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CCBQ

From the Parliamentary Under Secretary of State
for Corporate and Consumer Affairs
Michael Howard QC MP

Michael Spicer MP
Minister for Aviation
Department of Transport
2 Marsham Street
LONDON
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NBPN

14th February 1986

Dear Michael

Thank you for your letter of 22 January. ^{will revert if req.} I am, however, at a loss to understand how my letter to you of 13 January came as a surprise. ^{see PART 4} It was only in the course of a meeting between our officials on 9 January that it became clear that you did not intend to refer at L Committee to the outstanding point between us; and my officials immediately indicated that in those circumstances I would wish to raise it myself. In the event I was unable to attend L Committee and it became necessary to write raising the point.

Misunderstanding over the interpretation of my letter of 30 October only came to light when we had sight of draft clauses of the Bill circulated by your Department on 5 December. Your officials asked on 16 December to leave the point aside for the time being, while you considered the recommendations of the MMC Report. My officials pointed out, and confirmed in a letter of 23 December, that they regarded acceptance of the MMC's recommendation as necessary to meet the points made in my letter. In a further letter of 31 December, they drew attention again to a need to resolve the issue, if necessary, at Ministerial level; and they set out the level of disaggregation of accounting information about airport activities which they regarded as necessary to meet the point in my letter.

Against that background, it seemed reasonable to expect that the matter would be resolved quickly in the light of discussion at L Committee, and before introduction of your Bill. However, as no DTI Minister was available to attend L Committee, and your timetable was very tight, my officials reluctantly agreed to your Department's request in these circumstances not to block the Bill for a further week, but to pursue the outstanding points after publication.

PS/Secretary of State
PS/Sir Brian Hayes
Mr Liesner
Mr Treadgold
Mr Woolman - Sol
Mr Hall - GP5
Mr Allen - GP4
(w FILE)

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I agree that our officials should now pursue this, and that the MMC report is relevant to the debate. But I do not regard this as simply, or even primarily, a matter of responding to the MMC recommendations. It is matter of determining the appropriate regulatory regime for a monopoly which is being removed from the restraints of the public sector. I suggest that our officials should report back to us in good time for appropriate amendments to be tabled, if we do decide, at Committee stage.

I am copying this letter to members of L and E(A) Committees.

*Yours ever
Michael*

MICHAEL HOWARD

AEROSPACE : Future of BA : Pt 5.

