

cc ~~EM~~

Treasury Chambers, Parliament Street, SW1P 3AG
01-270 3000

17 April 1989

Rt Hon Douglas Hurd CBE MP
Secretary of State for the Home Dept
Home Office
50 Queen Anne's Gate
LONDON
SW1H 9BW

N/S
Recd
n/c

Dear Home Secretary,

LOCAL SERVICES

Thank you for sending me a copy of your letter of ~~10~~ ^{trap} April to David Young on local services.

I agree that, while it is right to maintain the central features of our White Paper proposals - technology-neutral local franchises allocated by competitive tender - it is also appropriate to make some modifications to the earlier proposals in the light of the comment you have received in the interest of enabling local services to grow as a genuinely competitive player in the new broadcasting market.

I am therefore content with the modified scheme drawn up by officials which you propose to announce, including the decision not to introduce a new levy on local services. We need to be careful when announcing this later this month not to limit our room for manoeuvre in relation to the bigger decisions we still have to take on auctions and levy for the other satellite and terrestrial services. The presentation in your draft announcement is helpful in this respect.

I also support the liberalisation you propose for SMATV systems.

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

Yours sincerely,

Duncan Sparkes

p.p. NIGEL LAWSON

*[Approved by the Chancellor
and signed in his absence]*

BROADCASTING: BBC Finance P17.

