

PRIME MINISTER

4 May 1988

MISC 128:

ADDITIONAL PROGRAMME SERVICES AND BROADCASTING WHITE PAPER

The paper by the Secretary of State for Trade and Industry for tomorrow's meeting on additional programme services raises a fundamentally new issue namely the possibility of a more efficient use of the existing spectrum. Hitherto, the debate has been on additional new services, not on additional and existing new services.

It is difficult not to agree to further work on this subject, as the Secretary of State proposes, as the potential rewards are very high and the extra work might well come up with fresh ideas on the existing spectrum.

However, there is one political point that needs to be sorted out immediately.

Is there any way in which a more efficient use of the spectrum can be arranged without there being 'losers'; that is, viewers who would no longer be able to receive BBC 2 and Channel 4 without paying an extra £200?

If you felt that the possibility of losers ruled out discussing the more efficient use of this existing spectrum then David Young's paper would need to be put aside. It might be argued this is too narrow a concept of 'losers'. Even people who would not wish to pay the extra cost of

CONFIDENTIAL

continuing to receive BBC 2 and Channel 4 would find themselves able to receive four extra new channels. It may even be that BC, BSB and C4 might subsidise the production of hardware so that households would pay less than £200. All of these are issues which need to be explored.

Recommendations

1. The potential benefits for a more efficient use of the spectrum are certainly worth investigating. It is worth therefore commissioning extra work on this subject from officials.
2. As a result of this, discussion of Home Office papers on additional programme services will need to be postponed for a few weeks.
3. Such postponement will also have implications for the timetable of the White Paper and the Broadcasting Bill, which the Home Secretary would need to expand on.

Brian Griffiths

BRIAN GRIFFITHS

CONFIDENTIAL