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Chairman

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CONFIDENTIAL
IMMEDIATE

3 November 1983

The Rt Hon Leon Brittan QC MP
The Home Office
50 Queen Anne's Gate
LONDON SW1H 9AT

DIRECT BROADCASTING BY SATELLITE:
TECHNICAL TRANSMISSION STANDARDS

As you know, a senior official of the French Ministry of Foreign Affairs has told our Embassy in Paris that, in view of the outstanding success of the Anglo-Franco-German cost working party, which was under French Chairmanship, and of the satisfactory progress of the other two working parties (on patents and cable), a high level political approach from the Secretary of State for Trade and Industry to his opposite number M. Fabius might now clinch the French Government's acceptance of the C-MAC Packet system as the single European standard from the beginning of DBS. The Prime Minister and the President had, he said, been briefed to this effect. The official urged speedy action in order to pre-empt any resurgence of those forces in France which still favoured SECAM.

The approach suggested is highly desirable. It represents an opening that we cannot afford to miss. But the FCO rightly point out that it can be pressed effectively only if the Home Departments concerned are firmly in support of the proposal and can present it as a decision which H.M.G. are poised to take.

This must surely now be so. The evidence on cost, endorsed by the French and the Germans, is conclusive. The technicalities of the translation to cable are settled in favour of B-MAC. (My latest thought is that the use of MAC for all cable transmission could be strongly encouraged by the promise of longer franchises to those who are prepared to do this), and though there is one important issue outstanding on patents it is not of a kind that need hold up European agreement on MAC as a system.

Meanwhile the BBC have had ample time to reconcile themselves (if that is still the right word) to the prospect of a decision in favour of MAC. The Director-General has been pressing publicly

.. Continued on Page 2 ..

Directors: Sir Antony Part GCB MBE (Chairman), David Scholey CBE, Sir Robert Erskine-Hill Bt. CA, Norman Smith, Bryan Llewellyn, Odo Hattink, Folkert Vogelenzang, Michael Burtonshaw FBIM FCII (Managing Director)

The point was raised with us by IBA last week. Demand is

Prime Minister

Copied to you by Sir Anthony Part. He judges that the time is ripe for a Ministerial approach to the French, in order to clinch European acceptance of the mainly British MAC technology.

DMS 4/11

engined from the H-S - where are now.

David
is carrying a
the A

(2)

for a Government announcement, and we know from influential sources that their technical staff at working level are acting on the assumption that a MAC decision is imminent.

On the international plane the European manufacturers, at a very recent meeting, have unanimously reaffirmed their support for MAC. The German delegate remarked that no other system was under consideration by manufacturers and the French delegate agreed. This is important as the manufacturers have a substantial amount of money at stake.

At Government level it is, of course, proper to sound out the Germans, who were the third party at the meeting in London in July and who are involved in the three working parties. I gather that this consultation is in hand; but as we know that the Germans are fundamentally inclined towards MAC I do urge that even if they identify certain minor issues as still outstanding, we should allow nothing to prevent us from writing to the French as they have themselves suggested. It is, after all, they who hold the key to a unanimous European decision.

I am copying this letter to the Foreign Secretary and the Secretary of State for Trade and Industry and, in view of their interest in the matter, to the Prime Minister and the Lord President of the Council.

ANTONY PART

CONFIDENTIAL



10 DOWNING STREET

From the Private Secretary

9 November, 1983

As you know Sir Antony Part sent the Prime Minister a copy of his letter of 3 November to the Home Secretary about Direct Broadcasting by Satellite.

B/c | The Prime Minister has noted Sir Antony's view that the time is now right for a high-level approach to the French Government in order to secure general acceptance of the MAC system. I should be grateful if you could provide a short note setting out the present position, and your Secretary of State's view of the appropriate next steps.

I am sending a copy of this letter to Peter Ricketts (Foreign and Commonwealth Office), Steve Nicklen (Department of Trade and Industry) and to Janet Lewis-Jones (Lord President's Office).

(D. Barclay)

H. Taylor, Esq.,
Home Office

CONFIDENTIAL

Thursday, 19th January, 1984

Written No. .

Sir Peter Emery (Honiton): To ask the Secretary of State for the Home Department, whether he will make a statement about the selection of the colour transmission system to be adopted in the United Kingdom for direct broadcasting by satellite.

MR LEON BRITTAN

My rt hon and noble Friend Lord Whitelaw announced on 30th November 1982 the Government's acceptance of the recommendation of the Advisory Panel on technical transmission standards for direct broadcasting by satellite (DBS) that the C-MAC system should be adopted as the standard for DBS in the United Kingdom. Since then the Government has been engaged in discussions with a number of other countries with a view to securing the adoption of the C-MAC system as the common DBS transmission standard for Europe. At the same time further work has been done on the technical specification of the C-MAC system with packet sound so that industry can make progress with designing and manufacturing the receiving equipment which will need to be available for the start of DBS. In July of last year the full Administrative Council of the European Broadcasting Union (EBU) recommended that the

C-MAC/packet sound system should be adopted as the common transmission standard for Europe, and that recommendation was subsequently endorsed by the European Association of Consumer Electronic Manufacturers (EACEM). The European Parliament has also passed a resolution calling for member states to agree a uniform technical standard. The Government reaffirms its commitment to C-MAC as the DBS vision system for the United Kingdom and has decided that the sound system to be adopted will be the packet sound system as outlined in EBU document SPB284 (with subsequent revisions). We shall continue our efforts in Europe to secure the widest possible acceptance of the C-MAC/packet sound system, as recommended by the EBU. We shall also be talking further with interested parties about the implications of the C-MAC system for cable systems in this country.

Broadcasting - direct broadcasting
by satellite Pt 4.

25 MAY 1984

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9 8 7 6 5 4



10 DOWNING STREET

From the Press Secretary

21 November 1983

Mr Ingham,

The Prime Minister has asked me to thank you for sending her a souvenir menu of the 10th anniversary dinner of ILR, containing her message.

I have fed in all the material I have received from both yourself and Barbara Hoskings and I know that we are in touch with the Home Office.

James Stewart
Bernard Ingham

BERNARD INGHAM

The Rt Hon The Lord Thomson of Monifieth, KT,
Chairman,
Independent Broadcasting Authority.

x ref.

D. Barclay

*JMS 21/11
For broadcast file*

psc. (with DB)

Press office

PPU. R14/11



INDEPENDENT BROADCASTING AUTHORITY

70 Brompton Road London SW3 1EY Tel. 01-584 7011 Telex 24345

THE RT HON THE LORD THOMSON OF MONIFIETH, K.T.
Chairman

11th November 1983

Dear Prime Minister,

Thank you for your letter following our lunch together. It was a great pleasure to see you last week, and we were grateful to you for giving up time in a particularly busy day to discuss with us issues of broadcasting policy.

As I said then, we were particularly encouraged by your generous message on the 10th Anniversary of ILR. Last night we celebrated the anniversary with a Dinner at the Mansion House with Prince Charles as our main speaker. It was a splendid occasion and I enclose a souvenir menu in which we were proud to reproduce your message.

We were very interested in the reservations you expressed about the contract procedures and how these had operated in the 1980 round of ITV contract renewals. The programme contractors are moving into an era of increasing competition with the growth of cable and the possibility of DBS services. If they are to make the best use of their resources, they need to plan ahead. It is becoming increasingly questionable whether the public interest will be best served in the years to come by maintaining an 8 year limit on contract renewals, accompanied by mandatory readvertisement, either for ITV or (even more) for ILR. We are considering possible alternatives and will put forward some ideas to the Home Secretary in due course.

Following your visit we sent a briefing note on the MAC transmission system to Bernard Ingham. We appreciate the desire to hold back on the decision about the detailed MAC specification in an attempt to keep in step with the French.

.../Nevertheless

Nevertheless industry cannot make a start on the design of the integrated circuits and receivers until the decision is announced. We are convinced that there would be a clear advantage in an early decision to go ahead with MAC which would overcome the doubts that exist about the DBS transmission standard the UK will adopt.

*Yours sincerely,
Robert Lawson*

The Rt. Hon. Margaret Thatcher, MP,
Prime Minister,
10 Downing Street,
London,
SW1.

From: THE PRIVATE SECRETARY



HOME OFFICE
QUEEN ANNE'S GATE
LONDON SW1H 9AT

CLE

18 November 1983

nbpms for now.

Please bf on 6 Dec

so that I can ask the

HO if there has been any more progress.

Dear David,

DBS TRANSMISSION STANDARDS

DMB
23/11

In your letter of 9 November you asked for a short note setting out the present position on European acceptance of the C-MAC system.

... As you will see from the attached note, prepared in conjunction with the DTI, the present situation is in a state of flux, but we thought an interim note might be helpful. We shall report further developments.

I am sending a copy of this letter to Peter Ricketts (Foreign and Commonwealth Office), Steve Nicklen (Department of Trade and Industry) and to Janet Lewis-Jones (Lord President's Office).

Yours ever

Mike

M J GILLESPIE

D Barclay, Esq

DBS TRANSMISSION STANDARDS: C-MAC AND EUROPE

After publication and acceptance of the report of the Part panel, efforts were put in hand, inter-governmentally and through the European Broadcasting Union, to secure acceptance of C-MAC as a European standard. European acceptance would be of great advantage to this country in terms both of equipment manufacture for a larger market and broadcasting to a larger potential audience. Conversely if other European countries adopted a different standard our DBS would be in difficulties.

2. These efforts had a measure of success. The European Broadcasting Union recommended to its members adoption of the C-MAC vision system with the French packet sound system as the transmission standard for DBS services. However the French and FRG governments, who are not constrained by the need to start public satellite services in 1986, were reluctant to commit themselves. We were unable to press matters to a conclusion because there has been a revival of domestic uncertainty about the transmission standard and the BBC have been engaged in highly confidential discussions with Thorn-EMI (to which Sir A Part is not privy) with a view to operating DBS services in partnership which could result in significant planning changes.

3. In an attempt to resolve doubts and difficulties, we, the French and the Germans agreed back in the summer to tripartite working groups to study three particular problems: patents; receiver costs; and transmission on cable systems. These working groups (in which the DTI, but not the Home Office, play a part) have made considerable progress but have not formally completed their work.

4. However, in late October a senior French official suggested to our Embassy in Paris that the French were now ready to agree on C-MAC, despite the incomplete state of the work of the working groups, if a high-level Ministerial approach were made to them.

5. Because both the French and German administrations have hitherto been arguing against bringing the issue to a head, the FCO are probing the degree to which the latest French message represents the views of other Ministries concerned and whether they intend that we should speak similarly to the Germans.



6. A reply from Paris is expected shortly. In the light of it the Home Secretary and Secretary of State for Trade and Industry will consider urgently the expediency and tactics of a high-level approach to the appropriate French and German Ministers.

Blond Cassin's
Direct Broadcasting
by Satellite
Pt. 4





10 DOWNING STREET

MR BARCLAY

*Cff : Please associate
with my request
for Ho advice,
Done*

In the context of your request ^{17/11}
for briefing on DBS, you should
have this record of the Prime
Minister's lunch with the IBA
- a record prepared by IBA.

B. INGHAM

17 November 1983

Internal note of discussion at lunch with the Prime Minister 31.10.83

PRESENT IBA: The Chairman, Mr. Whitney, Mr. Thompson, Mr. Robson, Mr. Rogers, Mrs. Littler, Mr. Glencross, Miss Hosking, Mr. Rook, Mr. Blyth.

The Prime Minister, Mr. Bernard Ingham.

DBS

1. We pressed the need for a decision on MAC. (The PM may not have been wholly clear what was being referred to; but she indicated to Bernard Ingham that this was something that needed to be followed up.) Secretary's Note: A briefing note was subsequently sent to the Prime Minister's office. A copy is attached.

Channel 4(a) Finance

2. The PM referred to what she had heard of Channel Four's expenditure 'threatening ITN'. Her remarks indicated that she believed that Channel Four raised its own revenue and the ITV companies made up the difference.

3. We explained to her how the budget was determined; that revenue attributable to Channel Four had never been expected to match the subscription in the early years; and that Channel Four had greatly increased the independent sector, which could in turn put downwards pressure on ITV programme costs. Channel Four did not threaten the funds available for ITN. As for the drop in levy, about £10m of this was attributable to the Government's own measures to help fund S4C. In an increasingly competitive world the levy was likely to fall even if Channel Four had not been in existence. It was an excess profits tax, and excess profits were in future unlikely.

(b) Programmes

4. The PM commented adversely on the standard (not bias) of Channel Four programmes. (Later she spoke of the 'mixed quality' - some good, others bad.) We agreed that quality had originally been variable, but expressed the view that the Channel was doing increasingly well.

Programmes generally

5. The PM said she thought programmes on Saturday evening (normally the only time she could watch) very poor. She particularly disliked violent programmes (sex was not mentioned so emphatically.) She referred to the threat posed by video, which she was convinced needed to be controlled - as a matter of public policy, not of censorship. She doubted if Graham Bright's Bill went far enough. She would like to see the Obscenity Acts apply to all media, including broadcasting. She would be arguing further with the Home Office about that.

/IPA/Equity

IBA/Equity

6. We referred briefly to the effects of the dispute on Channel Four and TV-am. The PM expressed her concern that bodies which were not parties to the dispute might suffer. She regretted that the law did not provide redress.

Contract process (ITV and ILR)

7. The PM said that she had felt alarm at the powers possessed by the IBA in 'taking away' franchises. Had Parliament subsequently altered the position? She touched at first on the idea of legal appeal against the IBA's decision, but subsequently appeared to put more weight on the idea of longer contract periods. She expressed concern at the idea of shareholders losing everything as a result of the IBA's arbitrary judgement. We told her that in practice it was the managers, not the shareholders, who suffered. (The deprivation of those who never got a contract, as opposed to those who lost one, was not touched on.) We expressed strong support for the idea of longer contract periods, and for removal of mandatory re-advertisement. We also explained the advantages, in ILR, of the 'rolling' reviews by the IBA. She seemed receptive to this point for ILR and possibly to understand the advantages of rolls at the IBA's discretion, by contrast with compulsory re-advertisement under the statute.

Radio (ILR and INR)

8. The PM expressed her own preference for radio over television. She enjoyed taking part in radio phone-ins. She did not retract her praise for ILR in her message for the 10th birthday, and agreed that ILR was a success. Family evidence suggested to her, however, that stations paid contributors badly. We touched on the programming and economic merits of INR, and she did not demur.

Parting remarks

9. The PM remarked on the fact that neither the BBC nor ITV was prepared to take up the proposal for the Laurens van der Post programme when it was offered to them. She decided to go ahead with it on spec, and it was after it was made that ITV took it.

10. The PM also remarked that it appeared that broadcasters who openly supported her election campaign subsequently found it difficult to get, or to keep, employment in broadcasting. Hughie Greene and Pete Murray were mentioned.

K.W.B.

8th November, 1983

HIGH QUALITY PICTURES FROM SATELLITES

New technology enables the adoption of a television standard for satellite transmission that is technically superior to the PAL system currently used terrestrially. The PAL standard, which was devised nearly twenty years ago, is based on the technology of the original television standard first introduced in 1936 and is not appropriate to the satellite era.

The MAC system developed by the IBA has the following advantages:-

1. A much improved technical performance that will be immediately effective.
2. It is a standard that could have universal use throughout Europe and with a common satellite receiver it is appropriate for use both with PAL and SECAM receivers.
3. It has the potential of technical enhancement as the technology further advances.

The Part Panel made a thorough study of satellite transmission systems and last November firmly recommended that the UK adopt MAC. The Government immediately accepted this recommendation but acknowledged that at a later date it would be necessary for it to give further information about the detail of the specification to enable the integrated circuit and receiver manufacturers to make a start on their designs. This detailed specification has not yet been issued and is urgently required. Without the receivers, the satellite DBS service will be delayed.

.../...

The European Broadcasting Union has unanimously recommended that all their members use the MAC system. Attached is a copy of an editorial on this subject in the most recent issue of the EBU Technical Review. Unfortunately, the French and German Governments are holding back in accepting this recommendation. It is increasingly apparent that a UK decision on the specification for the standard will have to be made in isolation of the French and German Governments. Only by taking unilateral action will it be possible to get UK industry under way quickly with DBS receiver designs to meet the target dates it is hoped to achieve.

2nd November, 1983

Adoption of a single EBU standard for satellite television

It was on 15th July, 1983, that the untiring efforts of hundreds of broadcasting engineers seeking to define a single standard for satellite television received their just reward, when the EBU Administrative Council, meeting in Luxembourg, approved a Statement (reproduced opposite) proposing that the EBU Members should recommend to their respective governments the adoption of the C-MAC/packet standard.

It is a happy coincidence that this news is published in this the 200th issue of the EBU Review. The article by H. Mertens and D. Wood appearing in these pages describes in detail the principles and the performance of the system and explains the structure of the receiver; it also records the history of the events which have led up to this achievement. Readers of this article will readily appreciate the progress that has been made since 1977, when the WARC-BS of 1977 in Geneva established the Plan for satellite broadcasting in Regions 1 and 3.

It is in the years to come that we shall be able to fully appreciate the implications of this event which is unique in the annals of European television. A European event, first and foremost, because this standard is the result of work carried out in close collaboration between all the laboratories and research departments of the EBU Members. An engineering achievement too, because the results of all this hard work have converged and really have achieved optimisation of the selected specifications. Here we have striking proof that engineers from different nations (and of different tongues) have it in them to build a technical system which satisfies the requirements which inevitably differ from one country to another within our continent. It should also be stressed that the system we have adopted has never seen any real competition from similar systems, as was the situation when a choice had to be made between the various proposals for colour television: NTSC, PAL and SECAM.

So here we are on the point of presenting ourselves with a new television system whose advantages and superiority, as compared to the terrestrial systems in use today, may be taken as read.

Of course, this innovation may cause some concern to those who have not been closely associated with the experts' studies; fears are indeed apparent, especially with regard to receiver costs. Nevertheless, if we look at the system globally (considering an ordinary colour television receiver, with the necessary converter and antenna), it may be reckoned that the

difference in cost between the new system and the old analogue systems is insignificant in comparison to the advantages of the new system. What is more, through the influence of mass production made possible by the unique character of the standard and by the partial agreements that have already been reached regarding patents, there is no reason to believe that the new system will involve the average viewer in any more expenditure than he would otherwise have to incur if the existing, obsolescent systems were to be retained.

The history of broadcasting should teach us that even though the cost of receivers has been the subject of heated debate every time it has been proposed to introduce new services in broadcasting (frequency modulation, stereophony, colour television, teletext), this is a factor which has quickly fallen from our thoughts once the services have actually come on the air. If the truth be told, this question of costs serves to camouflage another more far-reaching one: this is the question of choosing between the timid retention of the "well-known" of yesterday and the confident acceptance of the challenge thrust at us by an advancing technology. In reality, the proposed system is the logical, realistic and well-thought-out response to the observable and predictable progress in semiconductor technology which, in the coming decades, will govern the progress of the whole of technology and of all its effects on mankind.

It is worthwhile noting, furthermore, that this agreement on a single television standard was reached in Europe just as the Regional Conference SAT-R2, which had adopted a Plan for satellite broadcasting in Region 2, was coming to an end. It is no exaggeration to say that this Plan has been designed to enable broadcasting to be undertaken in accordance with a standard similar to that which we have just adopted (component video and digital sound), and in fact the ITU drew the attention of the Conference to the specifications of the EBU's C-MAC/packet system and made these specifications available to the participants.

With the coming of satellite television, it would be a serious mistake not to adopt the most appropriate standard - one offering not merely the best quality available today, but also one giving the promise of future improvements once it becomes possible to equip domestic receivers with low-cost high-capacity memories.

R. G.