

CONFIDENTIAL COMMERCIAL IN CONFIDENCE MARKET SENSITIVE DEPA

DEPARTMENT OF TRADE AND INDUSTRY

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PS/

Secretary of State for Trade and Industry

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Private Secretary to the
Prime Minister
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Thank you for your letter of earlier today. I hope that you and other recipients will by now have received a copy of my Secretary of State's letter of today's date to Sir Basil Blackwell of Westland plc. You will see from this that, by means of this letter, my Secretary of State has disclosed a position based on the four points set out in paragraph 5 of my letter to you of 17 June, and which were endorsed by the Prime Minister's meeting early this morning.

- There are a number of further developments on which you and others should be informed.
- Mr Bristow left our meeting this morning prepared to consider the position, and to put his conclusions to the other members of his consortium this afternoon. He had sought the assistance of HMG in defining further the scope of the possible sale of the W30-160 series helicopters elsewhere during the course of the next fourteen days, implying a willingness to consider an extension of the Bristow Rotorcraft offer.
- In response to questions, my Secretary of State gave no positive indication to Mr Bristow that the MoD would take a favourable view of the W30-300 for the AST404 requirement, nor the prospect of an RAF order for the -160 series. In order to pursue these points, Mr Bristow met Mr Levene, Chief of Defence Procurement.
- I understand that Mr Levene re-iterated the view that the MoD have no operational requirement nor provision to support an order for the W30-160 series aircraft. But, I understand, he added that, of course, Ministers could decide that such a procurement

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should be made, on the basis of extra provision. Mr Bristow asked for an indication of whether such a changed view could be forthcoming and Mr Levene noted that a response was specifically sought by Mr Bristow on this point by noon tomorrow, 19 June.

Following this, Mr Bristow will, I understand, be seeking to delay his meeting of investors until after noon, tomorrow, with a view to an announcement on Thursday morning.

I am copying this letter to Peter Ricketts (PS/Foreign Secretary), Margaret O'Mara (PS/Chancellor), Richard Mottram (PS/SoS Defence), Henry Steel (Law Officers), Michael McCullogh (ODA) and to Richard Hatfield (Cabinet Office)

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ANDREW D LANSLEY Private Secretary 2.5 2/8/6