



NBPM to Mrs CEB. /
stage. REC 26/2
QUEEN ANNE'S GATE LONDON SW1H 9AT

21 February 1990

Norman

BROADCASTING BILL: THE NORTHERN IRELAND LICENCE

Thank you for your letter of 7 February in response to mine of 9 January to Peter Brooke.

I agree with you that it would be entirely wrong to indicate to commercial television stations that if they found themselves in financial difficulties we would consider offering a public subsidy. Indeed, I find it difficult to imagine that we would ever want to consider arrangements for financial assistance in any case except that of the Northern Ireland licence, which was of course the context in which I raised this possibility. But should the situation arise when the Northern Ireland licence genuinely became unviable, it might pose a serious problem for us. I accept that there are a number of steps that should be taken before the licence was deemed to be non-viable, including relaxation of the programme requirements, the encouragement of cost reductions by allowing takeover, or even the re-auctioning of the franchise. But if these moves still failed to create a viable Northern Ireland licence area, what would we do? I am sure we would want to avoid combining the Northern Ireland licence area with some other area, even if another licensee was prepared to take it on. Nor should we regard with equanimity the prospect of simply allowing the Northern Ireland licence to close. Although we can look forward to increasing numbers of new satellite and cable channels over the coming years, it is most unlikely that these would offer in the short to medium term any genuine alternative to the existing regional ITV service in Northern Ireland, which has a deservedly high reputation among both communities in the province.

All I was seeking to achieve, therefore, was a general recognition that in the unlikely event that the Northern Ireland licence were to become genuinely unviable, even after all avenues had been explored with a view to achieving economies of scale etc., it might in the last analysis be necessary for us to consider offering some measure of financial support to the incumbent Northern Ireland licensee. I emphasise that it would certainly not be my intention to mention this possibility to anybody outside Government; and whether or not such assistance was given would obviously depend crucially on an assessment of the situation at the time when the possible need for support actually arose.

As regards the provision which will enable the ITC to specify that the licensee for Northern Ireland must provide adequate programming for the two

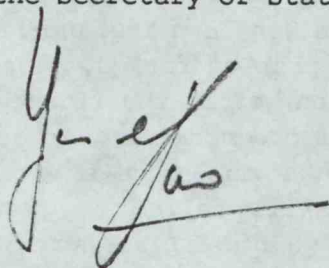
The Rt Hon Norman Lamont, MP.
Chief Secretary
Treasury Chambers
Parliament Street, S.W.1.

/over...

communities there, my Private Secretary wrote to No 10 on 5 December setting out my proposal that the ITC should have a general power to require some regions to provide sub-regional programming. We had specifically in mind the HTV area, which as you know covers both Wales and part of the Bristol region. I thought it important that the ITC should be able to require the licensee in this case to continue to provide a separate regional service for Wales. In addition, I imagine that the ITC may also wish to specify the continuation of the existing sub-regional broadcasting coverage in the areas currently held by TVS and Central. But in my letter to Peter Brooke I pointed out that such a requirement should also enable the ITC to require the Northern Ireland licensee to provide programming for the two communities there. I do not imagine that the ITC would wish to impose a comparable requirement to serve distinct communities on any other licensee.

I hope this clarifies the two points which you raised in your letter.

I am copying this letter to the Prime Minister, the Foreign Secretary, the Lord President and the Secretary of State for Northern Ireland.

A handwritten signature in dark ink, appearing to read 'Geoffrey Howe', with a long horizontal flourish extending to the right.