



PRIME MINISTER

Prime Minister

For Cabinet

ms 1/12

At its fourth meeting last week ^{pt 2} E(TP) recorded that it would be important for investors to know as soon as possible what the Government had in mind on the question of franchises and particularly their period. We are due to discuss cable at Cabinet on 2 December and, whilst you will not wish to repeat the discussion at E(TP), the question of franchise periods remains to be decided.

2 I would like to suggest that we accept the recommendations of officials and announce in the debate on the Hunt Report on Thursday, the decision that:

"franchises for cable operators should run for twelve years initially and eight years subsequently".

3 E(TP) also agreed that licence periods for star-switched systems should be longer but did not endorse the exact period of time in each case. This is another market in which potential investors would find early guidance invaluable. Officials recommended that licences for cable providers should run for 12 years for tree-and-branch systems, or for 20 years if a switched



system is installed from the outset. Providers who up-grade a tree-and-branch system to a switched system during the initial period would be eligible for the additional period.

4 I would hope that this recommendation could also be endorsed and outlined during the cable debate.

5 I am copying this minute to Cabinet colleagues and to Sir Robert Armstrong.

PJ

P J

1 December 1982

Department of Industry

DEC 1982

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COMMUNICATIONS

From: THE PRIVATE SECRETARY

Broadcasting



- 1) Mr Ricketts *mm 9/12*
- 2) Pmc Minutes

HOME OFFICE
QUEEN ANNE'S GATE
LONDON SW1H 9AT

9 December 1982

Mr Bahus

Dear Sir,

announcement was on the basis that "we have it in mind". Agree to the Home Secretary's proposal?

Informed LP by telephone 10/12
Yes
No

CABLE: LENGTH OF FRANCHISE

JH
9/12

You sent me a copy of your letter of 3 December to David Saunders confirming the Prime Minister's agreement to the announcement, in last week's cable debate, of decisions on the points raised in the minute circulated by the Secretary of State for Industry on 1 December.

proposes

That minute proposed decisions on two points. One was the period of licence for cable providers, to depend on the system installed. This was announced by the Minister of State in his winding-up speech (Official Report, 2 December, Col. 490). The other proposal, that franchises for cable operators should run for 12 years initially (rather than the 10 years recommended in the Hunt Report) and 8 years subsequently, was not announced. However, if there is general agreement to it, the Home Secretary sees some advantage in announcing it without further delay. He therefore proposes to announce acceptance of the proposal by means of a Written Answer early next week.

I am sending a copy of this letter to the Private Secretaries to other members of the Cabinet and to Sir Robert Armstrong.

Yours sincerely,

Lealey Pallett.

MRS L PALLETT

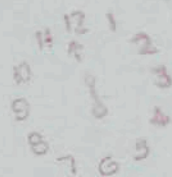
Tim Flesher, Esq.

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Cable Systems

pt 3

- 8 DEC. 1982





10 DOWNING STREET

From the Private Secretary

3 December 1982

Dear David,

This is simply to confirm that the Prime Minister agreed to your Secretary of State's proposal in his minute of 1 December that the Government should announce decisions in principle on franchise periods for cable operators during the Debate on Cable.

I am sending a copy of this letter to John Halliday (Home Office), John Gieve (Chief Secretary's Office), John Whitlock (Department of Trade) and Neil McMillan (Department of Industry).

Yours ever
TLF

Timothy Flesher

Dr. David Saunders,
Department of Industry.

off