

26 February 1990

REGULATION OF PRIVATISED IBA TRANSMISSION COMPANY:
DRAFT TELECOMMUNICATIONS ACT LICENCE

Nicholas Ridley has sent a draft licence for a privatised transmission company for commercial television.

Although lengthy, most of it is straightforward. The only new elements are the temporary restrictions he proposes on ownership of the new company, until the BBC transmission system is privatised and a more competitive market established.

His particular proposals are to restrict ownership by Channels 3 and 5 taken together and British Telecom to a maximum of 20% each. Both of these are justified: in the case of the Channels to prevent the system reverting to the present; and in the case of BT to prevent market dominance.

Recommendation

Agree to Secretary of State's proposals.

Brian Griffiths

BRIAN GRIFFITHS