

dti

the department for Enterprise

ccp

The Rt. Hon. Lord Young of Graffham
Secretary of State for Trade and Industry

The Rt Hon Nigel Lawson MP
Chancellor of the Exchequer
HM Treasury
Parliament Street
LONDON SW1P 3AG

Department of
Trade and Industry

1-19 Victoria Street
London SW1H 0ET

Switchboard
01 235 7777

Direct line 215 5422
Our ref PBLAIV
Your ref
Date 12 December 1988

NBSM while Treasury expand.

*ALG
12/12*

Dear Chancellor of the Exchequer,

DBS LEVY

I have seen Douglas Hurd's letter to you of ~~5~~ ¹² December about the levy on DBS services. As you know, I attach great importance to giving BSB as clear a statement as we can of our levy policy in order to help them raise the substantial sums of money they still require before launching their service.

I therefore support Douglas' suggested text, subject to one amendment. I do not think we should explicitly include the existence of foreign government financial support as a factor that we would take into account in determining the levy. This does run counter to our general policy in this area and, if stated in this way and applied more widely, could be seen to justify domestic subsidies in sectors right across the industrial spectrum.

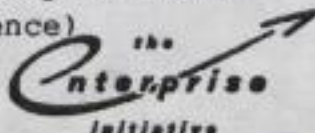
May I suggest therefore, that the text to BSB is amended so that the last two sentences of the penultimate paragraph are replaced by;

"We for our part would want to take account of all relevant factors and, in particular, we would want to be satisfied that it would be reasonable to depart from a zero rate before doing so, having regard to the interests of fair competition at the relevant time".

I am copying this letter to other members of Misc 128 and Sir Robin Butler.

*Yours sincerely,
O. Givan.*

(Approved by the Secretary of State
and signed in his absence)



BROADCASTING : BBC frames PA

