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LCR.U.



Pine Minister

QUEEN ANNE'S GATE LONDON SW1H 9AT

Brian Griffiths  
sharply supports this  
change. Content.

21 July 1989

RACIB  
with  
Yes not

Dear David,

BROADCASTING BILL; ADVERTISING AND SPONSORSHIP

We set out in the Broadcasting White Paper a proposal that any maximum limits on advertising minutage should be subject to Government approval, and that the Government itself would take power to adjust this limit, after consultation with the ITC, in case this should prove necessary to allow relief to be brought to the advertising market, or for other reasons.

My view is that it will be the addition of more television services (Channel 5, DBS, and medium power satellites) which will bring relief to the advertising market. The proposition in the White Paper, however, implies a measure of Government control over the broadcasters; an impression which I feel we would do well to avoid. I am therefore minded not to take such powers in the Bill.

The IBA in their response to the White Paper have opposed such a provision as being at variance with the general principle in the White Paper that broadcasting services should remain independent of Government both editorially and to the greatest extent possible in economic and regulatory terms. They argue that the essential criterion for decisions about advertising minutage should be a judgment about the balance between the interests and convenience of viewers and the need to provide reasonable advertising opportunities in and around programmes; and that the ITC rather than the Government are best placed to make such a judgment.

Apart from this argument, there is the new consideration that the Council of Europe Convention now sets the maximum permissible minutage of 15% a day and 20% (12 minutes) in any one hour. Although it is unlikely that we would wish the present minutage levels on ITV (7 1/2 minutes maximum at peak times) to be increased to this extent, there are likely to be demands in the future for increases, particularly if Channel 3 licensees have to face competition from new satellite services taking advantage of the higher minutage permitted by the Convention. If Government had powers to adjust

the minutage levels we should inevitably be lobbied on the one hand to increase the minutage and on the other to avoid adding to the volume of broadcast advertising permitted. These conflicting pressures could often be hard to resolve. It may be more attractive to leave such issues to the ITC to determine. This is not a field in which Government need get involved.

I therefore propose that we should not seek the powers we outlined in the White Paper, but instead leave the decision on the level of advertising minutage to the ITC.

I am copying this letter to the Prime Minister, to other members of MISC 128 and to Sir Robin Butler.

*Yours*

*D. G. G.*

