



QUEEN ANNE'S GATE LONDON SW1H 9AT

19 February 1987

NBM

Dear Nigel,
RADIO GREEN PAPER

Thank you for your letter of 18 February about the text of the Green Paper on radio. It may be helpful if I respond to your points in the order in which they were raised.

Paragraph 7.23: Paragraph 11 of the summary of the Green Paper attached to my minute of 24 October to the Prime Minister and colleagues on MISC 128 referred to the radio authority "operating within the broad criteria of enhancing the range of programming and the diversity of consumer choice". I believe, however, that it would be consistent with the policy approved by MISC 128 and would go some way towards meeting your point (and your related wish to avoid the radio authority determining "needs"), if paragraph 7.23 was redrafted as in the attached.

Paragraph 4.16: The difficulty here is that there will need to be an a priori judgment on what frequencies should be reassigned from the BBC to national commercial radio, because the type of frequency could well have implications for the nature of the service and its viability. A music service on MF might, for example, prove less viable than one on VHF/FM, particularly if VHF/FM listening increases with the end of simulcasting. Moreover, the intention to remove one MF and one VHF network from the BBC was also reflected in the summary attached to my minute of 24 October, and it is of course suggested in the first sentence of paragraph 4.16 of the complete text of the document that there is a good case for commercial competition with the BBC across the board. In the circumstances, I am inclined to leave the paragraph as it stands, but on the understanding that there will be an opportunity for further consultation before decisions are taken.

Paragraph 2.13: Copyright and needletime are, of course, matters for the Secretary of State for Trade and Industry, and Paul Channon and I had earlier been in touch on these issues. I sympathise with your view that needletime is an example of exploitation of a monopoly position. The counter-argument, as expressed by DTI and contained in paragraph 2.13 of the Green Paper is, however, that needletime is within the jurisdiction of the Performing Right Tribunal, and that this provides an appropriate remedy for those who feel aggrieved. In view of the pressures on our publication timetable, I conclude that the draft has to be left as it stands.

The Rt Hon Nigel Lawson, M.P.

/over...

Paragraph 4.17: The summary attached to my minute of 24 October made it clear that simulcasting would have to be phased out gradually, because it will entail a significant change in public expectations and listening habits. We envisage, however, that the process of dismantling the simulcasting structure will begin very soon; indeed, an experiment in split frequency broadcasting involving a number of BBC and independent local radio stations, including Capital Radio all day on Sundays, is already under way. Time will be needed to give effect to the change, but I regard 1995 as very much a target for final closure.

Paragraph 4.10: I have arranged to delete the fifth and final sentences of this paragraph.

I have incorporated these amendments in the text of the Green Paper to be published on Wednesday, 25 February.

I am copying this letter to members of MISC 128.

Yours,

Douglas.

Revised paragraph 7.23

The new Radio Authority would need to exercise judgement both in drawing up an incremental plan for the orderly geographical development of local radio, and in decisions on coverage areas consistent with frequency availability and the need to avoid interference. Having drawn up such a plan, the Authority would then invite applications to provide a radio service. It would be for the Authority to decide which applications would be granted for which areas, and to assign frequencies and set technical standards. The criteria which the Authority would use would include financial viability, local audience demands and, in particular, the extent to which the new services would enhance the range of programming and the diversity of consumer choice. It does not make sense for the Government to try to set out in advance how many stations of what size there should be across the UK. But in due course, and developed gradually, there could be several hundred new stations of different sizes across the country, all of course subject to their ability to pay their own way.

BROADCASTING Regulation PT2

