



Treasury Chambers, Parliament Street, SW1P 3AG  
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25 January 1990

The Rt Hon David Waddington QC MP  
Secretary of State for the Home Department  
Home Office  
Queen Anne's Gate  
LONDON  
SW1H 9AT

*Dear Secretary of State,*

**CROSS-OWNERSHIP RESTRICTIONS ON SATELLITE TV SERVICES**

Nicholas Ridley's letter to you of 16 January proposes that the Independent Television Commission be given discretion to override the cross-ownership rules for broadcasting licences, in the expectation that this discretion would be used to allow W H Smith TV to bid for an ITC licence.

The ownership rules are intended to ensure that ownership of the independent broadcasting sector is widely spread, so viewers can choose from a wide range of different channels. That choice would not be materially restricted if a company owning a small percentage of the channels broadcast by any type of satellite were also to own terrestrial television channels. I therefore favour relaxing the rules at the margin so that such companies - including W H Smith TV - are allowed to bid for ITC licences.

However, I do not believe the ITC should be given discretion to deal with difficult cases. They would come under strong pressure to use that discretion to support the status quo. Everyone should be clear what the rules are at any given time, so innovation is not impeded. This is particularly important whilst the more plural, competitive regime is getting established.

I am copying this letter to the Prime Minister, the Lord President, other members of MISC 128 and to Sir Robin Butler.

*Tancred Parkowski*  
pp JOHN MAJOR

[Approved by the Chancellor of the Exchequer  
and signed on his behalf]

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