

UNCLASSIFIED



Handwritten notes: "EPRU Backup" and a red "D" in a circle.

FROM: CHIEF SECRETARY
DATE: 16 March 1990

PRIME MINISTER

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

Unfortunately I will be unable to attend your meeting on 20 March due to the Budget.

2 Restrictions on cross-ownership can only be justified where they help promote choice for viewers. It is therefore right that Sky TV - which dominates English broadcasting from the ASTRA satellite - and BSB should not be allowed to bid for Channel 3 or 5 franchises. But W H Smith do not dominate broadcasts from any satellite and there is no good reason why they should not be allowed to bid for a terrestrial TV franchise - indeed they are ideally placed to do so.

3 I hope you will conclude that it would be right to relax the rules so a company owning just one or two satellite channels is allowed to bid for ITC licences - as proposed by John Major on 25 January.

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

A handwritten signature in blue ink, appearing to be "N. Lamont".

NORMAN LAMONT