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10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

21 July 1988

Dear Jeremy,

**TRANSFER OF TERRESTRIAL TV SERVICES
TO SATELLITE**

The Prime Minister was grateful for your Secretary of State's minute of 20 July. She is content that the broadcasters should be informed of the conclusion that it is not practicable to pursue further the possibility of transferring BBC 2 and Channel 4 to DBS.

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

*Yours,
Paul*

(PAUL GRAY)

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

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the department for Enterprise

Prime Minister

You were already aware that this idea of Lord

Young's had fallen on stony ground. Content for

the Broadcasters to be told the idea has been dropped?

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PRIME MINISTER

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PRCB
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TRANSFER OF TERRESTRIAL TV SERVICES TO SATELLITE

This minute reports the outcome of the discussions Douglas Hurd and I have had with BSB and the broadcasters about the possibility of transferring BBC2 and Channel 4 to DBS.

2. Douglas and I outlined the proposition to the Chairman of BSB on 9 June and the Chairmen of the BBC and the IBA on 10 June. Officials have since had more detailed discussions with BSB and the broadcasters, and have also met the Independent Television Association.

3. We now have formal written responses from the BBC, the IBA and the Board of Channel 4. None of them want to take up the opportunity they have been offered: indeed, the responses express a number of misgivings. We have not yet heard formally from BSB, but we know that they are at best lukewarm. I understand they are working on some counter-propositions, but as far as we can judge none of them would achieve the basic objective of freeing spectrum for more terrestrial services at UHF on any reasonable timescale.

4. In the light of this reaction I conclude - and Douglas Hurd agrees - that it is not practicable to pursue the proposition further. Douglas and I both believe it would be right to inform the broadcasters of this conclusion as quickly as possible - not least to prevent any further nugatory work by BSB. I hope you and MISC 128 colleagues will agree that we should now do so.



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5. I am naturally disappointed that neither the broadcasters nor BSB have sought to make more of the opportunity we offered them. We shall now need to redouble our efforts to deal with the advertising problem through other approaches to new programme services. I understand Douglas Hurd hopes to put forward, for consideration at the meeting of MISC 128 arranged for 28 July, some proposals which officials might be asked to work up in more detail over the summer.

6. I am copying this minute to other members of MISC 128, and to Sir Robin Butler.



D Y

20 July 1988

DEPARTMENT OF TRADE & INDUSTRY

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