



Secretary of State for Trade and Industry

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The Rt Hon Douglas Hurd CBE, MP  
Secretary of State for the  
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*Res Taylor*

*NBM*

#### NETWORKING OF ITV PROGRAMMES

Thank you for your most recent letter which crossed with mine of 28 September.

I accept that the details of the networking system are a matter for the IBA and that for the present our scope for influencing them is limited. But we are already proposing a number of important reforms to the ITV system from 1993, and trying to influence this before then in a number of respects, notably on access for independent producers. It would seem to me to be consistent with this to lay down the outline of the kind of networking arrangements we would expect to see from 1993. The IBA is after all working within the existing structure and powers, and as you say must rely on the co-operation of the present ITV companies. This is why I question whether they are able to stand back from the day to day issues sufficiently to consider not just radical reform, but fundamental change - for example whether a networking system as at present understood is needed at all.

I therefore agree that we should keep in touch with the IBA's work on the system under the present contracts. But I do not think we should simply inform them of the other reforms we have in mind and invite them to propose networking arrangements from 1993 in the light of them. I think we should be prepared to put proposals to them on the network, (including what provisions may be needed in the statute) to ensure it is open to competition. It is this that I propose we ask officials to study. It would then be for the IBA

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to comment on these proposals and consider the details. Whether reform of the ITV system is to be dealt with in a Bill in 1988/89 or 1989/90, we need to ask officials to start thinking about this now with a view to what goes into the White Paper.

If you agree, I suggest our officials meet quickly to set in hand the necessary work, perhaps reporting to the Ministerial Group through MISC 129.

I am copying this letter to the Prime Minister, to other members of MISC 128, and to Sir Robert Armstrong.

*Handwritten signature of Lord Young of Graffham*

LORD YOUNG OF GRAFFHAM

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