

MR ADDISON

8 January 1986

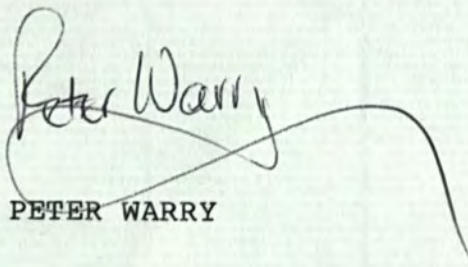
ITAP REPORT ON CABLE SYSTEMS

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Regl.

ITAP are broadly content with the Government's response but apparently share DTI's view that publication of the report and the response would be unhelpful. Mr Pattie is therefore seeking the Prime Minister's agreement that he should write to Roger Gale MP outlining what has transpired. This seems sensible.

The only unresolved issue was the question of the Government legislating to force BT and Mercury to allow access to their cable ducts to cable providers where a sensible commercial proposal had been made. The issue is probably more hypothetical than real and BT have undertaken to look at all proposals on their commercial merits. Primary legislation would be required to enforce access. This seems something of a sledgehammer when under the existing regime any party who believes they have suffered through BT abusing their monopoly position (which unreasonable denial of access would be) can complain to OFTEL. If OFTEL upholds the complaint then they can propose an alteration to BT's licence terms subject to the approval of the Monopolies and Mergers Commission. This seems adequate.

We recommend the Prime Minister agrees with the DTI line.


PETER WARRY