CONFIDENTIAL



Prime Minister (1)
Support for Nor Tebbit
from the Home Secretary.

Prime Minister

DIRECT BROADCASTING BY SATELLITE (DBS)

Dus 12/4

I fully agree with the views expressed by the Secretary of State for Trade and Industry in his minute of 12 April about DBS. I believe that to delay in reaching decisions until T May would seriously undermine the chances of success of the joint project.

MT

In the joint memorandum on DBS which we prepared, we recorded our conclusion that a collaborative venture represented the best hope of securing a good quality British DBS service in the late 1980s as well as avoiding the collapse of Unisat. We could not and cannot guarantee that such a venture would go ahead, but we are certain that it would not unless the Government did what it could to remove the obstacles. Our proposals offer advantages that no other projected scheme can offer. To attempt to distribute a DBS service by other means such as those apparently envisaged by News International would carry many technical uncertainties. Under existing technology, the coverage and quality of reception would be poorer; and the use of frequencies not specifically allotted to broadcasting would risk interference (because the frequencies would not be adequately protected from other uses) and mean using frequencies which have been allocated to use for other purposes.

Finally, I think that our proposals for participation by newcomers explained in paragraph 3 of Annex C of the joint memorandum are of crucial importance and have perhaps not been fully appreciated. The scheme that is proposed would give newcomers the opportunity to bid for a substantial share of the project and indeed such a share would specifically be reserved for newcomers.

/I hope

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I hope therefore that you will be able to agree to the proposals in the joint memorandum of 30 March.

Copies of this minute go to Members of E(A) and H Committees, and to Sir Robert Armstrong.

L.B. 12 April 1984

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