SECRETARY OF STATE FOR SCOTLAND

SCOTTISH OFFICE
WHITEHALL, LONDON SW1A 2AU

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

18 October 1989

Dear Douglas,

BROADCASTING BILL: CONTIGUITY AND SCOTLAND

Thank you for your letter of 4 October about the proposals for broadcasting ownership which debar a company from holding 2 contiguous C3 franchises.

As your letter acknowledges there was very real and widespread concern in Scotland that the White Paper proposals might lead to C3 in Scotland being operated as a single franchise, thus losing the identity of the present broadcasting regions and the diversity of their programmes. The proposals as they now stand offer effective safeguards against the loss of regional diversity in Scotland and elsewhere and I would certainly be unwilling to see them amended in any major way.

However, I do see the force of the arguments which have been put to you about circumstances in which smaller regions might stand in need of a financial link with a contiguous neighbour. I am content therefore with your new proposal that, exceptionally and as a last resort, the ITC might permit a takeover by an adjacent licensee where the original licence had become unviable and after establishing that no other company would be interested in owning the licence. It should remain quite clear that contiguity is not permitted either at the competitive tender stage or in the case of a takeover in the market place after the bidding stage. I would hope too that assurances could be given that the ITC would be able to maintain the separate identity of 2 contiguous licences even if they were under the same ownership.

I am grateful to you for consulting me at this stage and am content that this issue should go to members of MISC.128.

Yours ever,

MALCOLM RIFKIND

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