

Home Office Queen anne's gate London swih 9AT

16 December 1983

Dear David,

DIRECT BROADCASTING BY SATELLITE: THE BBC/UNISAT PROJECT

Further to the Home Secretary's minute of 14 December to the Prime Minister, I am writing to report that (as indicated in the more accurate of this morning's press accounts) the BBC Board of Governors discussed DBS yesterday and, while acknowledging that there were difficulties yet to be overcome, concluded that the BBC "should continue to explore all possibilities which will lead to the setting up of a British DBS system". We understand that the BBC and IBA Chairmen had a constructive exploratory meeting this morning. There is to be a meeting between Mr Young and Unisat on Monday. This is a promising start, although obviously there is much rocky ground to be traversed.

We shall be keeping in close touch with all parties but saying no more than we need to do at this delicate stage. The BBC are at present not saying publicly that they are in touch with the IBA, and have asked us not to breach their confidence. Questions may, of course, be asked during Monday's debate in the Lords on the Cable and Broadcasting Bill. In that event Lord Elton would rest upon the statement by the Board of Governors, adding that the Government welcomes their approach and will continue to use its good offices to encourage a successful pursuit of the project.

Should the idea of a partnership between the BBC and IBA and DBS contractor appointed by the IBA prosper, it is possible that the precise framework for independent DBS proposed in Part II of the Bill may require some modification. We shall be ready to consider that situation should it arise.

Since this letter was drafted a copy of the Secretary of State for Trade and Industry's minute to the Prime Minister has come to hand. The Home Secretary will be considering over the week-end whether he wishes to offer any further comment.

I am sending a copy of this letter to the Private Secretaries to the Lord President, the Foreign and Commonwealth Secretary, the Chancellor of the Exchequer, the Secretary of State for Trade and Industry, and to Sir Robert Armstrong.

your ever

M. J. CHELESPIE)

