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The Rt. Hon. Mrs. Margaret Thatcher, MP
10 Downing Street,
London,
S.W.1.

You will, I understand, shortly be meeting with the driving forces behind the Television industry and you will, I am sure, be subjected to much lobbying - particularly with regard to the future financing of the B.B.C. and the future of Channel 4!

I am delighted to learn that Ian Trethowan will be present and particularly so that he is shortly to take over the chairmanship of Thames, my old company. At a time when standards are in question, his will be an experienced and valuable force for responsible development.

As, I think, one of few Members of the House with recent and practical experience of television production, and as Vice-Chairman of the Media Committee, I have, of course, a special interest in the subject.

I have taken the liberty of placing a few of my own observations on paper. These do not coincide entirely with the perceived wisdom of either those who you will meet on Monday or of the Jonsher Report and I hope that you will not consider this submission an intrusion; it may, perhaps, provide a counterpoint to the entrenched battallions of the media!

With my best wishes.

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THE FUTURE OF TELEVISION

I. Finance and Regulation

- i) *The Jonsher Report for the Home Office considers only a very narrow brief - the financing of broadcast entertainment.*
- ii) *The Jonsher Report ignores totally the potential for revenue and cross-subsidy from subscription information services.*
- iii) *Teletext services have already demonstrated a demand for, and interest in, broadcast data.*
- iv) *This interest can be heightened through change in legislation to permit closed user groups. Already major companies - BP for example - have indicated a demand for a facility that would allow the transmission of information to their network of outlets on a fully confidential basis. Financial information, medical data, educational material, can all be swiftly downloaded through television transmission and paid for by subscription either through bank or smart card.*
- v) *The development of such a service also demands that television sets are equipped with encryption (de-scrambler) units - the same equipment that would facilitate subscription in place of a licence fee.*
- vi) *Jonsher indicates a demand for a premium entertainment service and concludes that this should be paid for by subscription.*
- vii) *There is also a demand for one national 'standard' television service - B.B.C. 1. It is arguable that this should be paid for by 'licence' rather than 'pay per view' if it is to cover the present broad range of material. As Philip Whitehead said at the Edinburgh Television Festival this year, "a Public Service Station should be universally available, not necessarily universally desired."*

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Recommendations:

- a) *That every television set sold in the United Kingdom shall, with effect from January 1st, 1990, contain an encryption unit. (Without this facility the option of subscription in any form is simply not available).*
- b) *That from January 1st, 1990, the licence fee shall be frozen and payment made either as at present - on existing sets - or through subscription by smart card on sets containing encryption facilities.*
- c) *That with effect from the end of the present Independent Television (extended) franchise, B.B.C. 2 and Channel 4 shall become premium channels funded by subscription (B.B.C.) and advertising (Channel 4) cross-subsidised, if necessary, through subscription teletext services.*
- d) *That with effect from the same date, B.B.C. 1 shall be funded by subscription in replacement of the existing - frozen - licence fee. As the licence fee depreciates in value so the B.B.C. will increase its' revenue from the sale of broadcast information services and the sale of programmes.*
- e) *That I.T.V. 1 shall be funded through advertising as at present; reception of I.T.V. 1 will be dependent upon payment of the B.B.C. licence/subscription fee as at present. (In other words, it will continue to be necessary to pay a subscription to use a working television set at all).*

Note:

A television receiver may include not only a television set but a video recorder also. It would therefore be technically possible to encrypt video recorders also and to charge for their use. There is an added security bonus: as each receiver is personally encrypted to the owner, a stolen receiver can be de-activated and therefore becomes worthless.

- f) *That the necessary legislative changes shall be made to permit closed user group transmissions to facilitate the development of broadcast data.*
- g) *That the necessary changes shall be made to the Cable & Broadcasting Act to ensure that terrestrial transmissions are available to cable viewers - as at present - on the same subscription basis as to receivers of broadcast transmissions.*



- h) *That sound only services provided by the B.B.C. shall be funded through the B.B.C. licence/subscription fee.*
- i) *That the B.B.C. and I.B.A., as broadcasting authorities, shall be abolished: that the B.B.C., the Independent Television Companies and Channels 4 - and possibly 5 - shall become programme and data producing companies and that a new broadcasting authority be established with responsibility for the transmission of ALL broadcast television and the maintenance of the standards required by charter and by law. (One Chairman, one Board of Governors, one Director General).*
- j) *That a similar, single authority be established with responsibility for the transmission and regulation of all B.B.C., independent, local and community radio programming.*

2. The Developing Technology

- i) *Jonsher and others have concentrated their attention upon analog television to the exclusion of digital transmission.*
- ii) *It is already possible to transmit a high quality still picture, with high quality sound, using digital systems. Developing technology will, inevitably, mean that before long it will be possible to transmit high quality moving (television) pictures digitally. This will have profound effects.*
- iii) *Digital television will make analog television obsolete and the arguments about High Density Television standards academic.*
- iv) *In place of four or five terrestrial broadcast TV channels in the United Kingdom it will be possible to offer at least twelve channels - more than sufficient for most needs.*
- v) *Additionally, the scope for satellite broadcast and inter-active (two-way) communications will become almost limitless.*

Recommendations:

- a) *We need a quick, short-term solution to the HDTV argument that favours Europe and, particularly, the U.K. against Japanese*

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competition. We should therefore adopt 1250 (2 x 625 lines) as the European standard.

- b) We must stimulate U.K. research into the development of Digital TV to ensure that Britain acquires - and maintains - a world lead in what will be the technology of tomorrow.

3. Programme Standards

- i) There is small doubt in the public mind that standards of taste, decency and reporting have fallen in recent years.
- ii) Setting aside political bias completely, there is also little doubt that longer programme hours, more channels, competitive deadlines and the voracious appetite of the media for material have all contributed to a downward spiral. Haste, necessity and rivalry have dented editorial judgement. This owes as much to carelessness as political malice.
- iii) Fundamental to the maintenance of high standards are strong guidelines from the regulatory authority. In the past, programme makers - both B.B.C. and I.T.V. - knew what was required of them and rose to the occasion. More recently, weak administration has led to a blurring of standards, indecision and, inevitably, an "anything goes" attitude.

Recommendations:

- a) The establishment of a single broadcasting authority for Television and a single broadcasting authority for Radio. The drafting and publication of programme guidelines based upon those used - and issued to Producers and Directors - by the B.B.C. for many years.
- b) The abolition of the "watershed" concept. Either a programme is suitable for transmission or it is not. The advent of subscription and premium channels will, if required, provide an opportunity for those who wish to purchase the right to view what in the cinema would be X-rated material. We must re-establish the difference between what is "broadcast" (to all) and what is "narrowcast" (to those who purchase selectively).