media interest. In particular, it will clear the way for speeches -

- a. by the Home Secretary and the Minister for Information Technology (Mr Baker) in the debate on cable policy in the House of Commons on 2nd December; and
- b. by yourself to the Barbican Conference on Information Technology on 8th December.

2. The brief for the discussion in E(TP) sets out the background to any issues of substance that may arise; for convenience, I attach a spare copy. This note suggests how you might wish to handle the Cabinet discussion on 2nd December.

MAIN ISSUES

3. I suggest that the main purpose of Cabinet's discussion should be neither to go over E(TP)'s conclusions in detail nor to try to resolve the matters E(TP) left undecided. It should rather be to allow your colleagues to raise any important points and to commission the further work that is needed.

4. We have received indications that two points may be raised in discussion.

i. Optical fibres

It may be argued that optical fibres are such an improve-



ment on conventional cables that the Government should do more to promote their use. But E(TP) does suggest incentives for the introduction of 'switched-star' systems (which are potentially better suited to the use of optical fibres): it is proposed that new ducting should have to be capable of taking such systems; and that there should be a longer licence period for those who provide them. It is entirely in accordance with the Government's economic philosophy to leave such matters primarily to the market as E(TP) proposes. However, the Department of Industry introduced last year a support scheme for R & D in fibreoptics and an extension of this (from £25 million to £50 million) has been announced this week. Insistence on use of fibreoptics would also, given the present state of the technology, delay the introduction of wideband cable systems by several years.

ii. Scotland and Wales

The Secretaries of State for Scotland and Wales may express misgivings on the grounds that, for economic reasons, large parts of Scotland and Wales are unlikely to have cable systems for many years; and that any deterioration in public service broadcasting would be particularly unfortunate for them. But it is an essential part of the Hunt recommendations (which E(TP) proposes largely to endorse) that public service broadcasting should be protected as far as possible, consistently with allowing cable systems to develop. The only alternative would be to restrict cable systems so severely as to make them economically unviable, except perhaps in the largest conurbations.

5. I also understand that the Home Secretary may wish to say in the debate on 2nd December that the Government accepts the recommendation in the Hunt Report that cable programmes should not have to provide the 'range and quality' of public service broadcasting. This point could not be included in C(82)39 because it



goes further than the E(TP) conclusions. (B7 in the Annex to C(82)39 records it as a matter left for further decision). But it seems quite consistent with the logic of the other E(TP) conclusions.

Future Work

6. If the E(TP) conclusions are accepted, they will naturally be reflected in Ministerial speeches on 2nd and 8th December. It will also be necessary to make arrangements for the matters left open by E(TP) to be studied, and to pick up in due course the recommendations on technical standards expected from the Technical Working Group on Standards for Wideband Cable Systems, established by the Department of Industry to draft appropriate British Standards, which is due to report by 1st March next. E(TP) envisaged that conclusions on these matters would be included in the White Paper which it is proposed to issue in the first few months of 1983. It will be necessary to give someone the lead responsibility for preparing that White Paper. The task would not, I suggest, be appropriate for the Cabinet Office, which took the lead in advising on the Government's response to the Information Technology Advisory Panel and the Hunt Reports, since it will be necessary to ensure that there is close Ministerial supervision of such a politically sensitive subject. Since most of the outstanding issues involve broadcasting policy and regulation, and the legislation is likely to fall to the Home Office, it seems natural to look to the Home Secretary to take the lead, consulting the Secretary of State for Industry and other Ministers as appropriate.

HANDLING

7. You will wish to ask the Home Secretary and the Secretary of State for Industry to introduce the discussion, as they (or a representative of their Department) will be speaking in the debate in the afternoon. Any other Minister may wish to speak: in particular, the Lord Privy Seal may have views on the institutional structure of regulatory arrangements for cable systems, the Secretary of State for the Environment on the role of local authorities and planning and environmental aspects, and the Secretary of State for Trade on regulatory issues. You yourself may wish to indicate the expected lines of your speech on 8th December.



CONCLUSIONS

8. You will wish the Cabinet to reach conclusions on the following:
- i. Whether the conclusions of E(TP) are accepted.
 - ii. In particular, whether it is accepted that the Home Secretary and the Minister for Information Technology should speak in the debate on 2nd December on the lines indicated in C(82)39.
 - iii. The arrangements for future work on cable policy.

A handwritten signature consisting of the letters 'R' and 'A' in a stylized, cursive script.

ROBERT ARMSTRONG

1st December 1982

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ACTION

CONFIDENTIAL

Broadcasting, MCS
PS to the P.M. /

Cabinet Office
70 Whitehall
London SW1

29 November 1982

PS(82) 26

Dear Private Secretary,

Cable Policy

On the instructions of the Ministerial Sub-Committee on Telecommunications Policy (E(TP)) the Secretary of the Cabinet is circulating a note (C(82) 39) setting out as recommendations the conclusions which E(TP) have reached on cable policy and the matters on which they did not feel able to reach a decision. This note will be the basis for a discussion by the Cabinet on 2 December preceding the debate on cable policy which is to take place in the House of Commons later that day.

The discussion in E(TP) focused on the Report of the Official Group on Cable Systems (MISC 73). It is not proposed to circulate this report, which is a bulky document, to the Cabinet. Most Departments with an interest in the subject will already have copies of it. But if your Minister feels that it is essential for him to have a copy in preparation for the meeting on 2 December, and one is not already available in your Department, the Committee Section (Ext. 7072) can supply one.

I am sending copies of this letter to the Private Secretaries to members of the Cabinet and the Chief Whip.

Yours sincerely,

(Signed) R P HATFIELD

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