PRIME MINISTER

SEMINAR ON BROADCASTING

You have seen these papers before. I have amended the steering brief to reflect changes agreed at your briefing meeting and the list of guests has been retyped for convenience in alphabetical order. I have also amended the suggested opening and closing remarks.

Bernard, Nigel and I have discussed the handling of the press after the seminar. There will be a great deal of press interest and those attending the seminar are not known for their shyness: they will certainly brief the press themselves. Bernard believes it would be helpful for him to brief unattributably on the general themes of the seminar, but he would refuse to identify the contribution made by any individual. This would not conflict with what I have said to seminar participants who have enquired.

Coffee will be available at 1130.

DRN

David Norgrove

18 September 1987

MJ2BJD

SEMINAR ON BROADCASTING: OPENING REMARKS

I am very glad to welcome you all to this morning's seminar.

I hope the word seminar itself makes clear that we have not asked you to come here to tell you of particular decisions the Government has taken, or to reach any conclusions.

We have asked a group of people, all interested in broadcasting, but coming from different backgrounds and bringing different perspectives on the subject, to meet today so that you can give us the benefit of your views. We may perhaps also learn from each other.

We have circulated an annotated agenda for the seminar. The main themes are clear:

- what are the prospects for broadcasting in the light of technological developments;
- what further action, beyond that already announced, should the Government take in response to the recommendations of the Peacock Committee Report;
- how can the widespread concern about programme standards be met?

These are enormous subjects and I recognise that we cannot do full justice to them in the time available. But before asking Alan Peacock to introduce our discussion, I would make two comments on matters that are not on today's agenda.

First, we have not fallen into the trap of thinking that broadcasting equals television. The Government recognise the importance of radio and the fact, for example, that over a quarter of the money collected from the licence fee is spent on BBC radio. Radio is not directly on today's agenda simply

Looking up Monopoly

Charles Jonah —

UHF. → more channels

Reallocate addl channels

Local T.V. Network —

Deregulation — Cam Fellows to carry

Nicholas Redesh

The Wiring. — IBA with a

problem — they have the power —

David Nicholas — 6 satellite vents

to rent satellite channels

~~Dennis~~

because the Government has already published proposals in the Green Paper on radio that appeared earlier this year.

Second, the Government recognises that, as technology advances, the boundary between broadcasting services and telecommunications services becomes increasingly blurred. Local cable services form part of both the broadcasting system and the telecommuncations system. That said, I hope we can concentrate this morning on the future development of broadcasting.

You will see officials poised with their notebooks open. We shall make some notes for our own use, but this is not a formal occasion on which people have any need to speak for the record. There will be no formal circulated record of our discussion. I hope that will encourage you, if you need any encouragement, to speak freely. I also hope we can all speak briefly.

MJ2BJG

A

A. DELIVERY OF ADDITIONAL PROGRAMME SERVICES

Essential facts

(a) DBS (Direct Broadcasting by Satellite)

- High power signals receivable on small (30-45cm) dishes

- Internationally agreed allocation of 5 channels in 12 GHz band to each European country. Protected from interference.

- EC directive requires use of MAC (Multiple Analogue Components) transmission system, giving high quality, multiple sound channels and capacity for data services. France and FRG have opted for D2-MAC (suits their cable systems); UK will use D-MAC (higher capacity for data services). Scrambling possible for pay per view/per channel.

- France and FRG planning launches within 12 months (Ariane permitting).

- BSB to launch in late 1989. Total investment will be over £600M; BSB claim their plans could be undermined if new terrestrial channels (see (d) below) were authorized in the next two to three years.

- In 5-10 years, further higher capacity channels may be available at around 20 GHz.

(b) Other satellite services: fixed service satellites (FSS)

- Low or medium power signals mainly using spare capacity on telecoms satellites and governed by international telecoms (not broadcasting) agreements. Not protected from interference. Dish size from 85 cm up, depending on power.

- Mainly intended for distribution of programmes (eg Sky, Superchannel) to cable headends but direct reception possible. Astra (Luxembourg based, launch planned for 1988) will be first FSS solely dedicated to broadcasting (16 channels) and marketed (Europe-wide) for direct reception.

- As (in theory) a telecoms service, FSS are subject (as yet) to no direct regulation as to content or transmission standards.

- Astra likely to be acid test of acceptability of medium power for direct reception. Consumer equipment more costly than for DBS (larger dishes).

(c) Cable

- Narrowband: obsolescent, but old-style relay systems still pass some 1.7M homes

- Broadband: coaxial cable providing c 30 channels. Tree and branch networks provide limited interactivity; switched star can carry fully interactive services including telephony (currently permitted only in conjunction with BT or Mercury).

- Fibre optic: virtually unlimited channel capacity; at present too costly but technically feasible for domestic services.

- 1983 White Paper and 1984 Cable and Broadcasting Act created a regulatory framework intended to encourage cable. So far 22 broadband franchises have been let but only 9 are operational and none are making money. [Unpublished Cable Authority figures suggest about 200,000 homes are passed by broadband cable, of which 15% take a service.]

(d) New over-air services (using terrestrial transmitters)

(i) existing TV bands ("the fifth channel")

- old VHF TV frequencies (Bands I and III) now being redeployed largely for mobile telecom services - a fast growing sector. New TV services possible only at cost of reversal of policy (eg ejection of mobile services). Consumers would require conversion equipment.

- a fifth channel giving 60-75% coverage is thought to be feasible in the UHF band, at the cost of modifications to the existing transmitter network and ejecting (which would take several years) existing users (notably air traffic control radar where the investment is hundreds of millions of pounds). Any plans would require international coordination. This is the only option for which additional receiving equipment would not be required.

(ii) MMDS (Multipoint, Multi-channel Distribution System)

Existing MMDS technology

- High frequency, low power technology offering over-air transmission of multiple channels. Widely used in US at around 2.5 GHz providing line of sight reception at ranges of 25-45 km.

- Limited spectrum could be available in parts of the UK at 1.7 - 1.9 GHz until the early to mid 1990s. (Being internationally considered for new mobile services thereafter.) Could provide 8-10 channel services in a number of geographically well separated areas. Much the same could be done at 11.7 to 12.5 GHz using the DBS downlink band.

Future MMDS technology

- A 20-30 channel service with near-national coverage might be feasible at 27.5 to 29.5 GHz. BT have developed prototype equipment at this frequency, which might be commercially available in 3-5 years.

- Ample spectrum exists above 30 GHz for national coverage of at least 30 channels, and bands have been earmarked at 38 and 54 GHz. Equipment is probably 7 - 10 years away. Range at these frequencies is very low (perhaps 1 km) and so many transmitters would be required that a national service is not really feasible.

- Some cable operators have suggested that cable franchisees should be permitted to use MMDS at 1.7 to 1.9 GHz as a temporary measure to provide a limited service throughout their franchise while cabling proceeds. They argue that finance would be easier to raise against the promise of earlier cashflow from the MMDS operation. Officials are studying the feasibility and policy implications.

(e) A national fibre-optic telecommunications network

- Peacock saw such a network as facilitating a "full broadcasting market" and recommended "common carrier" status for BT, Mercury etc, to help achieve it.

- Much of the technology exists; the main constraint for next decade will be cost.

- Options for the future of the UK electronic communications infrastructure will be examined by E(TP) early next year following work by a DTI-chaired steering group (Peacock vision itself not compatible with current telecommunications policy).

A. DELIVERY OF ADDITIONAL PROGRAMME SERVICES

Points for discussion

- Is it accepted that a "fifth channel" could be provided in the UHF bands for no more than about 75% (at best) of the population? Clearing the spectrum even for this could take some years and involve significant costs. Would this be acceptable?

- What are the prospects for MMDS? Would a national service be feasible or desirable, or would local or regional services be preferred?

- What are the pros and cons of DBS versus low powered satellite delivery?

- How important is direct reception of satellite services, as opposed to local retransmission (eg by cable)?

- How important to operators is the cross-frontier reach of satellite broadcasting?

- What importance do operators attach to features such as:

    - scope for additional data services;

    - multiple sound channels;

    - high definition television;

    - interactivity?

B

FINANCING OF ADDITIONAL PROGRAMME SERVICES

1. The Government wishes to see new programme services developed, and present policy envisages this through DBS and cable, whilst also allowing the direct reception of low powered satellite services (see separate note on broadcasting policy framework). As things stand we can expect three DBS channels in 1989/90, and the continued gradual development of cable.

2. Since the Cable and Broadcasting Act 1984 Government's policy has been to allow for new programme services, at the pace determined by the market, through cable and DBS. It was deliberately decided not to allow for MMDS though, at the time, the technology to make use of the available frequencies would clearly not be available for some years. The Peacock Committee foresaw future programme services emerging in a number of ways, but their only specific proposals to expedite this concerned cable, and in particular the suggestion that BT and Mercury should be allowed to provide television programme services on a common carrier basis. Government has issued a consultative document about this and is considering it in the context not only of broadcasting policy, but also of telecommunications policy.

3. There are a number of distinct, but overlapping issues:

(i) What delivery systems should Government allow and on what terms and which, if any, should it inhibit. At present Government has provided for cable and DBS but not (for example) for MMDS.

(ii) What financing arrangements should be allowed for new and existing services; and in particular what further arrangements should be made for subscription (or pay television).

(iii) What should be the timing: in particular how fast could the system move, even if technology allowed, from its present highly regulated state to a more open system.

(iv) At the end point how many programme services should realistically be envisaged (given present viewing habits beyond a certain point additional services are likely to lead to fragmentation of the audience rather than an increase in absolute viewing time).

(v) Similarly how much scope is there for raising additional revenue. The CSP Report on Subscription argues that there is in particular a large unmet demand for premium programme material for which the public would readily pay, if the mechanisms were available to allow them to do so correctly.

Delivery Systems

4. Despite several false starts, there remains the prospect of DBS services. In the long term DBS appears to make sense because a single transmitter in the sky can achieve nationwide coverage (provided each household can obtain line of sight to the satellite). But there remain considerable uncertainties of both a technical and economic nature.

5. In the meantime cable makes only very slow progress though it is clear that a number of people continue to invest substantial sums of money in it. One of the main issues before the Seminar is whether the Government's present policy of looking to cable and DBS as the way of breaking out of spectrum scarcity is the right one. Accordingly it will be interesting to probe opinion about the future of both these delivery mechanisms, and of the future for low or medium powered satellite services and the possibilities for MMDS.

Additional finance

6. There are two obvious sources of additional finance: advertising, if the number of advertising carrying outlets is increased, and subscription. It is possible that if Channel 4 were allowed to sell its own advertising this would provide some relief to the escalating advertising rates. But any real remedy to the situation is likely to depend on the provision of additional outlets. DBS will provide such outlets; and if cable were to develop it would do also, but its growth is slow. Similarly there may be some prospects through low powered satellite services which certainly hope to raise revenue through advertising. The Government's proposals for national commercial radio services, in its Green Paper, are also of some relevance.

7. On subscription while DBS and cable may provide some scope for raising revenue by this means, there is a view - advanced for example in the CSP consultancy Report - that some of the existing services should be turned over, for example in the night hours, to a subscription basis. If additional off-air television services were allowed (eg through MMDS) this would also provide a route to subscription, though perhaps with the consequence that further investment in cable and DBS was brought to a half. lt

Optimum number of programme services

8. There is no clear evidence as to what number of programme services would constitute the optimum. On one view we should work towards a situation of 'electronic publishing' where the number of channels is very large if not theoretically infinite in the sense that prepackaged channels cease to exist, and the consumer dials up programmes he wishes to watch from a catalogue. That particular vision would depend on an interactive cable grid. Others argue that while additional programme services are certainly needed any one viewer is likely to be satisfied with a relatively low number - perhaps eight to ten - though which eight to ten would no doubt vary from one consumer to another. Given

that the average viewer at present watches television for a very long time - on average three to four hours a day - it seems likely that additional programme services will lead to a fragmentation of the audience, rather than an absolute increase in viewing time. It does not however follow that we are close to the limit of revenue which could be raised for programme services. Indeed CSP argue that if consumers were able to register their preferences directly - for example by buying in premium programmes as they can through video rental - broadcasters could tap into a very large pool of additional finance.

<u>Authorising additional delivery mechanisms</u>

9. A decision to allow additional delivery mechanisms - over and above cable and DBS - clearly raises difficult and complex issues. In particular a decision to authorise MMDS seems likely to have a major impact on the willingness of commercial operators to invest in cable, though its effect on DBS is less clear. If as a result cable finally stalled there would be profound consequences for the Government's hopes of developing a third competitive telecommunications network. The Seminar will provide an occasion to seek opinions on the prospects for cable and DBS.

<u>Restrictions on foreign programming</u>

10. Under the Broadcasting Act 1981 the IBA is under a duty to satisfy itself that its programmes include a proper proportion of material of EC origin. The IBA proceeds on the basis that about 84% of the material should be of EC origin. The BBC adopts a similar approach; and under the Cable and Broadcasting Act 1984 the Cable Authority is required to do all that it can to secure that a proper proportion of programmes carried by cable systems are of EC origin.

11. Since there is a good deal of material (from Australia and the United States for example) which could be offered to a new programme service at relatively price there is clearly a

substantial risk that in de-regulating broadcasting domestic production will suffer. There is a similar risk in the move from in-house production to the independent production sector.

12. Existing legislation similar contains restrictions on non-EC ownership of cable and ITV. If these were removed, and a system of competitive tender introduced, it seems likely that control of at least some of the broadcasting sector would be exercised by non-EC companies.

<mc>Ppr/Fin/Ad/Prgm/Svcs

C

THE FUTURE OF EXISTING TELEVISION SERVICES: BBC

1. The licence fee remains the principal means of financing the BBC. The Government has made it clear that in future the licence fee will be indexed to the RPI, at least for the three years from 1988 to 1991.

2. The Government accepted the recommendation of the Peacock Committee that the BBC should not be financed through advertising.

3. The Consultants appointed to study subscription concluded that it should not be seen as an early replacement for the licence fee; but that it could be introduced gradually as a way of raising additional finance for supplementary services (eg at night). (See background note on subscription.)

4. The licence fee is accordingly likely to remain for some time. It is intended that the decision to peg the licence fee to RPI will provide the necessary incentives to cost consciousness. The Government announced in January that in principle it wished the BBC to become responsible for administering the collection of the licence fee, which would require legislation. The matter remains under consideration between the Home Office and the BBC.

5. A feature of the present arrangements is that BBC radio is funded out of the television licence fee. If and when it proves possible to finance BBC television other than through the licence fee, there will be a question about the future funding of BBC radio.

<mc>Ppr/Fut/Extng/TV/Svcs

D

Increasing Efficiency and Competition within the Duopoly

BACKGROUND

The present year ITV contracts expire at the end of 1989. The Broadcasting Act 1987 provides for their extension for 3 years.

2. ITV advertising revenue has increased from £912m in 1984 to £1,344 in 1987 (estimated). It is currently showing year on year growth of 14%.

3. ITV companies pay, in addition to corporation tax, a levy on their profits (including, since 1986, profits from the export of programmes). In 1985-1986 profits were £119m, in 1986-87 £194m (estimate): an increase of 62%, with levy payments now totalling £63m. The increased profitability is overwhelmingly due to increased advertising receipts (and interest on cash balances).

4. ITV advertising sales practices are now under study by the Office of Fair Trading.

5. The Fourth Channel (Channel 4 and S4C) is financed by subscription from the ITV companies (£136m for Channel 4 and £34m for S4C in 1986-1987) in return for advertising sold (£155m for Channel 4 and £3m for S4C. Fourth Channel transmission costs (£15m) are paid by ITV companies separately.

6. The BBC has so far taken about 100 hours a year from independent producers. It is taking a further 100 in 1987-1988. It has announced plans to commission 600 hours by 1990 (c12% of original network output excluding news and news-based material), and then, subject to review of cost and quality, to move to a second stage. The ITV companies at present take only occasional independent productions. The IBA's plans envisage ITV companies commissioning 500 hours on a voluntary basis by 1990 and 25% of original output as a contract condition by 1993. Channel 4 commissions 45% of original programmes from independent producers and 40% from ITV.

Peacock proposals

7. Peacock recommended:

a) BBC and ITV to be required to take over a 10-year period at least 40% of their programmes from independent producers;

b) ITV contracts to be put to competitive tender (with the IBA permitted to award a contract to an underbidder by reason of added "value for money" in terms of a public service):

the tender procedure to deliver the monopoly rent for the contract and so dispense with the need for the levy on profits;

c) Channel 4 to continue to provide complementary services but to have the option of being financed by the sale of its own advertising time.

Public Government line

8. Ministers have said:

a) the BBC and ITV must take 25% of original programmes (possibly excluding news) from independent producers in about 4 years, or in any event as soon as possible;

25%

b) they are considering the proposals on competitive tender and Channel 4; and

c) they want to see the ITV networking system reformed, so that it is made more competitive: at present the companies with historically the largest advertising receipts provide the majority of network material as of right.

Present Government consideration

9. ITV contracts: Ministers have agreed that, with effect from 1993, contracts should be let by competitive tender with applicants who clear an initial quality of service threshold applied by the IBA offering a tender price on the basis of a liability to pay to Government a fixed percentage of advertising revenue throughout the contract period. The present profits-based levy would be abolished. Officials are working up the detail of a tender scheme.

10. Channel 4; Ministers have yet to decide whether Channel 4 should be reconstituted as a separate broadcasting authority, capable of covering its costs either by selling air time or by ITV subscription, or as a programme company operating on a commercial basis in the same way as ITV but with an individual remit. Officials have been asked to examine the feasibility of the latter.

11. Independent producers: the Home Secretary has been authorised to continue discussion with the BBC and IBA with a view to securing firm commitment to the achievement of the 25% target by a firm date. Officials have been asked to examine the feasibility of legislation to compel this outcome, and ensure that the terms on which programmes are obtained (currently under commercial negotiation between broadcasters and independent producers) are fair.

12. Networking

Ministers have yet to decide whether the IBA's plans to reform the networking system are sufficient to meet their objectives or whether an independent review is needed.

Points for Discussion

13. What needs to be done to control inflation in advertising costs, which add to inflation in the general economy? Would the Peacock proposals on ITV contracts and Channel 4 help and is that enough?

14. How much further than the 25% target, and on what timescale, should we move to the separation of the functions of making programmes and operating channels?

15. Is there a case - as Peacock proposed - for special legislation to prevent the independent production industry becoming concentrated into a handful of major companies?

16. If the Peacock proposal on Channel 4 were rejected, what ought to happen to the financing of S4C?

17. What changes to the networking system will the independent production initiative entail?

<mc>Ppr/Inc/Eff&Comp

E

PUBLIC SERVICE BROADCASTING

All BBC and IBA services are provided as public service broadcasting. Thus:

a) the services are regulated by an authority at arms length from Government;

b) the services are required to maintain certain standards of taste and decency [see note on regulation of programme content] not to incite to crime etc. These are "consumer protection" rules;

c) viewers (or listeners) in all parts of the country who pay the same licence fee are able to receive all public service channels. The concept of universality;

d) the services provide a range and quality of programmes. Thus the Broadcasting Act 1981 refers to a high general standard and a proper balance of information, education and entertainment. Both the BBC and IBA recognise a public service obligation to arrange their schedules in a way that places some "minority" programmes at times when a popular programme would draw a larger audience. The IBA's influence over the ITV companies rests heavily on their influence over scheduling.

The Government's position

2. In the Broadcasting Act 1984 the Government imposed a modified public service regime on new DBS services, which will be universally available, but not on new local cable services. In the Radio Green Paper it drew the distinction between the public service obligations of BBC radio, and the lighter regulation of independent radio. For the latter it suggested that only a "consumer protection" regime was needed, on the analogy of the regime laid down in 1984 for cable.

3. With these exceptions, the Government has so far not

questioned the importance of maintaining the public service obligations, including the range and quality of programmes, for existing BBC and ITV services. It has argued that change and competition need not cause any diminution in the quality of services. They ought to improve it.

4. The Peacock Committee employed a much narrower definition of public service broadcasting than that suggested above. They saw the availability of more channels, and the introduction of new methods of payment creating a fully competitive market responsive to consumer choice. They agreed that once this had happened - ie several years ahead - it would be otiose to continue to impose on those providing services any general obligations to control schedules, or provide particular types of programme. They believed, however, that there would be some types of programme which ought still to be available to the viewers but which the market left to itself might not provide (eg some current affairs or cultural programmes). The Committee confined the term "public service broadcasting" to such programmes and recommended the establishment of a Public Service Broadcasting Council to provide money for making such programmes.

5. The Government has not yet taken a view on this recommendation, which the Committee saw as relevant to Stage Three of their long term thinking and not as requiring any early action.

Possible Questions for Discussion at the Seminar

A. Is the control of scheduling with the restraint it imposes on seeking maximum audiences still relevant when viewers can use a video recorder to decide when to watch a programme?

B. How long is it right to contemplate ITV companies operating under a public service regime if new competitors enter the market who are not subject to that regime?

C. The proposal for a Public Service Broadcasting Council.

F

REGULATION OF PROGRAMME CONTENT

1. The maintenance of standards in broadcasting is a matter for the broadcasting authorities - the BBC, the Independent Broadcasting Authority (IBA) and the Welsh Fourth Channel Authority - who are ultimately responsible to Parliament for safeguarding the public interest in broadcasting.

2. Under the Broadcasting Act 1981, the IBA has a duty to ensure that programmes maintain a high general standard and that so far as possible they contain nothing which may offend against good taste and decency, be offensive to public feeling, encourage or incite to crime, or lead to disorder. The BBC has undertaken similar obligations in its Licence and Agreement.

3. The broadcasting authorities are also required to maintain guidelines for programme makers on the portrayal of violence on television and to ensure that they are adhered to. This guidance is wide ranging; it advises on the timing of programmes and recommends when warning announcements should be made. It stresses that particular care is needed when children and young persons are likely to be viewing.

4. Both the BBC and the IBA operate a "family viewing policy" which assumes a progressive decline throughout the evening in the proportion of children present in the audience. Before 9.00 pm all programmes screened are expected to be suitable for watching by children. After 9.00 pm parents are expected to share in the responsibility for what their children watch - and to use the "off" switch if they think it right. The first episode of the mini-series "Sins" broadcast between 7.45-9.45 pm on 6 September has been criticised as containing unacceptable violence before 9.00 pm. The IBA has admitted

that it was a mistake to show the programme at that time and it has been reported that it has initiated an inquiry into the matter.

5. The Cable Authority also has a responsibility to do all it can to ensure that every licensed service contains nothing which offends against good taste or decency or is likely to encourage of incite to crime or be offensive to public feeling. It also has a duty to draw up a code giving guidance on the showing of violence. Cable programmes are not exempt from the obscenity law.

6. The Government has a Manifesto commitment to remove the current exemption enjoyed by the broadcasters under the Obscene Publications Act 1959; and to provide for stronger and more effective arrangements to reflect concern about standards relating to portrayals of sex and violence on television. [The Home Secretary has put forward to his colleagues proposals for a Broadcasting Council to be established in advance of legislation.]

7. Following the Hungerford tragedy, the broadcasting authorities have recently met again to consider violence on television, and the Home Secretary has arranged to meet them shortly.

8. The Peacock Committee, for their part, urged the reduction and eventually the removal of regulatory control over programme standards, on the basis that the recourse for people concerned about these matters should lie with the normal remedies of the law. To that end they accepted that the broadcast media should be brought within the scope of the obscenity law, and recommended that any other necessary consumer protection elements of existing regulation should be incorporated into the general law of the land

(Recommendation 18). The Government have expressly rejected this alternative approach.

<mc>Ppr/Reg/Prg/Cont

G

BROADCASTING POLICY FRAMEWORK

1. The nature of our present broadcasting system has been determined to a large extent by three factors:

(i) Spectrum scarcity, meaning that only a few channels could be broadcast;

(ii) the perception that the nature of television - in particular its apparent authority, immediacy and intrusiveness and its power of presentation - justifies and requires special control;

(iii) the absence of direct means of consumer payment which has inhibited the normal play of market forces.

2. These factors have led to the concept of the 'broadcasting authority', providing services of universal coverage and regulating them as national assets in the public interest. Competition at a financial level between different broadcasting organisations has been expressly prevented, and new capacity has been introduced gradually, in order to avoid disrupting the public service principle. (These services - paid for by advertising and the licence fee - are free at the point of delivery except for the cost of the licence fee, television set and aerial.)

3. The main issue is the transition, which has been under way for some years, from a situation where all broadcasting was provided by broadcasting authorities under a public service regime, to one where there is a range of programming services, some of which are more lightly regulated.

4. Since 1979 Government's policy has been:

(i) to sustain public service broadcasting and its institutions, while;

(ii) taking steps to open up the system to increased competition and to enhance efficiency, partly to prepare public service broadcasters for a broadcasting scene which is more competitive nationally and internationally;

(iii) to provide the necessary regulatory framework to enable new programme services to develop, as far as possible at a pace determined by the market.

This approach was underlined by the wording of the relevant passage of the Manifesto.

5. The Government provided for the introduction of new delivery systems for television programmes in the Cable and Broadcasting Act 1984. This established the Cable Authority with a dual responsibility both to promote the development of wideband cable and to supervise the content of television programmes carried on cable systems. The objective was to produce not only a new medium for television programme services but the development of a third competitive telecommunications network. In its second capacity the Cable Authority has some similarities to the BBC and the IBA in regulating programme content. It is required, for example, to do all it can to secure that programmes carried on cable systems observe certain standards as to taste and decency; avoid incitement to crime; are accurate and impartial in news programmes which originate in the UK; and that a proper proportion of them are of EC origin. It also has responsibilities regarding the portrayal of violence; religious and charitable matters; and the content of advertisements. These are all what might broadly be described as consumer protection responsibilities. The 1984 Act deliberately did not place on the Cable Authority the positive public service responsibilities of

the broadcasting authorities, and it does not itself make the 'broadcasts'. It is not required, for example, to see that cable programmes inform and educate as well as entertain; nor to see that they cover a wide range of subject matter. Equally important, with a large number of cable services in operation each offering possibly 20 or more television channels, the Cable Authority is not expected to operate a close supervision of everything that is disseminated. Its regulatory role is more generalised and reactive.

6. The Cable and Broadcasting Act 1984 also provided for Direct Broadcasting by Satellite (DBS). Its provision for joint venture DBS have now been overtaken. The Act also provided for the IBA to mount DBS as a form of public service broadcasting, though with some adjustments in recognition of the fact that this high risk service will need to make its way in the marketplace. British Satellite Broadcasting (BSB) is planning to start operation on three channels in 1989. BSB has a 15 year contract and the Government has made it clear that it will not release the other two DBS channels allocated to the UK for operation until BSB has been in service for at least three years. BSB will raise revenue both through advertising and, on one channel, from subscription.

7. There are already a number of low powered satellite programme services receivable in the UK and over Europe. These include Sky Channel (mainly entertainment) and Superchannel jointly owned by the ITV companies (except Thames) and Virgin which broadcasts largely second-hand material, including some from the BBC and ITV, and an original news service from ITN). New delivery systems (and perhaps new services) are in prospect including the medium powered <u>Astra</u> a Luxembourg based satellite to transmit on 16 channels, some of which are likely to be existing services transferred from other satellites. Both BT and Thames Television plan to take a shareholding. All these services transmit on frequencies allocated, by international agreement, for telecommunications

purposes and as such are not designed, as is DBS, to produce interference free reception.

8. At present most of those receiving satellite programme services in the UK, and in Europe, do so in a cable system. In the UK, since May 1985, unlike most of Europe, direct or individual reception is also permitted.

9. Present plans for television broadcasting, including cable, therefore comprise the following elements:

(i) Four channels of universally available, terrestrial public service television, with increased participation by independent producers.

(ii) Three new DBS television channels starting in 1989 or 1990, broadly on a public service basis, but competing for advertising and subscription revenues with terrestrial television and cable; and two additional channels following three or more years later.

(iii) Local broadband cable systems, not on public service lines, providing 30 or more channels.

(iv) Low and medium powered telecommunications satellite such as Astra permitted (but not encouraged) to transmit directly to people's homes.

(v) The possibility of introducing greater use of BBC and ITV frequencies in the night hours, including subscription services, depending on decisions taken on the Peacock Report and on the CSP Subscription Report.

10. It should also be noted that video cassette records (VCRs) are now in more than half the households in the UK and the rental

and sale of prerecorded tapes constitutes a market of over £500m a year: ie approaching half the revenue of the ITV system.

<mc>Ppr/Brdg/Plcy/Frmwk

ANNEX A

THE INDEPENDENT TELEVISION SYSTEM

The purpose of the independent television system is the same as the statutory function of the IBA: to provide broadcasting services of high quality. The Act requires the IBA to ensure that programmes provide a proper balance of information, education and entertainment; a high general standard in all respects; and, so far as possible, accuracy in news, due impartiality in matters of political and industrial controversy, and the avoidance of offence to good taste and decency.

2. The IBA discharges this function through programme contractors. The determination of the areas to be advertised, as well as the requirements of the service to be provided by the contractor in those areas, is a matter for the IBA: among the factors it takes into account are the character and tastes of the population to be served, financial realities and engineering requirements. The selection of a particular contractor from competing applicants is also a matter for the IBA: relevant considerations include past performance and future promise, the extent of local support, and financial strength.

3. At present, fifteen separate regionally-based companies are under contract with the IBA to provide the ITV programme services in fourteen areas (London is served by two companies, one for weekdays and one for weekends). Each company aims to produce programmes reflecting the particular tastes and needs of people in its area. The ITV companies' services in Northern Ireland, Scotland and Wales reflect the distinct character and culture of their national regions. The ITV companies vary greatly in size. The largest - Thames Television - has about 2,300 employees: the smallest - Channel Television - about 75.

4. All the companies, in varying degrees, make contributions to the IBA's nationwide network, through which programmes of wider appeal may be made available to the whole country. About half the networked programmes, however, are produced by the five major contractors - Central, Granada, LWT, Thames and Yorkshire - whose task it is to provide the central core of ITV schedules across the country (in addition to programmes of local interest in their own regions). TV-am provides ITV's breakfast-time service throughout the UK.

5. Independent Television News (ITN), which supplies ITV's national and international news programmes, and ORACLE, Independent Television's teletext service, are jointly owned by all the ITV area companies.

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6. The Fourth Channel is arranged differently. The Channel Four Television Company, which provides a national television service (except in Wales) complementary to that of ITV, is a wholly-owned subsidiary of the IBA. Although in programme provision it enjoys the same degree of autonomy as an ITV company, its board of directors is appointed by the IBA, which has ultimate responsibility for the service provided by the company. The Welsh Fourth Channel Authority - a statutory body quite separate from the IBA - is responsible for S4C in Wales.

7. To carry out its functions with regard to programme quality the IBA approves schedules in advance, and monitors the output. In addition to the findings of audience research, it has the assistance of a General Advisory Council, and National Advisory Committees in Northern Ireland, Scotland and Wales. The IBA's function, however, is not merely regulatory. It is closely involved in the processes of programme planning and the formulation of programme policy. It therefore has a closer and more positive involvement in the total output than a censor, and a greater responsibility for the strategy of the independent broadcasting system than a regulatory board. The IBA is accountable for the programmes it broadcasts.

8. Although the IBA's powers of direction over the programme companies are considerable, good programming depends on the existence of conditions in which a good service will be produced. The IBA's concern is therefore to encourage quality in every way open to it.

9. The IBA for this reason undertakes continuing assessment of programmes, in the light of research into audience appreciation. Particular areas of programming are discussed regularly with the companies by specialist programme staff on the IBA. The IBA's views on general strengths and weaknesses are made known to the companies, and there is assessment of past effectiveness and future possibilities. On occasions when the IBA feels that a fresh initiative is needed in a particular programme field, or wants to look back at the way in which one part of the output has been developing, it holds consultations attended by representatives from all companies.

10. The IBA also has an important function in relation to scheduling. Each of the ITV companies and Channel 4 draw up schedules in consultation with the IBA before the Authority's final approval is given. Efforts are made to ensure that, between them. ITV and Channel 4 provide sensible programme choices which emphasise the regional elements of ITV and the special programme requirements laid by Parliament upon Channel 4.

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The IBA has established a series of requirements on the programme companies relating to the amount and timing of programme categories such as news, current affairs and documentary, regional interest, children's programmes and educational and religious programmes. The IBA also sets limits on the amount of foreign material which may be shown both in the schedule as a whole and specifically within peak-viewing hours. The needs of the family audience during the daytime and in the early evening exclude certain kinds of adult material at those times. Limits are also set by the IBA on the number of programmes offering prizes in cash or kind and on the value of such prizes. The general intention is to provide schedules which offer programmes catering for a wide range of tastes, and to distribute those programmes reasonably and sensibly throughout the schedules as a whole.

12. The regional structure of ITV provides for the pattern of ITV programmes to vary in different parts of the country, as each company presents a range of programmes planned to appeal specially to viewers in its own area. However, because of the core of ITV's network programmes and the basic requirements established by the IBA, it is possible to determine the weekly balance of programmes that the ITV service typically provides. This is shown for 1984-85 in Table I along with figures for Channel 4.

13. Although there are many similarities in the division of transmission time between the various programme categories on ITV and Channel 4, the programmes included in the same nominal groups are often different in character. Two major aims of the Channel 4 service as prescribed in the Broadcasting Act 1981 are to provide for tastes and interests not generally catered for on ITV, and to encourage innovation and experiment in the form and content of programmes.

14. Part of the IBA's role is therefore to ensure that the effects of advertising-funding do not predominate, that choice for the audience is maximised, and that a wide range of programme is provided. The pressure upon programme companies is to achieve high ratings, for it is the high-rating programme that attracts advertising revenue, even when the advertiser is seeking to reach 'the light ITV viewer'. Research into audience patterns has shown that the light viewer is primarily a viewer of high-rating programmes. It may be true that, with two programmes attracting audiences of the same size, advertisers will prefer slots in the programme with a higher proportion of light viewers: but they may be willing to pay.

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still more for slots in a programme with a larger audience even though the proportion (and number) of light viewers is smaller. In requiring a wide range of programmes and provision for minority interests, the IBA is exercising an influence against the thrust of particular commercial pressures. It is for this reason that Channel 4 was set up with the structure laid down in the Broadcasting Act 1980.

15. The IBA's national advisory committees in Northern Ireland, Scotland and Wales attach an importance to maintaining the strength of the regional companies, and the public service aspects of independent broadcasting with its coverage of remote areas and its provision of local programmes. The Welsh Committee lays stress also on the importance of S4C, which apart from the programming it receives from the BBC depends wholly upon funding derived from the ITV companies. Although the channel is under the control of the separate Welsh Fourth Channel Authority, the IBA has provided the transmitter network, transmits the S4C programme service, and controls the advertising on the channel (which is sold by HTV). The IBA is also responsible for raising from the ITV companies the funds which go to finance the channel.

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TABLE 1

Typical Weekly Balance of Television Programmes 1984-85

Average ITV Area ±	hrs. mins.		Channel 4	hrs. mins.	
News and news magazines	10.57	10.50%	News	4.00	5.75%
Current affairs and general factual	10.19	9.75%	Current affairs and general factual	13.05	19.00%
Arts	0.58	1.00%	Arts	2.40	4.00%
Religion	2.28	2.50%	Religion	1.15	1.75%
Adult education	1.49	1.75%	Education	7.29	10.75%
School programmes	6.51	6.50%			
Pre-school education	2.02	2.00%			
Children's information programmes	2.45	2.50%			
INFORMATIVE	38.09	36.50%	INFORMATIVE	28.29	41.25%
Plays, drama, TV movies	25.3[illegible]	24.50%	Plays, drama, TV movies	14.45	21.50%
Feature films	7.4[illegible]	7.50%	Feature films	9.33	13.75%
NARRATIVE	33.2[illegible]	32.00%	NARRATIVE	24.18	35.25%
Children's drama and entertainment	7.53	7.50%			
Entertainment and music	16.00	15.25%	Entertainment and music	11.13	16.25%
Sport	9.11	8.75%	Sport	5.01	7.25%
TOTAL ALL PROGRAMMES	104.40	100.00%	TOTAL ALL PROGRAMMES	69.08	100.00%

± Excluding TV-am's 20½ hrs per week.

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H

THE PEACOCK REPORT

1. The Report of the inquiry under Professor Peacock into the financing of the BBC (Cmnd 9824, July 1986) argued that the new technologies of cable and satellite offered the possibility for removing many of the artificial constraints imposed on broadcasting because of spectrum scarcity. The Committee believed that the guiding principle of future broadcasting policy should be to work towards arrangements where the sovereignty of the consumer prevailed. (The Committee distinguished consumer sovereignty from what they called 'commercial laissez-faire' with its risk of unregulated monopolistic practices.) The Committee believed that in order to achieve this aim it would be necessary to create a genuinely competitive broadcasting market which met three essential preconditions:

(i) Viewers must be able to register their preferences directly by 'pay per view';

(ii) there must be freedom of entry for programme makers;

(iii) transmission facilities must be operated on a common carrier basis.

2. The Committee recognised that these were ideal conditions and that the technology did not yet exist to implement all of them. The Committee emphasised that broadcasting services financed by advertising did not fulfill condition (i) in its fullest sense.

3. The Committee acknowledged that while spectrum scarcity prevailed and there was no direct means of consumer payment for programmes, the present system of public service broadcasting was probably the best means of maximising consumer welfare through the provision of a wide range of programmes of popularity and merit. In particular it concluded that the public service system had

mimicked the effects of a true consumer market better than any purely laissez-faire system financed by advertising could have done under conditions of spectrum shortage. Nonetheless, the Committee believed that the present system had the natural imperfections of any regulated duopoly and should not be perpetuated once a better alternative was available.

4. The Committee therefore charted a course in three stages. <u>Stage 1</u> was seen as a preparatory stage lasting about 10 years in which the current structure of broadcasting would remain, but with a number of detailed modifications partly in order to prepare for <u>Stage 2</u>. Under <u>Stage 2</u> BBC services would be paid for by subscription, and other broadcasting services on cable and satellite would be allowed to proliferate, using whatever payment system was appropriate. The long term goal would be <u>Stage 3</u>, where the full broadcasting market is achieved by means of an indefinite number of channels paid for by pay per programme or pay per channel. One way of achieving this would be through a national wideband fibre optic grid throughout the country. In both Stages 2 and 3 public service broadcasting would be preserved, but based upon a narrower definition than that now applying to the BBC and the IBA, and limited to programmes - such as documentaries, serious music, and other more demanding programmes - which would not be produced by a free market. The Peacock Committee proposed that these programmes would be supported by a subsidy dispersed by a new body, the Public Service Broadcasting Council.

5. The Government has already taken and announced a number of decisions in the wake of the Report:

(i) No advertising on the BBC.

(ii) Licence fee to continue for the moment indexed to RPI, at least until March 1991.

(iii) Economic and technical study commissioned (and completed) of subscription.

(iv) Twenty-five per cent target for independent productions on BBC and ITV.

(v) Broadcasting Act 1987 extended ITV contracts to 1992, to keep open the options to make further changes on the next round.

6. There remain a number of Peacock recommendations on which the Government has not yet announced decisions. These include:

(a) the proposal to separate Channel 4 from ITV and to allow it to sell its own advertising;

(b) the proposal to allocate ITV contracts by competitive tender;

(c) the proposal that the non-occupied night time hours of BBC and ITV television wavelengths should be sold for broadcasting purposes;

(d) the proposals for the introduction of subscription;

(e) the proposal that the national cable grid should be developed by the national telecommunications operators (BT and Mercury) on a common carrier basis, rather than proceeding through a series of localised monopolies as the Cable and Broadcasting Act 1984 envisaged.

<mc>Ppr/Peacock/Rep

I

FINANCING TELEVISION PROGRAMME SERVICES

BBC

1. The BBC (including BBC radio) is financed almost entirely through the television licence fee. The Government has already announced that it will in future be indexed to the RPI, at least for the three years from 1988 to 1991.

ITV

2. ITV is financed through advertising, of which it has in effect a monopoly. It sells the advertising not only on ITV but also on Channel 4.

Channel 4 and S4C

3. Both Channel 4 and the Welsh Fourth Channel Authority are financed by subscriptions from the ITV companies, which are in effect raised in exchange for allowing them the right to sell advertising space on those channels.

Cable

4. The legislation envisages that cable operators should raise money both through advertising and through subscription. In practice, because of the slow start to cable, at present most revenue is raised through subscription.

DBS

5. The legislation similarly allows DBS to raise money both through advertising and through subscription. BSB plan that three of its programme services should be transmitted in clear and financed through advertising, and that the fourth service (a film service in the evenings) should be financed through subscription.

Low powered satellite services

6. The satellite programme services operating over Europe, and originating in the UK, all hope to raise revenue through

advertising though at present all are running at a loss. It is possible that some of these services in future may be encrypted not only to protect copyright, but also to raise money through subscriptions.

Subscription

7. An important question is whether subscription should be given a large role to play in the broadcasting system. This is discussed further in a separate note on subscription.

<mc>Ppr/Fin/TV/Prg/Svcs

J

SUBSCRIPTION

1. At present most revenue for broadcasting in the UK is raised from advertising and the licence fee. Cable operators however raise money through subscription, as well as through advertising. Under the legislation for DBS the operator is similarly allowed to raise money both through advertising and through subscription; and BSB plan that its film channel should be provided on a subscription basis.

2. The Peacock Committee recommended that for the time being the BBC should continue to be financed through the licence fee, and ITV through advertising. However, they recommended that in Stage 2, after seven to ten years, the BBC should be financed on a subscription basis. In the wake of the Report the Home Office commissioned a technical and economic study from CSP (now taken over by Booz Allen). The study team was led by Mr Charles Jonscher who will of course be attending the Seminar.

3. The consultancy proceeded by undertaking a close examination of the technical feasibility of introducing subscription for off-air terrestrial television services. They also estimated the costs, in terms of both equipment and administration, of doing so. They undertook some original market research, and looked at other evidence, to assess the willingness of consumers to pay for existing and possible new television services. They have had wide ranging discussions with those in the industry and those with relevant technical and economic skills to ensure that they were fully abreast of the state of the arts. They took account of all the relevant considerations such as the likely impact of subscription on picture quality, and the necessary demands of security to prevent unauthorised viewing. Finally they attempted an economic benefit-cost analysis of the value of introducing subscription in the light of the evidence they had collected.

4. The Report was published in July with a request that any interested parties should comment by the end of September.

5. The Consultants' main findings were:

(i) putting some, or all, of our terrestrial television services on a subscription basis would be technically feasible. There are some qualifications and uncertainties, particularly because no comparable system on the scale required exists. The consultants are confident, however, that technological obstacles are unlikely to cause a plan for the introduction of subscription television to fail; but

(ii) if the subscription is introduced it should be on a progressive basis. There are two reasons for this: first, the consultants expressed great concern about the likely administrative chaos if subscription were introduced suddenly, even on a region by region basis. Second, their assessment is that the cost of the necessary equipment associated with the television set would fall to manageable proportions only if it were fully integrated in the set at the production stage. That implies a long and gradual change-over as people purchase new sets;

(iii) on balance there would be little advantage in using subscription technology as a substitute for the licence fee. Although more money might be collected because of a reduction in evasion this would be outweighed by additional costs;

(iv) there is a substantial and largely unmet demand for additional television services, in particular of a premium quality (that is, such things as first run feature films for which there is a large market, and for which a relatively small proportion would wish to pay a substantial amount). A service of subscription television, particularly if linked to a new service concentrating on such material, would be profitable;

(v) if the BBC's services were put on a subscription basis, while ITV and Channel 4 remained unscrambled, they would not be viable: that is, they would not attract enough revenue to cover the programme costs. (The same would be true of commercial television: that is, ITV and Channel 4 would not be viable on a scrambled basis if the BBC was at the same time receivable in clear.) Costs would only be recovered if there were a substantial departure from the existing public service broadcasting mix of premium material, information programming and light entertainment. The implication is that the BBC services could be financed through subscription and not through licence fee if, but only if, it made a radical change in its programming mix, and then only by pricing its product at a level which meant that the majority of the population would choose not to receive it;

(vi) if all four terrestrial channels were put on a subscription basis they would be unlikely to raise enough money from subscription alone to cover their costs, though BBC2 and Channel 4 would probably do so (because of their relatively low cost, rather than their greater popularity). However, if account is taken of advertising revenue this approach would be practicable. But the operators would need to price their services at a level which meant that a substantial proportion of the population would choose not to receive them;

(vii) taking account of their view that subscription should be introduced on a progressive basis, and of their other findings including their assessment that there is a big demand for additional premium services (as evidenced in part by expenditure on video shops), they suggest that a possible way forward would be to start a premium subscription service perhaps on BBC2 or Channel 4's frequencies, and initially confined to the night hours, or through new over-the-air television services. As the new system developed, and the necessary technology became more widely available, it would be possible to move an increasing number of hours over to a subscription basis, thereby providing a soft route into subscription.

<mc>Ppr/Subscrptn

K

RADIO

1. The Government published its Green Paper in March 1987, with a request for comments by 30 June.

2. The main proposals were as follows:

At the national level:-

(i) there is continuing need for public service broadcasting at national level, and the BBC should continue to provide programmes of high quality, comprising information, education and entertainment and of wide range and diversity;

(ii) it should remain for the BBC, not the Government, to decide how these public service broadcasting obligations should be met, subject to the availability of resources and frequency spectrum assigned to the BBC;

(iii) it does not follow that the BBC should continue to enjoy indefinitely the spectrum which it now has; given the present degree of simulcasting, this may not be the best use to be made of it;

(iv) there should be additional national radio services provided on commercial lines to introduce diversity and the stimulus of competition;

(v) additional frequencies for this can be found by withdrawing two from the BBC;

(vi) these services should not be required either singly or in combination to comprise education, information and entertainment; and

(vii) new national commercial services do not need to be provided or transmitted by a broadcasting authority. While those mounting the service should be free to make their own arrangements for transmission, there should be specifications as to coverage.

At the local level:

(i) the BBC should retain discretion, within the overall resources provided for it, to complete its chain of local stations and to continue to provide public service broadcasting at the local level;

(ii) there is scope for community radio services, operating under the same light regulatory regime as new national services; and

(iii) the existing local independent stations should also be more lightly regulated in the same way and under the same terms.

3. The Green Paper proposals have been broadly welcomed (subject to reservations from some existing commercial radio operators about the introduction of competing new national services). The Home Office is now considering the responses, and the Home Secretary will be putting proposals for radio legislation to colleagues shortly.

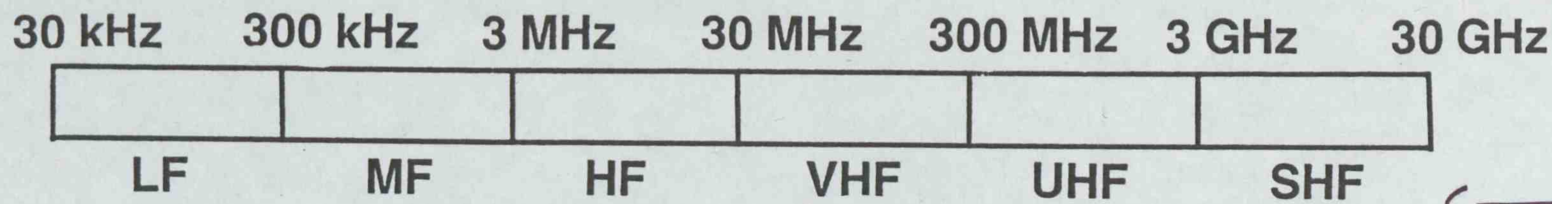
<mc>Ppr/Radio

SLIDE 1

T.V.

RADIO SPECTRUM

line of sight. 1 KM



Band.

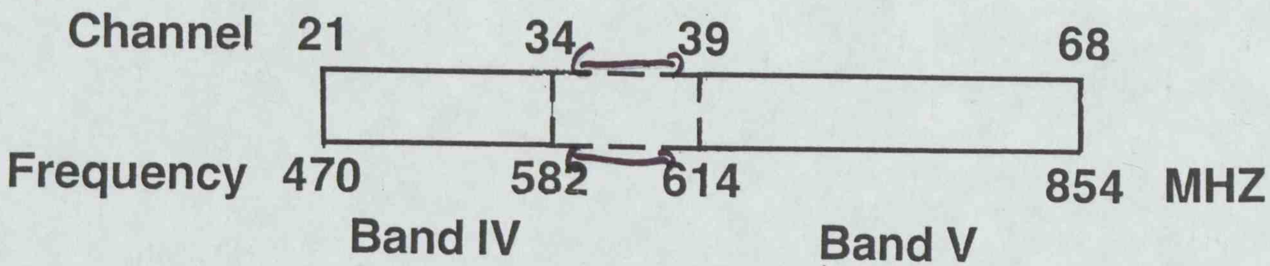
4 colour channels
4x4 frequencies

Band I	41 MHz to 68 MHz	(405-line BBC1, withdrawn 1984/85)	- Private Mobile Radio
Band III	176 MHz to 216 MHz	(405-line ITV, withdrawn 1984/85)	
Band IV	470 MHz to 582 MHz	current BBC1, BBC2, ITV, and Channel 4 services	
Band V	582 MHz to 862 MHz		

SLIDE 2

5th Channel

UK TV BANDS

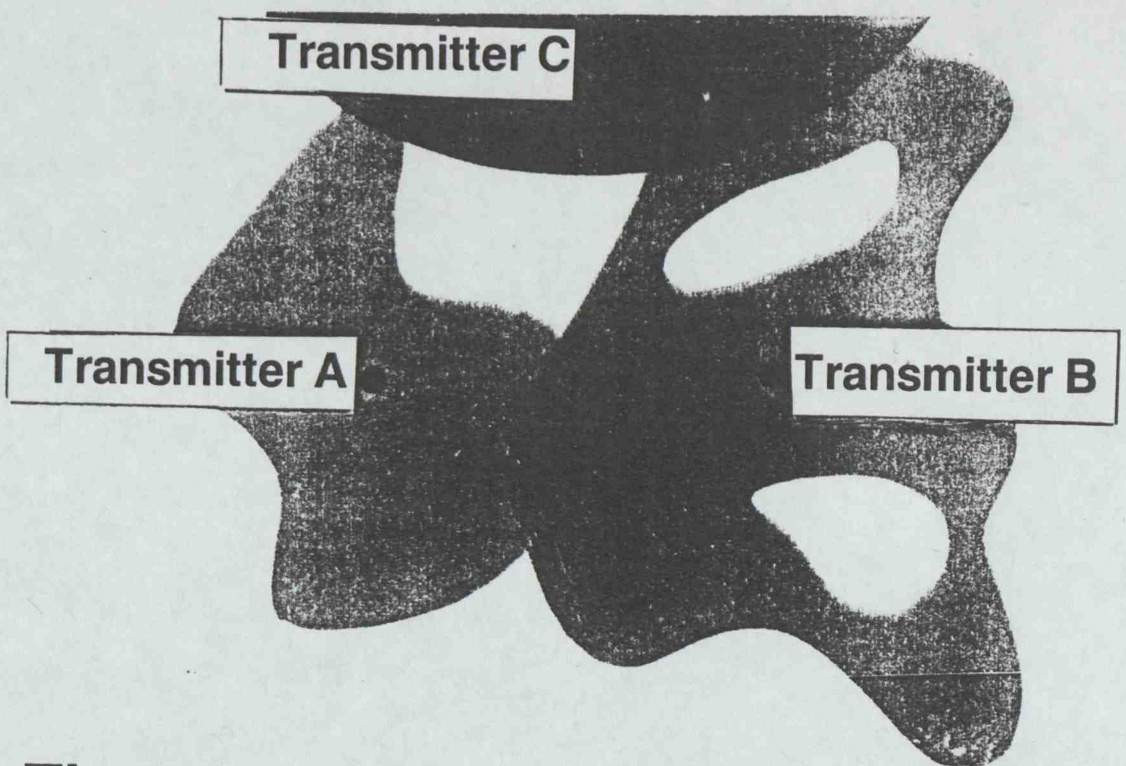


44 UK channels divided into 9 groups of 4 plus 8 "reserves"

This system allows a full co-ordination of UK TV broadcasting arrangements with those of neighbouring countries

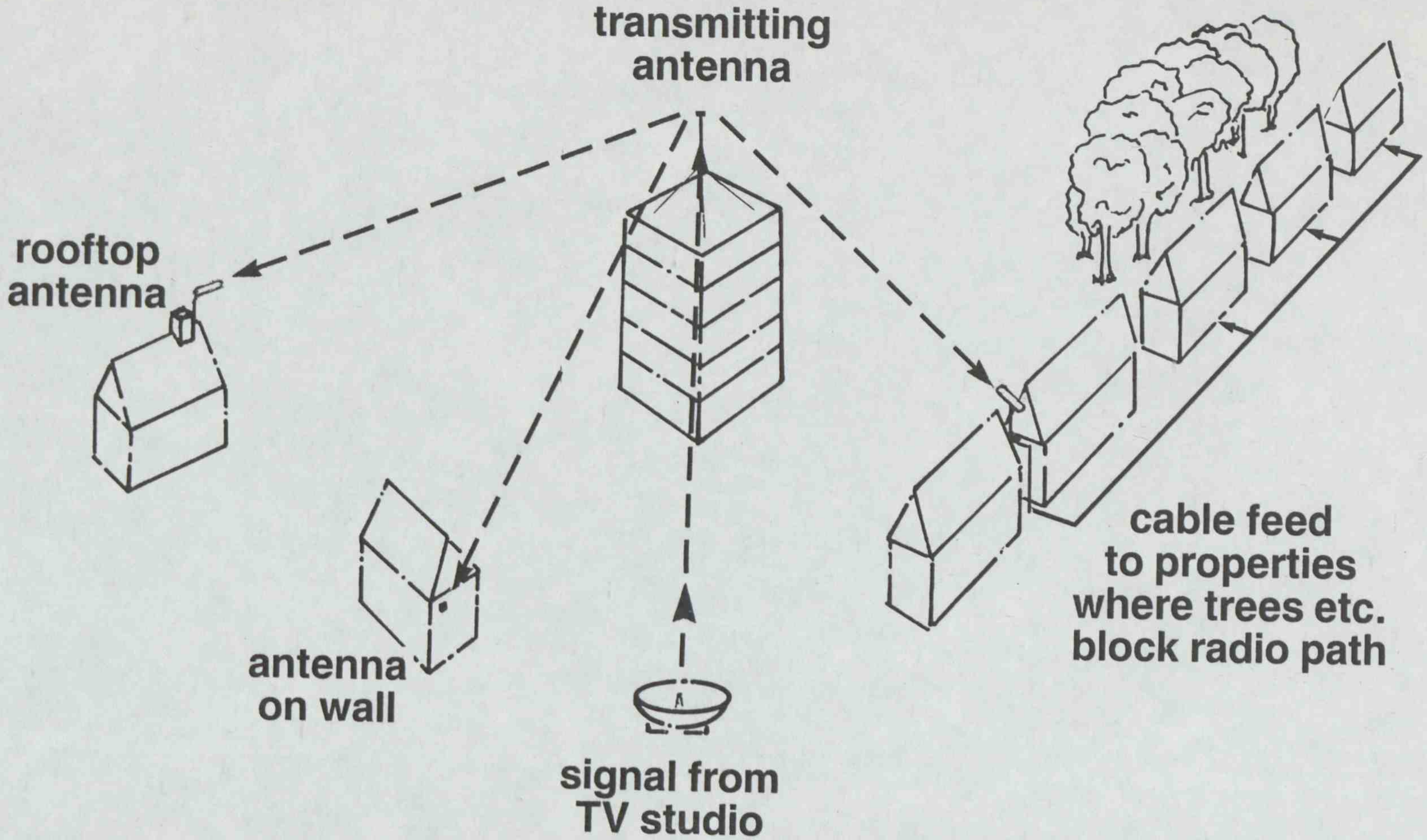
SLIDE 3

TYPICAL TV TRANSMITTER COVERAGE AND OVERLAP



There are 51 main BBC/ITV transmitters at present, and a total nearing some 900 transmitter sites. Each frequency is re-used on average almost 100 times

MVDS (Multipoint Video Distribution System)



BROADCASTING SEMINAR: CLOSING REMARKS

We have run out of time, but certainly not of matters to discuss. I apologise to those of you who came here bursting to make particular points and have not had the opportunity to do so. If you care to write to us, letting us know what those points were, or let us have any comments on what has been said this morning, by all means do so.

I will not attempt to sum up our discussion. I would pick up two main themes. First, the importance of television. The average viewer watches the screen, or at least has his television switched on, which may not be the same thing, for three or four hours a day. Surely that amount of viewing by so many people fully justifies the concern that I and others have expressed about programme standards and the amount of violence shown on the screen. You will be deceiving yourselves if you believe that concern is not shared by the majority of people in the country.

Second, the thread running through all our discussions before lunch was the response we should make to new technology and greater competition. Everyone recognises that change is coming willy nilly. It is not something that Government could easily stop, even if it wished to do so. The Government's role is to provide a framework which ensures that standards are kept up and helps a vigorous and successful broadcasting industry to grow and prosper. I for one have found this seminar fascinating and very constructive. I hope you have too.

Thank you.

MJ2BJH

Unattached "untriggered"

Demand for cultural + edu^n programmes ??
could it be met by market means?

Advice on technical matters – shifted.

Spectrum Scarcity. 574–591

Financing PSB – not much discussion

No channel hypothecated revenue (not solely for BBC)

Pref. to 4 channels. PSB – regional dimension

BBC – a T.V. Co. like any other.

Key issues – not technical but political & social.

Tel. Tech. Tratetania –

Channel selection (Video market 419 million?) Cable / Urban.

Cable Satellite Syndicated

Astra 1988 Satellite – Outer suburbs. D

20m. T.V. homes

DRAFT

For broadcasting meeting back-up.

BROADCASTING SEMINAR : LINE TO TAKE WITH THE PRESS

In advance of the seminar

Confirm that it is taking place and emphasise that those coming have been invited as individuals and not as representatives of institutions or companies. ? Confirm that a particular individual has been invited but do not issue list of names, leaving the press to work it out for itself.

The purpose of the seminar is to enable the Prime Minister and other Ministers to obtain the views of those attending. The seminar is not an occasion for statements of fresh Government policy or for detailed discussion of particular proposals, eg for a fifth television channel.

The seminar was arranged before the Hungerford tragedy. The question of programme standards and of sex and violence will inevitably be one of the matters to be discussed.