



Secretary of State for Trade and Industry

DEPARTMENT OF TRADE AND INDUSTRY

1-19 VICTORIA STREET

LONDON SW1H 0ET

TELEPHONE DIRECT LINE 01-215 5422
SWITCHBOARD 01-215 7877

WBM at this stage

17 December 1987

The Rt Hon Douglas Hurd CBE MP
Secretary of State for the
Home Department
Home Office
50 Queen Anne's Gate
London
SW1H 9AT

RADIO POLICY

Thank you for copying to me your minute of 9 December to the Prime Minister.

The proposals you make on financial contributions to independent radio stations and arrangements for awarding national commercial licences seem to me to deal with the points raised in our discussion in MISC 128. The limitations on financial contributions from public authorities appear to leave sufficient scope for involvement in matters where such authorities could legitimately have a role, whilst ensuring safeguards against undesirable political influence. The arrangements for the award of national commercial licences rightly place the emphasis on competitive tendering, with discretion to license a lower bidder limited to cases where substantially higher levels of service and enlargement of consumer choice are promised, and with the authority then having a duty to publish a statement of its reasons. In practice, I would hope that the authority would not find itself in such a position, but could encourage suitable applications, perhaps by publishing in advance an indication of the elements it will be looking for. This would minimise any apparent inconsistency with our policy on ITV contracts and avoid the risk of the authority's judgement of what consumers want replacing the tendering process.

In announcing the policy, I continue to be concerned not to give the impression that light regulation means a lack of effective regulation of technical standards. With this in mind, I would like to suggest two small additions to your draft announcement. At

DW3DCT

file with DRW



the end of the paragraph running onto the second page, after the sentence "radio stations will also be able to organise their own transmission arrangements ...", you might add "in doing so, they will however be required to meet certain technical standards to ensure that they do not cause interference to other radio services". The last sentence of the second full paragraph on the third page should also be extended to read "expected to broadcast on single frequencies and use equipment which meets to good technical specification. The Radio Authority will inspect as necessary to ensure that technical performance meets spectrum efficiency criteria."

Subject to these points, I am content with the terms of your draft announcement.

I am copying this letter to the other members of MISC 128 and to Sir Robert Armstrong.

A handwritten signature in cursive script, appearing to read "Lord Young of Graffham".

LORD YOUNG OF GRAFFHAM

DW3DCT

BROADCASTING: Legislation

Pt 2

