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DEPARTMENT OF TRANSPORT  
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The Rt Hon Nicholas Ridley MP  
Secretary of State for the Environment  
Department of the Environment  
2 Marsham Street  
LONDON  
SW1P 3EB

23 APR 1981

NBRN.

*Dear N. Ridley.*

**DOCKLANDS LIGHT RAILWAY - BANK EXTENSION**

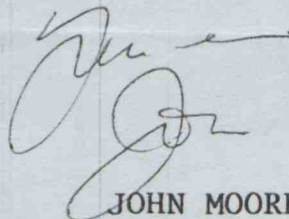
You may find it helpful to know the latest position on the proposed agreement between London Regional Transport (LRT) and the Canary Wharf Consortium.

A draft agreement is nearly ready for signature, and could be made ready within this month. My officials have asked to be told urgently whether there are any specific points which are not yet accepted on the draft. The Consortium have not yet accepted the latest offers that have been made to them in relation to the liabilities on them for "revenue guarantees", but the offers made are fair and I have no present reason to think that we ought to offer any further concession on them. Indeed, I do not see that these matters should be crucial to the Consortium.

Mr Travelstead has not recently raised again the question of protection for the Consortium against the possible consequences of privatisation of the railway, and I shall not offer any assurances on that point unless it is pressed strongly as part of a final negotiation.

The validity of the present tenders obtained by LRT expires at the end of this month. We must do all we can to put on to the Consortium the costs on the railway contracts of further delay. My Department and LRT have put the Consortium on warning that they expect the costs to fall on them.

I am sending copies of this letter to the Prime Minister, other members of E(A), and to Sir Robert Armstrong.

A handwritten signature in dark ink, appearing to read "John Moore".

JOHN MOORE

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