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the department for Enterprise

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The Rt. Hon. Nicholas Ridley MP
Secretary of State for Trade and Industry

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

Department of
Trade and Industry

1-19 Victoria Street
London SW1H 0ET

Enquiries
01-215 5000

Telex 8811074/5 DTHQ G
Fax 01-222 2629

Direct line 215 5622
Our ref NP1ASQ
Your ref
Date 10 April 1990

NBRM & his clerk

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11/4*

Dear David

DIRECT BROADCASTING BY SATELLITE: ADDITIONAL CHANNELS

Thank you for your letter of 13 March, ^{has} agreeing that we should bid for additional DBS channels, but urging that we delay until BSB Ltd have completed their current discussions on further financing. I was also grateful for Norman Lamont's letter of 15 March agreeing with my original suggestion to bid now.

I do not think we should in any sense appear to be a party with BSB in withholding information about Government intentions from their possible financial backers. Naturally I would not wish to jeopardise our only DBS provider, though as you say their success must be determined by the markets. It would however be improper to hold fire on bidding for additional channels and/or withhold information about the intention to bid so that prospective lenders and guarantors of BSB's facility and loans will find themselves without access to information which would be relevant to their decision.

I therefore think that we should stick to the course that I advocated, namely submit the bid for five additional channels without delay (and announce that we have done this as soon as it is possible to do so), and that your officials (in liaison with mine), should inform BSB of our intentions and remind the company of their obligations towards the financial institutions with whom the company are currently involved.





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I am sending copies of this letter to the Prime Minister, the Foreign Secretary, members of MISC 128 and to Sir Robin Butler.

John
Archer



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BROADCASTING: POLY PT.

