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Knowledge Centre

Cable *Authority*

ANNUAL
REPORT
and
ACCOUNTS
1989-90

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British Cable: Key Facts

	31 March 1990	31 March 1989	31 March 1988
Number of franchises awarded or advertised	136	52	25
Homes within awarded and advertised areas	14,667,000	7,272,000	3,066,000
Number of franchises awarded	75	32	23
Number of franchises operating	17	10	10
Homes to be passed by franchises awarded	9,553,000	4,601,000	2,365,000
Homes so far passed	599,737	470,203	307,453
Homes connected to franchises	92,974	65,874	44,565
Average franchise penetration rate	15.5%	14.0%	14.5%
Average subscription paid per month	£17.97	£17.08	£17.86
Licences for upgrade/SMATV systems	215	144	119
Homes passed by all UK cable	1,637,689	1,478,583	1,372,856
Homes connected to all UK cable	311,647	283,816	256,527
Average penetration rate	19.0%	19.2%	18.7%
Proportion of viewing of cable channels	37%	36%	39%

Chairman's Foreword

Cable Authority

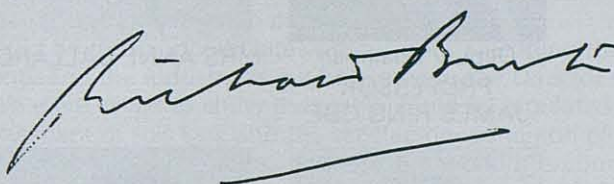
The Rt Hon David Waddington QC, MP
Secretary of State for the Home Department
Home Office
50 Queen Anne's Gate
LONDON SW1H 9AT

9 July 1990

Dear Secretary of State

I have pleasure in sending to you, in accordance with section 21 of the Cable and Broadcasting Act 1984, the Annual Report of the Cable Authority, together with the statement of accounts, covering the period from April 1989 to March 1990.

Yours sincerely



Richard Burton



Chairman
MR RICHARD H BURTON

Members of the Authority



Deputy Chairman
PROFESSOR
JAMES RING CBE



MRS ANNE BALLARD



MR PHILIP DARWIN



MR PAUL JOHNSON



MRS ELIZABETH
MACDONALD-BROWN



MR PETER
S. PAINE CBE DFC

Chairman's Foreword

This is the last annual report of the Cable Authority. On the assumption that the Broadcasting Bill will be enacted as planned, the Authority expects to be wound up on 31st December 1990 and its functions and staff absorbed into the Independent Television Commission which will be set up from 1st January 1991.

Although its life has been short, the Authority is proud of what it has achieved in five and a half years. Established at a time when sceptics about the prospects for cable abounded, and facing throughout most of its existence hesitation on the part of investors, hostility on the part of the established broadcasters and ignorance and apathy on the part of most people, the Authority feels it has won through.

It has won through to the point where by the time it is wound up, the franchising of virtually all of urban Britain will have been accomplished. Two thirds of the population of the United Kingdom will then be within a cable franchise area, a situation which few people, let alone the sceptics, would have believed possible five years ago. This enormous interest in cable leaves the Authority with only one regret: in selecting the single franchisee for each area it has had no option but to turn down many other excellent and well funded applicants.

It has won through to the point where investment in cable, principally from North America, will now be forthcoming. The massive scale of this incoming capital investment into the United Kingdom is to be welcomed.

Yet more remains to be done. Despite the success of the Authority's franchising programme relatively little cable will be in the ground when the Authority ceases to exist and only in the next two years or so will there be a wider and more knowledgeable consciousness of its benefits. More and more people are, even now, coming to realise that cable is the most sensible way to deliver satellite television to the home and that cable can provide local community television better than any other medium, but its full potential has yet to be recognised.

I refer particularly to the provision of local telecommunications networks in competition with the two existing suppliers, and of interactive services such as shopping from home, banking from home, meter reading, booking holidays from home, security alarms and many other services. It is these capabilities of cable that will during the next decade awaken the realisation that cable is about a great deal more than a wider choice of television programmes.

My remarks would be totally incomplete without acknowledging the very great debt the Authority and the industry as a whole owe to the Director General and his small staff. We were asked to show that cable could be regulated with a light touch: the achievement of this task and the satisfactory condition of cable today is in great measure due to their tireless and efficient work. It is comforting to know that cable will continue to benefit from their services at the I.T.C.

My colleagues and I have been unwavering in our belief in cable's future and in the enormous benefits it will ultimately offer. The continuing development is a task which we must pass on to our successors, confident not only that the foundations are now secure and building on them will be taking place with ever increasing assurance, but also that we hand over the reins with the industry and its regulation in good order. We wish cable and the I.T.C. well in the future.

The Authority's senior staff



Jon Davey
Director General



Tony Currie
Controller of Programmes



Chris Quinlan
Controller of Advertising



Anthony Hewitt
Secretary to the Authority

The role of the Authority

The Authority came into existence on 1 December 1984 as a result of the Cable and Broadcasting Act 1984. The Authority is charged by Parliament with

- granting franchises for the installation and operation of large-scale broadband cable systems
- licensing the provision of cable programme services in addition on older systems (upgrades) and new smaller systems (SMATV)
- licensing the provision of television for public showing
- drawing up codes on programme standards, advertising practice and sponsorship
- exercising oversight of cable programmes to make sure that the rules are kept
- exercising its licensing functions in the way that best promotes cable services, especially those on the new generation of broadband systems.

1

Review of the Year

The year has been marked for the Authority by two main features: a continuing increase in the demand for cable franchises and the process of legislative change. The second of these will have the effect of bringing the Authority's separate existence to an end and therefore colours much in this, probably last, Annual Report of the Authority. The first has put the Authority in the position of considering far more franchises, and franchise applications, than it might earlier have thought possible. This is discussed in more detail later.

Last year's Annual Report drew attention to the rising level of interest in cable and discussed the reasons for it. With the consolidation of that new interest in cable, it is appropriate to look again at how circumstances have changed to bring about a situation very different from that which existed in the early days of the Authority's life.

The influence of North Americans

Virtually all of the increased activity in the cable industry is due to North American investment and interest. Although there are signs of an awakening of interest in the British investment community, the progress of the last year has been almost entirely driven by cable operating and telecommunications companies from Canada and the United States of America. They plainly have a familiarity with the nature of the medium, and of its investment profile, which – despite the informational efforts of the Authority over five years – is lacking in the United Kingdom. This has given them a perspective that Britain represents an attractive place in which to develop a cable business, in full recognition of the long term nature of the investment returns. The Authority therefore has good reason to welcome the participation of such companies in the cable industry here.

Having said that, however, there has still been a noticeable increase in confidence over the year, even among North American investors, about the prospects for cable in the United Kingdom. There have been two main elements in this.

The first is that many of the political clouds over the scene at the beginning of the year, which threatened legislative change in a way that would harm investment in the industry, were removed by the Home Secretary's statement of 27 April 1989. That statement indicated the Government's substantial second thoughts about the proposals for cable set out in the Broadcasting White Paper. It began to look as if the Government were prepared to allow more of a stable environment in which investors could see recognisable business prospects.

The second element was the growing recognition that the expansion of programme services at last meant that cable operators could offer a value-for-money service of strong appeal to the public. The development of Sky Television's new channels at the beginning of 1989 did much to establish this. Although British Satellite Broadcasting were obliged to defer the launch of their services, the recognition was reinforced by the addition of the five BSB channels to the cable menu in the last week of the year. Together with other new programme channels which were either started during the year – such as Discovery Channel – or which were being planned and in prospect, the effect was that the demand for cable was seen as likely to grow strongly.

It also began to be recognised on a wider scale that the advent of these

new satellite television channels, rather than undermining cable, actually increased the value of cable as a means of delivery. The heavy advertising of Sky Television's own all-inclusive satellite dish package (originally for £19.45 a month, but since increased) brought home how much more cheaply cable could deliver the same services, and more, to viewers in the home. Moreover, it would do so without the proliferation of satellite dishes which as the year went on generated growing concern from local authorities and others. The impending start of BSB's service reinforced the point that investment in cable was the easy way of delivering satellite television, without duplicate sets of satellite dishes, receivers and decoders, especially as BSB's earlier hopes of keeping the price to the individual dish owner below £250 proved highly optimistic.

The Authority drew attention last year also to how perceptions of telecommunications services on cable had become more positive, once some operators had shown that such services were not only possible but offered a promising business. The United Kingdom's unique regulatory environment, which encourages cable operators to be telecommunications operators within their area as well as television providers, is undoubtedly one reason why the North American telephone companies are taking such an interest. Moreover, they are welcome because of the expertise that they can bring. Nevertheless, it is also true that they have a strong interest in the cable television business, coming from countries where such businesses are highly successful but from which telephone companies, despite the obvious synergies, are excluded by regulation.

GET CABLE IN THE GROUND!

The Chairman's frequent exhortation was fulfilled on a greater scale this year, with help from the Authority itself. Here Richard Burton, with Lord Elliott, Chairman of Comment Cablevision, and Councillor Norman Lakey, Mayor of Gateshead, start the process in Tyneside, while Jon Davey begins fresh construction in Glasgow.



Expansion of cable systems

As the Authority's franchising programme progressed, an increasing number of cable operators reached the point of switching customers on to new systems. This had still not progressed as far as the Authority would have liked by the end of the year, but at least the twelve months saw seven new franchised systems serving subscribers for the first time. The bulge of franchisees now emerging from the licensing processes means that the number of operational systems should increase very substantially over the next twelve months.

A sudden and unprecedented acceleration of demand for construction capacity, ducting, cable and electronic equipment, to say nothing of experienced personnel, will obviously arise as a result. While this may be difficult to plan for effectively, the Authority has been reassured that these matters are being properly addressed and that a substantial rate of expansion can be coped with.

Legislative plans develop

On 27 April 1989, the Home Secretary made his eagerly awaited statement following the consultations about the cable proposals set out in the Broadcasting White Paper published in November 1988. Much to the relief of the cable industry, and of the Authority, the Government abandoned its earlier ideas for the separation of functions within the industry, which would have prevented those who provided networks from using them to retail services to the public. The Home Secretary also announced that there would be no levy on local operators and that the proposed duty on the Independent Television Commission to consider competing franchises in the same area would not be pursued. The way that the Government had responded to widespread criticism of their earlier proposals did much to remove misgivings about future prospects and to reassure those considering investment.

On 12 July, the Home Secretary made a further statement about ownership restrictions, in which he announced that the existing restrictions on the foreign control of cable operations would be abolished. This was very welcome news to the Authority, which had repeatedly made its view known that there was no good reason for such a restriction, which acted only as an obstacle to inward investment in the cable industry here, an investment which – totalling about £4 billion – would in other industries have been actively courted and would have generated front page headlines about the creation of jobs and the stimulation of economic activity. At a time when the development of cable was so dependent upon investment from other countries, the Government's decision was seen as a positive boost for the industry.

It also held out the prospect of being able to avoid the less than satisfactory expedients being adopted by foreign companies, in setting up Channel Islands trusts as a way of sanitising their investment in British cable. The Authority felt that were the law not to change, the implementation of these arrangements in companies which began operations would require the Authority to exercise close supervision of the way in which companies were controlled, and this would undoubtedly have led the Authority into unnecessarily distracting complex and sensitive areas.

When the Broadcasting Bill was published in December, it contained few surprises and nothing which was as damaging to the future prospects for cable as the White Paper had suggested might be the case. In brief, the Cable Authority will merge into the new Independent Television Commission, which will in future have responsibility for granting local delivery franchises, allowing the option of using microwave transmission (MVDS) as well as cable. Those franchises will be granted by a process of competitive tendering, in which it is the highest monetary bid rather than an applicant's proposals which will govern the award of the franchise. Programme channels will in future require their own licence and, in recognition of this, the responsibility at present imposed on cable operators for the programmes they show is to be abolished. In most respects, however, existing cable franchisees will continue to operate under present rules for the full term of their franchises.

The Authority saw none of this as detrimental to future investment in cable systems, particularly since the Authority had made such progress in granting cable franchises that virtually the whole of urban Britain will be

franchised by the time this Report is published. This did however raise the question as to how sensible it was at this very late stage to introduce a different method of granting the extremely few franchises left in the United Kingdom, which would in any case tend to be for the most part small towns capable of sustaining little more than a SMATV-type service rather than full broadband services.

The Authority was also concerned about the effect of placing total reliance in the future on a monetary bid, without any kind of consideration being given to the range of services to be provided, the extent of coverage of the franchise area or the timetable for achieving that coverage. This appeared to place a premium on providing a service with the minimum investment, and the Authority feared that the result would be to weight the scales against the applicant who was proposing the most comprehensive service at what would inevitably be a significantly higher capital cost. The Government showed gratifying signs of moving at least some way towards meeting this concern.

The reality of a local delivery franchise once granted seems now to be little different from a cable franchise, since the announcement by the Government that the frequencies to be made available would be in the 40 Ghz band made the liberalisation of MVDS rather an empty gesture. A slightly different area of concern lay in the obligations to be imposed on programmers, which in significant ways tightened up the freedom which the 1984 Act saw as appropriate for the multi-channel environment which cable systems offered. The previous philosophy had been to allow a broad freedom of political expression, subject only to a test of there being no undue prominence for any particular view across the range of channels on a cable system, which could include a religious channel. The Broadcasting Bill turned the clock back by requiring all programme channels (save a local cable channel) to observe due impartiality in the political and religious fields and by banning the control of channels by religious or political bodies.

As time went by, further indications emerged of the Government's plans, including a welcome dilution of the must-carry rule. Although the Authority has consistently urged the abolition of the rule, it was pleased nevertheless that a larger number of limited capacity cable systems were exempted from the requirement to carry broadcast television channels and that the requirement in relation to satellite broadcasting channels was narrowed from five channels to three with immediate effect.

The Authority remained hopeful that the Bill could be further improved.



In the autumn, United Artists in Croydon started a daily half-hour local programme. The Mayor of Croydon, Councillor Dudley Mead, opened the new studio.

2

The Work of the Authority

Franchising activity becomes hectic

Last year the Authority drew attention to the transformation in its franchising activity, illustrated by the fact that 26 franchises had been advertised compared with five in the previous year. This year the transformation has been complete: where last year 26 franchises were advertised, this year the Authority advertised 85. Last year the Authority received 33 applications for franchises; this year the total was 218. The Authority carried through its franchising programme to the point where only a handful of substantial towns remained outside the scope of cable franchises. The total of homes inside franchise areas was 14.5 million (some 37 million people), a total significantly higher than that which some commentators used to say was the effective maximum of what was ever likely to be cabled.

Chapter 1 of this report has already drawn attention to the factors governing the increased demand for franchises. The enormous acceleration in the Authority's programme this year undoubtedly has a great deal to do with the fact that the window for cable franchises was being closed with the implementation of the Government's legislative proposals. The fact that there was only a limited amount of time left in which to gain cable franchises, coupled with the problematical future process of having to bid for a franchise, the value of which no one could with confidence attach a price to, resulted in requests for large numbers of new franchises to be advertised, and increasing competition for those franchises, reaching a peak in the eight applications received for the Sheffield franchise. All this has left the Authority with a difficult and at times invidious task in selecting franchisees from among so many good and well-funded applications. It is to the Authority's regret that a few ended up with nothing and more with less than their ambitions demanded.

This increased level of franchising activity placed substantial new burdens on the Authority. The Authority concluded that no application could be turned down without the Authority giving the applicant a chance to present the case orally and the Authority the opportunity to test the strength of each application in discussion with those making it. The Authority also decided that, with only seven members, it could not reasonably be split into separate panels to spread the burden of interviewing applicants. The Authority therefore began to meet every week, typically to undertake three franchise interviews in the course of a single day and usually to deal in one interview with multiple applications by the same applicant. In this way, although the consideration period lengthened in some cases, the Authority managed to stay abreast of the very much larger number of applications to be dealt with. Even so, although at the end of the year the total of franchises awarded had risen to 75 – from 32 at the beginning of the year – another 61 franchises were still left at various stages of advertisement, consultation and evaluation. These will be completed in the first few months of the Authority's remaining lifespan.

The consultation process also placed new burdens not only on the Authority's licensing partners, the Department of Trade and Industry and Oftel, but on large numbers of local authorities throughout the country. This was a challenge taken up with increasing enthusiasm and commitment as appreciation of the importance of cable to local communities spread, and the Authority was impressed by the thoroughness and insight with which many local authorities explored the issues and undertook their own evaluation of the applications submitted to the Authority.

The Authority's style of regulation

The Authority has pioneered a different kind of regulatory approach. This is not always fully understood. Regulatory style has been the subject of continuing debate in the context of the Broadcasting Bill and with the forthcoming establishment of the Independent Television Commission as the successor body to the Authority, and as a licensing body rather than a broadcasting authority, it is timely to repeat the essentials of the Authority's approach.

- **Licensees, not contractors**

The fact that the regulator is a licensing authority rather than a broadcaster has a profound effect on the status of the regulator and on the relationship with those regulated. A broadcaster (like the IBA) is itself legally liable for the material broadcast, in such areas as defamation, copyright, blasphemy, and in the future, obscenity. A licensing body, on the other hand, can properly leave its licensees to take their own responsibility under the law.

- **Lay down clear codes and guidelines**

The Authority's aim is to give to those it regulates codes and guidelines which are easy to understand and clear in their application and interpretation, in order to minimise errors, encourage consistency and preserve respect for the rules.

- **Place the onus for compliance on licensees**

The Authority makes plain to all those originating programme services that the responsibility for obeying the rules laid down by the Authority rests with them. They are told that the Authority will not expect to exercise constant supervision of the services they provide and that they must ensure that there is no breach of the regulatory requirements. They are made aware that the Authority will investigate any complaints and will in any case sample the programmes to keep in touch with what they are doing, and that they infringe at their peril. In the case of a programme channel which ignored the rules, the sanction would be a direction to cable operators that the channel concerned was no longer acceptable to be carried on cable systems.

- **Ensure that licensees are equipped for the job**

The Authority has taken care to see that the responsibility devolved to licensees is properly organised and undertaken. There are three principal aspects to this.

1. The Authority insists that an identified member of staff is given responsibility for ensuring that the rules are kept.
2. The Authority ensures that the individuals concerned are properly trained and kept up to date on the nature of the Authority's requirements and their application. Induction training seminars and refresher courses are supplemented by support materials designed to make the job easier.
3. The Authority has required to see the institution of systems for the proper vetting of material before it is transmitted. A programmer needs to be able to assure the Authority that internal arrangements are in force to ensure compliance with the Authority's codes and guidelines.

- **Concentrate close monitoring where it is needed**

Some areas of special sensitivity may require to be singled out as those where the regulatory body must be consulted. For example, under the Authority's code on programme sponsorship, any sponsor of news or current affairs programming must be cleared with the Authority in advance. This allows the Authority to vet the editorial arrangements and seek a number of special assurances that editorial independence will not be prejudiced.

- **Do not regulate what can be left to the market**

There is no need for a regulatory body to exercise a nanny role in respect of matters in which it is perfectly acceptable for the market to regulate itself. For example, the Authority decided at the outset that, as multi-channel choice of television developed, viewers rather than the regulators should determine what amount of advertising was acceptable on cable and satellite services. Those programmers who antagonised viewers by including too much advertising would simply lose audiences.

Legal challenge

During the year the Authority for the first time faced legal challenge of one of its franchise decisions. The Authority had felt unable in April 1989 to approve an application by Clyde Cablevision for the Greater Glasgow franchise, and the company petitioned the Court of Session in Edinburgh for Judicial Review of the Authority's decision. After a hearing in August, the Court decided that there were no grounds on which the Authority's decision should be challenged. The applicant company at first appealed against the Court's judgement but subsequently withdrew the appeal.

Enforcing implementation of franchises

The quickening of progress in franchising added to the importance in keeping franchisees up to the mark in implementing the obligations they had taken on. Last year's Annual Report indicated that the process of reviewing the laggards had started in January 1989. In July the Authority reviewed all those franchises which had been awarded more than twelve months previously and considered what progress had been made and appeared likely to be made to get the system operational. The Authority noted that the warnings issued six months previously had had the effect of stimulating activity in the companies concerned, in some cases to the point of selling shareholdings to others who seemed better able to carry the project forward. Some franchise companies were kept under continuing review and in only one case was the Authority obliged to issue an ultimatum which could lead to the loss of the franchise.

That case was Belfast, for which a franchise had been awarded by the Government in November 1983, before the Authority came into existence, to Ulster Cablevision but where it still seemed very unlikely that the franchise would be activated within a reasonable timeframe. At the beginning of November, the Authority amended the licence granted to Ulster Cablevision requiring the service to be provided by 2nd May 1990, failing which breach of the licence conditions would give grounds for revocation.

This process exposed a defect in the Authority's powers which it asked the Government to remedy. Whereas the Authority can approve changes in shareholdings of a licensed company, and indeed has done so on a number of occasions, the Authority was advised that it had no power to transfer a licence from one company to another. Nor did it have a power to grant a licence to any company which had not been an original applicant for the franchise, without undertaking the franchising process afresh. This gave rise to anomalies, in that a company which had obtained a franchise in the name of a subsidiary could readily sell that company to new owners but if it had obtained a franchise in its own name the franchise in question could not be transferred to a new company. The Government included provisions in the new Broadcasting Bill to allow the transfer of licences, and also undertook to use a subordinate instrument in order to introduce changes which would make it easier for certain transactions to be approved by the Authority.

Revisions in SMATV policy

At the beginning of the year, after the launch of the new Sky Television channels and the consequent increase in interest in satellite television, the Authority considered it right to revise its policy towards SMATV. The policy drawn up with the Department of Trade and Industry in May 1985 was that SMATV systems would not be allowed in franchise areas, in order not to undermine the prospects for broadband cable. Once the ASTRA satellite made satellite television more accessible to individuals with receiving dishes, the Authority had no desire to deny the occupants of blocks of flats access to the same services through a SMATV system where such a service could not be obtained from the cable franchisee. The new policy drawn up by the Authority was that first refusal should be offered to the franchisee for any area but that, if he could not guarantee to provide a service within six months, a licence would be given for a SMATV system to operate for a minimum of three years. The programme providers and the providers of SMATV systems still considered that this policy did not give them sufficient freedom, but the view of the Authority was that in the light of its statutory duties to give preference to broadband cable over other kinds of cable systems, the policy struck the right balance between long term and short term considerations or the interests of encouraging a franchisee to install broadband cable and the interests of viewers

in getting early access to today's programming.

Developments in programme regulation

A particular case early in the year prompted the Authority to amend its programme guidelines. A programme showing the young son of Salman Rushdie, himself in hiding from potential assassins, seemed to the Authority to risk placing the boy in greater jeopardy, a matter which was not covered by the Authority's codes and guidelines. An amendment drew attention to the need to avoid programming which could lead to a threat to life or limb of any participant or other person.

A field in which problematical issues arose more frequently was music videos. Many of these seem intent on testing the boundaries of what is acceptable, and the Authority often found itself in receipt of queries from programme companies about the showing of particular music videos. The Authority concluded that it would be helpful to have a code dealing solely with music videos, which could bring together a number of requirements of more general application, together with some considerations specific to music videos. The Authority's specific code on the subject was adopted in October.

The film channel Home Video Channel changed hands during the year and the Authority had a number of discussions with the new management about the content and scheduling of the films to be included in the service, most of which were suitable only for adults. While reassured generally that the channel would not infringe the Authority's Codes and Guidelines, the Authority thought it appropriate to introduce a fresh form of regulatory control, which provided that such a channel was made available only to those who had specifically asked to receive it. In this way, possible offence to others would be avoided, since a channel in this category would not be included in the basic package supplied to all the cable system's subscribers and would not be included in a multi-screen mosaic channel offering to all subscribers a taste of what was being shown on a range of other channels.

The Authority's influence in other countries was again illustrated by the willingness of foreign channels to adapt to the Authority's requirements. The sensitivity in the United Kingdom towards bullfighting led the Authority to tell the Mexican-based Spanish-language channel Galavision that its relay on British cable systems could not be approved while it carried coverage of bullfighting at hours at which children and young persons were likely to be watching. In order to appear on the Authority's list of approved channels, Galavision moved its regular bullfighting coverage from 3 pm to 11 pm.

Advertising and sponsorship

The Authority has been instrumental in giving fresh thought to some areas in which television advertising has traditionally not been allowed to venture. One of these concerns matrimonial agencies, and after a number of discussions within the industry, and wider consultations, the Authority adopted in July an amendment to its advertising code which would allow advertising in certain circumstances by matrimonial and introduction agencies.

Also in July the Authority had occasion to consider a rather more specific case under its advertising code. The Friends of John McCarthy, the journalist taken hostage in Lebanon, had made a commercial designed to maintain awareness of his plight, which was shown widely in cinemas but which had been regarded as infringing the ban on political advertising on television. Having taken legal advice and viewing the commercial concerned, the Authority had no hesitation in deciding that it should be permissible to be shown in the services which it regulated. The IBA decided notwithstanding the Authority's decision to maintain the prohibition on the showing of the commercial on independent television.

In another instance, the Authority felt bound, with some reluctance, to relax its own rules in the light of what was allowed in other broadcast services. The Authority's code on sponsorship of programmes had taken a clearly hostile view of the use of sponsorship to promote tobacco products, on the understanding that the broadcasting authorities were adopting the same line. In the light of information that the broadcasters were after all entering into fresh contracts for the coverage of tobacco-sponsored events, it seemed to the Authority that it could not justifiably impose more restrictive rules on the programme channels for which it was responsible. In December, therefore, the Authority announced that its rules were in some respects being relaxed.

The cable franchising programme

Area	Homes in area	Deadline for applications	Number of applications	Franchise awarded	Services started
1. Swindon	75,000	31 August 1983	*	29 November 1983	September 1984
2. Aberdeen	91,000	31 August 1983	*	29 November 1983	May 1985
3. Coventry	119,000	31 August 1983	*	29 November 1983	September 1985
4. Croydon	120,000	31 August 1983	*	29 November 1983	September 1985
5. Northwest Glasgow & Clydebank	112,000	31 August 1983	*	29 November 1983	October 1985
6. Westminster	107,000	31 August 1983	*	29 November 1983	October 1985
7. Windsor, Slough, Maidenhead, Ashford, Staines, Stanwell, Heathrow	110,000	31 August 1983	*	29 November 1983	December 1985
8. Ealing	105,000	31 August 1983	*	29 November 1983	November 1986
9. Guildford (now combined with Aldershot below)	22,000	31 August 1983	*	29 November 1983	July 1987
10. Belfast	136,000	31 August 1983	*	29 November 1983	—
11. South Liverpool	125,000	31 August 1983	*	29 November 1983	—
12. Bolton	135,000	30 April 1985	1	13 August 1985	—
13. Cheltenham and Gloucester	90,000	30 April 1985	1	13 August 1985	—
14. Newham and Tower Hamlets	127,000	30 April 1985	1	13 August 1985	April 1987
15. Wandsworth	100,000	30 April 1985	1	13 August 1985	—
9a. Aldershot, Farnham, Fleet, Camberley, Woking, Farnborough, Godalming	115,000	30 April 1985	1	13 August 1985	(see franchise 9)
16. Cardiff and Penarth	103,000	30 September 1985	1	5 February 1986	—
17. Camden	70,000	30 September 1985	1	5 February 1986	December 1989
18. Edinburgh	183,000	30 September 1985	1	5 February 1986	—
19. Preston, Chorley and Leyland	114,000	30 September 1985	2	5 February 1986	May 1990
20. Southampton and Eastleigh	97,000	30 September 1985	2	12 September 1986	October 1989
21. Luton, Dunstable and Leighton Buzzard	97,000	30 April 1986	1	10 July 1986	April 1990
22. Kensington and Chelsea	68,000	31 October 1987	2	4 February 1988	September 1989
23. Andover	12,000	15 December 1987	1	7 April 1988	March 1990
24. Blackburn, Accrington, Nelson, Colne and Rossendale Valley	168,000	18 January 1988	1	9 May 1988	November 1989
25. Birmingham and Solihull	465,000	6 June 1988	2	19 October 1988	November 1989
26. Southend, Basildon, Brentwood, Chelmsford, etc	300,000	18 July 1988	2	16 November 1988	—
27. Gravesend, Chatham, Rochester, Gillingham, Maidstone and Sittingbourne	145,000	20 July 1988	1	16 November 1988	—
28. Hammersmith and Fulham, Brent, Barnet	280,000	25 July 1988	2	19 January 1989	—
29. Bristol, Bath, Weston Super Mare etc.	350,000	27 July 1988	1	16 November 1988	—
30. Redbridge, Barking and Dagenham, Bexley	229,000	8 August 1988	3	15 December 1988	—
31. Reading, Bracknell, Basingstoke, Newbury, Newbury etc	215,000	10 August 1988	2	2 December 1988	—
32. Northampton	72,000	3 October 1988	1	19 January 1989	on existing system only
33. Greenwich and Lewisham	175,000	12 December 1988	3	7 April 1989	—
34. Crawley, Horley and Gatwick Airport	40,000	15 December 1988	2	27 April 1989	—
35. Greater Glasgow, Paisley, Renfrew	357,000	19 December 1988	1	Not awarded	—
36. Motherwell, Hamilton, East Kilbride, Wishaw and Larkhall	120,000	19 December 1988	2	27 April 1989	—
37. Cumbernauld, Kilsyth, Airdrie and Coatbridge	55,000	19 December 1988	2	27 April 1989	—

* The "pilot projects" resulted from an invitation by the Government to companies to apply for any area of their own choice. The eleven franchisees were chosen from 37 applicants.

Area	Homes in area	Deadline for applications	Number of applications	Franchise awarded	Services started
38. Dumbarton and the Vale of Leven	18,000	19 December 1988	2	27 April 1989	
39. Merton and Sutton	135,000	30 January 1989	1	6 May 1989	March 1990
40. Kingston and Richmond Upon Thames	124,000	6 February 1989	1	6 May 1989	
41. Cambridge, Newmarket, Ely, Saffron Walden, Huntingdon, St Ives, etc	134,000	27 February 1989	1	9 June 1989	
42. Dudley, Sandwell, Walsall, Wolverhampton, Cannock, Kidderminster and Bromsgrove	470,000	15 March 1989	2	14 July 1989	
43. Lambeth and Southwark	191,000	20 March 1989	2	6 July 1989	
44. Peterborough	58,000	5 April 1989	1	21 July 1989	June 1990
45. Norwich	83,000	10 April 1989	1	21 July 1989	May 1990
46. Colchester, Ipswich, Felixstowe, Harwich and Woodbridge	126,000	12 April 1989	2	21 July 1989	
47. Haringey	80,000	17 April 1989	2	28 September 1989	
48. Waltham Forest	83,000	17 April 1989	2	28 September 1989	
49. Leicester	147,000	26 April 1989	1	22 September 1989	
50. Nottingham	230,000	3 May 1989	1	22 September 1989	
51. Brighton, Hove and Worthing	110,000	10 May 1989	4	20 October 1989	
52. Exeter, Plymouth and Torbay	236,000	3 July 1989	1	15 December 1989	
53. Harpenden, Hemel Hempstead, St Albans etc	100,000	10 July 1989	3	3 November 1989	
54. Watford, Richmansworth, Bushey, Borehamwood, Potters Bar etc	95,000	10 July 1989	2	3 November 1989	
55. Stevenage, Welwyn, Hatfield, Hitchin etc	100,000	10 July 1989	4	3 November 1989	
56. Stoke on Trent, Newcastle under Lyme	140,000	14 August 1989	2	1 December 1989	
57. Swansea, Neath, Port Talbot	110,000	16 August 1989	1	16 November 1989	
58. Newcastle, Gateshead, Nth & Sth Tyneside	325,000	21 August 1989	3	15 December 1989	
59. Warrington, Widnes, Runcorn	121,000	23 August 1989	1	12 January 1990	
60. Chester and Ellesmere Port	61,000	23 August 1989	1	12 January 1990	
61. Stafford and Stone	24,000	14 August 1989	3	1 December 1989	
62. Dorchester, Weymouth and Portland	33,000	11 September 1989	1	16 February 1990	
63. Dundee, Monifieth and Carnoustie	81,000	13 September 1989	2	19 January 1990	
64. Perth and Scone	18,000	13 September 1989	1	19 January 1990	
65. Portsmouth, Fareham, Gosport, Havant	150,000	15 September 1989	5	2 February 1990	
66. Derby and Spondon	89,000	18 September 1989	2	16 February 1990	
67. Leeds	289,000	20 September 1989	5	2 March 1990	
68. Wakefield, Pontefract, Castleford	94,000	20 September 1989	5	2 March 1990	
69. Margate, Ramsgate and Broadstairs	52,000	22 September 1989	1	16 February 1990	
70. Bromley	117,000	25 September 1989	3	16 March 1990	
71. Loughborough and Shepshed	24,000	20 October 1989	2	9 March 1990	
72. Mansfield, Sutton & Kirby-in-Ashfield	58,000	29 September 1989	1	9 March 1990	
73. Havering	90,000	18 October 1989	2	6 April 1990	
74. Dartford and Swanley	35,000	23 October 1989	1	16 March 1990	
75. Harlow, Bishops Stortford, Stansted	43,000	25 October 1989	3	23 March 1990	
76. Stratford, Warwick, Leamington, Kenilworth	44,000	30 October 1989	3	30 March 1990	
77. York and Harrogate	78,000	1 November 1989	2	30 March 1990	
78. Bournemouth, Poole, Christchurch	110,000	6 November 1989	3	6 April 1990	
79. Salisbury	15,000	8 November 1989	1	6 April 1990	

Area	Homes in area	Deadline for applications	Number of applications	Franchise awarded	Services started
80. Winchester	33,000	8 November 1989	3	6 April 1990	
81. Telford	50,000	11 December 1989	4	26 April 1990	
82. Hackney and Islington	150,000	13 December 1989	2	13 April 1990	
83. Doncaster and Rotherham	192,000	15 December 1989	7	10 May 1990	
84. Rugby	24,000	18 December 1989	2	6 April 1990	
85. Nuneaton and Bedworth	43,000	18 December 1989	2	6 April 1990	
86. Hinckley	20,000	18 December 1989	2	6 April 1990	
87. Tamworth	25,000	18 December 1989	2	6 April 1990	
88. Grantham	30,000	12 January 1990	1	26 April 1990	
89. Newark	18,000	12 January 1990	1	26 April 1990	
90. Melton Mowbray	30,000	12 January 1990	1	26 April 1990	
91. Manchester, Salford and Trafford	363,000	15 January 1990	5	17 May 1990	
92. Bury and Rochdale	143,000	15 January 1990	4	17 May 1990	
93. Oldham and Tameside	170,000	15 January 1990	4	17 May 1990	
94. Stockport	113,000	15 January 1990	6	17 May 1990	
95. Wigan	110,000	15 January 1990	2	17 May 1990	
96. Epping, Loughton, Chigwell, Chipping Ongar	45,000	17 January 1990	1	3 May 1990	
97. Dover, Deal, Folkestone and Ashford	77,000	19 January 1990	3	3 May 1990	
98. Aylesbury, Amersham, Chesham	62,000	12 February 1990	4	31 May 1990	
99. Harrow	79,000	12 February 1990	5	24 May 1990	
100. Hillingdon	92,000	12 February 1990	5	24 May 1990	
101. Hounslow	79,000	12 February 1990	4	24 May 1990	
102. Enfield	105,000	14 February 1990	3	31 May 1990	
103. Hertford, Cheshunt, Ware	60,000	14 February 1990	3	31 May 1990	
104. Sheffield	210,000	19 February 1990	8	31 May 1990	
105. Thamesmead	11,000	19 February 1990	1	31 May 1990	
106. Greater Glasgow	274,000	21 February 1990	1	7 June 1990	
107. Paisley and Renfrew	67,000	21 February 1990	2	7 June 1990	
108. Bearsden and Milngavie	16,000	21 February 1990	1	7 June 1990	
109. Worcester, Redditch, Droitwich	70,000	12 March 1990	3	14 June 1990	
110. Sunderland, Durham, Washington	200,000	13 March 1990	2	14 June 1990	
111. Oxford, Abingdon	55,000	14 March 1990	3	14 June 1990	
112. Barnsley	82,000	16 March 1990	3	14 June 1990	
113. Bedford	55,000	19 March 1990	2	14 June 1990	
114. Bradford	175,000	20 March 1990	6	14 June 1990	
115. Halifax and Brighouse	75,000	20 March 1990	5	14 June 1990	
116. Huddersfield and Dewsbury	148,000	20 March 1990	5	14 June 1990	
117. Burton-On-Trent, Swadlincote, Ashby	40,000	21 March 1990	2		
118. Carlisle	30,000	23 March 1990	2		
119. Corby, Kettering, Mkt Harboro etc	90,000	26 March 1990	3		
120. Darlington	34,000	27 March 1990	3		
121. Middlesbrough, Stockton, Hartlepool	170,000	27 March 1990	2		
122. North Surrey (Elmbridge, Runnymede)	71,000	28 March 1990	3		
123. Epsom, Mole Valley, Reigate, Redhill	98,000	28 March 1990	3		
124. Falkirk, West Lothian	30,000	30 March 1990	1		
125. Glenrothes, Kirkcaldy, Leven	60,000	30 March 1990	1		
126. Greenock, Port Glasgow, Gourock	32,000	30 March 1990	2		
127. Great Yarmouth, Lowestoft, Caister	64,000	2 April 1990	1		
128. Wisbech, March, Whittlesey	21,000	2 April 1990	1		
129. Grimsby, Cleethorpes	63,000	3 April 1990	1		
130. Haywards Heath, Burgess Hill	25,000	4 April 1990	2		
131. Lancaster, Morecambe	40,000	6 April 1990	0		

Area	Homes in area	Deadline for applications	Number of applications	Franchise awarded	Services started
132. Lincoln	30,000	6 April 1990	1		
133. Liverpool North, Bootle, Crosby	100,000	9 April 1990	2		
134. St Helens & Knowsley	100,000	9 April 1990	4		
135. The Wirral	120,000	9 April 1990	4		
136. Macclesfield, Wilmslow	45,000	10 April 1990	2		
137. Newport, Cwmbran, Pontypool	85,000	11 April 1990	2		

The parts that cable doesn't reach

At the conclusion of the Authority's franchising programme it has become easier to identify those towns still outside cable franchise areas than to list the very much greater number of towns for which a franchise has been awarded.

The largest towns not covered – and the only ones with upwards of about 20,000 homes – are the following:

Blackpool	Chesterfield	Crewe
Dunfermline	Eastbourne	Hastings
Hull	Lisburn	Londonderry
Scunthorpe	Shrewsbury	Southport
Tunbridge Wells		

Other towns of significant size not covered by franchises are:

Ashington	Ayr	Banbury
Bangor, Co. Down	Barrow	Barry
Bexhill	Bognor	Boston
Braintree	Bridgewater	Bridlington
Bury St Edmunds	Camborne	Canterbury
Chichester	Clacton	Colwyn Bay
Dumfries	Fleetwood	Hereford
Herne Bay	Horsham	Inverness
Kilmarnock	Lancaster	Llanelli
Lytham St Annes	Malvern	Merthyr Tydfil
Morecambe	Northwich	Scarborough
Stirling	Taunton	Tonbridge
Whitehaven	Whitstable	Workington
Workop	Wrexham	Yeovil

It is these towns – and many even smaller – for which the Independent Television Commission can expect in the future to consider local delivery franchises under the provisions of the Broadcasting Bill.



Suzanne Vega with Steve Blame on his new show 'The Steve Blame Show' on MTV.

3

The Cable Industry

Growing numbers of systems and subscribers

After a long period of limited activity – last year's report indicated that no broadband systems had switched on during the year – the beginnings of the real expansion of cable showed themselves this year. Seven franchised systems reached the stage of switching on: these were the systems in Blackburn, Southampton, Kensington and Chelsea, Camden, Andover, Birmingham and Luton. This brought the total of operational franchises at the end of the year to 17 compared with only 10 twelve months previously. It naturally takes time for any franchise to reach the stage of providing services and the massive expansion of the Cable Authority's franchising programme will manifest itself in cable in the ground only in the course of the next year. This should mean a dramatic increase in the number of franchises starting operations.

It also takes time to build cable systems, and the systems which switched on during the year were not yet adding very much to the total of homes passed by broadband cable or homes actually being served. Nevertheless, the increase in the spread of cable continued and at the end of the year, on 1 April 1990, there were 92,974 homes connected to broadband cable systems, out of a total of 599,737 homes which could connect if they so wished. This gave an average penetration rate of 15.5%. The equivalent figures at the beginning of the year were 65,874 homes connected from a total of 470,203 homes passed, a penetration rate of 14.0%.

Since 1986, the Authority has collected subscriber figures from operators on the understanding that they will be used only for collating national statistics and that individual companies' figures will not be disclosed. The Authority has long felt that more extensive information about the development of the industry and of individual franchises should be published and was pleased at the beginning of 1990 to secure the agreement of the operators concerned to the publication of more detailed statistics.

These figures continue to be a relatively small percentage of the total of homes served by cable, the majority for the time being still being within areas served by one of the older systems originally installed for the purposes of broadcast relay. Adding these to the figures gave a grand total of 311,647 homes connected to cable systems, from a total of 1,637,689 homes passed, an average penetration rate of 19.0%. The equivalent figures at the beginning of the year were 283,816 homes connected from a total of 1,478,583 homes passed, an average penetration rate of 19.2%.

Advances in technology

Naturally, most of the old systems do not compare with the new ones in terms of capabilities. The number of television channels they can carry is limited (in most cases to no more than 4) and they do not enjoy the interactive capability that is being built, though to varying degrees, into new systems. One of the important features of the new systems is their ability to provide telecommunications services as well as television, though this is so far not possible through an integrated network and cable operators are building their systems with telecommunications overlays. This is seen as an increasingly important part of cable's potential, and this report includes a separate feature on cable telephony.

It was noticeable as the year went on that continuing advances in technology were all the time changing the plans of franchisees in relation to the kind of systems they would install. Systems operating up to 550 Mhz are now standard, allowing an operator to provide at least 42 television channels instead of the 30 which had been thought sufficient two years ago. Some systems are already being designed and built with greater bandwidth and it seems likely that before long the capacity of cable networks will be pushed even higher, as the technology allows for it and as operators make provision for high definition television and perhaps to carry DMAC transmissions in both their original standard and also translated to PAL.

The debate about the respective merits of switched star and tree and branch systems – and about the cost differential between the two – continued. Most franchise applications proposed tree and branch systems, for which there were signs of new competition in the market for set-top converters previously dominated by Jerrold. But it was noteworthy that the proportion of applications specifying a switched system increased, due to the success of Cabletime's Mark II Cablestar system in persuading many American operators – traditionally sceptical if not hostile towards switched systems – that it offered benefits in capability, flexibility and cost-effectiveness which, with its reliable track record, overcame their previous reservations.

There were also striking advances in the development of optical fibre and it became clear that fibre would quickly extend from its previous use only in super trunks steadily into more of the network, and ever closer to the home. Nevertheless, the prospects of optical fibre connections direct to the home still appear to be a few years away. After all, no ordinary television set can yet accept optical signals and the equipment to convert light into electronic signals remains comparatively expensive.

Changes in ownership and control

During the year the ownership of cable companies remained in flux, encouraged by the efforts of the Authority to ensure that those companies which had held franchises for a time took steps to implement them. With finance for cable now rather easier to find, many companies brought in new shareholders with the financial muscle to make things happen. This applied to companies which had already started operations, such as Clyde Cablevision and City Centre Communications, as it applied to those which had not previously been able to start, such as Bolton Telecable, Oyston Cable Communications, Cablevision Scotland and Wandsworth Cable. Some of the larger cable groupings, such as British Cable Services and British Telecom Visual Communications, indicated a desire to rationalise their businesses, in a way that involved some assets being retained and developed while others were sold off.

It has always been the Authority's approach to accept that changes of ownership and control of its licensee companies can occur as in any normal business environment. In view of the provisions of the statute, however, the Authority will always need to examine proposed changes and determine whether they are acceptable. The Authority's main concern so far has been to ensure that the statutory prohibitions on certain forms of control of cable companies – particularly control from outside the European Community – are not infringed. This has involved the Authority looking in some detail at the structure and organisation of companies which are being financed from North America, a task which the Broadcasting Bill will make unnecessary. Otherwise, the Authority has usually regarded changes of ownership as positive, bringing in fresh participants who will do more to push forward the development of cable.

The marketing of cable services

This was a year during which the gap widened between the better performers and the worst, with the average penetration rates rising by only a moderate amount. Some operators ended the year with penetration rates in excess of 20%, representing progress which was a general encouragement to those investing in cable.

There continued to be different approaches to marketing and pricing cable services, but the idea of offering a broad package of channels as a basic service at a relatively low price became rather more generally accepted. While therefore

there were some pressures towards lower prices, the larger number of channels on offer began to push the average subscription back up again. There was more to buy, so customers spent more. From a survey conducted by the Authority across the broadband franchises, the average monthly subscription being paid by cable customers at the end of the year was £17.97, compared with £17.08 a year previously.

The largest players in UK cable

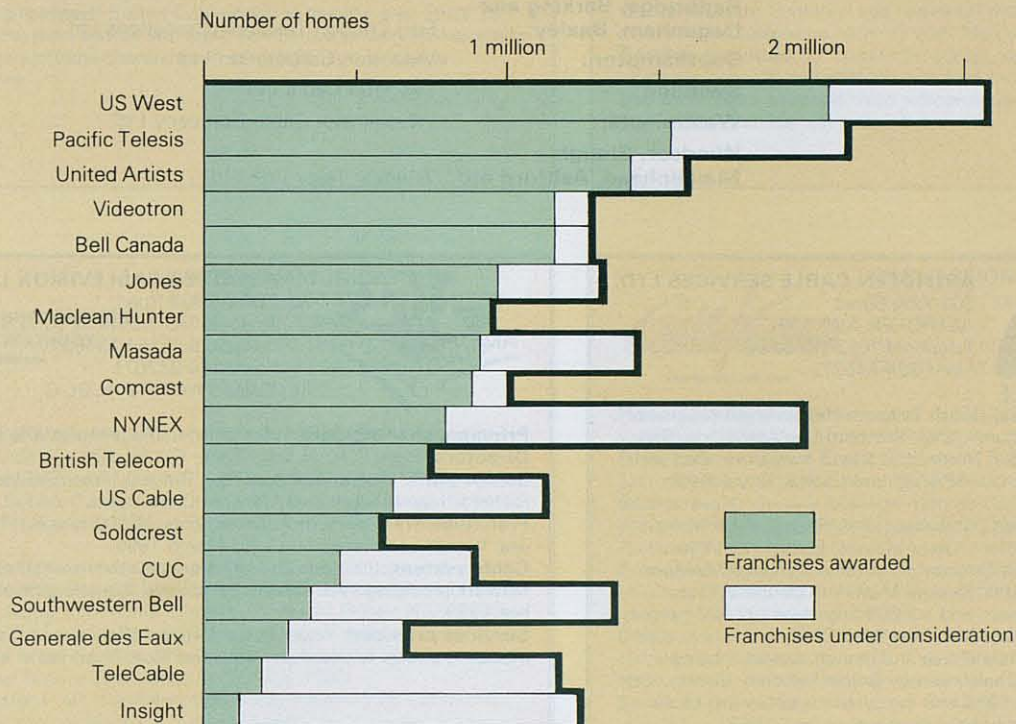
- **Who are the companies behind the growth of cable? This chart shows who have the most extensive stakes.**

It counts the number of homes in franchises in which each company has a significant interest in the operating company, usually of at least 30%, although some smaller interests of substantial players are included. The chart includes all companies with interests in franchises covering more than half a million homes, whether awarded or currently applied for.

The chart does not illustrate the respective investment of each company, since a 30% stake is given the same weight as one of 100%. Thus the investment in cable made by US West, No. 1 on the chart, is likely to be smaller than that by Maclean Hunter, in seventh position.

Rather, the chart is indicative of influence. United Artists will be the supplier of cable television services to half as many homes again as Comcast, and Pacific Telesis will be taking the lead in developing telecommunications services to double the size of market which NYNEX has, at least in terms of residential customers.

The chart represents the position on 26 May 1990, when this report went to press.



The broadband cable operators



Aberdeen Cable celebrates its fifth birthday

The following franchises were operating or under construction with a view to early operation as this report went to press in the summer of 1990. Details of the companies are given below.

Aberdeen:	Aberdeen Cable Services Ltd
Andover:	Andover Cablevision Ltd
Birmingham and Solihull:	Birmingham Cable Ltd
Blackburn, Accrington, Burnley, Nelson, Colne and Rossendale Valley:	East Lancashire Cablevision Ltd
Bolton:	Bolton Cablevision Ltd
Bristol, Bath, Weston etc:	United Artists Communications (Avon) Ltd
Camden:	Cable London plc
Coventry:	Coventry Cable Ltd
Croydon:	United Artists Communications (London South) plc
Ealing:	Videotron Corporation Ltd
Glasgow Northwest:	Clyde Cablevision Ltd
Guildford:	Maxwell Cable TV
Hammersmith and Fulham, Brent and Barnet:	Videotron Corporation Ltd
Kensington and Chelsea:	Videotron Corporation Ltd
Liverpool South:	Cable Communications Liverpool Ltd
Luton, Dunstable and Leighton Buzzard:	Cablevision Bedfordshire Ltd
Merton and Sutton:	United Artists Communications (London South) plc
Newham and Tower Hamlets:	East London Telecommunications Ltd
Norwich:	Norwich Cablevision Ltd
Nottingham:	Diamond Cable (Nottingham) Ltd
Peterborough:	Peterborough Cablevision Ltd
Preston, Chorley, Leyland:	Cable Communications Central Lancashire Ltd
Redbridge, Barking and Dagenham, Bexley:	East London Telecommunications Ltd
Southampton:	Videotron Corporation Ltd
Swindon:	Swindon Cable Ltd
Westminster:	Westminster Cable Company Ltd
Windsor, Slough, Maidenhead, Ashford etc:	Windsor Television Ltd



ABERDEEN CABLE SERVICES LTD,
303 King Street
ABERDEEN AB2 3AP
Telephone: 0224 649444
Fax: 0224 645372

Principal shareholders: British Telecom (59%); Legal & General (9%); Time Life International (8%); Standard Life Assurance (8%); Investors in Industry (6%); North of Scotland Investment Co; Abingdon Management Co; APA Venture Capital; Royal Bank; Clydesdale Bank.

Directors: Martin Gilbert (Chairman); Ken Bayley; John Miller; Clive Pratt; Stephen Redfarn; Gerry Malone; Forbes Hamilton.

Senior staff: *Managing Director* John Miller; *Finance Manager* Alisdair McKenzie; *Head of Sales & Marketing* Denise Wilson.

Franchise area: Aberdeen and surrounding areas (92,000 homes). The 15 year licence commenced on 4 May 1985.

Cable system: a 29 channel tree and branch system is being provided for Aberdeen Cable's use by British Telecom. Construction commenced in January 1984 and the system was the first of the new broadband systems to be completed, in April 1989.

Services provided: Aberdeen Cable provides all the national cable channels together with several foreign channels. Its own Aberdeen Channel comprises text based local services and community access.



ANDOVER CABLEVISION LTD
284 Weyhill Road,
Andover Hampshire SP10 7LS
Telephone: 0264 334607
Fax: 0264 332071
Telex: 94017722 ACBL G.

Principal shareholders: IVS Cable Holdings Ltd (100%).

Directors: Peter C Funk; Sam Shorr; Gill Hudson

Senior staff: *Project Manager* Alan Burgess; *Financial Manager* Richard Hearne; *Marketing Manager* Carol Dukes.

Franchise area: Andover town (approx 12,500 homes). The 15 year licence commenced on 23rd March 1990.

Cable system: the Andover Cablevision system is a star wired network providing VHF and UHF channels. Construction started in late 1989.

Services provided: Andover Cablevision offers tv and fm radio including a local tv channel - Andover Now Channel.

**BIRMINGHAM CABLE LIMITED**

154 Great Charles Street
Queensway, Birmingham B3 3HU
Telephone: 021 233 9696

Principal shareholder: US West/Comcast (79.4%); General Cable (17.6%); Minority Shareholders (3%).

Directors: Sir Reginald Eyre (Chairman); Julian Brodsky; Joe Delahunty; Wayne Gowen; Rt Hon Denis Howell; Judith Mackay; Marc Noblet; Bruce Tanner.

Senior staff: *Managing Director* Joe Delahunty; *General Manager* Dick Davis; *Marketing Director* Russell Griffiths; *Operations Director* Dale Holter; *Construction Director* John Pickering.

Franchise area: City of Birmingham and part of Solihull Metropolitan Borough (465,000 homes and 28,000 businesses). The 23 year licence commenced on 9 November 1989.

Cable system: A switch star system using the latest Cabletime cablestar equipment. Construction started May 1990.

Services provided: Birmingham Cable provides a 29 channel television service plus a 13 channel FM radio service. It includes a local community and news channel in conjunction with the Birmingham Post and Mail. A full telephony service will be introduced before the end of 1990.

**Cable Communications
Liverpool**

© A Southwestern Bell Company

**CABLE COMMUNICATIONS
LIVERPOOL LIMITED**

'Ribble View', Frenchwood Avenue
PRESTON PR1 4QF
Telephone: 0772 202888
Fax: 0772 200066

Principal shareholders: Southwestern Bell (80%); Owen Oyston; Other Founders.

Directors: Ken Medlock, John Smith, Julian Allitt, Richard Behlmann, Sir Edward Gardner, Jack Gill, Robert Glaser, David Hartman, Geoffrey Heywood, Ronald Jennings, Robert Nixon, James O'Shea, Owen Oyston, David Vaughn, David Whitaker.

Senior staff: *Group Managing Director* David Whitaker; *Regional Managing Director - Merseyside* James O'Shea; *Group Finance Director* Richard Behlmann; *Group Technical Director* David Hartman; *Group Information Systems Director* Robert Nixon; *Group Marketing Director* David Vaughn.

Franchise area: City of Liverpool and part of Knowsley MBC. The 15 year licence is due to commence Sept 1990.

Cable system: 40 channel switched star system from Cabletime. Construction commenced in June 1990.

Services provided: Cable Communications (Liverpool) provides a 26 channel television service and an 11 channel FM radio service. Most available programme channels are carried in addition to several foreign channels, with text and local channels.

**BOLTON CABLEVISION LTD**

28 Queensbrook
Bolton Technology Exchange
Spa Road Bolton BL1 4AY
Telephone: 0204-365440

Principal shareholders: Pacific Telesis (100%)

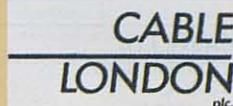
Directors: Roger Harrison (Chairman); Daryl Harms; Tony DiStefano; Vito Palmieri; Eric Peterson; Rick Prime.

Senior staff: *Managing Director* Peter Collins; *Technical Manager* Frank Mundy.

Franchise area: The Metropolitan Borough of Bolton (105,000 homes), Worsley in Salford (18,000 homes), and Atherton in Wigan (12,000) homes.

Cable system: Bolton Cablevision is installing a 48 channel tree and bush configuration utilising Scientific Atlanta equipment. Construction began 1 June 1990.

Services provided: Bolton Cablevision is providing an initial 26 channel television service and radio service comprising all nationally available programme channels and several foreign language programmes.

**CABLE LONDON PLC.**

Centro House, Mandela Street
LONDON NW1 0DU
Telephone: 071 528 0555
Fax: 071 528 0550

Principal shareholders: US West International Holdings Inc (37%), Comcast Corporation (37%), Founder Directors (4%), others include Rosehaugh, Mercury, McNicholas, Logica and 3i.

Directors: *Executive Chairman* Jerrold Nathan; *Managing Director* Sally Davis; *Finance Director* Andrew Stone; *Non-Executive:* Julian Brodsky; Gary Bryson; Ian Ellison; Malcolm Gee; Stephen Kirk; Roger Wilson; Rex Winsbury.

Franchise areas: Camden (84,000 homes); The 15 year licence commenced on 1 December 1989. Haringey (83,000 homes); the 23 year licence signed 4th April 1990. Hackney & Islington (152,000 homes); Franchise awarded 12th April 1990.

Cable system: Switched star television network using Cabletime switch. Own telephone network with Mercury handling switching.

Service provided: 27 current broadcast, satellite and taped channels from UK and abroad, plus own local information channel and 8 FM radio channels. Also telecommunications services to business and residential subscribers.

**CABLE COMMUNICATIONS
CENTRAL LANCASHIRE LIMITED**

'Ribble View', Frenchwood Avenue
PRESTON PR1 4QF
Telephone: 0772 202888
Fax: 0772 200066

Principal shareholders: Southwestern Bell (80%); Owen Oyston; Other Founders.

Directors: Sir Edward Gardner, Julian Allitt, Richard Behlmann, Jack Gill, Robert Glaser, David Hartman, Ronald Jennings, Robert Nixon, Owen Oyston, William Roache, David Vaughn, David Whitaker.

Senior staff: *Group Managing Director* David Whitaker; *Group Finance Director* Richard Behlmann; *Group Technical Director* David Hartman; *Group Information Systems Director* Robert Nixon; *Group Marketing Director* David Vaughn.

Franchise area: Preston, Chorley and Leyland (95,000 homes). The 15 year licence commenced on 8 May 1990.

Cable system: 40 channel switched star system from Cabletime. Construction commenced in January 1990.

Services provided: Cable Communications (Central Lancashire) provides a 26 channel television service and an 11 channel FM radio service. Most available programme channels are carried in addition to several foreign channels, with text and local channels.

**CABLEVISION BEDFORDSHIRE LTD**

CableVision House, 20 Cosgrove Way
LUTON
Beds LU1 1XL
Telephone: (0582) 401044

Principal shareholders: English Cable Partners (55%); Booth American (25%); A J Minta (18%)

Directors: Lord Pym (Joint Chairman); Robert T Goad (Joint Chairman); Ralf Booth; Tony Minta; George Carr

Senior staff: *General Manager* George Carr; *Technical Manager* Steve Farmer; *Network Manager* Ronnie Deckard; *Personnel & Administration Manager* Liza Schwer.

Franchise area: South Bedfordshire comprising Luton, Dunstable, Leighton Buzzard and surrounding area. The 15 year licence commenced on 26 March 1990.

Cable system: A 49 channel tree and branch system is being installed in a star configuration. Construction started in October 1989 and the new broadband system was launched in March 1990.

Services provided: CableVision Bedfordshire Ltd provides presently a 29 channel television service and FM radio. This comprises all national cable channels, several foreign channels and a local channel.



Clyde Cablevision

CLYDE CABLEVISION LTD.,

40 Anderston Quay,
Glasgow G3 8DA
Telephone: 041 221 7040

Principal shareholders: Insight Communications (50%); Cable & Wireless (12 1/2%); Scottish Daily Record & Sunday Mail (12 1/2%); GEC (12 1/2%); Balfour Kilpatrick; Ensign Trust; Investors in Industry; The Prudential; Charterhouse.

Directors: Sir Ian MacGregor (Chairman); Christopher Collins; Pamela Euler; Bernard Jaffe; Donald Kent; Sidney Knafel; John Morrish; James Stewart; Sandy Stewart; Roger Worboys; Michael Willner.

Senior staff: *Executive Director* John Morrish; *Financial Controller* Jill Carruthers; *Sales Manager* Jim Brown; *Construction & Installation Manager* David Anderson; *Production and Programming Manager* David Drysdale; *Network Community Liaison* Linda Graham.

Franchise area: Central and Northwest Glasgow and Clydebank (112,000 homes and 16,000 business premises). The 15 year licence commenced on 9 November 1985.

Cable system: Clyde Cablevision has been installing a 30 channel switched star system utilising the GEC switch system. Construction commenced in July 1985.

Services provided: all the national channels are provided, as well as a range of foreign channels and Clyde Cablevision's own Glasgow Channel which includes community access.

**COVENTRY CABLE LTD**

Whitley Village, London Road,
COVENTRY CV3 4HL
Telephone: 0203-505345

Principal shareholders: British Telecom (74%); CUC Broadcasting (15%); Equity & Law Life Assurance Society (11%).

Directors: Ken Leeson (Chairman); Brian Emery; Ken Bayley; Vernon Achber; Roy Emerson; Brian Parker.

Senior staff: *Chief Executive* Roy Emerson; *Finance Director* Brian Parker; *Sales and Marketing Manager* Chris Igoe.

Franchise area: The City of Coventry (119,000 homes). The 15 year licence commenced on 12 September 1985.

Cable system: a 29 channel tree and branch system is being installed by British Telecom, with many of the final links to subscribers being associated with BT's existing overhead telephone distribution. Construction commenced in March 1985.

Services provided: Coventry Cable provides a multi channel television service as well as radio. All the national cable channels are carried, and two from overseas. One channel is devoted to COLT (Coventry's Own Local Television).



**DIAMOND
CABLE**

DIAMOND CABLE (NOTTINGHAM) LIMITED

P O Box 39, Nottingham NG1 6BZ
Telephone: (0602) 503021
Fax: (0602) 413772

Principal shareholders: Diamond Cable (UK) Inc; Midlands Radio Group

Directors: Allan J McDonald (Chairman); Gary L Davis; Ron Coles; Ray Cowell

Senior staff: *Managing Director* Gary L Davis; *Sales Manager* Peter Ward.

Franchise area: Greater Nottingham (230,000 homes). The 15 year licence was issued on 17 April 1990.

Cable system: Diamond is installing a 40 channel Cabletime switched star system. Construction commenced 1 June 1990.

Services provided: Diamond provides 32 channel television service and complete FM service comprising all the nationally available programme channels, three local and governmental channels and a range of foreign channels.

**EAST LANCASHIRE CABLEVISION LTD**

Glenfield Park, Northrop Avenue
Blackburn BB1 5QF
Telephone: 0254 680094
Fax: 0254 679236

Principal shareholders: Maclean Hunter Cablevision Ltd
Directors: Sir Peter Blaker (Chairman); Clifford Singleton (Vice Chairman); A R Matthews; N Cormack; Andrew Turner; Barry Gage; Ed Madden.

Senior staff: *Managing Director* Ed Madden; *Technical Operations Manager* Paul Murphy; *Accounting Manager* Gerard Melia; *Business Operations Manager* Linda Legarski; *Network Construction Manager* Keith Cheetham; *Marketing Manager* Joyce Gilmartin; *Programme Manager* Sally Moon.

Franchise area: East Lancashire – including Blackburn, Burnley, Darwen, Rishton, Accrington, Colne, Nelson, Padiham, Haslingden and surrounding areas (168,000 homes). The 15 year licence commenced on 30 November 1989.

Cable system: Tree and branch system, Scientific Atlanta Headend, Jerrold Addressability, Magnavox Line Equipment.

Services provided: All national channels with several foreign channels, local programming TV-7 and local college programmes.

**EAST LONDON TELECOMMUNICATIONS LTD**

ELT House, 2 Millharbour
LONDON E14 9TE
Telephone: 071 895 9910
Fax: 071 895 9755

Principal shareholders: Group shareholders include – Jones UK Holdings Inc (45%); Pacific Telesis International (45%); Fleming Mercantile Investment Trust; 3i plc; GEC; Electricity Supply Pension Scheme.

Directors: Alan Bates (Chairman); David Cronin; Yves Levy; Patrick Lombardi; Peter Maddock; Roger Marshall; Elizabeth Steele; Barrie Turner-Smith; Gerald Yutkin; James O'Brien; Lyndon Daniels; John Caner.

Senior Staff: *Managing Director* Gerald Yutkin; *Finance Director* Peter Maddock; *Marketing Director* Steven Gibson; *Technical Director* David Cronin; *Community/Government Relations Director* Barrie Turner-Smith.

Franchise areas: The London Boroughs of Newham and Tower Hamlets (145,000 homes) – the 15 year licence commenced on 6 April 1987; Greater London East (Redbridge, Barking & Dagenham, Bexley) (228,000 homes) franchise awarded December 1988; Waltham Forest (83,000 homes) awarded 1989; Dartford (35,000 homes) awarded 1990; Havering (90,000 homes) awarded 1990; Epping Forest (50,000 homes) awarded 1990.

Cable system: The first stage of the system was built using the GEC switched star network. A separate partial optical fibre telecommunications network is being provided. Construction commenced January 1987. Subsequent construction will use tree/bush configuration.

Services provided: All the national channels are provided, together with a range of foreign channels. No local television service is yet provided but local text information is carried.

**MAXWELL CABLE TV**

170 Walnut Tree Close
Guildford, Surrey GU1 4RX
Telephone: 0483 505200

Principal shareholders: Metromode Ltd (Pergamon Press)

Senior staff: General Manager, Home Counties Norman Ashby

Franchise area: Guildford, Woking, Camberley, Aldershot, Farnham, Farnborough, Fleet and Goldalming (137,000 homes). The 15 year licence commenced on 1st July 1987.

Cable system: A pilot scheme has been constructed by BCS utilising the System 8 switch developed in Rediffusion's research laboratories. Negotiations have been in train for new shareholders further to develop the franchise.

Services provided: Ten satellite-delivered channels are carried in addition to the terrestrial broadcast channels, together with one tape-delivered channel. A programme guide in text form, as well as a split-screen sampler channel, is also provided.



PETERBOROUGH CABLEVISION LTD
Unit 29, Metro Centre, Shrewsbury Ave
Peterborough
Cams PE2 0BX
Telephone: 0733 230303,
(009) 0733 320434



NORWICH CABLEVISION LTD
Unit D1, Wensum Point
Whiffler Road
Norwich
Norfolk NR3 2AZ
Telephone: 0603 787892,
0603 787851

Principal shareholders: Masada UK Cable Partners LP (50%); Pacific Telesis UK Ltd (50%).

Directors: Roger Harrison (Chairman); Joseph Gibbs; Daryl Harms; William Collatos; Therese Cleary; Helen Sze; Forest Miller.

Senior staff: *Director of UK Operations* Keith Davis; *Director of Finance* Jim Lowery; *Technical Operations Manager* Bob McLean.

Franchise area: Peterborough (58,000 homes) – the 15 year licence is expected to commence in June 1990; Norwich (82,000 homes) – the 15 year licence commenced on 23 April 1990.

Cable system: Cablevision is installing a 48 channel, 2 way interactive tree and branch cable system in a star configuration, utilising Scientific Atlanta system manager IV and 8592 set top converters. Construction commenced in February and March 1990.

Services provided: Cablevision provides a 30 channel television service including all major satellite programming sources, 5 foreign channels, a local origination-public access channel, a future EduCable Channel and regional radio service.



SWINDON CABLE LTD.,
Newcome Drive, Hawksworth Estate,
SWINDON, Wiltshire
Telephone: 0793 615601

Principal shareholders: British Telecom (100%).

Directors: Ken Bayley; Peter Gosling; Andrew Hurley; John Moffitt; Nicholas Tresilian; Roger Wilson.

Senior staff: *Chief Executive* Roger Wilson; *Engineering Manager* Hamish Kieth; *Customer Service Manager* Helen Sweeney; *Financial Controller* Peter Franklin.

Franchise area: Swindon (75,000 homes). The 15 year licence commenced on 15 September 1984.

Cable system: A 16 channel tree and branch system was provided by Thorn EMI for the first phase of the new system in early 1984, supplementing the old broadcast relay network which has existed in Swindon for many years. Following Thorn EMI's sale of the company to British Telecom, BT have upgraded the new system to 32 channels and are extending it.

Services provided: Swindon Cable carries all the national channels together with community access and local text.



UNITED ARTISTS COMMUNICATIONS (AVON) LTD
700 Waterside Drive, Aztec West,
Almondsbury, Bristol BS12 4SG
Telephone: 0454 612172
Fax: 0454 612416

Principal shareholders: United Artists Entertainment; US West

Directors: James Dovey, Graham Robertson, Tim Osborne

Senior staff: *Engineering Manager* Mike Bull; *Facilities Manager* Bob Exon; *Network Planning Manager* Nigel Lawrence;

Construction Manager Chris Palmer; *Operations Manager* Bill Stephenson.

Franchise area: Avon including Bristol and Bath (300,000 homes).

Cable system: United Artists Communications is building a 600 MHz (approximately 50 channel) tree and branch cable system in a star configuration utilising Jerrold 7000 series set-top decoders in subscribers' homes. Main construction commenced May 1990.

Services provided: United Artists Communications provides a 35 channel television service including all the BSB and Sky television channels and a local channel. A number of satellite radio services are also available.



UNITED ARTISTS COMMUNICATIONS (LONDON SOUTH) PLC
Communications House, 5 Factory Lane,
Croydon CR9 3RA
Telephone: 081 760 0222
Fax: 081 681 2340

Principal shareholders: United Artists Entertainment; US West

Directors: Sir Paul Bryan DSO MC (Chairman), James Dovey, Graham Robertson, George Stewart, Robert Stiby, J. Ronald Rierson.

Senior staff: *General Manager* Stephen Horsley, *Business Manager* Cameron Denny; *Customer Service Manager* Sally French; *Sales & Marketing Manager* Neil McGhee; *Planning Manager* Simon Raby; *Technical Operations Manager* Terry Voorhees.

Franchise areas: 1. The London Borough of Croydon (120,000 homes); the 15 year licence commenced on 15 October 1985.

2. The London Boroughs of Merton and Sutton (135,000 homes); the 15 year licence commenced on 15 March 1990.

3. The London Boroughs of Kingston and Richmond (124,000 homes).

Cable system: Currently a 37 channel tree and branch system in a star configuration, utilising Jerrold Starcom 450 set-top decoders in subscribers' homes. New parts of the network have a 47 channel capacity using Jerrold 7000 series set-top decoders. Construction commenced in June 1985 with more than 100,000 homes passed by April 1990.

Services provided: United Artists Communications provides a 35 channel television service including all the BSB and SKY television channels and two local channels. A number of satellite radio services are also available.

For the first time, via Sky Television, viewers in Britain were able to watch live coverage of all the Test matches in the West Indies, for which Tony Greig was recruited as a commentator.





VIDEOTRON CORPORATION LIMITED Belmont Hill, Lewisham
London SW13 5AU
Telephone: 081 852 0123
Fax: 081 852 2232

Principal shareholders: Le Group Videotron Ltee (60%); Bell Canada Enterprises Inc. (30%).

Directors: Sir George Jefferson (Chairman), Andre Chagnon, Wes Scott, Brian Hewat, Robin Gowlland, Sir David Berriman, Peter Alden, David Lowry, Warren Mobley.

Senior staff: *Managing Director* Warren Mobley; *Director of Finance and Corporate Secretary* Jonathan Pockson; *Director of Capital Investment and Construction* Peter Alden; *Director of Legal Affairs* Tom O'Brien; *Director of Marketing* Patricia Douey; *Director of Corporate Strategy and Public Affairs* Michael Storey; *Corporate Controller and Director of Information Systems* Rory Cole; *Director of Human Resources* Julian Haycock.

Divisional Organisation:

VIDEOTRON CABLE COMMUNICATIONS: SOUTH LONDON DIVISION

Address: Belmont Hill, Lewisham, London SE13 5AU
Telephone: 081 852 0123 Fax: 081 852 2232

Franchise areas: London Boroughs of Greenwich, Lewisham, Southwark, Lambeth and Wandsworth (462,000 homes). Cable service commences in September 1990.

Senior staff: *Managing Director* Ross Jepson; *Director of Design and Construction* Pat Rossi; *Director of Engineering* Ellery Litz; *Director of Finance* Andrew Wren; *Director of Customer Operations* Marie-Paul Forgues; *Director of Community Services* Richard Tripp

VIDEOTRON CABLE COMMUNICATIONS: WEST LONDON DIVISION

Address: Parkways, 179/181 The Vale, London W3 7QS
Telephone: 081 740 4848 Fax: 081 740 4583

Franchise areas: London Boroughs of Kensington and Chelsea, Hammersmith and Fulham, Brent, Barnet and Ealing (443,000 homes). The 15 year licence began in Ealing on 15 November 1986 and in Kensington and Chelsea on 15 September 1989.

Senior staff: *Managing Director* Jonathan Pockson; *Director of Marketing* Maureen Armstrong; *Director of Customer Operations* Rene Wukich; *Director of Construction* Rod Griffiths; *Director of Engineering* Ray Seacombe; *Director of Finance* David Sayers

VIDEOTRON CABLE COMMUNICATIONS: SOUTHERN DIVISION

Address: Ocean House, West Quay Road, Southampton, Hants SO1 0XL

Tel: (0703) 333020 Fax: (0703) 335237

Franchise areas: Southampton, Eastleigh and Winchester (122,000 homes). Cable service commenced in November 1989.

Senior staff: *General Manager* Mike Cobb; *Customer Operations Manager* Sean Risebrow; *Design and Construction Manager* Mike Savage; *Financial Controller* Robert Lloyd; *Engineering Manager* Mick Russell.

Cable system: A common system technology will be deployed in each franchise area initially with a 620 MHz capacity providing up to 48 channels expanding later to 750 MHz and 65 channels. The Videoway terminal redesigned and manufactured for the UK market by Zenith will be introduced into the networks progressively from early in 1991.

Services provided: All national satellite and cable channels are provided in each franchise along with a wide range of foreign language channels. Following on the introduction of the Videoway terminal, the services will progressively be expanded to provide interactive television, television-on-demand, videotext and teletext information services, computer games and pay-per-view.



WESTMINSTER CABLE COMPANY LIMITED,
87/89 Baker Street
London W1M 1AJ
Telephone: 071 935 6699

Principal shareholders: British Telecom (45%); City Centre Communications (45%); Sanoma Corporation (10%).

Directors: Brian Deutsch (Chairman), Tapio Kallioja; Ken Bayley; Bill Pittman; John Whitman.

Senior staff: *Managing Director* Bill Pittman; *Financial Controller* Tony Tucker; *Head of Operations* Peter Morris; *General Sales Manager* Ian Johnston; *Head of Information Services* Colin James; *Marketing Manager* Caroline Tooth; *Public Relations Manager* Sam Gates; *Commercial Development Manager* Paul Hensby; *Customer Services Manager* Pat Warrington; *Personnel Manager* Alison Young.

Franchise area: The City of Westminster (107,000 homes and 14,000 business premises). The 15 year licence commenced on 15 October 1985.

Cable system: British Telecom are installing for Westminster Cable's use an advanced switched star system using BT's own switch. It is the only British broadband network currently to be making extensive use of optical fibre, in all the trunks down to each local switching point.

Services provided: Westminster Cable provides most of the national cable channels, along with some foreign channels. It provides in addition an Arabic Television Channel, using programmes supplied by Dubai TV. Although only limited local programmes are available, it provides extensive local text services, offers access to Prestel services and is experimenting on part of the system with allowing access to a library of interactive videodisks.



WINDSOR TELEVISION LTD
Cable House, Waterside Drive, Langley,
Berks SL3 6EZ
Telephone: (0753) 44144
(Customer Services (0753) 46463)
Fax: (0753) 46310
Telex: 846717 Cable G

Principal shareholders: Wholly owned subsidiary of The Cable Corporation Ltd., in which the shareholders are: Compagnie Generale des Eaux; Standard Life Assurance; US West International; CIN Industrial Investments; McNicholas Construction Group; Investors in Industry; MIM.

Directors: Ray Whitney OBE, MP (Chairman); Tim Halfhead; Joe Delahunty; Marc Noblet; Michel Villaneau; Michel Rey; Ernest Potter; Nicholas Taylor; Michael Davis; Philip Maskell.

Senior staff: *Managing Director* Tim Halfhead; *Financial Controller* Rob Riddell; *Human Resources Director* Sarah Penrose; *General Manager Telecommunications* Alan Hindley

Franchise area: Windsor, Slough, Maidenhead, Ashford, Staines, Stanwell and Heathrow Airport (110,000 homes). The 15 year licence commenced on 2 December 1985.

Cable system: Windsor Television is installing its own switched star network using the Cabletime switch. Construction commenced October 1985.

Services provided: All the national cable channels are provided as well as three European language channels and Indra Dhnush in Hindi. Local text services are provided, and locally originated programming is being introduced. The company also operates a full scale local telecommunications service, interconnected with Mercury Communications Ltd., for both business and residential users.

The significant players in UK cable

(The position at 26 May 1990)

ALPHAVISION COMMUNICATIONS

(Partnership between Metro Mobile CTS and USA Cable Connections)

Applicant for Corby, Kettering	90,000
Applicant for Lincoln	30,000
Applicant for Grimsby	63,000
Applicant for Haywards Heath	25,000
Applicant for St. Helens	100,000

AMERICAN TELEVISION AND COMMUNICATIONS (ATC)

(Second largest American MSO, subsidiary of Time-Warner)

Aberdeen (much diluted stake)	
Westminster stake sold out	
Applicant for Sheffield	210,000
Applicant for Leeds, unsuccessful	
Applicant for Manchester, unsuccessful	
Applicant for Stockport, unsuccessful	

BELL CANADA

(the Canadian telephone company)

In a 30% partnership with Videotron

Southampton	97,000
Wandsworth	100,000
Lambeth and Southwark	191,000
Greenwich and Lewisham	175,000
Kensington and Chelsea	68,000
Ealing	105,000
Hammersmith, Fulham, Brent, Barnet	280,000
Westminster (acquisition agreed in principle)	107,000
Winchester	33,000
Applicant for Enfield	105,000
Applicant for Thamesmead	11,000
Applicant for Portsmouth, unsuccessful	
Applicant for Harrow, unsuccessful	
Applicant for Hillingdon, unsuccessful	
Applicant for Hounslow, unsuccessful	

BELL SOUTH

(American telephone company serving the southeastern States)

Applicant for North Liverpool	100,000
Applicant for St. Helens	100,000
Applicant for Wirral	120,000

BRITANNIA CABLESYSTEMS

(Mearing-Lynch Cable, Falcon Cable, First Carolina, Camelot Cable)

Portsmouth	150,000
Applicant for Sheffield	210,000
Applicant for Bradford	175,000
Applicant for Darlington	34,000
Applicant for Middlesbrough	170,000
Applicant for Elmbridge, Runnymede	71,000
Applicant for Epsom, Leatherhead	98,000
Applicant for St. Helens	100,000
Applicant for Wirral	120,000
Applicant for Stratford, Warwick, unsuccessful	
Applicant for York, Harrogate, unsuccessful	
Applicant for Doncaster, Rotherham, unsuccessful	

BRITISH CABLE SERVICES

(Maxwell Entertainment Group)

Guildford, West Surrey, East Hants (being sold)	137,000
Cardiff, Penarth (being sold)	103,000
Applicant for Oxford	55,000
Applicant for Ashford, Dover, unsuccessful	
About 40 upgrade systems (others sold)	

BRITISH TELECOM VISUAL COMMUNICATIONS

Swindon (100%)	]	75,000
Coventry (75%)	]	119,000
Aberdeen (69%)	]	91,000
Westminster (45%)	]	107,000
Thames Valley (100%)	]	215,000
Belfast (80%)	]	136,000
Five upgrade systems (inc Milton Keynes)		

BRUNCOR

(small Canadian telephone company serving New Brunswick)

In partnership with US Cable

Applicant for Sunderland, Durham	200,000
Applicant for Worcester	70,000
Applicant for Havering, unsuccessful	
Applicant for Bournemouth, unsuccessful	
Applicant for Telford, unsuccessful	

CABLECASTING

(Fifth largest Canadian MSO, majority owned by David Graham)

Motherwell	120,000
Cumbemauld	55,000
Dumbarton	18,000
Applicant for Paisley & Renfrew	67,000
Applicant for Falkirk and Lothian	30,000

CABLE CORPORATION

(Compagnie Generale des Eaux, Standard Life Assurance, US West etc)

Windsor, Slough, Maidenhead	110,000
Hillingdon	92,000
Hounslow	79,000
Birmingham (small minority stake)	465,000
Applicant for Harrow, unsuccessful	

CAMELOT CABLE – an investment vehicle owned by Paul Kagan which is a partner in *Britannia Cablesystems*

COLUMBIA MANAGEMENT

(US company owned by Bob Goad, managing partner for English Cable Partners)

Luton and Dunstable	97,000
Central Hertfordshire	100,000
Applicant for Hertford, Cheshunt	60,000
Applicant for Bedford	55,000
Applicant for West Hertfordshire, unsuccessful	

COMCAST CORPORATION

(Sixth largest American MSO)

In partnership with US West

Birmingham	465,000
Camden	70,000
Haringey	80,000
Hackney, Islington	150,000
Applicant for Enfield	105,000

With other minority partners

Cambridge	134,000
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COMMENT CABLEVISION – Name under which most – but not all – applications are being made by *US Cable*.

COMPAGNIE GENERALE DES EAUX

As 30% shareholder in The Cable Corporation

Windsor	110,000
Birmingham (much diluted stake)	465,000
Hillingdon	92,000
Hounslow	79,000
Applicant for Harrow, unsuccessful	

Through its own subsidiary, General Cable

Birmingham (17.6%)	465,000
Applicant for Sheffield	210,000
Applicant for Bradford	175,000
Applicant for Manchester, Salford, unsuccessful	
Applicant for Bury, Rochdale, unsuccessful	
Applicant for Oldham, Tameside, unsuccessful	
Applicant for Stockport, unsuccessful	
Applicant for Wigan, unsuccessful	

CROSS COUNTRY CABLE

(small American MSO majority owned by George Ring)

In partnership with NYNEX Corporation

Brighton, Hove, Worthing	110,000
Bromley	117,000
Bournemouth	130,000
Applicant for Portsmouth, unsuccessful	

CUC BROADCASTING

(Fifth largest Canadian MSO)

Coventry (20%, negotiating for majority)	119,000
Northampton (100%)	72,000
West Hertfordshire (90%)	100,000
Stratford, Warwick	44,000
Rugby, Nuneaton	112,000
Applicant for Aylesbury, Amersham	62,000
Applicant for Corby, Kettering	90,000
Applicant for Hinckley and Tamworth, unsuccessful	
Applicant for Doncaster, Rotherham, unsuccessful	
Negotiating for Swindon, Thames Valley	290,000

DIAMOND CABLE

(UK vehicle for Allan J McDonald)

Nottingham	230,000
Mansfield	58,000
Grantham	30,000
Newark	18,000
Melton Mowbray	30,000
Applicant for Derby, unsuccessful	
Applicant for Loughborough, unsuccessful	
Applicant for Dover, Ashford, unsuccessful	

DOWDEN COMMUNICATIONS – small American MSO which is a minority partner in Newport Cablevision.**DUNCAN, Graham**

(as principal of various British companies)

Dundee and Perth	95,000
Five former Thorn EMI upgrades	
Eighteen former BCS upgrades	
Applicant for Carlisle	30,000
Applicant for Glenrothes	60,000
Negotiating to acquire Aberdeen	91,000

ENGLISH CABLE PARTNERSa USA partnership managed by *Columbia Management***FALCON CABLE TV** – 28th largest American MSO controlled by Marc Nathanson which is a partner in *Britannia Cablesystems***FIRST CAROLINA COMMUNICATIONS** – an American MSO controlled by EB Chester which is a partner in *Britannia Cablesystems***GOLDCREST COMMUNICATIONS**

Black Country	490,000
Crawley, Horley and Gatwick	40,000
Telford	50,000
Applicant for Birmingham, unsuccessful	
Applicant for Brighton, unsuccessful	
Applicant for Stafford, unsuccessful	

INSIGHT COMMUNICATIONS

(Medium-sized American MSO owned by Sidney Knafel, Michael Willner and Continental Cablevision – itself the fourth largest American MSO)

Glasgow (51%)	112,000
Applicant for Greater Glasgow	274,000
Applicant for Paisley, Renfrew	67,000
Applicant for Bearsden and Milngavie	16,000
Applicant for Bradford	175,000
Applicant for Calderdale	75,000
Applicant for Kirklees	148,000
Applicant for Greenock, Gourock	32,000
Applicant for Newport, Pontypool	85,000
Negotiating for Cardiff and Greater Guildford	240,000
Applicant for Brighton, unsuccessful	

IVS CABLE HOLDINGS

(Jersey-based vehicle for Peter Funk and colleagues)

Andover	11,500
Stafford	24,000
Harlow	40,000
Salisbury	15,000
Applicant for Worcester	70,000
Applicant for Oxford	55,000
Applicant for Darlington	34,000
Applicant for Burton on Trent	40,000

Various SMATV and hotel system interests

Applicant for Crawley, unsuccessful
Applicant for Winchester, unsuccessful
Applicant for Telford, unsuccessful**JONES CABLE GROUP**

(UK vehicle for fifth largest USA MSO controlled by Glenn Jones)

As partner in ELT (45%)

Tower Hamlets and Newham	127,000
Redbridge, Barking, Dagenham, Bexley	229,000
Waltham Forest	83,000
Havering	90,000
Dartford	35,000
Epping Forest	45,000
Applicant for Hertford, Cheshunt	60,000
Applicant for Greenwich & Lewisham, unsuccessful	
Applicant for Bromley, unsuccessful	
Applicant for Harlow, unsuccessful	

In its own right

South Hertfordshire	96,000
Leeds	289,000
Applicant for Aylesbury, Amersham	62,000
Applicant for Elmbridge, Runnymede	71,000
Applicant for Epsom, Leatherhead	98,000
Applicant for Central Herts, unsuccessful	
Applicant for Stoke, unsuccessful	
Applicant for Portsmouth, unsuccessful	
Applicant for Wakefield, unsuccessful	
Applicant for Bournemouth, unsuccessful	
Applicant for Telford, unsuccessful	
Applicant for Harrow, unsuccessful	
Applicant for Hillingdon, unsuccessful	

KINGSTON COMMUNICATIONS (HULL) PLC

Hull telephone company which has a very small stake – typically 1% – in various franchises, particularly

Cambridge
Macleane Hunter franchises
Diamond Cable franchises**LEONARD COMMUNICATIONS**

(Small American MSO whose principals are Roger Leonard and Tom Engel)

Thanet	51,000
Dorchester, Weymouth	35,000

MACLEAN HUNTER CABLEVISION

(Third largest Canadian MSO, part of the publishing group)

East Lancashire (Blackburn etc)	168,000
Ipswich and Colchester	134,000
Stoke and Newcastle under Lyme	140,000
Exeter, Plymouth	236,000
North and NW Cheshire	182,000
Wakefield	94,000
Applicant for Stafford, unsuccessful	

MTA CABLE – subsidiary formed by Malarkey Taylor Associates to apply for franchises on behalf of other partners.*With IVS Cable Holdings and Flextech*

Applicant for Worcester	70,000
Applicant for Oxford	55,000
Applicant for Darlington	34,000
Applicant for Burton on Trent	40,000
<i>So far alone</i>	
Applicant for Middlesbrough etc	170,000

MASADA UK PARTNERS

(a partnership between the three principals of Masada Corporation and TA Associates)

In partnership with Pacific Telesis

Bolton	135,000
Norwich	83,000
Peterborough	58,000
Derby	83,000
Doncaster, Rotherham	192,000
Manchester, Salford, Trafford	363,000
Applicant for Sheffield	210,000
Applicant for Calderdale	75,000
Applicant for Kirklees	148,000

Applicant for Great Yarmouth, Lowestoft	64,000
Applicant for Wisbech, March	21,000
Applicant for Ipswich, Colchester, unsuccessful	
Applicant for Leeds and Wakefield, unsuccessful	
Applicant for Bury, Rochdale, unsuccessful	
Applicant for Oldham, Tameside, unsuccessful	
Applicant for Stockport, unsuccessful	

With other minority partners

Applicant for Dundee, unsuccessful	
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MAXWELL ENTERTAINMENT – holding company for *BCS*

METRO MOBILE CTS – American cellular telephone company which is one of the backers of *Alphavision Communications*

N-COM CABLEVISION

(small American MSO owned by Harry Suri and backed by *TA Associates*)

Tamworth	25,000
Hinckley	20,000
Applicant for Bedford	55,000
Applicant for Burton-on-Trent	40,000
Applicant for Carlisle	30,000
Applicant for Haywards Heath	25,000
Applicant for Rugby, unsuccessful	
Applicant for Nuneaton, unsuccessful	

NYNEX CORPORATION – (Northeastern USA telephone company)*In partnership with US Cable (49%)*

Bury, Rochdale	143,000
Oldham, Tameside	170,000
Applicant for Aylesbury, Amersham	62,000
Applicant for Enfield	105,000
Applicant for Macclesfield	45,000
Applicant for Doncaster, Rotherham, unsuccessful	
Applicant for Manchester, Salford, unsuccessful	
Applicant for Stockport, unsuccessful	
Applicant for Harrow, unsuccessful	
Applicant for Hillingdon, unsuccessful	
Applicant for Hounslow, unsuccessful	

In partnership with Britannia Cablesystems (majority)

Portsmouth	150,000
Applicant for Sheffield	210,000
Applicant for Bradford	175,000
Applicant for Darlington	34,000
Applicant for Middlesbrough	170,000
Applicant for Elmbridge, Runnymede	71,000
Applicant for Epsom, Leatherhead	98,000
Applicant for St. Helens	100,000
Applicant for Wirral	120,000
Applicant for York, Harrogate, unsuccessful	
Applicant for Stratford, Warwick, unsuccessful	

In partnership with Cross Country Cable (majority)

Brighton	110,000
Bromley	117,000
Bournemouth	110,000

OYSTON CABLE COMMUNICATIONS

(Southwestern Bell 80%, Owen Oyston 17%)

South Liverpool	125,000
Central Lancashire (Preston)	114,000
Wigan	110,000
Applicant for Sheffield	210,000
Applicant for Barnsley	82,000
Applicant for Bradford	175,000
Applicant for Calderdale (Halifax)	75,000
Applicant for Kirklees (Huddersfield)	148,000
Applicant for North Liverpool	100,000
Applicant for St. Helens	100,000
Applicant for Wirral	120,000
Applicant for Leeds, unsuccessful	
Applicant for Doncaster, Rotherham, unsuccessful	
Applicant for Manchester, Salford, unsuccessful	
Applicant for Bury, Rochdale, unsuccessful	
Applicant for Oldham, Tameside, unsuccessful	
Applicant for Stockport, unsuccessful	

PACIFIC TELESIS INTERNATIONAL

(West Coast telephone company)

In partnership with Jones

Tower Hamlets and Newham	127,000
Redbridge, Barking, Dagenham, Bexley	229,000
Waltham Forest	83,000
Dartford	35,000
Havering	90,000
Epping Forest	45,000
Applicant for Hertford, Cheshunt	60,000
Applicant for Greenwich & Lewisham, unsuccessful	
Applicant for Bromley, unsuccessful	
Applicant for Harlow, unsuccessful	

In partnership with Masada

Norwich	83,000
Peterborough	58,000
Bolton	135,000
Derby	83,000
Doncaster, Rotherham	192,000
Manchester, Salford, Trafford	363,000
Applicant for Sheffield	210,000
Applicant for Calderdale	75,000
Applicant for Kirklees	148,000
Applicant for Great Yarmouth	64,000
Applicant for Wisbech	21,000
Applicant for Ipswich & Colchester, unsuccessful	
Applicant for Leeds and Wakefield, unsuccessful	
Applicant for Bury, Rochdale, unsuccessful	
Applicant for Oldham, Tameside, unsuccessful	
Applicant for Stockport, unsuccessful	

REDIFFUSION AG

(Swiss cable operating company)

Applicant for Sheffield	210,000
Applicant for Barnsley	82,000
Applicant for Doncaster, Rotherham, unsuccessful	

SOUTHWESTERN BELL – Missouri-based telephone company who are 80% shareholders in *Oyston Cable Communications*

STARSTREAM COMMUNICATIONS

(California-based small MSO owned by Dean Hazen)

West Glamorgan	110,000
Ashford, Dover, Folkestone	77,000
Applicant for Hertford, Cheshunt	60,000
Applicant for Tyneside, unsuccessful	
Application for Central Herts withdrawn	

TA ASSOCIATES – Boston-based financial group which is main funder of *Masada UK Partners* and *N-Com Cablevision*

TELECABLE

(20th largest American MSO)

Stockport	113,000
Harrow	79,000
Applicant for Sheffield	210,000
Applicant for Sunderland	200,000
Applicant for Bradford	175,000
Applicant for Calderdale	75,000
Applicant for Kirklees	148,000
Applicant for Wirral	120,000
Applicant for Macclesfield	45,000

UNITED ARTISTS

(Third largest American MSO, itself controlled by TCI, the largest MSO in America)

Croydon	120,000
Bristol, Bath	300,000
Southend, Chelmsford	300,000
Medway Towns, Maidstone	159,000
Merton, Sutton	135,000
Kingston, Richmond	124,000
Cheltenham, Gloucester	90,000
Edinburgh	183,000
Applicant for Elmbridge, Runnymede	71,000
Applicant for Epsom, Leatherhead	98,000
Applicant for Thames Valley, unsuccessful	
Applicant for Black Country, unsuccessful	
Applicant for Bromley, unsuccessful	

UNITED VIDEO

(small American cable MSO and satellite television operator applying for franchises in a 51/24.5/24.5 partnership with Hambros Bank, through Tower Hill Cable Investments, and MAI plc)

Applicant for Worcester	70,000
Applicant for Oxford	55,000
Applicant for Aylesbury, Amersham	62,000
Applicant for Corby, Kettering	90,000
Applicant for Newport, Pontypool	85,000

USA CABLE CONNECTIONS – American cable construction company which is a partner in *Alphavision Communications*

US CABLE

(Medium sized American MSO controlled by Steve Myers)

In partnership with US West

Tyneside	325,000
Applicant for Leeds & Wakefield, unsuccessful	

In partnership with NYNEX

Bury, Rochdale	143,000
Oldham, Tameside	170,000
Applicant for Aylesbury, Amersham	62,000
Applicant for Enfield	105,000
Applicant for Macclesfield	45,000
Applicant for Doncaster, Rotherham, unsuccessful	
Applicant for Manchester, Salford, unsuccessful	
Applicant for Stockport, unsuccessful	
Applicant for Harrow, unsuccessful	
Applicant for Hillingdon, unsuccessful	
Applicant for Hounslow, unsuccessful	

In partnership with Bruncor

Applicant for Sunderland, Durham	200,000
Applicant for Worcester	70,000
Applicant for Havering, unsuccessful	
Applicant for Bournemouth, unsuccessful	
Applicant for Telford, unsuccessful	

Others

Applicant for South Herts, unsuccessful	
Applicant for Portsmouth, unsuccessful	

US WEST

(Colorado-based telephone company with several different British alignments)

In partnership with Comcast Corporation (usually about 45%)

Birmingham	465,000
Camden	70,000
Haringey	70,000
Hackney and Islington	150,000
Applicant for Enfield	105,000

In partnership with United Artists (usually about 25%)

Croydon	120,000
Merton, Sutton	135,000
Kingston, Richmond	124,000
Bristol, Bath	300,000
Edinburgh	183,000
Applicant for Bromley, unsuccessful	
Applicant for Black Country, unsuccessful	

In partnership with ATC (25%)

Applicant for Sheffield	210,000
Applicant for Leeds, unsuccessful	
Applicant for Manchester, Salford, unsuccessful	
Applicant for Stockport, unsuccessful	

In partnership with US Cable (25%)

Tyneside	325,000
Applicant for Leeds and Wakefield, unsuccessful	

With other partners (under 20%)

Windsor	110,000
Hillingdon	92,000
Hounslow	79,000
Applicant for Harrow, unsuccessful	

VENTO CABLE MANAGEMENT

(small American MSO headed by Jerry Vento)

Dundee and Perth	95,000
Applicant for Carlisle	30,000
Applicant for Glenrothes	60,000

VIDEOTRON

(second largest Canadian MSO, based in Montreal)

In partnership with Bell Canada (30%)

Southampton	97,000
Wandsworth	100,000
Lambeth, Southwark	191,000
Greenwich, Lewisham	175,000
Winchester	33,000
Kensington and Chelsea	68,000
Ealing	105,000
Hammersmith, Fulham, Brent and Barnet	280,000
Westminster (agreement in principle for acquisition)	107,000
Applicant for Enfield	105,000
Applicant for Thamesmead	10,000
Applicant for Tyneside, withdrawn	
Applicant for Portsmouth, unsuccessful	
Applicant for Harrow, unsuccessful	
Applicant for Hillingdon, unsuccessful	
Applicant for Hounslow, unsuccessful	

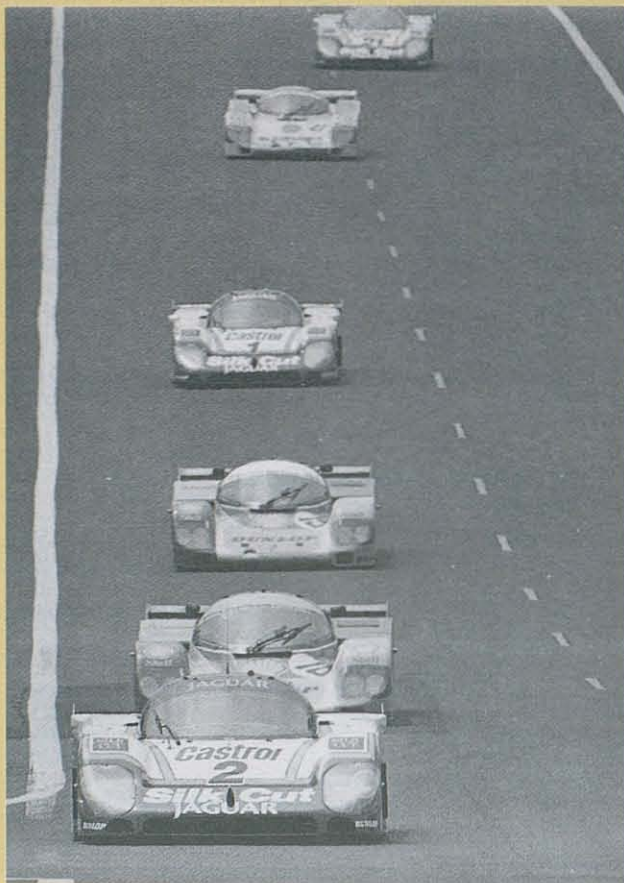
WASHINGTON POST COMPANY – American publisher and 30th largest cable MSO which is a partner of *Vento Cable Management*

YORCAN COMMUNICATIONS

(a group of independent Canadian cable operators, led by Ted Fielder, plus various Yorkshire business interests)

York, Harrogate	78,000
Applicant for Barnsley	82,000
Applicant for Bradford	175,000
Applicant for Calderdale (Halifax)	75,000
Applicant for Kirklees (Huddersfield)	148,000
Applicant for Wakefield, unsuccessful	
Applicant for Doncaster, Rotherham, unsuccessful	

Le Mans was carried live on Screensport



The cable audience

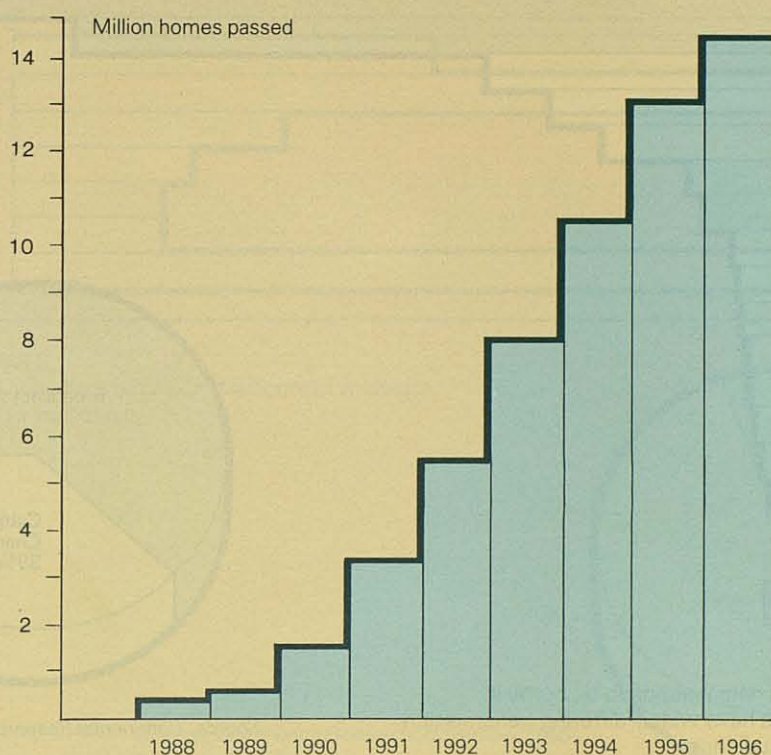
THE AVAILABILITY OF CABLE

	ALL CABLE SYSTEMS			BROADBAND FRANCHISES		
	Homes passed	Homes connected	Penetration	Homes passed	Homes connected	Penetration
January 1986	975,430	127,481	13.1%			
April 1986	994,822	143,857	14.5%	66,238	7,523	11.4%
July 1986	1,052,174	172,405	16.4%	90,768	10,238	11.3%
October 1986	1,133,531	174,726	15.4%	107,703	13,094	12.2%
January 1987	1,176,096	188,459	16.0%	143,066	19,758	13.8%
April 1987	1,189,655	193,173	16.2%	168,436	21,873	13.0%
July 1987	1,251,353	207,938	16.6%	211,643	26,584	12.6%
October 1987	1,288,678	222,169	17.2%	235,858	30,653	13.0%
January 1988	1,360,773	249,642	18.3%	276,671	40,609	14.7%
April 1988	1,372,856	256,527	18.7%	307,453	44,565	14.5%
July 1988	1,415,778	265,645	18.8%	344,073	48,568	14.1%
October 1988	1,464,830	267,774	18.3%	380,411	53,445	14.0%
January 1989	1,507,555	272,559	18.1%	426,056	62,728	14.7%
April 1989	1,478,583	283,816	19.2%	470,203	65,874	14.0%
July 1989	1,513,557	287,887	19.0%	504,324	69,842	13.8%
October 1989	1,528,273	287,219	18.8%	523,213	75,811	14.5%
January 1990	1,573,374	302,483	19.2%	557,193	87,062	15.6%
April 1990	1,637,689	311,647	19.0%	599,737	92,974	15.5%

Source: JICCAR

THE FUTURE AVAILABILITY OF CABLE

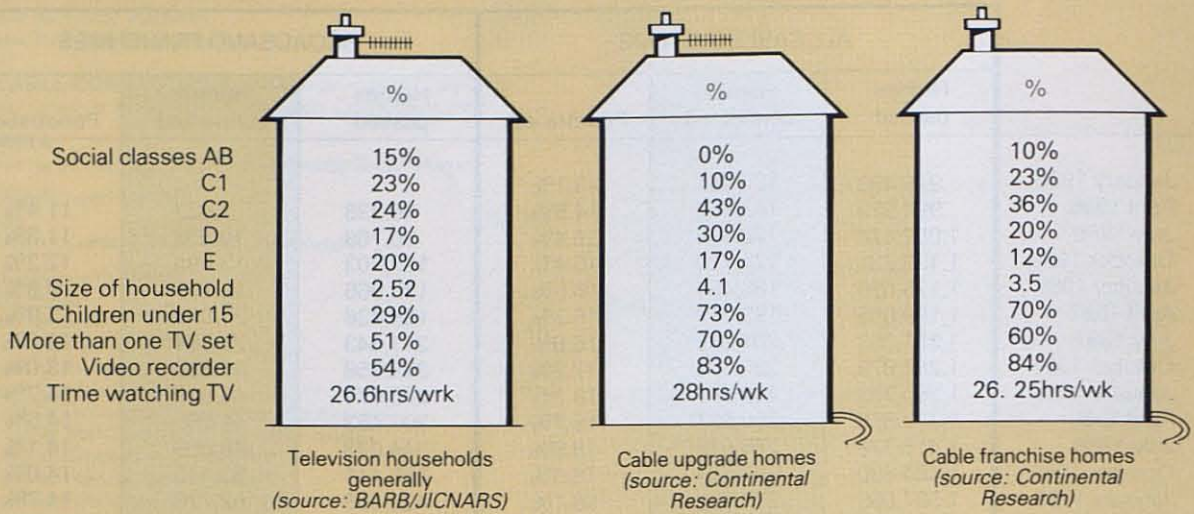
The Authority's franchising programme will bring cable services to over 14.5 million homes, but construction schedules mean that it will be five or six years before services are available to virtually all of those homes. The largest franchises may take seven or eight years to build completely.



Source: Cable Authority estimates

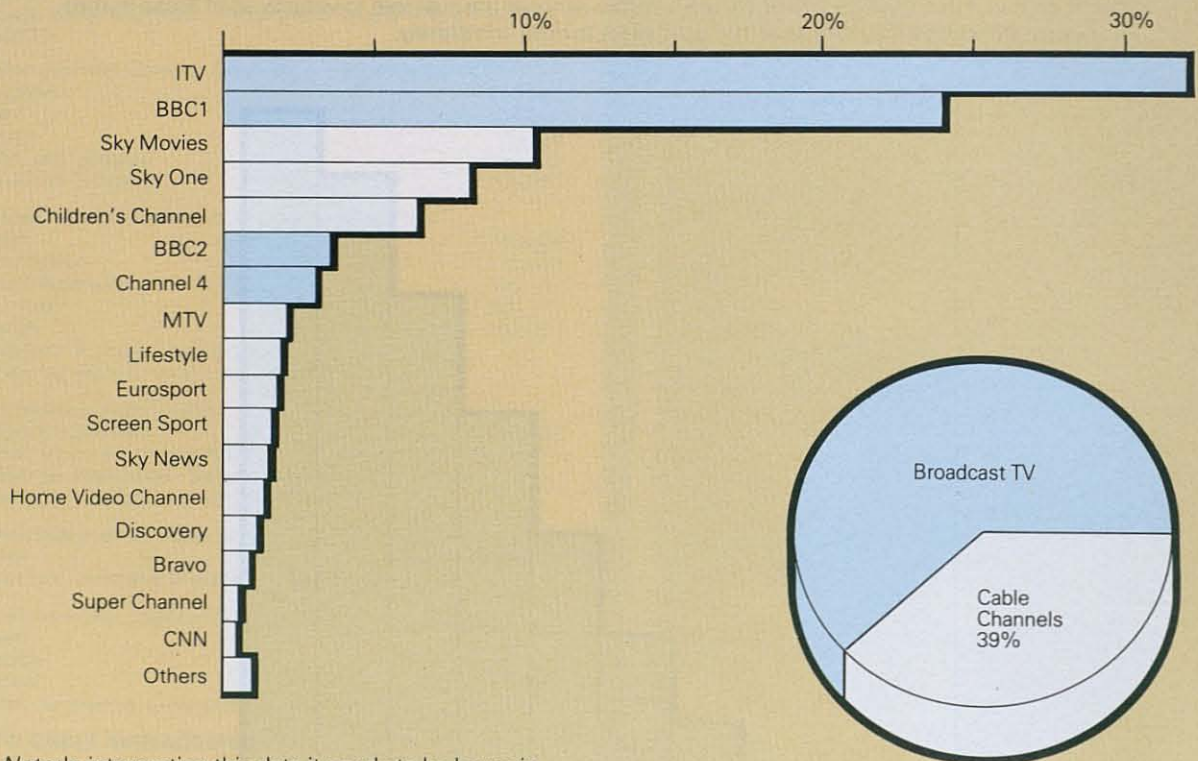
The cable audience

WHO ARE THE AUDIENCE?



WHAT ARE THEY WATCHING?

Weekly audience share of individual channels (Broadband cable homes; all individuals)



Note: In interpreting this data it needs to be borne in mind that channels have widely differing transmission hours and target audiences.

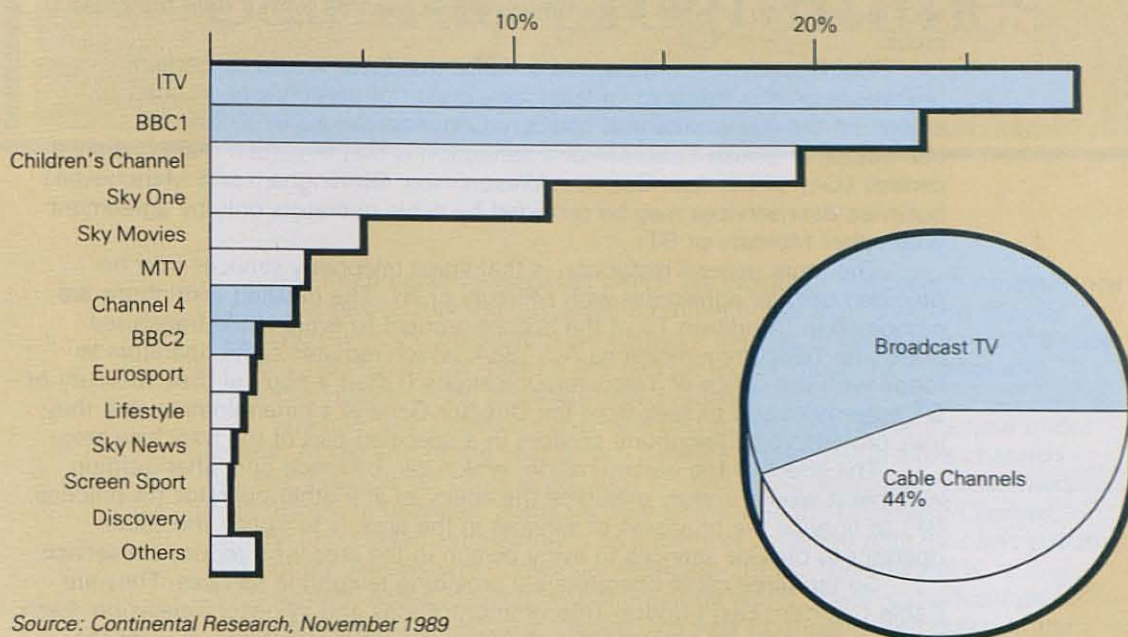
Source: Continental Research, November 1989

CABLE CATERS FOR MINORITY AUDIENCES

Cable's ability to meet the demands of specific audiences is illustrated by the three diagrams on this page.

1. CHILDREN

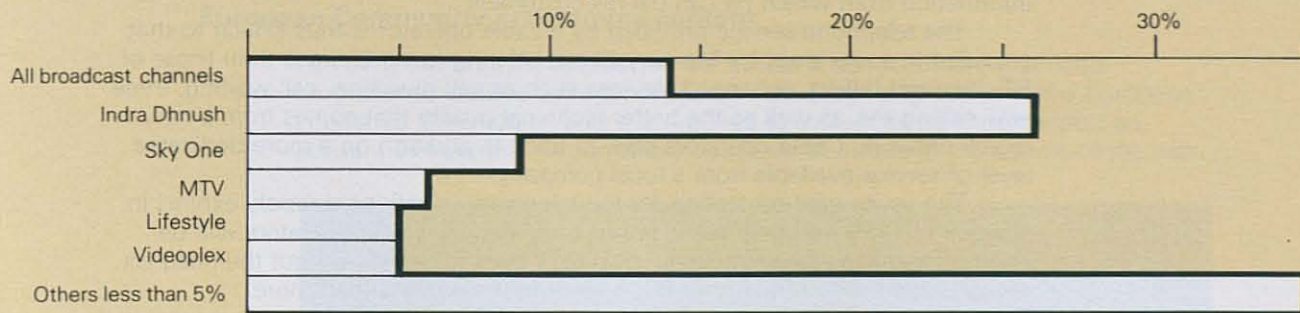
Weekly audience shares of individual channels (Broadband cable homes; children aged 2-15)



Source: Continental Research, November 1989

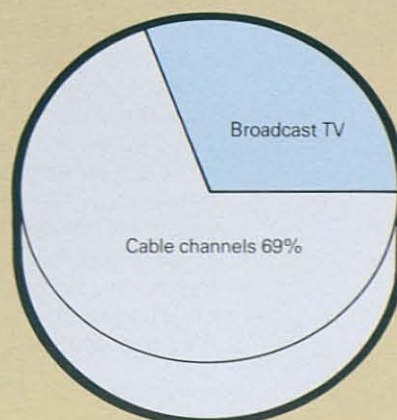
2. ETHNIC MINORITIES

This is an electronic snapshot of viewing in an area with a high Asian population density, taken by computer monitoring of the channels being watched at 11 am on 23 May 1990 in those homes connected to just one hub of the Ealing cable system. The sample is small but the point about the value of specialised services to certain audiences emerges strongly.



3. NIGHT OWLS

Weekly audience share between the hours of midnight and 5.30am; all individuals



Source: Continental Research, November 1989

Telephony on cable

Under the policy set for cable in 1983, those gaining cable franchises from the Cable Authority are designated as Public Telecommunications Operators by the Department of Trade and Industry and are permitted – indeed encouraged – to provide telecommunications services within their franchise areas.

The Government announced in 1983 that there would be certain limitations on this freedom, at least for a period of seven years, in order to safeguard the development of Mercury Communications as a national competitor to British Telecom. One restriction is that in certain main business centres (City of London, Camden, Westminster, Birmingham and Manchester) business data services may be provided by cable operators only by agreement with either Mercury or BT.

The more general restriction is that voice telephony services may be provided only by agreement with Mercury or BT. The detailed restrictions are embodied in Condition 15 of the licence granted to every cable franchisee under the Telecommunications Act 1984, which requires cable operators to lodge with the Office of Telecommunications (OfTel) a copy of their Mercury or BT agreement and to seek from the Director General a determination that they may provide voice telephony services in a specified part of the franchise area.

The effect of the determination, which can be made only after judging whether it would unduly prejudice the ability of any other operator (in practice, BT) to finance the provision of services in the area, is to oblige the cable operator to provide services to every person in the area who requests a service.

So far, three cable operators are providing telephone services. They are Cable Camden, East London Telecommunications and Windsor Television. Each is doing so under an agreement with Mercury Communications. It is for the cable operator to market the service and to connect the subscribers they sign up to their own local telecommunications network, installed from scratch in their own purpose-built ducts, which is then interconnected with the Mercury network via a node located usually at the cable operator's headend. Mercury undertake all the switching and provide the cable operator with billing information from which he can bill his customers.

The telephone service provided by a cable operator is thus similar to that provided in some areas by Mercury direct, offering lower charges than those of BT, itemised billing, enhanced services such as call diversion, call waiting, three way calling etc, as well as the better technical quality that comes from a new digital network. Cable operators seek to trade in addition on a more dedicated level of service available from a local company.

The seven year protection for the telecommunications duopoly expires in November 1990 and is to be reviewed by Ministers. Cable operators will be hoping for greater freedom to develop their own business without the need for an agreement with Mercury or BT, so that in the process their more independent position will enable them to reach interconnection agreements which better reflect in the share of revenue which they retain the costs associated with the local network.

There is another issue in the duopoly review, which is British Telecom's much-publicised desire to have the freedom to carry television pictures to subscribers over their main telephone networks when they are upgraded. Although British Telecom can and does suggest that the present regulated competition is "assymetric" – tilted against British Telecom – it is plain to most observers that confidence in the business prospects of new broadband networks to carry television and telecommunications has been uncertain and would be unlikely to survive a decision to allow an existing operator to compete in cable television. The effect could only be to consolidate an existing national monopoly, stifling the growth of competing networks and placing no pressure on BT to upgrade their networks in order actually to provide the services which they had acquired the right to carry.

4

Cable and Satellite Programmes

It is the programme services which are crucial to the cable business, since that is the service that the customer is buying rather than anything directly associated with the physical cable system. This was the year in which the cable industry felt that at last it had a real service to sell, given the number and enhanced quality of the channels now available.

The four Sky Television channels had started just before the year under review. At the end of the year British Satellite Broadcasting's five channels became available on cable in advance of their being launched to customers with dishes. In between, the main new arrival was the Discovery Channel, provided by United Programming as a channel designed only for cable systems and not for viewers with individual receiving dishes. The channel is documentary-based, dealing with the natural world, travel and adventure.

As recorded in last year's report, the Arts Channel closed down at the beginning of the year and in July the Premiere film channel also closed, being unable to compete for film rights with the two new film channels provided by Sky and BSB respectively. Otherwise, the channels which were operating at the beginning of the year continued to provide a service, and cable is now plainly to be taken more seriously as a medium for delivering real television choice.

European Community programme content

The Authority is required to do all that it can to ensure that cable programmes include a proper proportion of matter originating in the European Economic Community, and it is required to include in its annual report an account of how this responsibility has been exercised in the course of the year.



The globalisation of television has contributed to remarkable changes in the world scene, as well as reflecting them. This was one of the memorable images of the year.

The Authority's practice has been to look at each channel separately, given the different nature and characteristics of the various channels. As in previous years it has undertaken a survey of programme content so that, based on a sample three month period, the origination of individual channels' programmes can be assessed. The results are set out in the table.

13 WEEK SAMPLE	TOTAL HOURS	EEC HOURS	NON-EEC HOURS	ECC CONTENT (%)		AVERAGE DAILY OUTPUT (HOURS)
				1989	1990	
BRAVO	2160	212	1948	9.7	9.8	24
CABLE JUKEBOX	2160	2160	NIL	100	100	24
CHILDREN'S CHANNEL	990	545	445	74	55	11
CNN INTERNATIONAL	2160	43	2117	2	2	24
DISCOVERY	540	222	318	n/a	41	6
EUROSPORT	1479	996	483	61.5	67.0	15
HOME VIDEO CHANNEL	715	21	694	1	2.9	8
INDRA DHNUSH	1620	NIL	1620	NIL	NIL	18
LIFESTYLE	729	137	592	26.5	23	8
MTV EUROPE	2160	1961	199	90.8	90.8	24
SCREENSPORT	1518	628	890	41.1	70.7	17
SKY MOVIES	1427	336	1091	24.3	17.7	15
SKY NEWS	2160	1854	306	81.3	85.8	24
SKY ONE	1743	830	913	44.3	47.6	19
SKY RADIO	2160	1080	1080	50	50	24
SUPER CHANNEL	2160	1747	413	25	80	24
VISION	26	9.25	16.75	40	35.5	2 hours (Sundays only)

The Authority does not expect film channels to include as high a proportion of European programme content as do other channels, and the percentages shown are regarded as acceptable. This year, the proportion of European programming on the Children's Channel fell – although it is still the majority of the material – but the proportion increased markedly on Super Channel and Screensport and to a lesser extent on Sky News and Sky One.

The amount of programming being produced for British cable has grown significantly, and the costs of this programme production are a long way from being recouped through advertising revenue or viewers' subscriptions. In the circumstances, the Authority has concluded that the percentages of EEC programme material set out in the table for this year represent what is a proper proportion.

Complaints

As throughout the Authority's existence, the level of complaint about the content of cable and satellite programmes remains low. Indeed, it was ironic that towards the end of the year, the Authority received more complaints in a month than it had received in the whole of the previous five years, but about what the Authority had not allowed rather than about what was shown. In February, the Authority had concluded that the daytime content of the German-language channel RTL Plus was in breach of the Authority's codes and guidelines and that the channel should therefore be removed from the Authority's list of approved channels. This turned out to be the Authority's most controversial decision ever, resulting in dozens of telephone calls and a number of letters protesting at cable viewers being deprived of a channel which those with satellite dishes could continue to see. The Authority's decision was praised and supported by Mrs Mary Whitehouse.

Another ironic feature of this decision was that it was possible for the Authority to take it only because neither the Council of Europe Convention on transfrontier broadcasting nor the European Community directive on

broadcasting was yet in force in this country. Once they are implemented, any service regarded as acceptable by one of our European neighbours from which it originates must also be treated as acceptable in other European countries. Unless the Government decides to take special action under those instruments, the banning of the channel here is therefore only temporary.

During the year the Authority received no other complaints about the discharge of its programme regulation duties under the 1984 Act.

The year under review brought the first and only complaint to date which fell to be considered under the Misleading Advertisements Regulations 1988.

The complainant had responded to an advertisement carried on Sky Television in 1989. This invited purchasers of an Astra dish to apply for a decoder for the Sky Movies service, which was due to scramble its signal in early 1990. The advertiser, Sky Television PLC, promised a six month free subscription to the movie channel, and that there would be no installation charges beyond a £15 returnable deposit. It transpired, however, that the complainant was among a number of dish owners whose equipment required modification for the decoder, for which an additional £10 plus VAT was charged.

The Authority considered the advertisement misleading, since it made no suggestion that additional installation costs might be incurred in certain cases. Sky Television were requested to take more care in future in framing similar offers, and to clear such promotions through the same internal vetting procedures that apply to other spot advertisements appearing on Sky channels.

Approved programme channels

The Authority licenses cable operators to carry all the television and radio channels listed below. Any other channel must be specially approved by the Authority before it is carried.

3—Sat	Greenwich Community Radio Meridian (Audio only)	Super Channel
American Forces Network	Home Video channel	Super Gold* (Audio only)
ACE (Asian Channel for Entertainment)*	House of Lords Channel*	TSS-1 (Moscow)
BBC1	IBA Radio Services (Audio only)	TVE Internacional
BBC2	Independent Television	TV Scandinavia
BBC Radio Services (Audio only)	Indra Dhnuh	TV-5
BBC World Services (Audio only)	Japan Satellite TV Europe	United Christian Broadcasters* (Audio only)
Barker Channel, A	Kindernet	United Programming Pay-Per-View
Baz Radio* (Audio only)	Landscape Channel	Vision
Bravo	Laser Television	Voice of America (Audio only)
BSB Galaxy	Lifestyle	Worldnet
BSB The Now Channel	MPTV (House of Commons channel)*	Woolwich Hospital Radio Meridian (Audio only)
BSB The Power Station	MTV Europe	WSM Radio (Audio only)
BSB The Sports Channel	Mind Extension University	
BSB The Movie Channel	North East Community Radio (Audio only)	
Cable Juke Box	One World Channel	
Channel 4	Pro 7	
Chin-Sat TV*	Radio Orient (Audio only)	
Commanders Channel, The	Radio 10 Classic* (Audio only)	
CNN International	Radio Phoenix (Neath) (Audio only)	
Children's Channel, The	Radio Topshop (London) (Audio only)	
CRMK Radio (Audio only)	RAI-Uno	
Discovery Channel, The	RAI-Due	
Dubai Television (The Arabic Channel)	RTE-1	
European Business Channel	RTE-2	
Eurosport	SAT-1	
Eurostep (That component of programming on the Olympus satellite which is scheduled and played out by Eurostep)	Screen Sport	
Galavision	Sell-A-Vision	
Grand Central Network (Audio only)	Shopping Channel, The	
Greensat (that component of programming on the Olympus satellite which is scheduled and played out by Greensat)	Sianel Pedwar Cymru	
	Sky Movies	
	Sky One	
	Sky News	
	Sky Radio (Audio only)	
	Sporting Facts	

*denotes services not operational at date of issue.

**Cable
Authority**

The cable television channels

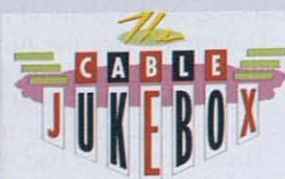


BRAVO

A 24 hour a day service of classic movies, distributed to United Kingdom cable operators on videotape. Financed by a charge to operators, with a facility for local advertising to be inserted. The service started in September 1985.

Bravo, United Programming, Twyman House,
16 Bonny Street, London NW1 9PG
Tel: 071 284 1570; Fax: 071 284 2042

President: Adam Singer
Senior Vice President: Joyce Taylor
Executive Vice President: Mike de Monceau
Vice President, Operations: Fiona McFadzean



CABLE JUKEBOX

Popular music videos supplied to United Kingdom cable operators on videodisc. Can be operated either interactively in response to requests from viewers over the cable system for particular videos to be shown or non-interactively with a pre-programmed play schedule. The service started in November 1987.

Cable Jukebox, W.H. Smith Television Ltd,
The Quadrangle, 180 Wardour Street,
London W1V 4AE

Tel: 071-439 1177; Fax: 071-439 1415; Telex: 2658781

Managing Director: Francis Baron



CABLE NEWS NETWORK

A 24 hour a day service of news, distributed to European cable operators via the Intelsat V Satellite live from Atlanta, Georgia. Financed by a combination of advertising and a charge to operators. The service to Europe started in September 1987.

CNN House, 19-22 Rathbone Place, London, W1P 1DF
Tel: 071-637 6700; Fax: 071-637 6705

Managing Director: Robert W Ross
Sales and Marketing Director/Southern Europe:
David Garland
Sales and Marketing Director/Northern Europe:
Mark Rudolph
General Counsel: Amanda Seward



THE CHILDREN'S CHANNEL

Children's programmes between 5 a.m. and 3 p.m., distributed to European cable operators via the Intelsat V satellite, but also transmitted for shorter hours on the Astra satellite. Financed by advertising plus a charge to operators. The service started in September 1984.

The Children's Channel, 9-13 Grape Street,
London WC2H 8DR
Tel: 071-240 3422; Fax: 071-497 9113; Telex: 28622

Managing Director: Richard Wolfe
Director of Programmes & Production: Dan Maddicott
Sales Director: David Harrison



THE DISCOVERY CHANNEL

Documentary programmes about nature, history, travel and science transmitted for 6 hours a day to cable operators on the Intelsat V satellite. Financed by advertising plus a charge to operators. The service started in April 1989.

The Discovery Channel, United Programming,
Twyman House, 16 Bonny Street, London NW1 9PG
Tel: 071-284 1570; Fax: 071-284 2042

President: Adam Singer
Senior Vice President: Joyce Taylor
Executive Vice President: Mike de Monceau
Vice President, Operations: Fiona McFadzean



EUROSPORT

Eurosport provides 12 hours a day of sports programmes provided by a consortium of members of the European Broadcasting Union, including the BBC. It is transmitted via the Astra satellite to cable operators and individual dish owners in the UK, Ireland and Continental Europe. It is financed by advertising and the service started in February 1989.

Eurosport, Sky Television, Centaurs Business Park,
Grant Way, Isleworth, Middlesex, TW7 5QD
Tel: 081-782 3000; Fax: 081-782 3113

Head of Programmes: Adrian Metcalfe

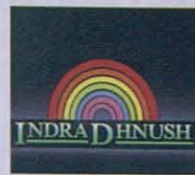


HOME VIDEO CHANNEL

A non-premium film channel running for about 12 hours a day, distributed to UK and Irish cable systems on videotape. Financed by a charge to cable operators with a facility for local advertising to be inserted. The service started in September 1985.

Home Video Channel, Unit 7, Barratt Industrial Park,
Park Avenue, Southall, Middlesex UB1 3AF
Tel: 081-471 2585; Telex: 94070904

Chief Executive: R Christopher Yates



INDRA DHNUSH

Hindi films and television programmes, with some material also in other Indian languages, provided for 16 hours a day by means of videotapes delivered to cable operators. A subscription channel. The service started in May 1986.

Indra Dhnush Ltd, Unit 7, Barratt Industrial Park,
Park Avenue, Southall, Middlesex UB1 3AF
Tel: 081-471 2585; Telex: 94070904

Chief Executive: R Christopher Yates



JAPAN SATELLITE TELEVISION

A Japanese language television station serving Japanese nationals living in Europe. Transmitted via the Astra Satellite between 8pm and 10pm Monday to Saturday and 7pm to 10pm on Sunday. The service started in March 1990.

c/o Marubeni UK plc, New London Bridge House,
London Bridge Street, London SE1 9SW
Tel: 071-378 3222

Managing Director: S. Kaneda
Deputy Managing Director: M. Hirata
Marketing Director: R Barash



LIFESTYLE

Daytime magazine programmes for women between 9 a.m. and 3 p.m., distributed to cable operators via the Intelsat V satellite and also transmitted to individual dish owners via Astra, financed by advertising plus a charge to cable operators. The service started in October 1985.

Lifestyle Television Ltd, The Quadrangle, 180 Wardour
Street, London W1V 8AA
Tel: 071-439 1177; Fax: 071-439 1415

Managing Director: Francis Baron
Director of Programmes: George Black



MTV EUROPE

Pop and rock music 24 hours a day distributed to European cable operators and individual dish owners via the Astra satellite. Financed by advertising plus a charge to cable operators. The service started in August 1987.

MTV Europe, 20-23 Mandela Street,
London NW1 0DU
Tel: 071-383 4250; Fax: 071-388 2064

Managing Director: William Roedy
Deputy Director of Network Development:
Howard Smith
Manager UK Network Development: Chris Griffin
Director of Programming: Brian Diamond



SCREENSPORT

Sports programmes between 3 p.m. and midnight, distributed to European cable operators and to individual dish owners via the Astra satellite. Provided with alternative French and German soundtracks for viewers elsewhere in Europe. Financed by advertising plus a charge to cable operators. The service started in March 1984.

Screensport Ltd, The Quadrangle, 180 Wardour
Street, London W1V 4AE
Tel: 071-439 1177; Fax: 071-439 1415

Managing Director: Francis Baron
Director of Programmes: George Black



THE SHOPPING CHANNEL

A television home shopping service backed by Next plc, Grattan plc and E-Sat Communications Ltd. Transmitted live seven days a week between 8am and 2pm via the Astra Satellite.

The Shopping Channel, PO Box 39, TW5 9EF
Tel: 081-569 8696; Fax: 081-569 8528

Managing Director: Denis O'Brien
Financial Controller: Caroline Toner
Marketing Manager: Miriam Thornton



SUPERCHANNEL

A general television channel comprising pop music, news, sport and entertainment between 6 a.m. and 1 a.m. Distributed to European cable operators via the ECS 1 satellite. Financed by advertising. The service started in January 1987, but was relaunched under new management in January 1989.

Super Channel Ltd, Vision House,
19-22 Rathbone Place, London W1P 1DF
Tel: 071-631 5050; Fax: 071-631 5255

Managing Director: Marialina Marcucci
Assistant Managing Director: Serenella Ciclitira
Head of Programmes: Mike Roles
Director of Programme Development: Simon Woodroffe



VISION CHANNEL

A service of religious programmes, presently comprising 2 hours a week designed primarily for Sunday transmission. Distributed to UK cable operators on videotape. Financed by sponsorship. The service originally started on Swindon Cable in 1986.

Vision Broadcasting Communications,
Shaftesbury centre, Percy Street, Swindon SN2 2AZ
Tel: 0793 511244; Fax: 0793 512477

Chief Executive: Fran Wildish



SKY TELEVISION

Sky Television now provides 3 television channels distributed to UK cable operators and individual dish owners via the Astra satellite, as well as managing the Eurosport channel transmitted throughout Europe.

Sky Television, Centaurs Business Park, Grant Way,
Isleworth, Middlesex, TW7 5QD
Tel: 081-782 3000; Fax: 081-782 3113

Executive Chairman: Rupert Murdoch
Managing Director: Gary Davey
Deputy Managing Director: Stewart Till
Director of Corporate Affairs: Jonathan Miller
Director of Press and Publicity: Fiona Waters



SKY ONE

General entertainment between 5.30 a.m. and 12.30 a.m. Advertising supported, plus a charge to cable operators. The service started in April 1982.

General Manager: Ric Burns
Head of Programme Development: Gordon French



SKY NEWS

A 24 hour news and current affairs service. Advertising supported, plus a charge to cable operators. The service started in February 1989.

Head of News: John O'Loan



SKY MOVIES

A premium film channel provided between 2 p.m. and 5.30 a.m. offering major box office feature films. The service started in February 1989 and was encrypted from 1 April 1990.

Deputy Managing Director: Stewart Till



BSB - 5 CHANNEL TV

British Satellite Broadcasting (BSB) began transmission via BSB's 'Marcopolo 1' satellite on UK cable, 25 March 1990 and DTH, 29 April 1990.

BSB's 5 Channels offer unique British service, incorporating film, sports, entertainment, music and factual programming. BSB is the IBA's contractor for high power direct broadcast by satellite; its services are tailored exclusively to the tastes of the UK audience.

British Satellite Broadcasting Limited
The Marcopolo Building, Chelsea Bridge,
Queenstown Road, London SW8 4NQ
Tel: 071-978 2222; Fax: 071-627 6110
Press Office: 071-627 6351

Chairman: Sir Trevor Holdsworth
Chief Executive: Anthony Simonds-Gooding
Deputy Chief Executive/Director of Programmes:
John Gau
Deputy Chief Executive/Group Finance Director:
Ian Clubb
Director of Marketing: Peter Bell
Director of Sales & Publishing: Chris Dickens
Director of External Affairs: Edward Bickham



Golf on Screensport: Nick Faldo



The Sky Television Newsroom.



GALAXY

Galaxy offers children's programming during the day in the form of Galaxy Club and drama, comedy and entertainment in the evening.

Executive Director of Galaxy: John Gau



THE MOVIE CHANNEL

The Movie Channel offers major box office films from six of Hollywood's eight main studios. Films are free until 6.00pm when a subscription charge is made. BSB is also a major investor in British films.

Executive Director of The Movie Channel: Andy Birchall



THE SPORTS CHANNEL

An all-sport channel which offers, often exclusive, coverage of mainstream sport, like football, golf, tennis, cricket, rugby league, boxing and motor sport. The Channel also offers a unique four times a day, half hour, sports news service.

Executive Director of the The Sports Channel:
Bob Hunter



NOW - THE CHANNEL FOR LIVING

Now specialises in factual programming, current affairs, documentaries and lifestyle programmes. At weekends, Now becomes a dedicated arts channel.

Executive Director of Now - The Channel for Living:
Hugh Williams



THE POWER STATION

The Power Station offers rock and pop music, youth programming and major concerts, together with specialist music programming covering jazz, soul and country music.

Executive Director of The Power Station: Bob Hunter



MTV Studios.

Petula Clark on Lifestyle.



5

Finance

The year marked a significant milestone for the Authority, because it finally became totally self-supporting and free of the debts which it had incurred in its early years. This enabled the Authority to satisfy the provision of the Cable and Broadcasting Act 1984 that at the earliest practicable date it should generate sufficient revenue to cover its costs. While the Authority had for the first time made an operating surplus in the previous year, the surplus this year was sufficient to enable it to repay the loans made to it by the Home Office.

The general functions of the Authority and its powers and duties in relation to its financial affairs, are set out in the Cable and Broadcasting Act 1984. The principal activities of the Authority, reflecting the functions laid upon it by Parliament, are described on Page 4 of this report. Under the 1984 Act, the Authority is to generate its revenue from two sources, the fees for the licences it issues and the fees for franchise applications.

Because of the enormous increase in franchising activity, and the large number of franchise applications received during the year, it was application fee revenue which placed the Authority in substantial surplus. The amount of revenue generated from fees for the issue or renewal of licences remained at a fairly low level, though the Authority expects this to increase substantially in the following year as the large number of companies awarded franchises in the year under review reach the licensing stage.

It has been extremely difficult throughout the life of the Authority to make accurate forecasts about the revenue to be generated, since this has depended so much upon the commercial interest in cable and the willingness of companies to apply for franchises and to obtain licences. The prospects for the coming year are, however, somewhat clearer.

Since the Broadcasting Bill is expected to lead to the Authority's being wound up on 31 December 1990 the Authority's remaining life is finite and less than a full year. In the circumstances, the Authority has announced that no further franchises will be advertised and it has now received all the applications it expects to get. Application fee revenue in the following year will therefore be confined to a small amount accompanying applications submitted in the first two weeks of the financial year. On the other hand, the Authority is more confident than it has been in the past about the fees that it expects to generate from the issue of licences, because those who obtain franchises from the Authority will need to obtain the licence itself before the Authority goes out of existence. For this reason, the Authority has fixed its licence fees at a level (substantially lower than last year) which the Authority confidently expects will generate sufficient revenue comfortably to cover its costs, but not a great deal more.

The members of the Authority, as appointed by the Home Secretary, are set out at the beginning of this report. There were no changes during the year. Salaries of members are determined by the Home Secretary but paid out of the Authority's funds.

The audited accounts for the year to 31st March 1990 are appended to this report.

Cable Authority

ACCOUNTS FOR THE YEAR ENDED 31st MARCH 1990

BALANCE SHEET AT 31st MARCH 1990

	Note	1990		1989	
		£'000	£'000	£'000	£'000
Fixed Assets					
Tangible assets	9		100		112
Current Assets					
Debtors	12	132		27	
Cash at bank and in hand		1420		394	
		<u>1552</u>		<u>421</u>	
Creditors: Amounts falling due within one year	13	<u>(199)</u>		<u>(97)</u>	
Net Current Assets			<u>1353</u>		<u>324</u>
Total Assets less Current Liabilities			<u>1453</u>		<u>436</u>
Financed by:					
Provisions for Liabilities and Charges	14		20		16
Capital and Reserves					
Loans from the Home Office	15	-		1175	
Income and expenditure account		<u>1433</u>	<u>1433</u>	<u>(755)</u>	<u>420</u>
			<u>1453</u>		<u>436</u>

The notes and statements on pages 44 and 45 form part of the accounts.

Richard Burton CHAIRMAN **Jon Davey** DIRECTOR GENERAL
Approved on 7th June 1990.

REPORT TO THE CABLE AUTHORITY BY THE AUDITORS APPOINTED UNDER SECTION 20 (2) OF THE CABLE AND BROADCASTING ACT 1984.

We have audited the Accounts of the Authority on pages 41 to 45 in accordance with Auditing Standards.

In our opinion the accounts give a true and fair view of the state of affairs of the Authority at 31st March 1990 and of its surplus and source and application of funds for the year then ended and have been prepared in accordance with the Cable and Broadcasting Act 1984.

London, 5th June 1990

KPMG PEAT MARWICK MCLINTOCK
Chartered Accountants

INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31st MARCH 1990

		1990		1989	
	Note	£'000	£'000	£'000	£'000
Income	2		3144		836
Operating Expenses					
Staff costs	3	416		323	
Depreciation	2	43		33	
Other operating charges	3	453	(912)	326	(682)
			2232		154
Operating Surplus					
Interest receivable	4		87		25
			2319		179
Surplus before Taxation and Interest Payable					
Provision for taxation	5		(22)		(6)
			2297		173
Surplus before Interest Payable					
Interest payable	2&6		(109)		(97)
			2188		76
Surplus for the Year					
Deficit brought forward			(755)		(831)
Surplus/(deficit) carried forward			1433		(755)

SOURCE AND APPLICATION OF FUNDS FOR THE YEAR ENDED 31st MARCH 1990

	1990 £'000	1989 £'000
Source of funds:		
Surplus before taxation and interest payable	2319	179
Adjustment for items not involving the movement of funds:		
Depreciation plus loss on disposal of fixed assets	43	33
Provision for repairs	<u>4</u>	<u>4</u>
Funds generated from operations	2366	216
Funds from other sources:		
Loans from the Home Office	-	325
Proceeds from the sale of fixed assets	9	6
	<u>2375</u>	<u>547</u>
Application of funds:		
Loans repaid to Home Office	(1175)	(175)
Purchase of fixed assets	(40)	(23)
Taxation paid	(5)	(4)
Interest paid to Home Office	(74)	(102)
	<u>1081</u>	<u>(243)</u>
Components of increase/(decrease) in working capital:		
Debtors	105	(4)
Creditors: Amounts falling due within one year	(50)	(10)
Movement in net liquid funds:		
Increase in cash at bank and in hand	1026	257
	<u>1081</u>	<u>243</u>

NOTES TO ACCOUNTS

1. Basis of preparation

These accounts have been prepared in a form determined by the Secretary of State for the Home Department, with the approval of the Treasury in accordance with section 20 (1) of the Cable and Broadcasting Act 1984.

2. Accounting Policies

The following is a summary of the principal accounting policies which have been adopted in preparing these accounts:-

- (a) The accounts have been prepared under the historical cost convention. The accounts comply with the Statements of Standard Accounting Practice issued by member bodies of the Consultative Committee of Accountancy Bodies, and, so far as appropriate, meet the requirements of the Companies Act 1985.
- (b) The income of the Authority consists of licence and application fees and is accounted for on the basis of fees statutorily due.
- (c) The amortisation or depreciation of tangible fixed assets is calculated on a straight line basis by reference to the cost and estimated useful lives. The rates of depreciation are as follows:-
Expenditure on leasehold premises: over period of lease.
Motor vehicles: 25% per annum.
Furniture and equipment: 15% per annum.
Office computer equipment: 20% per annum.
- (d) In accordance with H.M. Government practice, loans from the Home Office are treated as capital and the interest payable thereon is not shown as an operating expense.

3. Operating Expenses

Included in operating expenses are the following:

	1990 £'000	1989 £'000
Members' remuneration (see note 7)	72	62
Other remuneration	281	218
Social Security costs	30	24
Pension costs	33	19
Auditors' remuneration and expenses	4	3
Hire of equipment - operating leases	10	10
Hire of other assets - operating leases	105	101
Travelling and subsistence:		
Members	5	-
Staff	24	10

4. Interest Receivable

Interest receivable on short-term deposits	87	25
--	----	----

5. Taxation

Apart from taxation on interest received the Authority is not liable to corporation tax.

6. Interest Payable

Interest on loans from the Home Office (see note 15)	109	97
--	-----	----

7. Members and Employees

The remuneration of Members of the Authority excluding pension costs as determined by the Home Office was:

Chairman	29	28
Deputy Chairman	13	10
Other Members (in total)	30	24

The average number of employees during the year was 10 (1989 : 9).

The number of employees whose emoluments (excluding pension costs) exceed £30,000 fell within the ranges:

	1990	1989
£		
35,001 - 40,000	3	-
45,001 - 50,000	-	1
55,001 - 60,000	1	-

8. Pensions

The Authority operates a pension scheme designed to accord with recent trends and practices. Contributions are based on each member's pensionable earnings and are charged to income and expenditure account as they fall due. The scheme assets are funded completely independently of the finances of the Authority.

9. Tangible Fixed Assets

	Total	Short Leasehold Property	Furniture and Equipment	Motor Vehicles	Computer
	£'000	£'000	£'000	£'000	£'000
Cost at 1.4.89	224	65	59	41	59
Additions in year	40	—	1	32	7
Disposal in year	(24)	—	—	(24)	—
Cost at 31.3.90	240	65	60	49	66
Amortisation/ Depreciation at 1.4.89	112	32	33	12	35
Provided in year	41	8	9	11	13
Eliminated on disposal	(13)	—	—	(13)	—
Amortisation/ Depreciation at 31.3.90	140	40	42	10	48
Net book amount at 31st March 1990	100	25	18	39	18
Net book amount at 31st March 1989	112	33	26	29	24

10. Operating Leases

At 31st March 1990 the Authority had annual commitments under non-cancellable operating leases as set out below:

	1990		1989	
	Land and Buildings £'000	Other £'000	Land and Buildings £'000	Other £'000
Operating leases which expire:				
within one year	—	—	—	—
in the second to fifth year inclusive	105	10	101	10
	<u>105</u>	<u>10</u>	<u>101</u>	<u>10</u>

11. Capital Commitments

There were no capital commitments outstanding (1989 – nil)

12. Debtors

	1990 £'000	1989 £'000
Debtors consist of:		
Debtors for fees	45	13
Prepayments and accrued income	87	14
	<u>132</u>	<u>27</u>

13. Creditors – amounts falling due within one year

	1990 £'000	1989 £'000
These consist of:		
Social Security and PAYE income tax	12	9
Income tax on interest received	22	6
Other creditors and accruals	165	82
	<u>199</u>	<u>97</u>

14. Provisions for Liabilities and Charges

	1990 £'000	1989 £'000
Provision for leasehold repairs and renewals		
Balance at 1st April 1989	16	12
Charge for the year in the income and expenditure account	4	4
Balance at 31st March 1990	<u>20</u>	<u>16</u>

15. Home Office Loans

	1990 £'000	1989 £'000
Balance at 1st April 1989	1175	1025
Repaid during year	(1175)	(175)
Advanced during year	—	325
Balance at year end	<u>—</u>	<u>1175</u>

These loans were provided by the Secretary of State for the Home Department with the consent of the Treasury under section 19(1) of the Cable and Broadcasting Act 1984.

Retrospective: 5 years of The Cable Authority

A CABLE CHRONOLOGY

19 March 1982

Prime Minister tells Parliament that, as recommended by the Information Technology Advisory Panel, the Government intends to act to seize the benefits offered by broadband cable: cable's political watershed.

22 March 1982

Publication of the Report of the Information Technology Advisory Panel on Cable Systems. Announcement by Mr. William Whitelaw, Home Secretary, that an Inquiry under Lord Hunt of Tanworth would examine the broadcasting policy implications of the expansion of cable.

26 April 1982

First transmission of Satellite Television, later renamed Sky Channel, Europe's first satellite television channel.

12 October 1982

Publication of Hunt Report, Cmnd 8679.

2 December 1982

Mr. William Whitelaw, Home Secretary, announces that Government will develop plans for the expansion of cable along the lines recommended in the Hunt Report.

December 1982

Prime Minister launches Information Technology Year: "we are giving the green light to cable".

27 April 1983

Publication of Government White Paper "The Development of Cable Systems and Services", Cmnd 8866, setting out details of a new policy for cable to be embodied in legislation and announcing that the Government would in the meantime award a small number of "pilot project" franchises, and would license existing systems to carry new programme channels.

31 August 1983

Deadline for applications for pilot project franchises. 37 applications received.

17 November 1983

Announcement by the Minister for Information Technology of a seven year duration of the duopoly for British Telecom and Mercury.

29 November 1983

Announcement of Government's decisions on the award of pilot project franchises: eleven franchises awarded.

1 December 1983

Publication of Cable and Broadcasting Bill

13 January 1984

First upgrade licence issued, to permit Radio Rentals' Swindon system to carry Sky Channel.

29 March 1984

Launch of three cable television channels: Music Box, Screensport and The Entertainment Network. Services launched on fifteen Rediffusion upgrade systems and seven Visionhire systems.

26 July 1984

Enactment of Cable and Broadcasting Act 1984.

14 August 1984

Mr. Richard Burton announced as Chairman - designate of the Cable Authority.

1 September 1984

Launch of two more cable television channels: The Children's Channel and Premiere

The Cable Authority, created by the Cable and Broadcasting Act 1984, came into being on 1 December 1984. Only a month later, on 1 January 1985, it took on its full powers and duties under the Act.

The Authority has had the same Chairman, Deputy Chairman and members throughout its life. The original appointments were for five years but all were extended until 31 December 1990 in order to carry the Authority through until the expected merger into the Independent Television Commission. On the date on which the Authority started work, it had no staff. The appointment of Jon Davey as the Authority's Director General was announced in January 1985 and he has remained responsible for the Authority's operations to the present day.

Reflecting the industry for which it is responsible, the Authority has deliberately kept its staff small in number and oriented towards encouraging the development of an infant industry and pioneering a new style of regulation appropriate to the different nature and needs of a new business. This concept is unusual and worth commenting upon. One result has been that, as a body financed by the industry it regulates, the Authority has kept the financial burden on an immature industry extremely small: its expenditure throughout its life has been well below £1 million a year. But the Authority believes that the benefits have gone well beyond mere economy.

It has enabled the Authority to respond quickly and flexibly to the rapidly changing circumstances of a nascent industry, by avoiding bureaucratic procedures, keeping lines of communications short and responses decisive. The handful of executive staff, each with their own specialities, have been called upon to take both a broad interest in the development of cable and responsibility for a host of matters incidental to their principal concerns.

The pressures have undoubtedly been considerable, but so has the enthusiasm, and the Authority believes that the outcome has been an effectiveness which has served both cable and the public interest well.

The Authority was set up at a difficult time for cable, at the end of the year during which the Chancellor of the Exchequer had announced the phasing out of capital allowances, which many companies had been planning on exploiting in order to justify the considerable initial capital investment which cable requires for the sake of a very long-term return. It was plainly much more difficult to raise finance for cable than had been expected when the Government awarded the first 11 cable franchises twelve months previously, and the prospects were looking uncertain.

For this reason, noting the duty placed on it by the statute to promote the provision of cable services, the Authority decided that it should do all that it could within its limited resources to encourage the development of cable. Bearing in mind that the principal problem lay in the shortage of finance with which to construct cable systems, the main focus of this was seen to be the encouragement of investment. In one year, more than a hundred presentations about cable were made to financial and

business groups.

The promotion of cable's development has been the background to all the Cable Authority's decisions. One of its first conclusions was that it should take advantage of whatever interest there was in cable by advertising as many franchises as possible but only for those areas in which it knew there were likely applicants. The Authority advertised its first five franchises within a month of taking on its statutory powers, and another 5 franchise advertisements followed four months later. Unfortunately, the Authority's franchising programme could not continue at this pace, since it became clear that the demand for franchises was at that stage limited and those who obtained franchises were in difficulties, given the financial situation, in trying to implement them. It was only in the Spring of 1988 that the franchising programme began in earnest.

When the Cable Authority was established, it became responsible for a number of old broadcast relay systems which had been licensed to carry new programme services by the Home Office. At that time, however, there was only one franchise in operation, in Swindon, which had been able to make an early start because it had an existing cable operation in the town from which to expand. The first totally new franchise to start operations was Aberdeen in May 1985, and that was followed before the end of that year by Coventry, Croydon, Westminster, Glasgow and Windsor. Until recently, those franchises remained the main manifestation of broadband cable, the only franchises joining them in a substantial way being East London and Ealing.

The financial, technological, managerial and marketing problems besetting an infant industry are illustrated by the fact that all of these systems have undergone significant changes in shareholding, in most cases representing a substantial change of control, and have also seen changes in management.

In the space of five and a half years, the Authority has managed to develop its franchising programme to the point where most of urban Britain (together with some more rural areas) is covered by cable franchises. The task of seeing all of those franchises into operation and to the point of being completely built and providing the full range of services promised in the franchise application is one which the Authority will have to pass on to the ITC.

On the programming side, there has been a considerable expansion of channels, with various changes along the way. When the Authority was established there were six channels available, Sky Channel, Music Box, Screen Sport, The Children's Channel and two film channels, The Entertainment Network and Premiere. The choice has now been strengthened to the point where there are twenty English language channels and a number in foreign languages and cable operators are able to offer much better value for money than five years ago.

Taking on responsibility for programme regulation for channels already in existence gave the Authority no alternative initially but to apply existing rules from elsewhere. To a large extent, this meant applying the codes and guidelines of the IBA, although the Authority took over

17 September 1984

Services launched on new broadband section of the system in Swindon; the first cable franchise to go live.

1 December 1984

Cable Authority formally constituted.

1 January 1985

Cable Authority assumes full powers and duties.

16 January 1985

Appointment of Mr. Jon Davey as Director General of the Cable Authority announced.

27 February 1985

Cable Authority advertises its first five franchises.

3 May 1985

Services launched on Aberdeen Cable, the first totally new cable franchise to start operations.

23 May 1985

Announcement of new rules to facilitate the provision of SMATV systems.

2 June 1985

TEN - The Movie Channel closes and is replaced by Mirrorvision.

24 June 1985

Cable Authority advertises second batch of five franchises.

13 August 1985

Award of the Cable Authority's first franchises announced, for Bolton; Cheltenham and Gloucester; East London; Wandsworth; and West Surrey and East Hampshire.

1 September 1985

Launch of Home Video Channel.

Launch of Bravo.

29 September 1985

Launch of the Arts Channel.

30 October 1985

Launch of Lifestyle Channel.

19 December 1985

Publication of Cable Authority Code of Practice on Programme Sponsorship.

1 April 1986

Mirrorvision merged with Premiere.

May 1986

Launch of Indra Dhnush.

August 1986

Launch of Star Channel.

30 January 1987

Launch of Super Channel.

6 April 1987

Services launched on Eastside Cable, the first of the franchises awarded by the Cable Authority to go live.

1 August 1987

Launch of MTV Europe.

16 September 1987

Launch of CNN International.

October 1987

Cable Camden begins a telephone service, the first cable franchise to do so.

November 1987

Launch of The Cable Jukebox, initially on Coventry Cable.

November 1988

Launch of the Landscape Channel.

23 November 1988

Publication of Government White Paper "Broadcasting in the 90s", Cm 517.

6 February 1989

Launch of Sky Television's new channels Sky News, Sky Movies and Eurosport, together with a revamped Sky Channel.

April 1989

Launch of Discovery Channel.

April 1989

Arts Channel closes down.

27 April 1989

Statement by Home Secretary on future policy towards cable and local delivery following consultations based on the White Paper.

12 July 1989

Statement by Home Secretary about restrictions on ownership of broadcasting organisations, announcing abolition of the prohibition of foreign control of cable operations.

16 November 1989

Chairman of Cable Authority announces to Annual Cable Convention that no more cable franchises will be advertised after December.

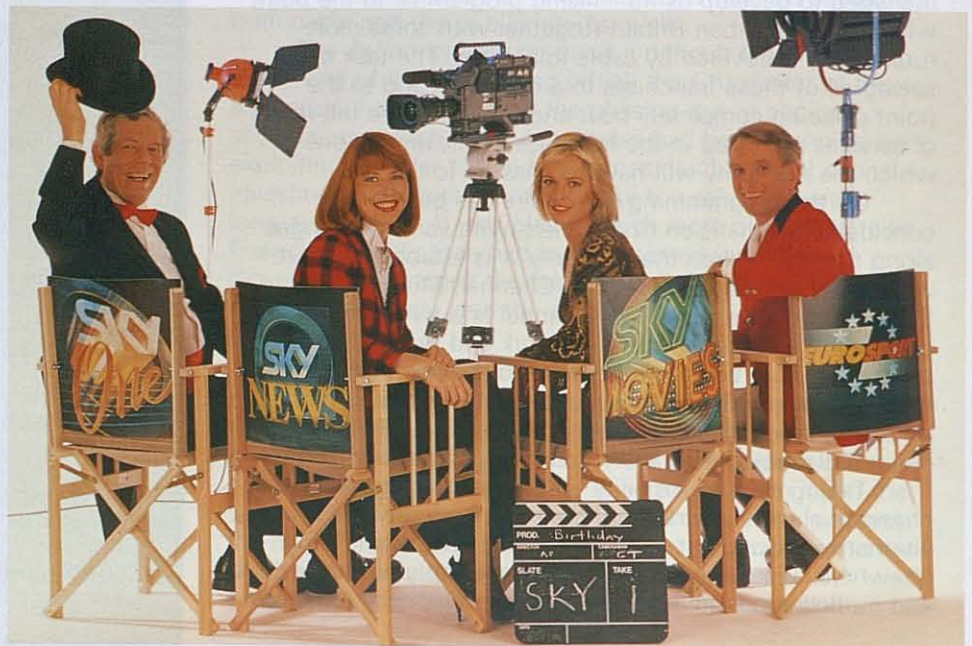
7 December 1989

Publication of Broadcasting Bill.

31 May 1990

Cable Authority announces award of the 100th cable franchise.

the guidelines on the showing of feature films which had been drawn up by the Home Office for application to movie channels. The most immediate need when the Authority was first established was for rules on sponsorship, since this was an area that was opened up to cable programmes for the first time. The success of the Authority's code on sponsorship, drawn up and implemented in the Authority's first year, is shown by the growing acceptance of sponsored programmes now on terrestrial broadcasting services as well as cable and satellite programmes.

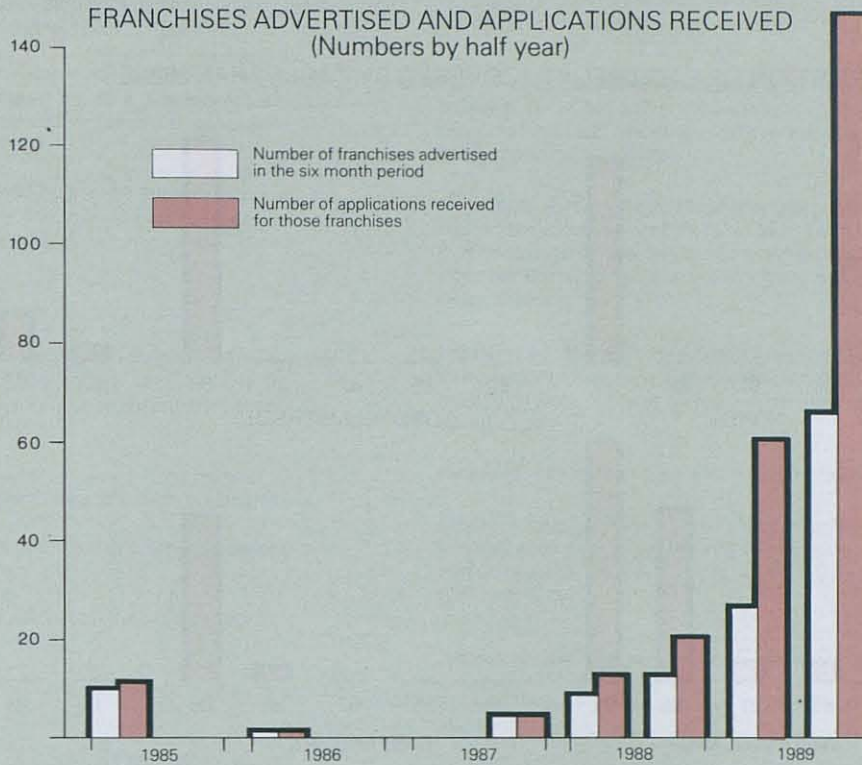


Sky's first birthday

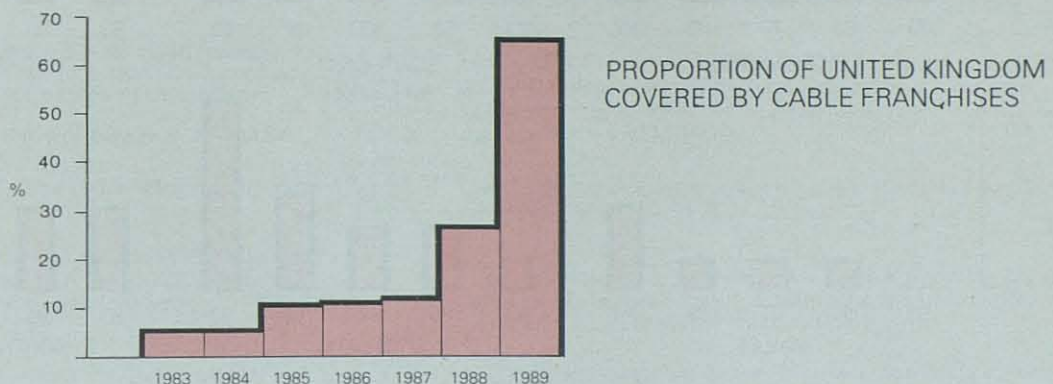
Five years of cable franchising

The Cable Authority started its life with an active franchising programme, advertising two batches of five franchises within its first six months. After that, the demand for franchises so diminished that the franchising programme was virtually dormant for two years, until fresh interest from North America began the present boom in 1988.

The growing interest from North America resulted not only in the Authority advertising more franchises but in more applications being submitted for franchises.



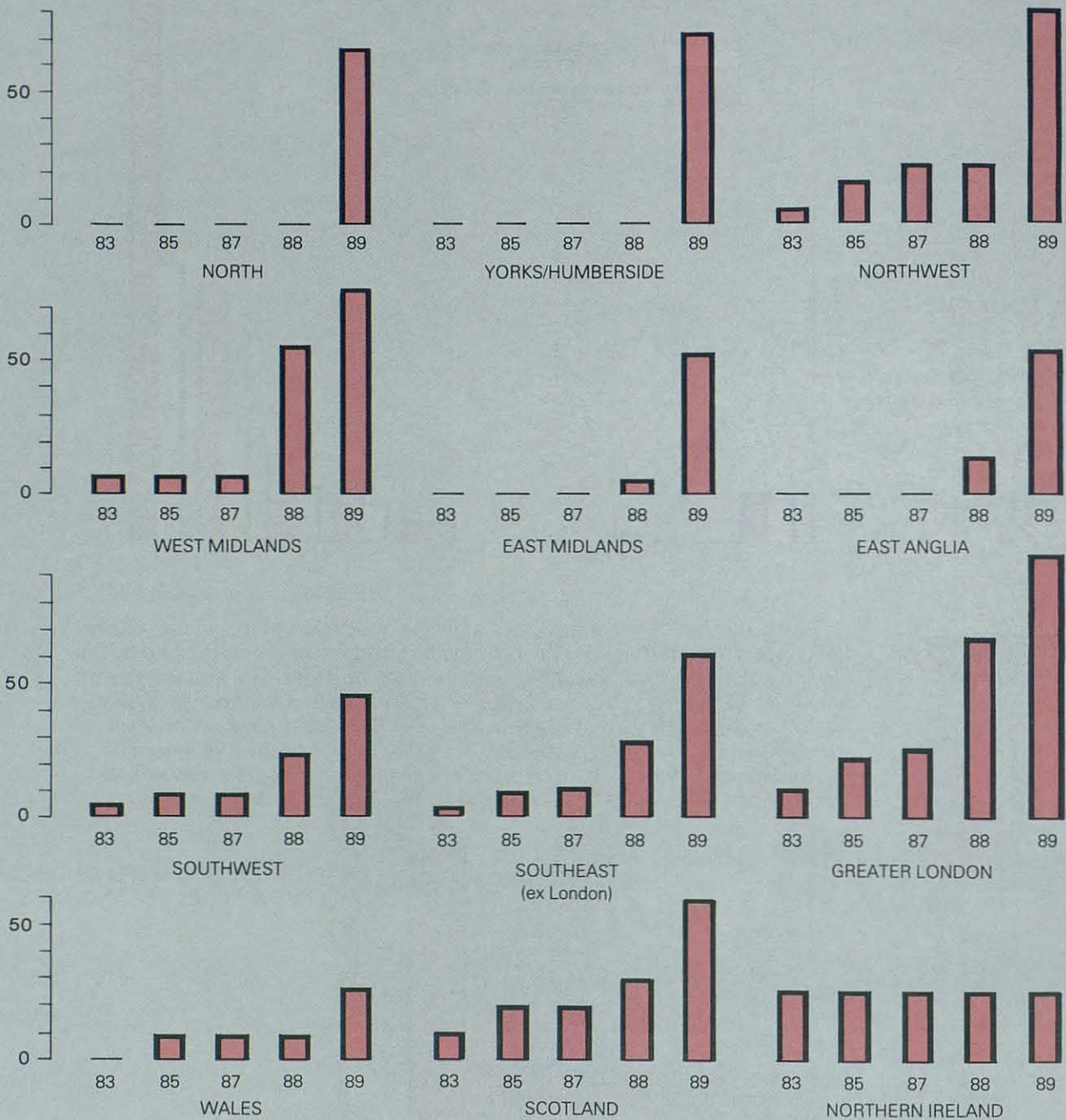
The number of franchises gives a general indication of the rate at which franchises spread throughout the country, but the picture is complicated by the varying size of the franchises advertised at different stages. The average size of franchises advertised in 1988 rose to 192,000 homes, but fell back in 1989 to 90,000 as the Authority moved on to deal with increasing numbers of small towns. The diagram of the proportion of the United Kingdom cumulatively covered by cable franchises gives a better picture of the progress towards the two thirds of the country finally covered by the Authority's programme.



The regional spread of cable

The franchising programme has not been spread evenly across the country. Greater London has consistently been ahead of other parts of the country in the proportion within cable franchises, to the point where only the City of London now remains unfranchised. For a long time, the South of England, Scotland and the Northwest were comparatively well covered, while the whole of eastern England seemed to be ignored. A late spurt has meant that most of the urban centres are now franchised and it is those regions of the country with the highest proportion of rural population where cable's coverage is least comprehensive.

PROPORTION OF EACH REGION COVERED BY CABLE FRANCHISES



A cable glossary

A/B switch. A simple switch given to a viewer for selection between two input sources, such as an aerial and the cable system. Not necessary with broadband systems.

Access channel. A channel that the cable operator makes available for use by anyone with something to say or present (community groups, individuals, etc.) usually – though not necessarily – with facilities made available free of charge by the operator.

Addressability. The facility by which the subscriber's home equipment may be controlled remotely by the cable operator, in order to allow disconnection, the provision of pay-per-view, or changes in the level of service.

AML. Amplitude modulated link. A type of microwave transmission for multichannel point-to-point television links, authorised for cable operators within franchise areas in the 17GHz band.

Bandwidth. Part of the frequency spectrum; that part of the spectrum required for a specific purpose; eg a television channel occupies a bandwidth of 8 Megahertz whereas a telephone conversation utilises only 4 kilohertz.

Basic service. The service obtained by a cable subscriber paying the minimum charge. It will normally comprise the broadcast services plus a range of other "free" channels. A "basic channel" is one included in the basic service.

Bird. Colloquial description of a satellite.

Bit. Unit of measurement of data transmitted in digital form. Hence the measurement of the capacity of a cable system to carry information will be in terms of Kilobits or Megabits per second (Kbits/s, Mbits/s).

Broadband. Cable with the capacity to carry a large number (eg 25 or more) television channels. Interchangeable with wideband.

CATV. Community antenna television. A cable system covering a whole community, eg a town.

Churn. Turnover of subscribers/cancellation of subscriptions. Usually quoted as a percentage rate.

Closed user group. Cable channel available only to a specific group of subscribers.

Coaxial cable. Cable consisting of a central conductor (usually copper) surrounded by, and insulated from, another conductor. It is the standard material used in present-day cable systems. Signals are transmitted through it at different frequencies, giving greater channel capacity than is possible with twisted pair cable but less than is allowed by optical fibre.

CTA. Cable Television Association. The United Kingdom trade association.

DBS. Direct broadcasting by satellite. The use of a satellite to transmit high-power television signals for reception direct by individual viewers, though such services will also be carried on cable systems.

Double illumination. Transmission of a television channel from two separate satellites, particularly for a transitional period when a change from one satellite to another is being undertaken.

Downlink. The transmission from a satellite to an earth station.

Downstream. The direction of signals transmitted from the cable headend to the subscriber.

Drop. The cable connection from the street in to the subscribers' premises. The term is sometimes (but not always) confined to those subscriber connections from overhead rather than underground cable.

DTH. Direct to home. Used to denote satellite signals received by an individual viewer via a dish aerial, as distinct from via a cable system.

Earth station. Transmitting or receiving point for satellite transmissions.

ECS. European Communications Satellite. A series of satellites operated by Eutelsat. The first of the series, ECS1, carries several European television channels distributed to cable systems, including two British channels (Eurosport and Super Channel).

Footprint. The earth coverage area of a transmission from a satellite. Like a torch beam, the strength of the signal will weaken the further one moves from the centre, but this can be compensated for by using a larger receiver.

Franchise. The right to install and operate a cable system in an area of more than 10,000 homes, bestowed by the licences granted by the Authority and by the Department of Trade and Industry.

FSS. Fixed service satellite. A term used for a satellite in a fixed orbital position providing telecommunications services. Also called low powered satellites or telecommunications satellites. In contradistinction to DBS.

Gigahertz. (GHz). Frequency of one billion cycles per second. These higher frequencies have not so far been used for broadcasting purposes but it is possible to use them where there is direct line of sight between transmitter and receiving aerial, as with satellite transmissions.

HDTV. High definition television. A clearer sharper picture using considerably more lines than the present 625. Cable systems already have capacity to carry such services when they are introduced.

Headend. The control centre of a cable system.

Hertz. The unit of frequency of electromagnetic waves (cycles per second) (see also Gigahertz and Megahertz). "Hertzian" is sometimes used as a description of over-the-air transmissions, as opposed to cable.

Homes passed. The expression in common usage as the measurement of the size of a cabled area, meaning the total number of premises which have the potential to be connected to the cable system.

Hubsite. An intermediate control point in a switched cable system between the headend and the local switching point.

Infomercial. A long-form advertisement designed to give information about products or services.

Interactivity. The facility for two-way communication, though the sophistication of the interactive capability may vary depending on the technology used in the cable system.

ITC. Independent Television Commission. The proposed new regulatory body which will absorb the functions of the Cable Authority together with most of those of the IBA.

Leased access channels. A category of cable channel (particularly in USA) made available by the local operator on a commercial basis rather than as a free community service, as will normally be the case with access channels.

Local avail. The availability within a national channel of slots for the insertion at cable systems of local advertising.

Local delivery. The type of franchise to be awarded by the ITC in succession to the cable franchise, authorising the local delivery of television services either by cable or MVDS.

MATV. Master antenna television. A cable system confined within a block of flats, small housing development etc, served by a common aerial. In contradistinction to CATV.



MDS. Multipoint distribution service. A television distribution system to subscribers using omnidirectional microwave transmissions (sometimes now called MMDS, with an additional M for microwave or multichannel, or MVDS with a V for video). It depends on line of sight between transmitter and aerial. It has grown in the USA as a new medium for pay television. The Broadcasting Bill will permit MVDS using the 40 GHz band as one element of a local delivery franchise.

Megahertz. (MHz). Frequency of one million cycles per second.

Microwave. Wireless transmissions at very high frequency as a means of providing telecommunications links (including television distribution) between two places. Depends on line of sight. Operated in the UK by British Telecom and Mercury. See also MDS.

MSO. Multiple systems operator. A cable operator running a number of different cable systems.

Must-carry. The obligation on cable systems to carry certain channels, usually the broadcast services.

Narrowband. Sometimes used to distinguish cable from broadcasting. More particularly, the function of distributing a range of television channels or programmes designed to meet various minority interests rather than to offer mass appeal.

NCTA. National Cable Television Association. The representative industry body of the USA.

New build. Cable system installed in area not previously cabled. A term used to distinguish new systems, or parts of systems, from upgrades.

OFTEL. Office of Telecommunications. The licensing and monitoring body established by the Telecommunications Act 1984, headed by the Director General of Telecommunications (Professor Sir Bryan Carsberg).

Off-air. Normal broadcast television signals. A term often used to distinguish aerial reception from cable reception, or broadcast channels (BBC, ITV, etc) from cable channels.

Optical fibre. Cable made of glass fibres through which signals are transmitted as light. Capacity for a very large number of channels can easily be provided. Not yet widely used in cable systems.

Penetration. The measurement of the take-up of cable services. The number of subscribers is expressed as a percentage of the homes passed.

PPV. Pay per view. Payment made for individual cable programmes as opposed to a monthly subscription for a whole channel or group of channels. Already in operation experimentally in the UK, but envisaged as a means of providing certain popular sporting events or blockbuster movies for which subscribers may be prepared to make a special payment. Cannot very effectively be done on an old-fashioned cable system but is straightforward with a system providing control of each subscriber's services from the headend (addressability).

Premium channel. Channel available only for additional subscription over and above the basic service.

Programme provider. Company assembling programmes into a service to be provided to cable systems.

Return path. The means by which messages are transmitted back through the cable system from the subscriber to the headend.

SMATV. Satellite master antenna television. An MATV system with a receiving dish for picking up and distributing satellite television signals. Any system of up to 10,000 homes which may be licensed without the competitive franchising procedure.

Star switched system. New generation of cable system in which full bandwidth is provided from the headend to local switching points which are programmed to supply each subscriber, through an individual line of lower bandwidth, with whichever channels he pays for. Channel selection then takes place at the switch, rather than in the TV set or set-top box, but in response to the subscriber's operation of his remote control. Such systems have greater interactive capability.

Strand mapping. Preparation of preliminary maps prior to the detailed system design showing the likely route of cable ducting. So called from USA usage, where the strand is the wire support for overhead cable strung between poles.

Subscription channel. A channel for which the subscriber pays a specific subscription over and above the charge for the basic service.

Tap. The feed off a main cable (usually in tree and branch system) to the subscriber's 'drop'.

Tier. A level of cable service depending on the amount of the subscriber's payment. It reflects the packaging of channels at different prices.

Transponder. A transmitter on a satellite.

Tree and branch. Topology of one type of cable system, of traditional design. It comprises a trunk cable from which each subscriber link is tapped off. Because all parts of the system carry the totality of the services provided, it is difficult to build much interactive capability into such systems.

Tree and bush. Name sometimes given to the star-configured tree and branch system usually installed in the UK, involving a number of subscriber drops originating in the same street cabinet, thus facilitating later conversion to a switched system.

TVRO. Television receive only. The dish for receiving satellite television signals.

Twisted pair. Type of cable used extensively in British cable systems in the past, comprising twisted pairs of wires each carrying one channel. Most systems of this kind have capacity for four television channels; some have six, none have more.

Upgrade. An old cable system installed for broadcast relay purposes but now utilised for the provision of new programme services.

Uplink. The transmission from an earth station to satellite.

Upstream. The direction of signals transmitted from a cable subscriber to the operator's headend.

Wideband. Cable system with the capacity to carry a large number (eg 25 or more) television channels. Interchangeable with broadband.

**Cable
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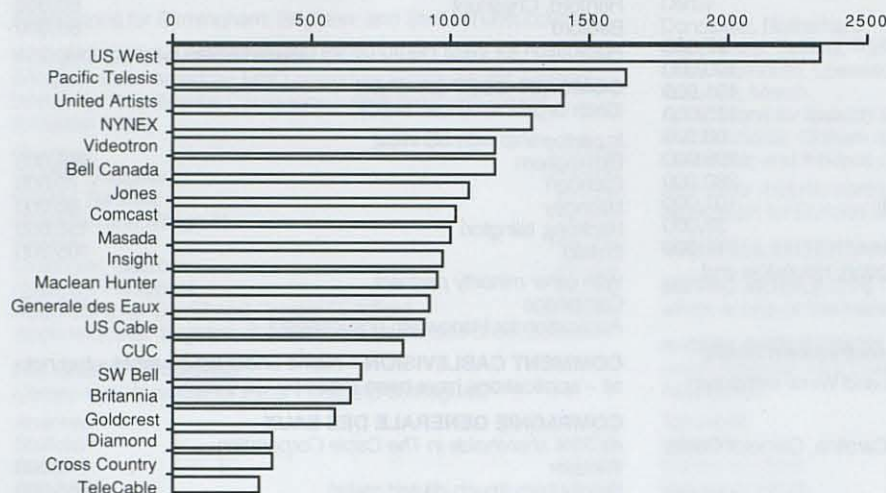
Cable Authority

Addendum to Annual Report for 1989-90

The Authority's Annual Report for 1989-90 had to go to press when 35 franchises were still undecided. Its publication coincides with the announcement of decisions on the last of those. It is now possible to update the list of the significant players in UK cable (pages 25 to 28) and the summary diagram of the largest players (page 19), as well as to provide a summary diagram of the largest prospective investors. This represents the position at 11 July 1990, anticipating certain transactions which are in train.

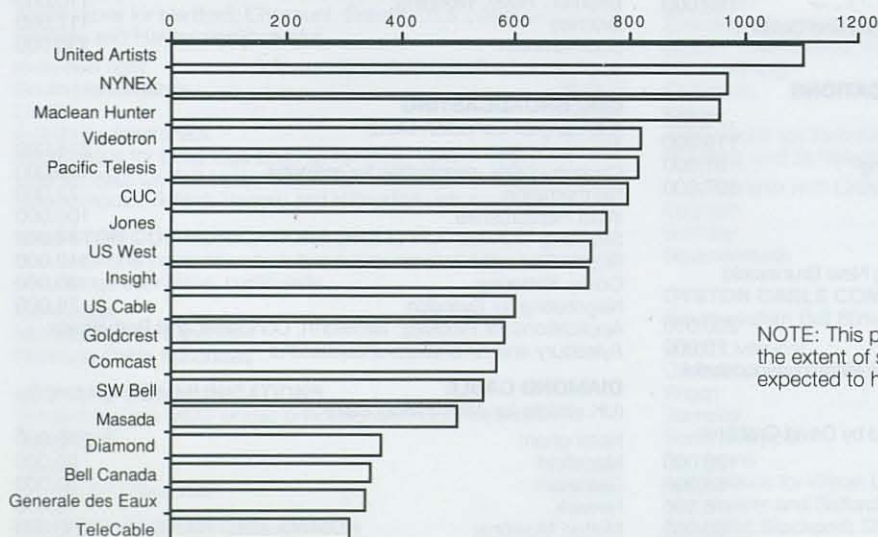
The largest players in UK Cable

The companies with the most extensive involvement in franchises (Total homes in franchises in which a significant shareholding is held by the company concerned)



The largest investors in UK Cable

The companies with the largest prospective investment in franchises (Number of homes proportionate to their present shareholding in each franchise - "equity homes")



NOTE: This picture is subject to modification as the extent of shareholdings changes, which is expected to happen in some cases.

The Significant Players in UK Cable

(The position at the end of the Authority's franchising programme – 11 July 1990)

ALPHAVISION COMMUNICATIONS

(Partnership between Metro Mobile CTS and USA Cable Connections)

Lincoln	42,000
Grimsby	63,000
Applications for Haywards Heath; St. Helens and Knowsley; and Corby, Kettering etc., unsuccessful	

AMERICAN TELEVISION AND COMMUNICATIONS (ATC)

(Second largest American MSO, subsidiary of Time-Warner)

No significant stake, but a small shareholding in Aberdeen. Applications for Sheffield; Leeds; Manchester and Stockport unsuccessful

BELL CANADA

(the Canadian telephone company)

In a 30% partnership with Videotron

Southampton	97,000
Wandsworth	100,000
Lambeth and Southwark	191,000
Greenwich and Lewisham	175,000
Kensington and Chelsea	68,000
Ealing	105,000
Hammersmith, Fulham, Brent, Barnet	280,000
Westminster (acquisition agreed in principle)	107,000
Winchester	33,000
Thamesmead	11,000
Applications for Portsmouth; Harrow; Hillingdon; Hounslow and Enfield unsuccessful	

BELL SOUTH

(American telephone company serving the southeastern States)

Applications for North Liverpool; St. Helens and Wirral withdrawn

BRITANNIA CABLESYSTEMS

(Mearing-Lynch Cable, Falcon Cable, First Carolina, Camelot Cable)

In partnership with NYNEX Corporation

Portsmouth	150,000
Darlington	34,000
Middlesbrough	170,000
Elmbridge, Runnymede	71,000
Epsom, Leatherhead, Reigate etc	98,000
Wirral	120,000
Applications for Stratford and Warwick; York and Harrogate; Doncaster and Rotherham; Sheffield; Bradford; and St. Helens unsuccessful	

BRITISH CABLE SERVICES

(Maxwell Entertainment Group)

Operator of about 40 upgrade systems

Guildford, West Surrey, East Hants (being sold)	137,000
Cardiff, Penarth (being sold)	103,000
Applications for Oxford and Abingdon; Ashford and Dover unsuccessful	

BRITISH TELECOM VISUAL COMMUNICATIONS

Swindon (100%)	]		75,000
Coventry (75%)	]	All interests in	119,000
Aberdeen (69%)	]	franchises being	91,000
Westminster (45%)	]	disposed of	107,000
Five upgrade systems (inc Milton Keynes)			

BRUNCOR

(small Canadian telephone company serving New Brunswick)

In partnership with US Cable

Sunderland, Durham	200,000
Worcester	70,000
Applications for Havering; Bournemouth and Telford unsuccessful	

CABLECASTING

(Fifth largest Canadian MSO, majority owned by David Graham)

Motherwell	120,000
Cumbernauld	55,000
Dumbarton	18,000
Falkirk and Lothian	30,000
Application for Paisley & Renfrew unsuccessful	

CABLE CORPORATION

(Compagnie Generale des Eaux, Standard Life Assurance, US West etc)

Windsor, Slough, Maidenhead	110,000
Hillingdon	92,000
Hounslow	79,000
Birmingham (small minority stake)	465,000
Application for Harrow unsuccessful	

CAMELOT CABLE – an investment vehicle owned by Paul Kagan which is a partner in *Britannia Cablesystems*

COLUMBIA MANAGEMENT

(US company owned by Bob Goad, managing partner for *English Cable Partners*)

Luton and Dunstable	97,000
Central Hertfordshire	100,000
Hertford, Cheshunt	60,000
Bedford	55,000
Application for West Hertfordshire unsuccessful	

COMCAST CORPORATION

(Sixth largest American MSO)

In partnership with US West

Birmingham	465,000
Camden	70,000
Haringey	80,000
Hackney, Islington	150,000
Enfield	105,000

With other minority partners

Cambridge	134,000
Application for Harlow etc unsuccessful	

COMMENT CABLEVISION – Name under which most – but not all – applications have been made by *US Cable*.

COMPAGNIE GENERALE DES EAUX

As 30% shareholder in The Cable Corporation

Windsor	110,000
Birmingham (much diluted stake)	465,000
Hillingdon	92,000
Hounslow	79,000
Application for Harrow unsuccessful	

Through its own subsidiary, General Cable

Birmingham (17.6%)	465,000
Bradford	175,000
Applications for Manchester and Salford; Bury and Rochdale; Oldham and Tameside; Stockport; Wigan and Sheffield unsuccessful	

CROSS COUNTRY CABLE

(small American MSO majority owned by George Ring)

In partnership with NYNEX Corporation

Brighton, Hove, Worthing	110,000
Bromley	117,000
Bournemouth	130,000
Application for Portsmouth unsuccessful	

CUC BROADCASTING

(Fifth largest Canadian MSO)

Thames Valley	215,000
Coventry (20%, negotiating for majority)	119,000
Northampton	72,000
West Hertfordshire	100,000
Stratford, Warwick	44,000
Rugby, Nuneaton	112,000
Corby, Kettering	90,000
Negotiating for Swindon	75,000
Applications for Hinckley; Tamworth; Doncaster and Rotherham; Aylesbury and Amersham unsuccessful	

DIAMOND CABLE

(UK vehicle for Allan J McDonald)

Nottingham	230,000
Mansfield	58,000
Grantham	30,000
Newark	18,000
Melton Mowbray	30,000
Applications for Derby; Loughborough; Dover and Ashford unsuccessful	

DOWDEN COMMUNICATIONS – small American MSO which is a minority partner in Newport Cablevision with *Insight Communications*.

DUNCAN, GRAHAM

(as principal of various British companies)

Dundee and Perth	95,000
Carlisle	30,000
Glenrothes	60,000
Negotiating to acquire Aberdeen	91,000
Five former Thorn EMI upgrades	
Eighteen former BCS upgrades	

ENGLISH CABLE PARTNERS

a USA partnership managed by *Columbia Management*

FALCON CABLE TV – 28th largest American MSO controlled by Marc Nathanson which is a partner in *Britannia Cablesystems*.

FIRST CAROLINA COMMUNICATIONS – an American MSO controlled by EB Chester which is a partner in *Britannia Cablesystems*.

GOLDCREST COMMUNICATIONS

Black Country	490,000
Crawley, Horley and Gatwick	40,000
Telford	50,000

Applications for Birmingham; Brighton; and Stafford unsuccessful

INSIGHT COMMUNICATIONS

(Medium-sized American MSO owned by Sidney Knafel, Michael Willner and Continental Cablevision – itself the fourth largest American MSO)

Glasgow	112,000
Greater Glasgow	274,000
Paisley, Renfrew	67,000
Bearsden and Milngavie	16,000
Kirklees	148,000
Greenock, Gourock	32,000
Newport, Pontypool	85,000
Negotiating for Cardiff and Greater Guildford	240,000

Applications for Brighton; Bradford and Calderdale unsuccessful

IVS CABLE HOLDINGS

(Jersey-based vehicle for Peter Funk and colleagues)

Andover	11,500
Stafford	24,000
Harlow	40,000
Salisbury	15,000
Oxford, Abingdon	55,000

Various SMATV and hotel system interests
Applications for Darlington; Burton on Trent; Crawley; Winchester; Telford and Worcester unsuccessful

JONES CABLE GROUP

(UK vehicle for fifth largest USA MSO controlled by Glenn Jones)

As partner in ELT (45%)

Tower Hamlets and Newham	145,000
Redbridge, Barking, Dagenham, Bexley	229,000
Waltham Forest	83,000
Havering	90,000
Dartford	35,000
Epping Forest	45,000

Applications for Hertford; Cheshunt; Greenwich & Lewisham; Bromley and Harlow unsuccessful

In its own right

South Hertfordshire	96,000
Leeds	289,000
Aylesbury, Amersham	62,000

Applications for Elmbridge and Runnymede; Epsom and Leatherhead; Central Herts; Stoke; Portsmouth; Wakefield; Bournemouth; Telford; Harrow and Hillingdon unsuccessful

KINGSTON COMMUNICATIONS (HULL) PLC

Hull telephone company which has a very small stake – typically 1% – in various franchises, particularly

Cambridge
Maclean Hunter franchises
Diamond Cable franchises

LEONARD COMMUNICATIONS

(Small American MSO whose principals are Roger Leonard and Tom Engel)

Thanet	51,000
Dorchester, Weymouth	35,000

MACLEAN HUNTER CABLEVISION

(Third largest Canadian MSO, part of the publishing group)

East Lancashire (Blackburn etc)	168,000
Ipswich and Colchester	134,000
Stoke and Newcastle under Lyme	140,000
Exeter, Plymouth	236,000
North and NW Cheshire	182,000
Wakefield	94,000

Application for Stafford unsuccessful

MTA CABLE

subsidiary formed by Malarkey Taylor Associates to apply for franchises on behalf of other partners.

With IVS Cable Holdings and Flextech

Oxford	55,000
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Applications for Darlington; Burton on Trent and Worcester unsuccessful

With YorCan

Application for Middlesbrough etc unsuccessful

MASADA UK PARTNERS

(a partnership between the three principals of Masada Corporation and TA Associates)

In partnership with Pacific Telesis

Bolton	135,000
Norwich	83,000
Peterborough	58,000
Derby	83,000
Doncaster, Rotherham	192,000
Manchester, Salford, Trafford	363,000
Great Yarmouth, Lowestoft	64,000
Wisbech, March	21,000

Applications for Ipswich and Colchester; Leeds; Wakefield; Bury and Rochdale; Oldham and Tameside; Stockport; Sheffield; Calderdale and Kirklees unsuccessful

With other minority partners

Application for Dundee unsuccessful

MAXWELL ENTERTAINMENT – holding company for BCS.

METRO MOBILE CTS – American cellular telephone company which is one of the backers of *Alphavision Communications*.

N-COM CABLEVISION

(small American MSO owned by Harry Suri and backed by TA Associates)

Tamworth	25,000
Hinckley	20,000
Burton-on-Trent	40,000
Haywards Heath	25,000

Applications for Carlisle; Rugby; Nuneaton and Bedford unsuccessful

NYNEX CORPORATION

(Northeastern USA telephone company)

In partnership with US Cable (49%)

Bury, Rochdale	143,000
Oldham, Tameside	170,000

Application for Macclesfield withdrawn

Applications for Doncaster and Rotherham; Manchester and Salford; Stockport; Harrow; Hillingdon; Hounslow; Aylesbury and Amersham; and Enfield unsuccessful

In partnership with Britannia Cablesystems (majority)

Portsmouth	150,000
Darlington	34,000
Elmbridge, Runnymede	71,000
Epsom, Leatherhead, Reigate	98,000
Middlesbrough	170,000
St. Helens	100,000
Wirral	120,000

Applications for York; Harrogate; Stratford and Warwick; Sheffield; Bradford; and St Helens unsuccessful

In partnership with Cross Country Cable (majority)

Brighton	110,000
Bromley	117,000
Bournemouth	110,000

OYSTON CABLE COMMUNICATIONS

(Southwestern Bell 80%, Owen Oyston 17%)

South Liverpool	125,000
Central Lancashire (Preston)	114,000
Wigan	110,000
Barnsley	82,000
North Liverpool	128,000
St. Helens	121,000

Applications for Wirral; Leeds; Doncaster and Rotherham; Manchester and Salford; Bury and Rochdale; Oldham and Tameside; Stockport; Sheffield; Bradford; Calderdale and Kirklees unsuccessful

PACIFIC TELESIS INTERNATIONAL

(West Coast telephone company)

In partnership with Jones

Tower Hamlets and Newham	145,000
Redbridge, Barking, Dagenham, Bexley	229,000
Waltham Forest	83,000
Dartford	35,000
Havering	90,000
Epping Forest	45,000

Applications for Hertford and Cheshunt; Greenwich & Lewisham; Bromley and Harlow unsuccessful

In partnership with Masada

Norwich	83,000
Peterborough	58,000
Bolton	135,000
Derby	83,000
Doncaster, Rotherham	192,000
Manchester, Salford, Trafford	363,000
Great Yarmouth	64,000
Wisbech	21,000

Applications for Ipswich & Colchester; Leeds and Wakefield; Bury and Rochdale; Oldham and Tameside; Stockport; Sheffield; Calderdale; and Kirklees unsuccessful

REDIFFUSION AG

(Swiss cable operating company)

Applications for Sheffield; Barnsley; Doncaster and Rotherham unsuccessful

SOUTHWESTERN BELL – Missouri-based telephone company who are 80% shareholders in *Oyston Cable Communications*.**STARSTREAM COMMUNICATIONS**

(California-based small MSO owned by Dean Hazen)

West Glamorgan	110,000
Ashford, Dover, Folkestone	77,000

Applications for Hertford and Cheshunt; and Tyneside unsuccessful
Application for Central Herts withdrawn**TA ASSOCIATES** – Boston-based financial group which is main funder of *Masada UK Partners* and *N-Com Cablevision*.**TELECABLE**

(20th largest American MSO)

Stockport	113,000
Harrow	79,000
Calderdale	75,000
Macclesfield	45,000

Applications for Kirklees; Sheffield; Sunderland; Bradford; and Wirral unsuccessful

UNITED ARTISTS

(Third largest American MSO, itself controlled by TCI, the largest MSO in America)

Croydon	120,000
Bristol, Bath	300,000
Southend, Chelmsford	300,000
Medway Towns, Maidstone	159,000
Merton, Sutton	135,000
Kingston, Richmond	124,000
Cheltenham, Gloucester	90,000
Edinburgh	183,000

Applications for Elmbridge and Runnymede; Epsom and Leatherhead; Thames Valley; Black Country and Bromley unsuccessful

UNITED VIDEO

(small American cable MSO and satellite television operator)

Applications for Newport and Pontypool; Worcester; Oxford; Aylesbury and Amersham; Corby and Kettering unsuccessful

USA CABLE CONNECTIONS – American cable construction company which is a partner in *Alphavision Communications*.**US CABLE**

(Medium sized American MSO controlled by Steve Myers)

In partnership with US West

Tyneside	325,000
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Application for Leeds & Wakefield unsuccessful

In partnership with NYNEX

Bury, Rochdale	143,000
Oldham, Tamside	170,000

Applications for Aylesbury and Amersham; Enfield; Doncaster and Rotherham; Manchester and Salford; Stockport; Harrow; Hillingdon and Hounslow unsuccessful

Application for Macclesfield withdrawn

In partnership with Bruncor

Sunderland, Durham	200,000
Worcester	70,000

Applications for Havering; Bournemouth and Telford unsuccessful

Others

Applications for South Herts and Portsmouth unsuccessful

US WEST

(Colorado-based telephone company with several different British alignments)

In partnership with Comcast Corporation (usually about 45%)

Birmingham	465,000
Camden	70,000
Haringey	70,000
Hackney and Islington	150,000
Enfield	105,000

In partnership with United Artists (usually about 25%)

Croydon	120,000
Merton, Sutton	135,000
Kingston, Richmond	124,000
Bristol, Bath	300,000
Edinburgh	183,000

Applications for Bromley; Black Country; Elmbridge and Runnymede, Epsom and Leatherhead etc unsuccessful

In partnership with ATC (25%)

Applications for Sheffield; Leeds; Manchester and Salford; and Stockport unsuccessful

In partnership with US Cable (25%)

Tyneside	325,000
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Application for Leeds and Wakefield unsuccessful

With other partners (under 20%)

Windsor	110,000
Hillingdon	92,000
Hounslow	79,000

Application for Harrow unsuccessful

VENTO CABLE MANAGEMENT

(small American MSO headed by Jerry Vento)

Dundee and Perth	95,000
Carlisle	30,000
Glenrothes	60,000

VIDEOTRON

(second largest Canadian MSO, based in Montreal)

In partnership with Bell Canada (30%)

Southampton	97,000
Wandsworth	100,000
Lambeth, Southwark	191,000
Greenwich, Lewisham	175,000
Winchester	33,000
Kensington and Chelsea	68,000
Ealing	105,000
Hammersmith, Fulham, Brent and Barnet	280,000
Westminster (agreement in principle for acquisition)	107,000
Thamesmead	10,000

Application for Tyneside withdrawn

Applications for Portsmouth; Harrow; Hillingdon; Hounslow and Enfield unsuccessful

WASHINGTON POST COMPANY – American publisher and 30th largest cable MSO which is a partner of *Vento Cable Management***YORCAN COMMUNICATIONS**

(a group of independent Canadian cable operators, led by Ted Fielder, plus various Yorkshire business interests)

York, Harrogate	78,000
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Applications for Middlesbrough etc; Barnsley; Bradford; Calderdale; Kirklees; Wakefield; Doncaster and Rotherham unsuccessful