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Secretary of State for Trade and Industry

RESTRICTED

21 December 1987

David Norgrove Esq
10 Downing Street
London SW1A 2AA

CF
Could you amend
the 16 December letter
please!
JWS
21/12.

Dear David

STUDIES ON THE SCOPE TRADITIONAL TELEVISION NETWORKS

I wrote to you on 16 December on this subject. I said that most video recorders and some home computers would need to be returned to avoid interference with the new service. This should have read retuned. This makes quite a considerable difference and I apologise for any confusion caused.

I am copying this letter to the Private Secretaries of other members of MISC 128 and to Trevor Woolley.

Yours

Jeremy Godfrey

JEREMY GODFREY
Private Secretary



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David Norgrove Esq
Private Secretary to the
Prime Minister
10 Downing Street
LONDON SW1A 2AA

16 December 1987

Prime Minister 2

mf DKW
17/12

Dear David

STUDIES ON THE SCOPE FOR ADDITIONAL TELEVISION NETWORKS

MISC 128 invited the Home Secretary and my Secretary of State to carry out studies into the scope for a fifth TV network at UHF and into the financial and technical prospects for MVDS. In his letter of 30 November to the Home Secretary, my Secretary of State proposed a third study into the scope for an additional TV network at VHF. In view of the extensive press reports in today's papers, my Secretary of State felt that his colleagues may like to know how these studies are progressing. The press stories are regrettable and we do not at the moment know their source.

The interdepartmental group, which has been working with the two broadcasting authorities, is now completing its study into the scope for a fifth network at UHF and its full report ought to be available in a few days. I attach a summary of the group's conclusions (though my Secretary of State does not suggest that MISC 128 should attempt to discuss them substantively at this stage). One key issue not reflected in the press reports is that most video recorders (and some home computers) would need to be returned to avoid interference from or to the new service. This, and the compensating adjustment to the associated TV receiver, would for many people mean a visit from the service engineer.

We are also on the point of taking delivery of the Report from our consultants on MVDS and we expect the results of the VHF study by the end of January. Once the results of all these studies are to hand, my Secretary of State proposes that MISC 128 should look to them together and address the policy implications in the light of the full range of technical options available.

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

Yours ever

Jeremy

JEREMY GODFREY
Private Secretary

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A FIFTH NETWORK - SUMMARY OF UHF STUDY FINDINGS

Issue

1. The feasibility of a fifth TV network at UHF.

Conclusion

2. Subject to the caveats in paragraph 4 below, a national (or series of regional) network(s) covering 65-70% of the population should be feasible from the beginning of 1992 at a cost but without risk to aircraft safety. The new service would make use of channels 35 and 37 which can be received by existing TV receivers, though many viewers would need a new or additional aerial. Both channels are at present used for a variety of non-broadcasting applications. A map showing the projected coverage is at Annex A.

Costs

3. The costs involved in displacing existing and planned users from channels 35 and 37 (in addition to the costs of installing and running the new network, which would use existing BBC/IBA transmitting sites) would include:

- a) The re-equipment cost - up to £10 million - of the move (to aeronautical radar operators, theatre operators, independent programme producers, programme making facilities of the broadcasters), which it should prima facie be possible to require the successful franchisee to meet;
- b) The cost - up to £100 million (5-10 million sets at £10 - £20 each) - and inconvenience to households of retuning most video recorders and some home computers;
- c) The opportunity cost of channels 35 and 37 to other users who might have wanted them and that of the spectrum into which the evacuees are moved (including any domino effect on others);
- d) Concessions we might have to make to neighbouring administrations (eg: to the Irish or French in respect of our land mobile services sharing with their broadcasting services);
- e) The cost - up to £0.5 million - of protecting radioastronomy installations from television transmissions in channel 37;

Caveats

4. The following factors could significantly affect the outcome:
 - i) Every new transmitter and the new arrangements for aeronautical radars would have to be negotiated with neighbouring administrations; this could conceivably jeopardise a 1992 start date and we might not be able to negotiate the full coverage we hope for.

- ii) We are still exploring with solicitors the risk of challenge or claims for compensation in the courts from displaced users (eg: independent programme producers) or from VCR and home computer users (eg: anyone who could claim to have tuned equipment to a particular channel on advice from a Government source).
- iii) Most VCRs and some home computers would need to be retuned and there may be substantial adverse reaction from consumers.
- iv) It will be difficult to find alternative spectrum for displaced users. The future spectrum needs of independent programme makers (eg: for radiomicrophones or for the transmission of outside broadcasts) may grow faster than we can accommodate if channels 35 and 37 are no longer available for their expansion (and the creation of a fifth service will itself fuel that expansion). The loss of channel 35 could represent a major setback to the regime painstakingly negotiated over the past two years to regularise the hitherto unregulated and illegal activities of the independent programme makers.
- v) There are also other potential users of channels 35 and 37 for whom it could prove very difficult to find alternative spectrum.

Alternative approach considered

5. An alternative to the use of channels 35 and 37 would be to make a more intensive use of the 44 channels currently used for broadcasting. The UK is unique in achieving virtually universal coverage of four services within those channels. The maximum coverage for a fifth network using these channels would be 17%. This might be increased to perhaps 30-40% by withdrawing one or more of the existing services from up to 20,000 viewers. It would also pre-empt the plans of the broadcasters to install more than 200 further transmitters to make good existing small gaps in coverage. This alternative does not meet the objective of providing a fifth national TV service as well as the approach adopted above, though it could provide a more modest sixth network or form part of a more extensive one (see below).

A sixth network

6. Our terms of reference did not include the feasibility of a further, sixth, UHF network. However, we found that a sixth network covering over 50% of the population should not be ruled out as a possibility in the slightly longer term, though its cost could be significantly greater. Further study would be needed to identify this possibility with greater precision. It would depend on securing access to one or more of channels 36, 38 and 69, all of which are currently used for other purposes and may also be crucial to accommodate users displaced from channels 35 and 37. It may also depend to a greater or lesser extent on use of the 44 channels as in paragraph 5 above. To obtain optimum coverage the fifth and sixth services would need to be planned together which would probably delay the introduction of the fifth service beyond 1992.

