

PRIME MINISTER

GLOBAL CLIMATE: ERS 2

At your ministerial meeting on 19 April you instructed the Chief Scientist to see if the UK share of the funding for the Earth Resources Satellite 2 could be found from existing departmental budgets. The UK's total share of the cost would be £60m. over five years. Lord Young had already offered to meet half this from his budget and at the meeting Kenneth Baker offered "a modest contribution" from the DES science budget. John Fairclough has since written (Flag A) trying to swing virtually the whole cost to the DTI budget, leaving DES to pick up the tab for the (as yet identified) cost of the satellite instrumentation. Lord Young's response (Flag B), predictably unenthusiastic, is to suggest it should go to EST to solve.

An EST meeting on this seems a heavy handed way of proceeding. There are two other possible ways forward:

1. For John Fairclough to pocket the £30m. DTI contribution which Lord Young has already offered and simply split the remainder on a/equal misery basis between Departments with the main interest: DOE, DES, DTI and MOD. To do this he would need your overt support.
2. To leave it to the Chief Secretary to sort out who pays what as part of the forthcoming PES round.

The case for the first of these options is that, if done quickly, we could declare our position on funding ERS 2 at the June Council Meeting of the European Space Agency. This might (but only might) strengthen our tactical position in pressing the British Aerospace design for the polar platform against French technology. I have discussed this with Richard Wilson in the Cabinet Office who shares my scepticism that a decision in time for the ESA June Council is critical. The key date is

more likely to be the October Council.

My own inclination would be in favour of asking the Chief Secretary to resolve it since he has more experience at this sort of brokery and is more likely to get a sensible solution in the context of the PES round. Agree?

Yes



Dominic Morris

16 May 1989

dti

the department for Enterprise

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Yes John

GLOBAL CLIMATE: ERS-2

In your letter to me of 28 April, you made certain proposals regarding the funding of the British contribution to ERS-2.

I maintain my offer to provide 50% of these costs from the DTI budget. As I pointed out in my minute to the Prime Minister of 1 February, such a contribution would recognise the benefits of the project to UK industry and the value of data continuity in developing the commercial potential of earth observation. I am ready to find these funds through some-reordering of Departmental priorities.

Recent attention has, however, focussed on the scientific role of ERS-2. In your own paper, dated 12 April, dealing with Research Priorities and Coordination in relation to Global Climate, you stressed the importance of ERS-2 "as the only practical way to provide a continuous series of global ocean measurements for the climate research programme". You referred to the crucial importance of data supplied by the ERS satellites as inputs to the World Ocean Circulation Experiment. ACOST also expressed the view that it was of scientific importance that there should be continuity in satellite-based monitoring programmes. Many of these points are highly relevant to the concerns we discussed at the Prime Minister's Climatic Change Seminar on 26 April.

I cannot agree with your view that (with the exception of a modest contribution from DES) the funding to meet these scientific needs should be provided by DTI. Those Departments with a direct interest should stand up to this responsibility. It is part of our civil space policy that the "users" of

the
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initiative