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## 10 DOWNING STREET

LONDON SW1A 2AA

17 July 1989

From the Private Secretary

Da Nil.

## INDEPENDENT BROADCASTING ENGINEERING AND R&D

The Prime Minister has seen the various papers on this subject, initiated by your Secretary of State's letter of 16 June to the Home Secretary and concluding with his further letter of 3 July and the letter of the same date from the Chief Scientific Adviser.

The Prime Minister thinks that the revised approach set out by your Secretary of State in his 3 July letter is on the right lines, and would be content with an announcement broadly on the basis proposed. She thinks it should be made clear to the staff of the Experiment and Development Department that, following the privatisation of the transmission facilities of the IBA, the Government expects R&D to be carried out within the private sector (even though some might be commissioned from the ITC) and that there will be no continuing subsidies from C3 or C5 channels for the existing E&D Department; proposals from staff or companies which facilitate this process would be welcomed.

I am copying this letter to the Private Secretaries to members of MISC 128 and Sir Robin Butler.

PAUL GRAY

Neil Thorton, Esq. Department of Trade and Industry

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