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10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

15 February 1989

Dear Neil,

SATELLITE TELEVISION

It has been put to the Prime Minister that in a number of respects Sky Television is not currently able to operate on a level playing field. It has been suggested that a number of these difficulties arise from the regulatory framework. The Prime Minister would be grateful for an early report on the following points:

i. It is said that Sky News is unable to obtain its own microwave frequencies from the DTI for live outside broadcasts, whereas the BBC and ITV have been allocated many such frequencies, often on an exclusive basis. The BBC and ITV are said to have declined to share these frequencies with Sky News.

ii. Without access to microwave frequencies, Sky News has been obliged to use BT facilities for live broadcasts; it has been unable to obtain from BT contract prices on a bulk user basis.

iii. Sky News has been unable to obtain an allocation of 'uplink' frequencies to receive live pictures from an outside location, and has to rely on BT's ground receiving facilities, which are priced at 10-20 times the equivalent cost in America. The alternative, for Sky to obtain a feed from the competitors to BT who have been granted uplink licences, is said to be denied by DTI regulations.

iv. Whereas individual homes are permitted to install a satellite receiving dish, two or more households who wish to share a single dish require a special licence known as SMA TV. It is suggested that such licences are complicated, expensive and unavailable - except to cable operators - in any area which has been franchised for cable or is under consideration for cable franchising in the near future. More than seven million homes in 51 areas franchised or advertised for cable franchise are said to be off limits as a result. And although in most of the country no cable is being laid, the suggestion is

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that the Cable Authority will not allow anybody else to SMA TV buildings, even on a temporary basis. It is also suggested that the Cable Authority regulations do not apply to British Satellite Broadcasting's DBS service.

v. Planning regulations are said to present further restrictions because, for example, although individual homes are permitted to install a small satellite dish without planning permission, such permission is required for two dishes.

vi. The arrangements by which regulations require cable and SMA TV operators to make BSB's signals available to cable subscribers, but there is no such 'must carry' rule for Sky and other non-DBS satellite programme services.

vii. The situation whereby Sky News has been unable to obtain the sound feed from the House of Commons as the authorising body, the Committee for Sound Broadcasting, has not been reconstituted since the last General Election.

I am sending copies of this letter to Philip Mawer (Home Office) and to Stephen Catling (Lord President's Office).

Yer.
Pa

PAUL GRAY

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Department of Trade and Industry