

Note recorded by Mr. George
Russell at Misc 128 meeting on 11 May.

Rec 6
11/5

SELECTING LICENSEES - CHANNEL 3

Government Proposal

ITC determines map

ITC advertises licences

IBA Proposal

ITC determines map and clock

ITC ascertains public's view on
'quality threshold'

ITC advertises licences including
'minimum lease price' payable
in annual amounts'

SELECTING LICENSEES - CHANNEL 3 (CONTINUED)

Government Proposal

IBA Proposal

<p>Applications received</p> <p><u>Stage I</u></p> <p>Applications assessed on 'quality threshold' and ownership test.</p> <p>Public scrutiny and comment</p>	<p>Applications received</p> <p>Two 'envelopes' and a bond</p> <p><u>Open dossier</u></p> <ul style="list-style-type: none"> - ownership - Co structure - programmes <p>'quality threshold'</p> <p><u>Sealed dossier</u></p> <ul style="list-style-type: none"> - confidential parts of business plan - bid expressed as percentage of applicant's annual NAR <p>Public scrutiny and comment</p> <p>ITC considers both 'envelopes'</p>
<p><u>Stage II</u></p> <p>Applicants passing successfully through Stage I submit financial tender for licence.</p>	

ITC selects licensees "highest bid wins"

Merchant Bankers/panel of independent professional advisers assists the ITC

ITC selects licensees "quality of money"

soundest business plan against defined ITC criteria giving highest value to ITC/Exchequer (in tender and corporate tax over time) and staying power to provide programme service of quality

SELECTING LICENSEES - CHANNEL 3 (CONTINUED)

Government Proposal

No need to publish reasons

Lump sum tenders

Levy of % of NAR at progressive rates

Multiple applications possible

No moratorium on takeovers

IBA Proposal

ITC publishes reasons for selection of successful applicants

Tenders (minimum lease price and bid of % of NAR) spread over 10 years

Provision for negative tenders

No levy

Applications limited to one Channel 3 licence only

2-3 year moratorium on hostile takeovers

Channel 3 and 5 licences