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The Rt. Hon. Lord Young of Grafiham Secretary of State for Trade and Industry

The Rt Hon Douglas Hurd CBE MP Home Secretary Home Office 50 Queen Anne's Gate LONDON SW1H 9AT

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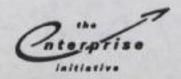
Your ref Date 21 December 1988

Dear Hore Secontes, attached

Thank you for your letter of 19 December proposing that consultants should be commissioned to examine how the radio and television transmission system might be privatised.

I agree that this work is necessary before we can reach definite decisions in the summer on the network's eventual future and I agree with the terms of reference. I do feel however that the consultant should be asked to consider the effect of foreseeable technological developments (such as HDTV or improvements in bandwidth efficiency) on the network, so that we do not find that a particular privatisation option restricts the network's ability to adapt to the changing needs of a developing market. I would not propose that this should form a major part of the study and I am content that it should be covered in the briefing given to the successful consultants rather than in the terms of reference.

I am also content with the wording of the press notice you propose and in view of DTI's particular interest in the transmission system, I am prepared to contribute towards the cost of the study: our officials will be able to settle the details.



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I am copying this letter to the Prime Minister, to the Foreign and Commonwealth Secretary, other members of MISC 128 and to Sir Robin Butler.

You sounds

(Approved by the Secretary of State and signed in his absence)

