



the department for Enterprise

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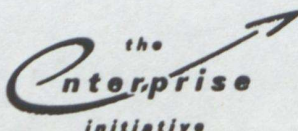
Date 10 February 1988

Thank you for your letters of 11 January and 5 February.

I much appreciate your kind remarks about UK membership of ESA. We fully intend to maintain our involvement in ESA. As I made clear at the Hague meeting, however, our future participation in the optional programmes will depend heavily on our assessment of the industrial, commercial and scientific benefits in each case.

Since the Hague meeting I have held discussions with major UK companies, particularly in the earth observation and launcher fields. My aim has been to establish their priorities, to assess industrial and commercial prospects and to ascertain what financial contribution they would be prepared to make towards new projects. I found little or no agreement on a preferred strategy for transforming earth observation activities into a commercial operation. I was particularly concerned that no clear user interest had been identified. Given these uncertainties, I have decided that the UK cannot commit itself to either the ERS2 or Columbus Polar Platform projects as presently proposed. I shall, however, keep them under consideration to see whether UK industry, including potential users, can agree on priorities and identify better commercial prospects.

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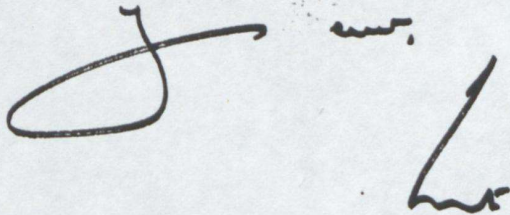


We decided at The Hague that there should be a Polar Platform study to throw greater light on both the size and form that a Platform might take and on the potential for its commercial operation. This needs to be done in consultation with the United States to ensure that a compatible international system is developed. I would find it helpful if this could be discussed further at official level.

I have also looked carefully with our companies at the launcher area. While the Arianespace market projections look promising in the long term, Ariane V will not begin to generate returns until the late 1990's even if those projections are borne out. UK industry is not prepared to make a financial contribution before then. Even the minimum effective participation in Ariane V would be expensive as an investment for the likely return. I also continue to be concerned about the man-rating of Ariane V. I recognise that this may not add significantly to the costs but, as I made clear at The Hague, I see no justification at all for this additional risk to the programme. I have therefore decided that the UK will not be joining the Ariane V programme.

I hope you will understand from the above why we feel unable to join the new optional programmes. Nevertheless, the UK remains committed to ESA and we will strive to make a success of all the programme to which we are subscribing.

I am copying this letter to Dr Lüst.

Best wishes,


KENNETH CLARKE

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AEROSPACE : Space Policy
Pt 2

