



File ECL  
ccBG

10 DOWNING STREET  
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*From the Private Secretary*

25 January 1988

*Dear Jeremy,*

**SUBSCRIPTION TELEVISION**

The Prime Minister was most grateful for the further information set out in your letter to me of 21 January. She agrees that Rank's suggestion does not seem worth pursuing further.

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

*Yours,  
P.G.*

**PAUL GRAY**

Jeremy Godfrey, Esq.,  
Department of Trade and Industry.

*SA*

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The Rt. Hon. Lord Young of Graffham  
Secretary of State for Trade and Industry

.Paul Gray Esq  
Private Secretary to the Prime Minister  
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Date 21 January 1988

Prime Minister

Agree this is not  
worth pursuing like?

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Dear Paul

**SUBSCRIPTION TELEVISION**

David Norgrove's letter of 21 December asked for comments on Rank's suggestion that subscription television could be authorised under the Wireless Telegraphy Act 1949 (WTA) rather than under broadcasting legislation. This has raised a number of legal and policy issues which have taken some time to consider and I apologise for the delay. This reply incorporates the views of the Home Office as well as DTI.

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In short, subscription television could be authorised under the WTA (and) it would not be possible to regulate the content of the programming in an acceptable way. Moreover it would take longer to clear the necessary spectrum than to enact new legislation so the need for legislation is not necessarily a constraint.

One purpose of broadcasting legislation is to ensure adequate control over programme content, at arms length from central Government. For the BBC, this achieved by its Royal Charter and the Licence and Agreement; for the IBA it is the Broadcasting Act 1981 and the Cable and Broadcasting Act 1984; and for the Cable Authority the Cable and Broadcasting 1984.





the department for Enterprise

The broadcasting licences issued to the BBC and IBA also contain the necessary authorities under the WTA. At the moment, both broadcasting legislation and the WTA are involved and the Rank proposal would not replace broadcasting legislation with WTA licensing : it would merely dispense with the requirements concerning programme content in broadcasting legislation.

The third legislative element is the Telecommunications Act 1984. A subscription television service would be exempt from the need for licensing under this Act if the operator had a WTA licence to broadcast programmes for general reception.

However, it has been fundamental to broadcasting policy that there should be a suitable means of exercising control over programme content. This consideration led to earlier concerns about community radio and we have also been doing work on this point in the context of low power satellite broadcasts to the UK which are uplinked from overseas. It would certainly be undesirable and anomalous to authorise a new subscription television service in the absence of a proper means of regulating its content.

Licensing under the WTA could not be regarded as a suitable means of exercising control over programme content. The WTA is essentially concerned with technical characteristics designed to ensure the orderly and effective use of the radio frequency spectrum. It contains no provision for establishing any independent body to control programme standards.

Rank refer in passing to possible collaboration with the BBC or IBA. The BBC could be authorised under its Charter to provide an additional channel, funded by subscription. But this would essentially be a BBC service, even if Rank, or some other organisation, happened to assemble the programming. It would require legislation to enable the IBA to provide an additional service and to transmit it in an encrypted form (which would be necessary for a subscription service). The existing broadcasting authorities would not therefore provide a mechanism for regulating the service proposed by Rank.

It seems therefore that the subscription television service proposed by Rank could not be acceptably regulated without new legislation. It is likely in any case that such legislation could in practice be introduced in much the same timescale as it would take to establish and bring into operation a new service of subscription television. There seems to be little to be gained from Rank's suggestion, and much to be lost in terms of its impact on wider broadcasting policy.

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

Yours

Jeremy Godfrey

JEREMY GODFREY  
Private Secretary

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