



10 DOWNING STREET

LONDON SW1A 2AA

From the Head of the Prime Ministers Policy Unit

3. v. 1990

Benny Potter

Local Delivery Licenses

I agree with both the proposals made by the Home Secretary to Sec. of Trade & Industry re. the above.

Indeed my Whitley came to see me about the matter before Earth.

Both proposals are very

Servises - to ensure a lively
investment programme ~~suitout~~
and some regulation but without a
heavy hand or coverage.

Primo huff in

PRIME MINISTER

2 May 1990

BROADCASTING BILL : NETWORKING

The Home Office seem determined that the ITC have a role in specifying the networking arrangements for Channel 3.

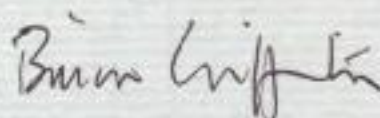
Yet they still seem unable to make a convincing case why this is necessary. The argument that the ITC would need to know in a detailed way the form of networking which would emerge among C3 companies, before allocating the licences is simply not true.

Such an arrangement can be left to the companies themselves subject of course to OFT approval, which is the crucial check on any exploitation of the smaller companies.

Recommendation

Providing that the ITC in advertising the franchises for C3 stipulate involvement in a networking agreement as a condition of obtaining a license, which would then have to be ratified by the OFT, there is no need whatever for them to have any more detailed involvement.

Reject the Home Secretary's proposal.



BRIAN GRIFFITHS