PRIME MINISTER

and and

CROSS-OWNERSHIP RESTRICTIONS ON SATELLITE TV SERVICES NOT USING UK FREQUENCIES

You saw various exchanges last year about the cross-ownership restrictions between TV services (both satellite and terrestrial) and other media interests. You were keen to ensure a level playing field between the various operators.

There have been a number of further exchanges recently that I have not troubled you with. Nick Ridley has been arguing for the kind of solutions you favoured initially, but the Home Office have been reluctant. They have been arguing that it is necessary to await the outcome of discussion in Committee on the Broadcasting Bill.

You may now like to see the latest letter from Nick Ridley (attached) in which he suggests a Ministerial meeting to discuss the position further once the assessment of developments in Committee is completed. This seems the only satisfactory way of resolving the outstanding issues. You may feel you would like to take the meeting. If so, I think a smaller group than MISC 128, the main Broadcasting Committee, might be best.

Would you like me to minute out saying you have seen the latest correspondence, and that you would like to take an <u>early</u> meeting with those most concerned to consider an assessment of the best way forward in the light of discussions in Committee?

Tes please

MCG.

PAUL GRAY

9 February 1990