



QUEEN ANNE'S GATE LONDON SW1H 9AT

9 January 1990

*Am Peter*

BROADCASTING BILL: THE NORTHERN IRELAND LICENCE

Thank you for your letter of 5 December in response to mine of 20 November. *plaf*

As I said in my earlier letter it seems fairly certain that the ITC will continue to treat Northern Ireland as a separate licence area. George Russell has said that he would see merit in retaining the existing regional structure, if possible. I think, therefore, that we can leave things as they are, but I shall ask George Russell to let me know if there is any question of combining Northern Ireland with some other existing regional franchise. We can if necessary return to the issue then.

On the question of financial viability, I cannot undertake that the Home Office would be able to offer financial support to an ailing Northern Ireland licensee. What I hope we can establish is the principle that in the event that a licensee were genuinely in financial difficulties, some financial support could be offered, if it were to appear that this was the right course to adopt. The source of any such finance would be a matter for discussion with the Treasury at the time.

I was interested to see your comments on the cost of independently produced programmes in Northern Ireland. We have however to recognise that the situation within the independent sector is, as a result of the Government's 25% initiative, dynamic not static. I therefore see no reason in principle why, when a market in independent productions is established, the independent producers will not be able to compete effectively. But I should like in the meantime to follow up this issue with the BBC and the independents themselves.

I recognise your concerns on the question of ownership. We intend that the franchising process should be as open as possible and the ITC will be required to publish details of all applicants and their programme promises and to invite public comment. I would hope that the Northern Ireland authorities would let George Russell know about any relevant issues concerning the structure and background of applicants for the Northern Ireland licence.

Rt Hon Peter Brooke MP  
Secretary of State for Northern Ireland  
Northern Ireland Office  
WHITEHALL, S.W.1.

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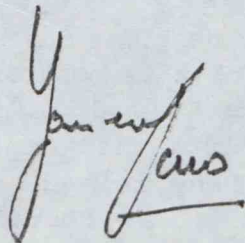


You rightly raise the possibility of RTE applying for the Northern Ireland licence. I am currently considering the ownership restrictions in the Bill to see whether it would be sensible to prevent UK broadcasting licences being held by broadcasters whose services are already received to a significant extent in the licence area in question. That would rule out RTE from holding the Northern Ireland licence.

I have considered your proposal that I should have a power to direct that a licence should not be granted to any person if I judged that it would not be in the public interest for him to hold it. But I think that would give far wider powers than are necessary or desirable. The Bill already contains some provisions in clauses 3(3) and 17(4) which may be relevant here. Moreover, as I pointed out in my earlier letter, if it were to turn out that a company with an undesirable ownership structure were to win the competitive tender for the Northern Ireland licence, it is possible that the ITC would be able to invoke the provision which would enable them in exceptional circumstances to award the licence to an applicant other than the highest bidder. But leaving aside these provisions, there will still remain the requirement on the licensee to provide a suitable proportion of regional programmes, which will, in itself, constitute a powerful safeguard, particularly if it is strengthened as I propose below.

I have great sympathy with your point about the importance of reflecting the dual traditions in Northern Ireland. I recently proposed to Misc 128 colleagues that the Bill should include a provision enabling the ITC, where appropriate, to specify that a licensee must provide sub-regional broadcasting. This would enable the ITC, for example, to require the licensee operating in the HTV area to provide separate programmes for Wales and Bristol. But it could I believe usefully be drafted so as to enable the ITC to specify that the licensee for Northern Ireland must provide adequate programming for the two communities there.

I am copying this letter to the Prime Minister, the Chancellor, the Lord President and the Foreign Secretary, together with a copy of my original letter of 20 November to you.

A handwritten signature in dark ink, appearing to read "James Callaghan". The signature is written in a cursive, flowing style with a long, sweeping underline.