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✓Await IBA report.  
From H.O. - no B/f tho'  
PP/MEAFCS/86/003SECRETARY OF STATE FOR THE HOME DEPARTMENTDirect Broadcasting by Satellite

1. Since I minuted about DBS to your predecessor on 15 July and received his positive reply of 19 July, our officials have been in regular contact in the DTI-led Task Force about the options available to the UK for a DBS Service, including one under the aegis of the Independent Broadcasting Authority (IBA). I understand that the IBA have almost completed their investigations and will shortly submit their report to you.
2. The concerns that I expressed in my minute to Leon Brittan in July have increased with recent developments in the field of TV broadcasting by satellite in Europe. It is clearly important that the United Kingdom should not be left behind by other European governments and companies in the development of new technologies and equipment and in seizing the commercial opportunities they present. The implications for wealth creation and employment are significant.
3. I am also keen to ensure that with the rapid spread of television across frontiers in Europe a British voice should be heard. New markets are opening up for programming and the opportunities for British programme-makers must be enormous. It is obviously important from a commercial as well as a cultural/ 'promotion of Britain' standpoint that they be given every opportunity to develop their potential.
4. Whether or not it is decided that a UK DBS service is feasible, Messrs Murdoch and Maxwell seem to judge that television broadcasting by satellite is commercially viable. I am clearly very interested in the implications for our information and cultural

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efforts overseas in a satellite service receivable not just in the UK but also further afield. I am keen therefore that we should examine the European options carefully. We must also take into account the European Community involvement, which is particularly important on standards.

5. The ITV companies' proposals for a 'Superchannel' in collaboration with the BBC beamed to a Europe-wide audience later this year is particularly encouraging in this respect. We shall also be following with interest the BBC's current investigations into the possibilities for an External Services news and current affairs service in vision.

6. Clearly the main problems are in finance (the French and German DBS services are backed by public funds); the assessment of consumer demand (where the interest of British consumers at least is not yet clear); and the pace with which technological developments are taking place (British industry is clearly not certain which horses to back). I think the Government has a role to play in helping to energize, coordinate and clarify the directions in which we should all be heading. The contrast between the scale and pace of this kind of activity in North America and in Europe is very striking.

7. In view of these concerns, and of the possible risks to our aerospace, consumer electronics and information technology industries, I would find it very useful to have an early meeting (later this month if possible) with you and Leon Brittan, to discuss the issues and to see what if anything the Government should be doing to protect UK interests. Leon and I had a chance to discuss all this informally during the Christmas break and he well understands my concern. Perhaps the best time for a meeting would be after you have studied the IBA report. Once this has been received, FCO officials would be happy to meet your officials to explain our concerns, particularly on the overseas information side.

8. I am copying this minute to the Prime Minister, to Leon Brittan and to Sir Robert Armstrong.

DIRECT  
BROADCASTING

PTS

