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> n 5, P.M. BHP 27/4

> > 26 April 1990

Rt Hon David Waddington QC MP Home Secretary Queen Anne's Gate LONDON SW1H 9AT

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BROADCASTING BILL: TRANSITIONAL NETWORKING ARRANGEMENTS

Thank you for copying to me your minute of 30 March to the Prime Minister proposing amendments on Report to introduce transitional network arrangements for Channel 3. I have also seen the Prime Minister's views and those of Nicholas Ridley and the subsequent refinement of your proposals dating from 18 April.

I am very much in agreement with you that there should be no delay in establishing a satisfactory network on Channel 3 and I am keenly aware of the problems which this might create, not least for smaller regional companies seeking access to the network alongside those in a stronger market position. There has been considerable concern in Scotland about the working of network arrangements both now and for the future and I feel that it is important that some steps are taken to ensure that a form of networking agreement exists at the start of the new contract period in 1993. Clearly in the absence of agreement among the Channel 3 companies only the ITC can hope to produce a practical networking arrangement. For it to be successful, however, we must, I fear, give the ITC powers to enforce it.

I do, however, share the Prime Minister's concern that the existing large ITV companies could influence the shape of the network arrangements and I believe there is a case for placing a statutory responsibility on the ITC to ensure that any networking arrangements which it imposes on the Channel 3 companies for a transitional period must give adequate access to the network to all the Channel 3 companies who wish to make programmes for it.

I am copying this minute to the Prime Minister, other members of MISC 128, to Peter Brooke and to Sir Robin Butler.

MALCOLM RIFKIND

