

MISC 128: BROADCASTING

Tomorrow's meeting of MISC 128 is an important one. It follows your highly successful seminar last Monday and it is an occasion on which to lay down the foundations for a new regulatory structure for broadcasting which should:

- (a) last for 15-20 years
- (b) provide for greater competition and allow technological innovation
- (c) ensure that the broadcasting of pornography and violence are controlled.

The agenda for tomorrow's meeting covers three items.

1 Matters Arising from the Prime Minister's Seminar on

Broadcasting

The major conclusions of the seminar, which may need restating were that:

- increased competition in television is technically feasible, as spectrum can be made available for extra terrestrial television channels (UHF and MMDS);
- there exists a large unsatisfied demand for premium programme services along with a consumer willingness to pay (through subscription);

- increased competition is also desirable - more channels are needed to meet the needs of advertisers (they could probably finance more than £500m extra worth of television than at present);
- standards, especially those declining with sex and violence, are important because of the nature of television as a medium.

The new regulatory framework

The object of government policy in broadcasting should be to create a level playing field for new entrants and new technologies - rather than back winners and erect barriers to entry.

In terms of the paper 'Provision of Additional Programme Services' this requires two decisions:

(a) The future of MMDS - Local television

Para 14 offers Ministers a choice over the way forward; one (14a) is to inhibit the growth of MMDS as it would compete with cable and DBS; the other (14b) is to allow greater competition. The arguments are developed at length.

The case for 14b is overwhelming. It will result in local television throughout towns and cities in all parts of the country. It is complementary to the nationwide coverage of BBC, ITV and DBS and will provide great opportunity for local advertising.

If a decision is made to opt for MMDS this will

require a further paper by the Home Office and DTI.

Recommendation

Require that spectrum be made available for new channels:

Opt for 14b and invite further work.

(b) Competition between the new media and the existing

duopoly

Paras 18-21 deal with competition between the new media and existing services.

The Home Office view is put succinctly in the first sentence of para 20.

"On the other hand it can be argued that the general shape of the BBC and ITV services should remain for perhaps 10 years, with the obligation and responsibility of public service broadcasting justifying existing financial structures."

I am unsure as to what this means. It is open to many different interpretations. As a general statement it is also very strong. I am suspicious that it means continued protection for the duopoly.

Would it not be possible to nibble away at the existing set-up by eg allowing subscription in the night hours for BBC2, reforming ITN so that they

have access to more capital, etc.

Recommendation

// Invite the Home Office to develop and expand the options implicit in paras 18-19 in a separate paper.

2 The ITV System and Channel 4

ITV System

The Home Secretary endorses the Offical Group's Report. It is a sensible and practical way forward.

Channel 4

In terms of (i) our general policy of increasing competition and (ii) the need for improved terms for advertisers, the obvious way forward is to privatise Channel 4 (a contract to operate the channel awarded by competitive tender) but subject to a specific remit regarding the nature of programmes and possibly scheduling. ?

The only possible objection to this proposal is that under competition, Channel 4 may not honour its remit. This depends entirely on how tightly drawn the conditions of such a remit are. As is argued in the official report, if the terms are made explicit there is no reason to think they will not be honoured. The effect of

restrictive terms will mean that the tender price for Channel 4 shares will be that much less.

Recommendations

Accept the Home Secretary's proposals, 7(a) and (b).

3 Satellite Broadcast Services: Programme Standards

This paper is half-baked and superficial. It certainly deals with a real problem, but leaves many questions unanswered:

- (i) How will the Council of Europe convention be enforced? Is an EEC directive, with faults but which has teeth superior to a Council of Europe Convention which might simply be unenforceable platitudes.
- (ii) How will restrictions on advertisers work out in practice? Is Section 5 of the 1967 Act which is quoted working at present in relation to satellite services? Is it a success?
- (iii) Should we consider some form of jamming - unattractive as the idea may be to all Western countries? What are the technical possibilities in this area?

Recommendation

All of these need further thought and work before being accepted or rejected.

Brian Griffiths

BRIAN GRIFFITHS