



cc BG.

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Private Secretary
Secretary of State's Office
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Dear Colin

INDEPENDENT PRODUCTION INITIATIVE

WITH PG/WIM (GOV) IF REQUIRED

The Chancellor has seen your letter of 19 January, covering a draft reply from your Secretary of State to Michael Darlow, head of the negotiations of the Independent Access Steering Committee. He is content for the reply to be issued in the form suggested. He has noted that Mr Renton is to meet Mr Darlow again on 25 January, and hopes that the recent initiative from the IBA will result in some positive progress being identified at that meeting.

As indicated in Mr Darlow's letter of 6 January to the Secretary of State for Trade and Industry, Mr Darlow has also written to the Chancellor proposing that changes to the ITV levy should be made in the Budget which would significantly benefit independent producers. The Chancellor thought that this letter would be of interest to the Home Secretary and other members of MISC 128 and I am therefore attaching a copy. This letter is being treated here as a Budget representation, and a reply is being sent accordingly. It is therefore appropriate that no mention should be made of this proposal about the levy in your Secretary of State's letter to Mr Darlow.

Yours,

Maira.

MOIRA WALLACE
Private Secretary