

PRIME MINISTER

DIRECT BROADCASTING BY SATELLITE
(DBS)

The Home Secretary's Statement was welcomed on all sides of the House, and even by Dennis Skinner, though the Opposition Benches were almost empty.

Shirley Summerskill, who led for the Opposition, tried to inject a note of Socialism by welcoming the announcement that the first two channels would be operated by a public service, using public money. She went on to welcome the fact that no commercial companies were involved, and that the service would not have to be funded by advertising. She said that the Opposition expected a White Paper to be issued on the broadcasting implications of involving the private sector before any legislation was introduced. But she expressed some concern about the risk to public money involved in this new venture, and asked why the Home Secretary had not given any details of the costs and financing arrangements. She did not want to see the standards of the existing public broadcasting service lowered by the need to finance the new venture.

Sir Paul Bryan, Kenneth Warren and Michael Morris all expressed the hope that private companies could soon become involved in DBS. Others on the Government Benches drew attention to the link between DBS and cable systems. But there was in fact very little questioning of the Home Secretary.

Winding up, the Home Secretary said that it was essential to move fast on DBS in order to take advantage of the industrial and employment opportunities. The satellite system would however be provided by the private sector, and commercial companies would have a chance to bid for the two DBS channels that would later become available. There would have to be legislation to provide a regulatory framework, but he did not expect to issue a White Paper. He would make a Statement shortly on the link with cable systems. The forthcoming debate on DBS would provide an opportunity to go into the financial implications for the BBC.

4 March 1982

TO BE CHECKED
AGAINST DELIVERY

DBS: ORAL STATEMENT BY HOME SECRETARY, THURSDAY 4 MARCH 1982

With permission, Mr Speaker, I will make a statement about the Government's intentions regarding the future development of direct broadcasting by satellite (DBS).

The House will recall the Report of the Home Office study of DBS published last May. Reaction to that Report has been largely constructive and positive. The Government now sees a need for early decisions if the industrial opportunities which DBS offers this country are to be grasped in good time, in a situation in which there will be keen international competition.

The Government has therefore decided, in principle, that this country should make an early start with DBS, with the aim of having a service in operation in 1986. Because of the importance of making this early start the Government has concluded that the best course would be a start with two channels initially; the number of channels could be increased up to the maximum of five channels permitted by

/international ...

international allocation, as and when demand justified it. The services would be transmitted at powers sufficient to permit both individual reception and community reception with cable distribution. I intend to make a further announcement shortly about the future role of cable.

As regards finance, the Government expects the capital cost of providing the satellite system to be found in the private sector.

On the industrial side, various interests in the aerospace and related industries have shown that they are ready to play their part in this challenging new venture and we shall be working closely with them and with the domestic electronics industry to ensure that the economic benefits are effectively realised for the UK.

On the broadcasting side, it is clear that DBS must develop in a way that is consistent with our existing broadcasting arrangements, especially as regards supervision

/by a ...

by a broadcasting authority and maintenance of proper programme standards. The BBC has already put forward proposals for two DBS channels. One would be a subscription service including a substantial element of feature films and major sporting, cultural and other events not presently available for transmission on BBC 1 or BBC 2. The other would be a service which would draw on the best television programmes from around the world (and indeed from this country). This would be financed basically by licence fee revenue - which would probably include a supplemental licence fee for DBS.

The IBA and commercial television companies have also shown some interest in providing DBS services, but their plans are less well advanced. Additionally, more time will be needed to devise the right framework, which would be likely to involve legislation.

In these circumstances the Government believes that the right course, if the necessary early agreements are to be reached between satellite providers and users, is to

/authorise ...

authorise a go-ahead with the BBC proposals. However the Government attaches importance to the participation of commercial television companies in DBS. What we are now proposing would leave ample future opportunities open to them. The Government intends to press ahead with the necessary preparatory work, and would be ready to introduce legislation for the purpose as necessary.

Meanwhile the immediate requirement is for the BBC and the British space industry to enter into discussions with a view to constructing and agreeing detailed proposals.

I commend these decisions to the House as a sound foundation for a development with major significance for this country's industrial and employment prospects. The House will no doubt wish to have an opportunity of discussing them: my right hon friend the Leader of the House will be finding time for an early debate.