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Treasury Chambers, Parliament Street, SW1P 3AG

The Rt Hon David Waddington QC MP
Home Secretary
Home Office
50 Queen Anne's Gate
London
SW1H 9AT

MBR at his desk

*Recd
2/3*

14 February 1990

Dear Home Secretary,

BROADCASTING BILL: PERFORMANCE BONDS

Aap

Thank you for your letter of 6 February to the Chancellor. John has asked me to reply.

2 I am content with your proposals; except for the suggestion that surrendered performance bonds should not be paid in their entirety into the Consolidated Fund. I believe that they should - as the Bill already provides - in order to maintain proper Parliamentary control of the funds.

3 You suggested two other possible uses for the funds. But I do not accept the need for either. There is no reason to return any part of a performance bond to a failed licensee; and the ITC is unlikely to have difficulty persuading one licensee to take on, rent-free, the broadcasting obligations and privileges surrendered by another. If it does then the ITC should consider relaxing its programme requirements.

4 I am copying this letter to the Prime Minister, other MISC 128 colleagues and to Sir Robin Butler.

Yours sincerely

Aileen Campbell

NORMAN LAMONT

Approved by the Chief Secretary
and signed in his absence

BROADCASTING: Pouch P110.

