



CEP

Treasury Chambers, Parliament Street, SW1P 3AG
C1-270 3000

mblm

RLCB

4/7

3 July 1989

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

Dear Secretary of State

TRANSMISSION AND NIGHT HOURS

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I have seen your minute of 29 June to the Prime Minister.

I am content with your proposed announcement on the night hours. I would, however, like to suggest an amendment to your announcement on transmission.

Although I see considerable merits in Norman Lamont's proposals, I recognise the risks inherent in them, and I understand why you have decided not to follow them up, at the moment. I am concerned that your proposals for a regional cross-subsidy do not eliminate for the next ten years the scope for market forces to increase efficiency within the transmission system, especially once true competition arrives in 1996. I suggest therefore that you amend the end of the fourth paragraph to read:

"We propose that there should initially be a uniform tariff for Channel 3 companies based on their share of the total Channel 3 income, taking account of any subscription and sponsorship revenue as well as net advertising revenue. This arrangement would be reviewed following decisions to be taken on the future of the BBC transmission system after 1996."

CC Prime Minister
MISC 128
PS / Sir R Butler

Yours sincerely

Jonathan Taylor

NIGEL LAWSON

[Approved by the Chancellor +
signed on his behalf]

BROADCASTING:

BBC finances

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