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the department for Enterprise

CCPU

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PRIVATISATION OF TRANSMISSION : METHOD OF SALE

I have seen a copy of your letter of 11 January to Peter Lilley about the method of sale you propose for the IBA transmission system.

I agree with your conclusion that we should allow the Management Buy Out team to continue their work on an MBO but that they should not be given an inside track. It will clearly be important both for the future success of the transmission company and to ensure a good price at privatisation for any other potential bidders to be given an equal chance.

I would be sorry to see the MBO team drop out if their advisers' fees were not paid. However, this would, in a way, be the first test of their independence and not a reason to alter your proposal on financial assistance. I am copying this letter to the Prime Minister, Members of MISC 128 and Sir Robin Butler.

Eric Forth

ERIC FORTH



BROADCASTING Policy Plan

