

Prime Minister ①

Agree to Ridley's proposals, subject to colleagues, and to the clarification of the role of TCB's suggested below.

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MR TURNBULL

Yes - but

the working will not in fact prevent from commenting on levels

AT 14/11

14 November 1984

TRANSPORT BILL

With one exception, the proposed provisions in the Transport Bill reinforce, in their different ways, our liberal transport policy. Subject to the proviso suggested below, they should, in my view, all be accepted.

The provision which gives slight cause for concern is the first, which allows Transport Consumer Bodies (TCBs) to consider fares charged by BR and LRT, and reductions in BR services. Although the provision meets legitimate consumer demands, it will inevitably add to pressure on BR and LRT to underprice and on BR to maintain uneconomic services.

Nicholas Ridley is aware of the danger referred to above, which is why he refers to "relativity of fares and charges" rather than to levels.

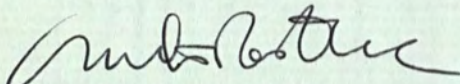
I suggest that the Prime Minister should indicate that, subject to the views of colleagues, she is content with the proposals. The TCBs' provision might be phrased to indicate that:

- 1) TCBs' right to comment extends only to structures and relativities of fares and charges, and not to levels;

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- 2) in commenting on reductions in services, TCBS should have regard to the effects which the maintenance of uneconomic services may have on BR's capacity to improve other services.



NICHOLAS OWEN

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RICE SAHAFU



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M/S, FCO (Mr Riffkin)
M/S, HO (Mr Shaw)
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10 DOWNING STREET

From the Private Secretary

15 November, 1984

bc N.O.

Transport Bill

The Prime Minister has seen your Secretary of State's minute of 13 November. Subject to the views of colleagues, she is content with the additional clauses proposed for the Transport Bill. She has commented, however, that care should be taken in defining the role of Transport Consumer Bodies. It should be made very clear that their right to comment extends only to structures and relativities of fares and charges, and not to levels; and in commenting on reductions in services, TCBs should have regard to the effects which the maintenance of uneconomic services may have on BR's capacity to improve other services.

I am copying this letter to Private Secretaries to members of E(A), to members of L and to Richard Hatfield (Cabinet Office).

ANDREW TURNBULL

Miss Dinah Nichols,
Department of Transport

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