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10 DOWNING STREET
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From the Private Secretary

21 December 1987

Dear Philip,

RADIO POLICY

The Prime Minister has seen your Secretary of State's minute of 9 December, and the subsequent comments.

The Prime Minister is content with the proposals on financial contributions to independent stations. However she believes further thought needs to be given to the proposals on the arrangements for licensing national commercial radio. Her concern centres on the suggestion that the radio authority would award national licences on the basis of competitive tender, but would retain a limited discretion to licence an applicant whose programme plans promised a substantially higher level of service and a greater enlargement of consumer choice over what was already available at national level. The Prime Minister believes there must be a general requirement placed on stations to ensure variety of format and content. But she is not yet convinced that it would be right to go beyond that to include an element of judgement on individual cases, which could well draw the authority into difficulties. Her preference would be to lay down rules in advance of inviting tenders and then to allow commercial forces to decide the outcome. But she would be glad to have the Home Secretary's comments.

I am copying this letter to the Private Secretaries to members of MISC 128 and Trevor Woolley (Cabinet Office).

Yours,
David

DAVID NORGROVE

Philip Mawer, Esq.,
Home Office.

PM