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Treasury Chambers, Parliament Street, SWIP 3AG

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The Rt Hon David Waddington QC MP Secretary of State for the Home Department 50 Queen Anne's Gate LONDON SW1

28 June 1990

Dear Dand

REGULATION OF BBC TRANSMISSION ACTIVITIES

I have seen your letter of 14 June to Nicholas Ridley and his reply of 21 June about the main framework of transmission-related activities in which the BBC should be allowed to engage.

I am grateful for your acceptance that the BBC should not be permitted to offer site access and mast space to Channel 5 and VHF radio transmitter operators, and I see that you are now also proposing to exclude the maintenance of non-BBC broadcasting equipment on BBC sites, in the light of Eric Forth's comments in his letter of 10 May.

In the light of the timing difficulties over the issue of the BBC's Telecommunication Act Licence I agree with Nicholas Ridley that officials should now discuss with the BBC a package which allows them to transmit the MF commercial radio services but excludes them from project management for other broadcasters.

As for R&D contracts, I accept that allowing the BBC to compete for new commercial research projects could affect privatisation receipts and agree that the activity should not be in the permissible category.

I am copying this letter as before.

PETER LILLEY

BROADCASINS: Poly