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DC BG

10 DOWNING STREET  
LONDON SW1A 2AA

*From the Private Secretary*

11 January 1988

*Dear Colin,*

**RADIO POLICY**

Thank you for your letter of 4 January.

The Prime Minister is content with the revised version of the draft announcement attached to your letter.

I am copying this to the Private Secretaries to members of MISC 128 and Trevor Woolley (Cabinet Office).

*Yours,  
Paul*

(PAUL GRAY)

C.R. Miller, Esq.,  
Home Office.

*dm*

cc/B



HOME OFFICE  
QUEEN ANNE'S GATE  
LONDON SW1H 9AT

4 January 1988

Prime Minister

Dear Paul,

The Home Secretary has taken your earlier point. Are you content?

Reeb  
bl.

Yes not

**RADIO POLICY**

at flap

Thank you for your letter of 21 December about radio policy.

You explained that the Prime Minister believes that there must be a general requirement placed on stations to ensure variety of format and content, but that she is doubtful whether it would be right to go beyond that to give the Radio Authority a discretion to award a licence for national commercial radio to an applicant who had not put in the highest bid. Like the Prime Minister, the Home Secretary attaches importance to the idea that an applicant would have to satisfy the Radio Authority that his service would provide a diverse programme service calculated to appeal to a variety of tastes and interests and not limited to a single format. Given that, he agrees that it would not be necessary to give the Radio Authority a discretion to accept an underbid as was originally decided by the Ministerial Group.

I attach a revised version of the Draft Announcement which reflects this point and also amendments proposed by the Trade and Industry Secretary in his letter of 17 December.

The Home Secretary accordingly hopes that colleagues will be content for him to make the proposed announcement when Parliament reassembles.

I am copying this letter to the Private Secretaries to Members of MISC 128 and Trevor Woolley (Cabinet Office).

Yours ever,

Glin

C R MILLER

Draft Announcement

In February 1987 we published a Green Paper entitled "Radio: Choices and Opportunities". It set out, as a basis for public discussion, proposals for the development of new and less regulated radio services with the aim of broadening the range of choice for listeners.

There were over 500 responses, most from individual members of the public. I am grateful to all those who contributed their comments and ideas.

The response to the Green Paper confirms our view that the time is now right for major change. We have been well served by radio broadcasters. Standards have been high. But we have less radio than other countries. In many parts of the country listeners have no services other than the BBC. There are many tastes and interests which existing services can at best satisfy only to a limited extent. New frequencies will soon be available for broadcasting. In due course several hundred new stations are in prospect. We need to have a framework in place within which opportunities for new and more diverse services can be taken up, and existing commercial broadcasters can be given much greater freedom to develop their services.

We shall accordingly bring before Parliament legislative proposals based on the Green Paper. We aim to provide, alongside the existing BBC services, opportunities for national commercial radio and for the expansion and deregulation of local radio. All these services will be free of the existing constricting statutory requirements which have applied to independent local radio. They will instead be subject to light regulation designed to protect the consumer rather than direct the broadcaster. Programme operators, at the national and the local level, will be responsible for their own services, subject to requirements of

accuracy, balance and decency. The key test which stations will have to pass, to obtain a licence to broadcast, is that of widening the range of consumer choice. They will have to live up to their promises to their audiences if they want to keep those licences. Radio stations will also be able to organise their own transmission arrangements, rather than having them provided by the IBA under the constraints imposed by the 1981 Act. 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.

At the national level, spectrum will be available for at least three services operating alongside the BBC. Each service will be expected to provide a diverse programme service calculated to appeal to a variety of tastes and interests and not limited to a single format. They will provide the BBC with the stimulus of competition on a broad range of its services. We propose that these licences should be assigned by competitive tender, between those applicants whose programme plans would, in the Authority's judgement, meet the test already described. As envisaged in the Green Paper, a new VHF frequency will be available for one of these services; for the other two, frequencies will need to be reassigned from the BBC.

*the key passage changed from the earlier draft*

So far as local and community services are concerned, deregulation will have two effects. First, existing independent local radio stations will be given, on the basis canvassed in the Green Paper, the freedom to develop new styles of broadcasting which they have sought. Second, new local and community services will be given the opportunity to start broadcasting, to enhance the range of programming and the diversity of consumer choice. The number of services, and their scale, will depend on local demand and wishes. We want the Authority to operate flexibly, encouraging partnership and frequency sharing where this seems sensible.

Many people were disappointed last year when we did not proceed with an experiment on community radio in advance of legislation. Our proposals now will provide the basis for a lively future for community radio, to strengthen that combination of local identity and cultural diversity which lies at the heart of a flourishing community.

There will be a continuing need for an Authority to issue licences and supervise performance. The Green Paper identified a number of options for its constitution. After careful thought we have concluded that it would be right to establish a new Radio Authority, with radio at the centre of its attention. The IBA has earned our respect and gratitude for its development of local radio services under the duties laid upon it 15 years ago. But it has major challenges ahead of it in the field of television. We have judged that it would not be sensible to ask the IBA at the same time to take on the task of developing a new and greatly expanded radio system, operating under a new and much lighter set of rules.

The Authority will be assigned frequencies suitable for sound broadcasting. On the basis of these frequencies it will invite applications for licences to broadcast at national and local levels. To ensure that spectrum is used efficiently, and that listeners have as wide a choice as possible, stations will in general be expected to broadcast on single frequencies and use equipment which meets a good technical specification. The Radio Authority will inspect equipment as necessary.

So far as the BBC is concerned, the Green Paper proposed that the Corporation should continue to decide how best to meet its public service broadcasting obligations within the resources at its disposal. I can confirm that it remains our policy.

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Our proposals are above all intended to benefit the listener. It may take a little time for the public to become accustomed to new kinds of service and to single frequency broadcasting. But we believe that the expansion of radio that I have outlined can only be to the good of broadcasters and listeners alike.

<mc>Sub/Ack/Mil/Rad/Pol/Enc2

BROADCASTING:  
Legislation *14*

