

C03/02278/mk

Simon Duffy
Ntl House
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1/7/03 June 2003

Mr Simon,

I am following up Dr Kim Howells' letter of 18 October about your request for assistance in allowing the BBC to extend provision of the Corporation's new digital channels to ntl's analogue customers. The BBC have since made a request to the Secretary of State for the existing approval to be varied to allow the proposed change. I am sorry you have had to wait so long for this reply.

As you will know, we decided that we should consult the main interested parties on the proposed variation before making a decision. We have now had an opportunity to consider the response to that consultation alongside your own comments.

The main areas of concern that arose out of the consultation exercise, relate to:-

- the suggested adverse impact of the proposal on the take-up of digital television and
- the impact on existing analogue channels (including the extent to which there is bandwidth available to accommodate the additional channels without the need for the removal of any existing channels from cable networks).

I feel that it would be appropriate for me to give you and the BBC the opportunity to comment on these issues before I make my decision, since I expect to take them into account as being relevant to whether the public benefit of the proposed change would be proportionate to the likely impact on the market.

You should be aware that copies of the consultation responses received are to be placed on the Department's website (with any confidential information omitted.) Similarly, any further information provided by you or the BBC will also be placed on the website, except to the extent that it contains confidential material which you have requested not to be disclosed. There is a possibility that any further material



that is submitted might make it appropriate for me to undertake further consultation before making a decision, but I will proceed with the matter as expeditiously as the circumstances permit.

- > A copy of this letter is being sent to the BBC. The letter will also be posted on the Department's website so that those who responded to the consultation may be aware of how things currently stand.

Yours

Tessa Jowell

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