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10 DOWNING STREET  
LONDON SW1A 2AA

*From the Private Secretary*

16 June, 1989.

SKY TV

The Prime Minister was grateful for your Secretary of State's minute of 15 June. She has noted the position set out on the various issues of concern to Sky, and is content with the way in which your Secretary of State is handling them.

Paul Gray

Neil Thornton, Esq.,  
Department of Trade and Industry.

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dti

the department for Enterprise

Prime Minister's office

You will recall the earlier exchanges about Sky's concern.

Both DTI and Home Office introduced a number of measures to help. DTI have now made the further detailed

PRIME MINISTER change of X, It is revising Sky's letter - unworkable - details of Y. Content?

You will be aware that Mr Rupert Murdoch's Sky TV PLC have been lobbying for greater access to the UK broadcasting market.

This follows their unsuccessful attempt, in the competition we ran last year, to become one of the six new specialised satellite service operators and their having lost out previously to BSB to be recognised as a national broadcaster.

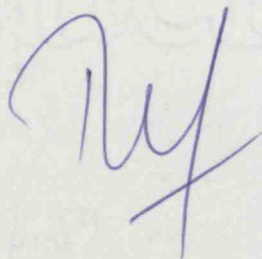
Most recently, Sky have been urging my department to assist them to provide better news gathering and outside broadcasting services. I am pleased to report that I have been able to achieve this while at the same time ensuring that we maintain effective competition, both in satellite broadcasting and in telecommunications. We have now assigned to them a microwave channel for their own electronic news gathering and outside broadcasts, which they can proceed to use without delay, together with the necessary draft licences under the relevant legislation. The Director General of Telecommunications has separately decided to carry out an investigation into the provision by BT of services in this area, another issue of longstanding concern to Sky. We have also suggested a number of ways of facilitating their news gathering and other activities.

This has not deterred Sky from reiterating their previous concerns and seeking further benefits. In particular they would like to see an end to our policy of licensing only two national public telecommunications operators, British Telecom and Mercury, and our stated commitment that, to give Mercury an opportunity to become established, we will not review the policy before November 1990. They also want to see early



implementation of our proposals for further liberalisation of the market for services received from satellite master antenna systems, despite Douglas Hurd having made clear in his announcement of 27 April that this raises the issue of the Cable Authority's statutory responsibilities and will have to await the Broadcasting Bill.

I shall continue to look for ways of assisting Sky consistent with our agreed policies. For the present, I believe my department has gone a long way towards meeting their concerns. We shall now be looking to Sky to make the most of the opportunities available to them. The test of this will of course be the extent to which they are able to attract new subscribers for their service.



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15 June 1989

DEPARTMENT OF TRADE AND INDUSTRY

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