



Treasury Chambers, Parliament Street, SW1P 3AG

The Rt Hon Nicholas Ridley MP
Secretary of State for Trade and Industry
1 Victoria Street
London SW1H 0ET

*MBP & his
step.
R2 CG
26 February 1990 2/3*

Dear Nicholas,

IBA TRANSMISSION COMPANY: DRAFT TELECOMMUNICATIONS ACT LICENCE

I have seen your letter to David Mellor of 23 February, which covered a draft licence for the Transmission Company.

I am content with the draft licence, including the proposed ownership restrictions which would stop Channel 3 and 5 licensees and British Telecom from owning more than 20 per cent of the company. I also agree these restrictions should be reviewed in future. But I do not believe we should decide now to lift them following the privatisation of the BBC's transmission system. The case for constraining ownership of transmission companies will be almost as strong for a duopoly as for a monopoly. And it would not help present the case for requiring the BBC to sell its transmission assets if we were committed to allowing commercial TV stations to acquire their own transmission capabilities at the same time.

I am copying this letter to the Prime Minister, David Mellor, Tim Renton, Sir Robin Butler and Sir John Fairclough.

*Yours ever
Peter*

PETER LILLEY

