

CONFIDENTIAL



*File No
a Prof Griffiths*

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

2 November 1988

BROADCASTING WHITE PAPER

The Prime Minister was grateful for the Home Secretary's minute of 1 November and has noted the contents of his proposed oral statement next Monday.

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

Paul Gray

Miss Catherine Bannister,
Home Office.

CONFIDENTIAL

[Handwritten mark]

CONFIDENTIAL



cc Q
DC
cc B1 Pines
✓ P

Prime Minister

You will wish to see. Note in particular
the para. on BBC subscription and the licence
fee on p. 6. Contact?

Prime Minister

BROADCASTING WHITE PAPER

Rec'd Yes.
1/11 - mid

You, and other colleagues, may be interested to see the terms of the oral Statement I propose to make on Monday next week when, as Cabinet agreed last week, the White Paper on Broadcasting is published.

There is of course very considerable Parliamentary, press and public interest in this issue, and I anticipate that both following publication and over the coming weeks and months there will be many opportunities for discussion of our proposals. It is clearly important that we should maintain a consistent and coherent approach, and that the Government should be seen to speak with a single voice. I anticipate that there will be great interest in particular in the balance between preservation of programme quality and deregulation and widening of choice. We must expect that some critics, including vested interests in the broadcasting world, will argue that there is a necessary conflict between some of these objectives.

Our general approach, as in the White Paper itself, should be to point out that our task is not to create a blueprint for the future but to create an enabling framework with increased opportunities for additional channels as the customer determines. Broadcasters will be able to make the most of opportunities made possible by new technology. Additional channels, together with a greatly increased role for subscription which enables the viewer to signal his preferences directly, and greater separation of the different activities making up broadcasting will develop the necessary conditions for genuine consumer choice. Safeguards on

/minimum standards

CONFIDENTIAL

minimum standards are needed to protect viewers and listeners but subject to this they should be able to exercise greater choice over the programmes they receive. They will be better served by a more competitive, innovative and efficient broadcasting industry. There will be measures to guard against concentration of ownership and cross-media dominance to ensure that this remains the case. While important positive programming obligations are retained, there is a large measure of liberalisation, particularly of ITV, and increased reliance on choice by viewers and listeners, rather than by regulators, to sustain range, quality and popularity. There should be better radio and television as well as more.

I am sending a copy of this to other Members of Cabinet and to Sir Robin Butler.

Douglas Hurd

1 November 1988

CONFIDENTIAL

BROADCASTING WHITE PAPER
ORAL STATEMENT BY THE HOME SECRETARY

With permission, Mr Speaker, I wish to make a statement about the Government's plans for broadcasting legislation.

I have laid a White Paper before the House today.

Our broadcasting system has a rich heritage, which is a tribute to the efforts and enterprise of the broadcasting authorities and all those professionally engaged in the broadcasting enterprise. Our proposals seek to build on these achievements in developing services of quality, range and popularity.

Broadcasting is changing fast and this change makes possible a much wider choice for the viewer and listener. The viewer should not be denied this choice. That is our starting point. The Government should not seek to lay down a blueprint for the future by picking favoured technologies. Rather we propose an enabling framework with increased opportunities for additional channels as the customer determines. Several dozen television channels and possibly several hundred radio services may be in prospect.

Subscription, which enables the viewer to signal his preferences to the broadcaster directly, will have a greater role to play. There will be a greater separation of the different activities making up broadcasting, including programme production, the assembly of individual programmes into channels, and transmission and service delivery.

The ownership of commercial television and radio should be widely spread. The White Paper contained detailed proposals to ensure that control ^{of} television and radio services is not concentrated in the hands of a few groups or individuals and to prevent excessive media cross-ownership. The Government is determined to keep the market open to newcomers, and to prevent any tendency towards editorial uniformity.

Safeguards on minimum standards are needed to protect viewers and listeners from shoddy wares and exploitation. Subject to these, they should be able to exercise greater choice over what they hear and see. While some important positive programming obligations are retained, we envisage a substantial liberalisation, particularly of the ITV system, and greater reliance on the viewer, rather than the regulator, to sustain range and quality.

These are the principles which have guided us. Our thinking has been influenced at many points by the Peacock Report ["Report of the Committee on Financing the BBC", Cmnd 9824, July 1986], and by the admirable report in June of the Home Affairs Committee of this House. I hope that Right Hon and Hon Members will read the White Paper in full, but I offer the House now an outline of our main proposals.

We propose that a new fifth channel, with 65-70% national coverage, should be authorised to begin broadcasting at the start of 1993. Different companies could provide the services at different times of the day but the channel will be nationally based. A sixth channel will also be authorised if technical studies show it to be feasible.

We propose a new flexible framework for the development of multi-channel local services through both cable and microwave transmission, known as MVDS. This will make possible a further extension of viewer choice. It will also provide new opportunities for local television in cities and for television services catering for minority interests.

British Satellite Broadcasting plan to start their three channel Direct Broadcasting by Satellite (DBS) service next autumn. The Government gave BSB an undertaking last year that the United Kingdom's fourth and fifth DBS channels would not be allocated until BSB's service had been in operation

for at least three years. BSB have recently said that they would be willing to see this moratorium lifted. Accordingly, the United Kingdom's two remaining channels will be advertised early next year. So five high quality DBS channels should soon be available to British viewers.

Viewers will continue to be able to receive other satellite services directly, including those from proposed medium powered satellites. We continue to work for international agreement for the supervision of programmes in such services and shall propose to Parliament sanctions against any unacceptable foreign satellite services received here.

The present ITV system will become a regionally based Channel 3. Licence-holders will, for the first time, have a statutory obligation to provide regional programming, including programmes produced in the region.

Channel 4's distinctive remit will be retained and reinforced to sustain high quality programmes in the commercial sector. We consider that advertising on Channel 4 should be sold separately from that on Channel 3. Subject to these points, the White Paper sets out options on the future constitution of Channel 4. The Welsh Fourth Channel Authority will continue to provide the Fourth Channel in Wales.

All these commercial television services will be free to decide their own mix between advertising and subscription funding, and will have greater freedom to raise money through sponsorship, subject to proper safeguards. All will be subject to consumer protection obligations regarding programme content. Most commercial television licences, including all those for Channel 3 and Channel 5 services, will be allocated by competitive tender subject to a quality threshold. Operators of Channels 3, 4 and 5 will be expected to show high quality news and current affairs programmes dealing with national and international matters and to show the news (and possibly also current affairs) in main viewing periods. Channel 3 and Channel 5 will be expected to provide a diverse programme service appealing to a variety of tastes and interests, to ensure that a minimum of 25% of original programming came from independent producers, and to ensure that a proper proportion of programme material is of EC origin.

There will be one additional requirement affecting Channel 3 only. There will be continued provision, like that which brought ITN into existence, to ensure that there is at least one body effectively equipped and financed to provide news for Channel 3.

There will be safeguards for the continued provision of a schools programmes service.

The Government agrees with the Home Affairs Committee that a new agency, which might be called the Independent Television Commission, should be established in place of the Independent Broadcasting Authority (IBA) and the Cable Authority to license and supervise all parts of the commercial television sector. It will be able to operate with a lighter touch than the IBA, and without the IBA's detailed involvement in scheduling, but will have strong sanctions against failure by its licensees to live up to their licence conditions.

The BBC will be expected to continue to provide high quality programming across the full range of public tastes and interests.

The Government looks forward to the progressive introduction of subscription on the BBC's television services and to the eventual replacement of the licence fee, which will, however, continue at least for some time to come. We propose that the night hours from one of the BBC's channels should be assigned to the ITC for allocation, like other licences by competitive tender. The BBC would keep the other set on the basis that it used ~~it~~ as fully as possible for making a start in developing subscription services.

We envisage that the part played by independent producers in programme-making in the United Kingdom will continue to grow, as future licensees will be free to operate as publishers, without programme production capacity of their own. We believe that the transmission infrastructure should be separated from the programmes services.

The Government proposes to proceed with the plans I announced to the House on 19 January for the deregulation and expansion of independent radio, under the light touch regulation of a new Radio Authority. There will be scope for three new national commercial stations and as many as several hundred local services, including community radio stations.

The Broadcasting Standards Council, established to reinforce standards on sex, violence, taste and decency, will be placed on a statutory footing. We propose that the exemption of broadcasting from the obscenity legislation should be removed at the earliest opportunity.

These are the main proposals set out in the White Paper. We aim to ensure that viewers and listeners have greater freedom of choice from a more varied output of programmes, including programmes of high quality. British television has a deservedly high reputation in the world. We expect to see that reputation grow with the new opportunities which are now in sight.

The House will have an opportunity to debate the proposals before they are put into legislative form. We shall also take careful note of views expressed outside the House. We shall then bring forward legislation.