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CONFIDENTIAL

The Rt. Hon. Lord Young of Graffham Secretary of State for Trade and Industry

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Date 20 March 1989

NON-EC CONTROL OF CABLE AND LOCAL DELIVERY OPERATORS

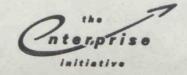
I welcome the proposals in your letter of 14 March that non EC companies should not be prevented from controlling local delivery operators and that the forthcoming broadcasting legislation should remove the comparable restriction as it applies to cable operators licensed under the Cable and Broadcasting Act 1984.

As you say this will avoid the shareholding artificialities to which the current requirements give rise.

It would be helpful if these intentions can be made known at the time of the end April statement on Local Services to which we are committed but I accept that this will depend on progress with the wider questions of ownership in the general field of broadcasting. If it is not possible to announce the local services decision at the end of April I am content with your proposed holding line.

Copies of this letter go to the recipients of your own.

J. e.



BROAD CASTING - OBS 147.

