

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Channel 3 licence applications

11. The Chairman joined Members in congratulating staff on the successful organisation of the receipt of licence applications and the handling of the volume of material which was brought into the ITC on 15 May.

12. NOTED that the analysis and evaluation of the 40 applications would be a matter of some complexity. Members were advised that the timetable for assessment of applications in terms of the quality threshold was likely to extend beyond the July meeting and into September.

13. Reporting on two purported applications which had not been included in the published list of applications received, [REDACTED] said that one application, from [REDACTED], for a Scottish licence had been declared invalid on 15 May because it clearly did not meet the requirements of the Invitation to Apply. The



Channel 3: Progress so far and issues arising - ITC Paper 63(91)

15. Discussion of the Paper centred on the following main topics:

(i) Procedures during the assessment process

16. Members indicated that they were generally content with the procedures being followed and with the close contact that was being achieved with relevant staff members during the assessment period. Concern was expressed by some Members lest a request to an applicant for further information might lead to augmentation of the application. ██████████ stressed that assessment would be based upon the application document submitted; but where the answers to questions in the Invitation to Apply appeared inconsistent or there was doubt about their meaning or the evidence for them, clarification would be sought. AGREED that, before staff prepared recommendations to the Commission in respect of particular applications, there should be meetings between the Member and staff concerned with the area in question.

(ii) Quality threshold

17. AGREED that, although an incumbent's present performance provided a basis for comparison with all that region's applications, including his own, there could be no assumption that the incumbent applicant had automatically passed the threshold. The quality threshold was as set out in the Invitation to Apply. An applicant might pass that threshold and yet be offering less than that currently provided by the incumbent. Some incumbents might themselves be offering less than at present. The Chairman expressed the view that it would not be necessary or desirable to conduct interviews as part of the process of determining whether an applicant had passed the quality threshold.

(iii) Viking Television Limited

18. ██████████ explained the steps that had been taken to establish why the application submitted by Viking Television had been incomplete. Viking had submitted that the omission of Table 9 from the sealed bid envelope was an administrative error. The Table had since been forthcoming. AGREED that the Table would be accepted for consideration.

(iv) Announcement of licence awards in uncontested regions

19. NOTED that all three sole applicants also had interests in other bids. Those interests might have implications for their financial strength in relation to their own areas. It was AGREED that, at this stage, the intention should remain that all licence awards be announced simultaneously.

Channel 3 licence applications: networking proposals - ITC Paper 66(91)

20. [REDACTED] reported that, since the paper had been written, the OFT had indicated that it would not be surprised if the ITC allowed all the networking proposals submitted through to the next stage of consideration. The only present concern for ITC staff was the application submitted by Channel 3 Wales and the West Limited (C3WW).

21. It was AGREED that, with the exception of that submitted by C3WW, and subject to any further points arising out of public consultation, the networking proposals in the Channel 3 regional applications were acceptable, and that C3WW should be invited to provide further information before a decision was taken in relation to its application.

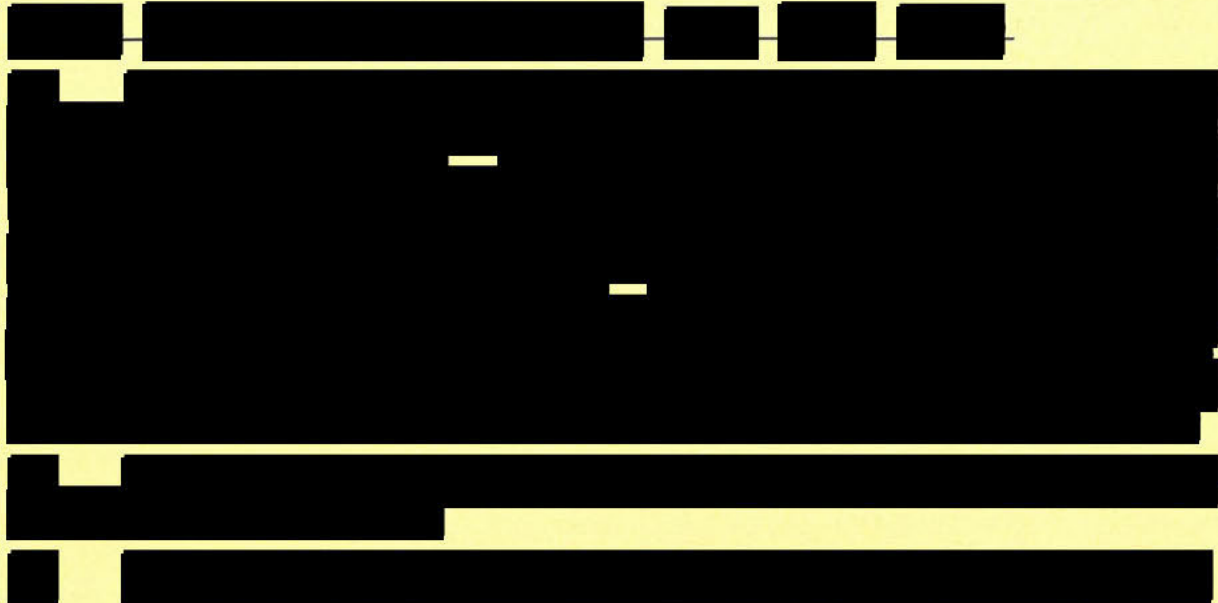
[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]



Channel 3 licence assessments : overview - ITC Paper 70(91)

23. There was detailed discussion of the Paper, in which the following points were AGREED :

- (i) When ITC Papers 71-87(91) were considered later in the meeting, no final decisions would be taken. When, at a subsequent meeting, the Commission did finally decide which applicants had passed the 'quality threshold', it would be necessary to be precise about the parts of the Act in relation to which each applicant was considered to have passed or to have failed.
- (ii) In programming terms, failure was more likely to occur in relation to section 16(1)(a) of the Broadcasting Act 1990 than in relation to section 16(1)(b). Accordingly it would be necessary to specify in respect of which requirements of section 16(2) an applicant failing in relation to section 16(1)(a) had not satisfied the ITC.
- (iii) The onus was on an applicant to satisfy the ITC that his application passed the quality threshold. The ITC did not have to give an applicant notice of a likely adverse judgement. Nor was it necessary to report to applicants all comments made about them in the public consultation. An applicant should be informed, however, and be given the opportunity to respond, if adverse comments received from third parties, whether as part of the formal public consultation exercise or otherwise, raised questions not already considered in the staff's assessments which if not answered to the satisfaction of the Commission were likely to affect the Commission's

judgement on whether or not the quality threshold had been passed. Such questions would normally be put to applicants as part of the 'out-letters' sent to them by staff, seeking clarification of certain aspects of their applications.

- (iv) It was not permissible for an applicant to alter the programme proposals he had submitted in his application. It was therefore important that, when accepting an applicant's clarification of his proposals or additional information on how the proposals would be implemented, whether in response to an ITC enquiry or not, the Commission should not also accept any material which enhanced the original proposals.
- (v) With regard to finance, the Invitation to Apply had made clear that an application could be considered even if the applicant had not yet obtained all the funding he needed, but that the ITC would need to be satisfied that, if it were to make an award, the necessary funding would be in place within six weeks of the award. After an application had been submitted, no change could be accepted to the overall business plan and proposed funding structure; but it would be permissible for information to continue to be received about the way in which the proposed structure would be effected. At the time a final decision was taken on whether an applicant had passed the quality threshold, the ITC should take account of all the information that was available to it.
- (vi) Following the Commission's discussion, the applications would be reconsidered at a later meeting in the light of revised assessment papers prepared by staff.

**Individual application assessments - ITC Papers 71-87(91), and Summaries of public and VCC comment - ITC Information Papers 62-70(91)**

24. Members reported individually on their assessments of the applications for the areas for which they had been given responsibility, and on the separate assessments and reports on public consultation and VCC comments contained in the Papers that had been circulated by staff. In the light of those assessments and reports, and of other Members' own scrutiny of the applications, the applications for the Channel 3 licences for North West England, London Weekday, London Weekend, South and South-East England, Yorkshire, East, West and South Midlands, Central Scotland and Borders were considered and discussed. The following general points were AGREED:

- (i) The Commission did not dissent from the provisional recommendations by staff in relation to which applicants should be considered to have passed the quality threshold and which should be considered to have failed.
- (ii) When the applications were brought back for final decisions at a later meeting, the assessments by staff should be precise in specifying in respect of which requirements of the Act, as interpreted in the Invitation to Apply, each applicant was considered to have satisfied, or not satisfied, the Commission.

25. The members of staff concerned noted comments and queries raised by Members in relation to particular applications, which would be taken into account when the applications were brought back to the Commission with revised assessment papers.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] ground and did not appear to contain much new information.

Channel 3 Licence Applications:

Current overview of assessment process - ITC Paper 92(91)

Individual application assessments - ITC Papers 93-105(91)

Summaries of public, VCC and GTC comment - ITC Information Papers 81-84(91)

10. Following discussion of ITC Paper 92(91), it was AGREED that, when announcing the licence awards, it would be desirable for the ITC to be able to publish the names of those applicants



who had passed the 'quality threshold' test in S16(1) of the Broadcasting Act 1990, and not the names of those who had only passed the part of the test set out in S16(1)(a) (as appeared to be required by S17(12)(b)). Since it was only those who had passed the tests in both S16(1)(a) and S16(1)(b) whose applications could be considered for the award of a licence on the basis of their cash bids, it appeared anomalous that the public announcement should specify who had passed S16(1)(a) only.

11. 

12. It was AGREED also that

- (i) an additional Commission meeting should be held on the morning of Friday 11 October 1991, and that the second day (18 October) of the two-day meeting beginning on 17 October was unlikely to be needed; and
- (ii) the Chairman should write to each applicant to ask whether he would agree to the amount of his bid being published at the time that the licence awards were announced.

13. The contents of ITC Paper 92(91) were otherwise NOTED. It was NOTED that the second line of paragraph 27 should begin "take applicants' responses to third party comments . . . .", and that in paragraph 35 "IRN" should read "INR".

14. Members then reported individually on their assessments of the applications for the areas for which they had been given responsibility, and on the separate assessments and reports on public consultation and VCC comments (and, in the case of the North of Scotland applications, GTC comments) contained in the Papers that had been circulated by staff. In the light of the assessments and reports, and of other Members' own scrutiny of the applications, the applications for the Channel 3 licences for the North of Scotland, Northern Ireland, and Wales and the West of England, and for the Channel 3 National Breakfast-time licence, were considered and discussed. In the case of the applications for the North of Scotland and for Northern Ireland, Members considered also the question of the areas' viability in the light of the statement in the Regional Invitation to Apply that the smaller regions might be at the margin of economic

viability. It was AGREED that final decisions on all the applications would be taken at a later meeting. Provisional decisions were taken as recorded in Minutes 16, 19, 21 and 22 below.

#### North of Scotland

15. [REDACTED] reported further information which had been received from C3 Caledonia, to the effect that their proposed £6m of equity was now committed on a conditional basis, and that a US company had offered a £2m leasing facility. The new information affected details in the financial assessment in ITC Paper 93(91) but not the staff's recommendation.

16. Having considered the applications received, and having taken into account the likely viability of the area, Members AGREED that the award of a licence for the area as advertised should not be ruled out. The staff's recommendations in respect of the applications from C3 Caledonia and from [REDACTED] were provisionally AGREED. Staff noted points to be taken into account in preparation of the final assessment papers, including the need for applicants' proposals for Gaelic programmes to be considered, in accordance with S184 of the 1990 Act, as a separate requirement of S16(2) and not as part of S16(2)(c). With regard to the application from North of Scotland TV, staff were asked to prepare a revised programme assessment to take account of Members' views of the ability, experience and local knowledge of the company's proposed management, and to bring out more clearly the factors in the financial assessment which led to the staff's recommendation.

#### Northern Ireland

17. [REDACTED] declared his previous connection with [REDACTED] as recorded in Minute 4 of ITC Minutes 6(91). The Secretary reported that all three applicants for the Northern Ireland licence had been informed of the steps that had been taken and had expressed their complete satisfaction. The other Members of the Commission AGREED unanimously that [REDACTED] should take part in discussion of, and decisions on, the applications for the licence.

18. A revised version of ITC Paper 96(91), dated 4 September 1991 was tabled to replace that dated 30 August 1991.

19. Having considered the applications received, and having taken into account the likely viability of the area, Members AGREED that the award of a licence for the area as advertised should not be ruled out. The staff's recommendations in respect of the applications from Lagan Television and [REDACTED] were provisionally AGREED. Staff noted points for the final assessment papers. With regard to the application from TVNi, staff were asked to prepare a revised financial assessment, and to reconsider their recommendation. Among the points which

Members suggested should be included in the revised assessment was the extent to which TVNi's estimates differed from those of [REDACTED] in respect of revenue from the Republic of Ireland, and in respect of revenue lost to [REDACTED] TVNi's assumptions about likely proceeds from the sale of acquired material to [REDACTED] should also be re-examined.

Wales and the West of England

[REDACTED]

21. The staff's recommendations in respect of the applications from C3WW, [REDACTED] and Merlin were provisionally AGREED. Staff noted points to take into account in preparation of the final assessment papers. With regard to the application from C3W, staff were asked to reconsider their programme assessment and recommendation in the light of [REDACTED]'s views about the applicant's proposals for programme provision for the West of England. The revised assessment should also clarify the position with regard to C3W's proposals for religious programming.

National Breakfast-time

22. The staff's recommendations in respect of the applications from Daybreak, [REDACTED] and TV-am were provisionally AGREED. It was NOTED that the assessment on [REDACTED] had yet to take into account the company's response to questions raised by the staff on the application.

Engineering Assessments

23. [REDACTED] was asked to ensure that in the revised assessments there was consistency in the attention given to applicants' proposals for new studios and for use of satellite news gathering.

[REDACTED]

[REDACTED] [REDACTED] [REDACTED] [REDACTED]

[REDACTED]



were before Members, and that the conclusion reached had been that in no instance was a change required.

Individual application assessments and revised assessments - ITC Paper 106-132(91), 137-139(91) and 148-150(91)

Summaries of public and VCC comment, and revised summaries - ITC Information Papers 87-95(91)

18. Members reported individually on the applications for the areas for which they had been given responsibility, and on the assessments and reports on public consultation and VCC comments contained in the Papers that had been circulated by staff. In the case of the applications for the Channel Islands and for the Borders and Isle of Man, Members considered also the question of the areas' viability in the light of the statement in the Regional Invitation to Apply that the smaller regions might be at the margin of economic viability. Except where recorded below in Minute 19, the staff's recommendations were provisionally AGREED. On certain other areas, particular additional points were noted or agreed, as set out in Minutes 20 to 26. Staff noted drafting points for the final assessment papers. These included the following general points:

- (i) Where the recommendation was to the effect that the applicant had not satisfied the requirements of section 16(1)(a) or of section 16(1)(b), it should be expressed in terms corresponding to those used in section 16(1).
- (ii) Names of executive directors should be given in the first paragraphs of the assessment.
- (iii) Care should be taken to ensure that reports of, and comments upon, staff numbers were consistent within each assessment paper.

19. The assessments of Tyne Tees Television (ITC Paper 110(91)) and of [REDACTED] (ITC Paper 113(91)) were held over for further consideration. In respect of Tyne Tees Television, staff were asked to carry out further analysis of the applicant's business plan, and in the course of their review to check the consistency of their analysis with those they had carried out of the business plans of [REDACTED], TVNi, TVS and [REDACTED]. In respect of [REDACTED], staff were asked to seek further information in writing about the extent to which certain persons who had been named in confidence were committed to taking up senior executive posts to which the applicant had stated they had been appointed.

East of England

20. [REDACTED] reported that clarification of Three East's

engineering proposals had now been received, explaining that there was to be a phased introduction of edit suites.

#### Channel Islands

21. Having considered the applications received, and having taken into account the likely viability of the area, Members AGREED that the award of a licence for the area as advertised should not be ruled out.

#### London Weekday

22. It was AGREED that consideration of the [REDACTED] [REDACTED] was not material in relation to the licence award, and that the reference to it should be simplified in a revised version of paragraphs 33 and 36 of ITC Paper 119(91). (A similar point would apply to the relevant paragraphs of ITC Papers 107 and 125(91).)

#### Yorkshire

23. [REDACTED] reported on the additional funding for White Rose Television that had now been committed [REDACTED]. It was noted that reference to this would be made in the revised assessment of White Rose Television even though it did not affect the staff's recommendations.

#### Borders

24. Having considered the application received, and having taken into account the likely viability of the area, Members AGREED that the award of a licence for the area should not be ruled out. It was NOTED that a reply from Border was still awaited to clarify a query relating to the amount of regional programming.

#### North of Scotland

25. It was AGREED that the assessment in paragraph 10 of ITC Paper 136(91) of the Gaelic programme proposals of North of Scotland TV should be revised to clarify the extent to which the comments by the Gaelic Television Committee were accepted, and the basis on which the staff's conclusion on that aspect of the application had been reached.

#### Northern Ireland

26. It was NOTED that a revised assessment of the application from [REDACTED] (ITC Paper 150(91)), which was not listed on the Agenda, had also been circulated. [REDACTED]



[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Channel 3 Licence Awards: General Considerations

3. [REDACTED]

Channel 3 Licences: An Overview of the Key Financial Assessments - ITC Paper 203(91)

4. After a full discussion of the issues considered in the Paper, and the analysis it contained, the Commission AGREED that the staff's financial assessments had been consistent in their treatment of the five applications that were the subject of the Paper, and that the conclusions in paragraph 30 of the Paper were correct.

5. The Commission reached the provisional view that, for the reasons set out in ITC Paper 203(91) and in the relevant staff assessment papers, ITC Papers 168, 172, 177, 179 and 187(91), the applications from Tyne Tees and [REDACTED] did appear to satisfy the requirements of section 16(1)(b), but those from [REDACTED] TSW and TVNi did not.

6. The Chairman drew attention to Section C of ITC Paper 186(91) on the application from White Rose Television, which was the only assessment paper apart from ITC Paper 168(91) in which the staff recommendation in relation to the applicant's business



plan had been altered since the application had last been considered at a meeting of the Commission. Members expressed the provisional view that they agreed with the altered staff recommendation. (See also Minute 95 below.)

**Channel 3 Licence Awards: Final Decisions - ITC Paper 191(91)**

7. The Commission AGREED that, in considering the applications area by area, the procedures proposed in the Paper should be followed. Discussion of each application would be led by the Member who had been given special responsibility for studying the applications in that area. In reaching their decisions, Members would take due account of all relevant considerations, including: the information provided by each applicant in his application and in additional documents or responses to questions put to him by the ITC since the date of his application; the representations made to the ITC as a result of the public consultation process, and applicants' responses to them; and the assessments prepared by staff.

8. Before moving to consideration of the award of licences for each area, the Commission NOTED that, as agreed at the ITC Meeting on 5 September, the proposals for networking put forward by the applicants for the regional Channel 3 licences were satisfactory. The Commission also AGREED

- (i) that none of the applicants appeared to be a disqualified person as defined in Schedule 2 of the Act; and
- (ii) that there were no grounds for suspecting in the case of any of the applicants that any relevant source of funds was such that it would not be in the public interest for a licence to be awarded to him; and that there was therefore no possibility of a need to refer an application to the Secretary of State under the terms of section 17(5) of the Act.

**Channel 3 Licence Awards: Conditions relating to Parts III to V of Schedule 2 - ITC Paper 192(91)**

9. NOTED that this Paper would be considered after decisions had been made on the applications for each area.

**Public Comment: Giving applicants a chance to respond - ITC Paper 135(91) and Addendum**

10. [REDACTED] reported on the responses of C3 Caledonia and North of Scotland TV to the comments from the Gaelic Television Committee on their proposals for opt-outs for the Western Isles. Copies of the responses had been passed to the Earl of Dalkeith.

11. The Paper and Addendum, as amplified by [REDACTED], were NOTED as providing relevant information to be taken into account when decisions were made on individual applications.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

### Channel 3 Licence Applications

16. The Commission then moved to consideration of individual applications. In accordance with the decision recorded in Minute 7 above, in each case the Commission took account not only of the Papers listed in the Agenda for the Meeting but also of all the other relevant information that had previously been supplied to them. It was AGREED that the Minutes of the meeting should record where the Commission's decisions had been reached for reasons other than those summarised in the relevant assessment papers.

17. It was NOTED that the cash bids, which had been opened and recorded by the Chairman, Deputy Chairman, Chief Executive and Secretary on 16 May 1991, had subsequently been deposited by the Secretary in a safe. The cash bids would be produced at the meeting, and the Secretary would inform the Commission area by area of the amounts of the cash bids of those applicants whose bids fell to be considered by virtue of their applications having satisfied the requirements of section 16(1) of the Act.

Borders and the Isle of Man - ITC Paper 151(91) and ITC Information Paper 70(91)

18.

19. After discussion, the Commission DECIDED that it appeared that the applicant's proposed service would comply with the requirements specified in section 16(2) of the Act, and that the applicant would be able to maintain that service throughout the period for which the licence would be in force.

20. The Commission NOTED that the cash bid submitted by the applicant was £52,000.

21. The Commission considered whether it was satisfied that the applicant was a fit and proper person to hold the licence and DECIDED that it was so satisfied.

22.

Central Scotland - ITC Paper 152(91) and ITC Information Paper 69(91) and Addendum

23. The Commission considered the one application received for this licence, namely that of Scottish Television plc.

24.

25. The Commission NOTED that the cash bid submitted by the applicant was £2,000.

26. The Commission considered whether it was satisfied that the applicant was a fit and proper person to hold the licence and DECIDED that it was so satisfied.

27. Accordingly, the Commission RESOLVED, subject to the requirements of section 5(1)(b) of the Act, and to the operation of the Multiple Bidding Rules, to award the Regional Channel 3 Licence for Central Scotland to [REDACTED]. The award would be subject to conditions based upon paragraph 66 of the Regional Invitation to Apply and satisfactory completion of a Declaration by the applicant in a form to be specified by the Commission.

Channel Islands - ITC Papers 153 and 154(91) and ITC Information Paper 90(91)

28. The Commission considered the two applications received for this licence, namely those of the CI3 Group Ltd and [REDACTED]. In considering the applications, and the question of whether each applicant would be able to maintain its proposed service throughout the period for which the licence would be in force, the Commission had in mind that, as NOTED at its Ninth Meeting (Minute 18 of ITC Minutes 9(91)), the licence area was one which was expected to be at the margin of economic viability, and that [REDACTED].

29. After discussion, the Commission DECIDED that

- (i) in respect of the application from Channel Television, it appeared that the applicant's proposed service would comply with the requirements specified in section 16(2) of the Act and that the applicant would be able to maintain that service throughout the period for which the licence would be in force;
- (ii) in respect of the application from CI3 Group, it did not appear that the applicant's proposed service would comply with the requirements specified in section 16(2)(b), (c) and (f) of the Act, or that the applicant would be able to maintain that service throughout the period for which the licence would be in force.

30. The Commission NOTED that the cash bid submitted by [REDACTED].

31. The Commission considered whether it was satisfied that [REDACTED] was a fit and proper person to hold the licence and DECIDED that it was so satisfied.

32. Accordingly, the Commission RESOLVED, subject to the requirements of section 5(1)(b) of the Act, and to the operation of the Multiple Bidding Rules, to award the Regional Channel 3 Licence for the Channel Islands to [REDACTED]. The award would be subject to conditions based upon paragraph 66 of the Regional Invitation to Apply and satisfactory completion of a Declaration by the applicant in a form to be specified by the Commission.

East, West and South Midlands - ITC Paper 155(91) and ITC Information Paper 68(91)

33. The Commission considered the one application received for this licence, namely that of [REDACTED].

34. After discussion, the Commission DECIDED that it appeared that the applicant's proposed service would comply with the requirements specified in section 16(2) of the Act and that the applicant would be able to maintain that service throughout the period for which the licence would be in force.

35. The Commission NOTED that the cash bid submitted by the applicant was £2,000.

36. The Commission considered whether it was satisfied that the applicant was a fit and proper person to hold the licence and DECIDED that it was so satisfied.

37. Accordingly, the Commission RESOLVED, subject to the requirements of section 5(1)(b) of the Act, and to the operation of the Multiple Bidding Rules, to award the Regional Channel 3 Licence for the East, South and West Midlands to [REDACTED]. The award would be subject to conditions based upon paragraph 66 of the Regional Invitation to Apply and satisfactory completion of a Declaration by the applicant in a form to be specified by the Commission.

East of England - ITC Papers 156-158 and 194(91) and ITC Information Paper 87(91)

38. The Commission considered the three applications received for this licence, namely those of [REDACTED], CPV-TV Ltd (East of England Television), and Three East Limited.

39. After discussion, the Commission DECIDED that

- (i) in respect of the applications from [REDACTED] and Three East, it appeared that each applicant's proposed service would comply with the requirements specified in section 16(2) of the Act and that each applicant would be able to maintain his proposed service throughout the period for which the licence would be in force;

- (ii) in respect of the application from CPV-TV (East of England) it did not appear that the applicant's proposed service would comply with the requirements specified in section 16(2)(b), (c) and (f) of the Act.

40. Accordingly, the Commission proceeded to consider the award of the licence on the basis of the cash bids submitted by each of the applicants referred to in Minute 39(i) above, which were as follows :

[REDACTED]  
Three East : £14,078,000

41. The Commission considered whether there were exceptional circumstances which made it appropriate for the Commission to award the licence to the applicant referred to in Minute 40 above who had submitted the lower bid, and DECIDED that there were no such exceptional circumstances.

42. The Commission considered whether it was satisfied that [REDACTED] was a fit and proper person to hold the licence and DECIDED that it was so satisfied.

43. Accordingly, the Commission RESOLVED, subject to the requirements of section 5(1)(b) of the Act, and to the operation of the Multiple Bidding Rules, to award the Regional Channel 3 Licence for the East of England to [REDACTED]. The award would be subject to conditions based upon paragraph 66 of the Regional Invitation to Apply and satisfactory completion of a Declaration by the applicant in a form to be specified by the Commission.

London Weekday - ITC Papers 159-161 and 195(91), and ITC Information Paper 92(91)

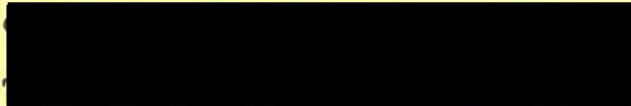
44. The Commission considered the three applications received for this licence, namely those of [REDACTED], CPV-TV Ltd (Greater London Television), and [REDACTED].

45. After discussion, the Commission DECIDED that

- (i) in respect of the applications from [REDACTED] it appeared that each applicant's proposed service would comply with the requirements specified in section 16(2) of the Act and that each applicant would be able to maintain his proposed service throughout the period for which the licence would be in force;


- (ii) in respect of the application from CPV-TV (Greater London Television) it did not appear that the applicant's proposed service would comply with the requirements specified in section 16(2)(b), (c) and (f) of the Act.

46. Accordingly, the Commission proceeded to consider the award of the licence on the basis of the cash bids submitted by each of the applicants referred to in Minute 45(i) above, which were as follows :

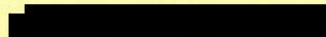


47. The Commission considered whether there were exceptional circumstances which made it appropriate for the Commission to award the licence to the applicant referred to in Minute 46 above who had submitted the lower bid. In its consideration of ITC Paper 195(91), the Commission NOTED that the words "with any certainty" in the final sentence of paragraph 7 of the Paper should be deleted: the question the Commission had to consider was whether it appeared to it that the circumstances specified in section 17(4) of the Act had arisen, not whether it was certain that such circumstances had arisen. The Commission NOTED also that, as recorded in Minute 13 above, benefit to Channel 3 as a whole could be a legitimate reason for an award on the grounds of exceptional circumstances. It therefore AGREED that it should hold over, until decisions had been taken on all other applications for Regional Channel 3 licences, its decision on whether exceptional circumstances existed in the present instance. (See Minutes 101-103 below.)

London Weekend - ITC Papers 162 and 163(91) and ITC Information Papers 93(91)

48. The Commission considered the two applications received for this licence, namely those of Consortium for Independent Broadcasting Ltd (London Independent Broadcasting), and 

49. After discussion, the Commission DECIDED that

- (i) in respect of the application from  it appeared that the applicant's proposed service would comply with the requirements specified in section 16(2) of the Act and that the applicant would be able to maintain that service throughout the period for which the licence would be in force;
- (ii) in respect of the application from Consortium for Independent Broadcasting, it did not appear that the applicant's proposed service would comply with the requirements specified in section 16(2)(a), (b), (c)

and (f) of the Act, or that the applicant would be able to maintain that service throughout the period for which the licence would be in force.

50. The Commission NOTED that the cash bid submitted by [REDACTED]

51. The Commission considered whether it was satisfied that [REDACTED] was a fit and proper person to hold the licence and DECIDED it was so satisfied.

52. Accordingly, the Commission RESOLVED, subject to the requirements of section 5(1)(b) of the Act, and to the operation of the Multiple Bidding Rules, to award the Regional Channel 3 Licence for London Weekend to [REDACTED]. The award would be subject to conditions based upon paragraph 66 of the Regional Invitation to Apply and satisfactory completion of a Declaration by the applicant in a form to be specified by the Commission.

North of Scotland - ITC Papers 164-166(91) and ITC Information Paper 81(91)

53. The Commission considered the three applications received for this licence, namely those of C3 Caledonia plc, [REDACTED], and North of Scotland TV Limited. In considering the applications, and the question of whether each applicant would be able to maintain its proposed service throughout the period for which the licence would be in force, the Commission had in mind that, as NOTED at its Eighth Meeting (Minute 14 of ITC Minutes 8(91)), the licence area was one which was expected to be at the margin of economic viability, and that the licence holder [REDACTED]

54. The Commission NOTED that the word "also" should be deleted from the final sentence of paragraph 9 of ITC Paper 165(91) on [REDACTED]

55. After discussion, the Commission DECIDED that:

- (i) in respect of the application from [REDACTED] it appeared that the applicant's proposed service would comply with the requirements specified in section 16(2) of the Act (including the requirements specified in section 184(1)) and that the applicant would be able to maintain that service throughout the period for which the licence would be in force;
- (ii) in respect of the application from C3 Caledonia, it did not appear that the applicant's proposed service would comply with the requirements specified in section 16(2)(b),(c),(d) and (f) and section



184(1) of the Act, or that the applicant would be able to maintain that service throughout the period for which the licence would be in force;

- (iii) in respect of the application from North of Scotland TV it did not appear that the applicant's proposed service would comply with the requirements specified in section 16(2)(b), (c) and (f) and section 184(1) of the Act, or that the applicant would be able to maintain that service throughout the period for which the licence would be in force.

56. The Commission NOTED that the cash bid submitted by [REDACTED]

57. The Commission considered whether it was satisfied that [REDACTED] was a fit and proper person to hold the licence and DECIDED that it was so satisfied.

58. Accordingly, the Commission RESOLVED, subject to the requirements of section 5(1)(b) of the Act, and to the operation of the Multiple Bidding Rules, to award the Regional Channel 3 Licence for North of Scotland to [REDACTED]. The award would be subject to conditions based upon paragraph 66 of the Regional Invitation to Apply and satisfactory completion of a Declaration by the applicant in a form to be specified by the Commission.

North-East England - ITC Papers 167, 168 and 196(91) and ITC Information Paper 88(91)

59. The Commission considered the two applications received for this licence, namely those of North-East Television Limited, and Tyne Tees Television Limited. The Commission NOTED that the word "applicant's" should be deleted from the third sentence of paragraph 11 of ITC Paper 167(91).

60. After discussion, the Commission DECIDED that in respect of each application it appeared that the applicant's proposed service would comply with the requirements specified in section 16(2) of the Act and that the applicant would be able to maintain his proposed service throughout the period for which the licence would be in force.

61. Accordingly, the Commission proceeded to consider the award of the licence on the basis of the cash bids submitted by each applicant, which were as follows :

North-East Television : £5,010,000

Tyne Tees Television : £15,057,000

62. The Commission considered whether there were exceptional circumstances which made it appropriate for the Commission to award the licence to the applicant referred to in Minute 61 above

who had submitted the lower bid, and DECIDED that there were no such exceptional circumstances.

63. The Commission considered whether it was satisfied that Tyne Tees Television was a fit and proper person to hold the licence and DECIDED that it was so satisfied.

64. Accordingly the Commission RESOLVED, subject to the requirements of section 5(1)(b) of the Act, and to the operation of the Multiple Bidding Rules, to award the Regional Channel 3 Licence for North East England to Tyne Tees Television Limited. The award would be subject to conditions based upon paragraph 66 of the Regional Invitation to Apply and satisfactory completion of a Declaration by the applicant in a form to be specified by the Commission.

North-West England - ITC Papers 169 and 170(91) and ITC Information Paper 91(91)

65. The Commission considered the two applications received for this licence, namely those of [REDACTED], and North-West Television Limited.

66. After discussion, the Commission DECIDED that

- (i) in respect of the application from [REDACTED] [REDACTED] it appeared that the applicant's proposed service would comply with the requirements specified in section 16(2) of the Act and that the applicant would be able to maintain that service throughout the period for which the licence would be in force;
- (ii) in respect of the application from North-West Television it did not appear that the applicant's proposed service would comply with the requirements specified in section 16(2)(b), (c) and (f) of the Act.

67. The Commission NOTED that the cash bid submitted by [REDACTED] [REDACTED]

68. The Commission considered whether it was satisfied that [REDACTED] was a fit and proper person to hold the licence and DECIDED that it was so satisfied.

69. Accordingly, the Commission RESOLVED, subject to the requirements of section 5(1)(b) of the Act, and to the operation of the Multiple Bidding Rules, to award the Regional Channel 3 Licence for North-West England to [REDACTED]. The award would be subject to conditions based upon paragraph 66 of the Regional Invitation to Apply and satisfactory completion of a Declaration by the applicant in a form to be specified by the Commission.

Northern Ireland - ITC Papers 171-173(91) and ITC Information Paper 82(91)

70. The Commission gave further consideration to the three applications received for this licence, namely those of Lagan Television Limited, TVNi Limited, and [REDACTED]. In considering the applications, and the question of whether each applicant would be able to maintain its proposed service throughout the period for which the licence would be in force, the Commission had in mind that, as NOTED at its Eighth Meeting (Minute 14 of ITC Minutes 8(91)), the licence area was one which was expected to be at the margin of economic viability, and that the licence holder would not benefit from the amount of Channel 4 advertising revenue currently received by the ITV programme contractor for the area.

71. The Commission AGREED with [REDACTED] that, although firmly based in the region, the Board members of Lagan Television were not so clearly representative of the region as was stated in paragraph 22 of ITC Paper 171(91).

72. After discussion, the Commission DECIDED that:

- (i) in respect of the application from [REDACTED] it appeared that the applicant's proposed service would comply with the requirements specified in section 16(2) of the Act and that the applicant would be able to maintain that service throughout the period for which the licence would be in force;
- (ii) in respect of the application from TVNi it appeared that the applicant's proposed service would comply with the requirements specified in section 16(2) of the Act, but it did not appear that the applicant would be able to maintain that service throughout the period for which the licence would be in force;
- (iii) in respect of the application from Lagan Television it did not appear that the applicant's proposed service would comply with the requirements specified in section 16(2)(b), (c) and (f) of the Act, or that the applicant would be able to maintain that service throughout the period for which the licence would be in force.

73. The Commission NOTED that the cash bid submitted by [REDACTED]

74. The Commission considered whether it was satisfied that [REDACTED] was a fit and proper person to hold the licence and DECIDED that it was so satisfied.

75. Accordingly, the Commission RESOLVED, subject to the requirements of section 5(1)(b) of the Act, and to the operation of the Multiple Bidding Rules, to award the Regional Channel 3 Licence for Northern Ireland to [REDACTED]. The award

would be subject to conditions based upon paragraph 66 of the Regional Invitation to Apply and satisfactory completion of a Declaration by the applicant in a form to be specified by the Commission.

South and South-East England - ITC Papers 174-177 and 197(91) and ITC Information Paper 94(91)

76. The Commission considered the four applications received for this licence, namely those of [REDACTED] CPV-TV Ltd (South of England Television), [REDACTED] Limited, and TVS Television Limited.

77. After discussion, the Commission DECIDED that:

- (i) in respect of the applications from [REDACTED] it appeared that each applicant's proposed service would comply with the requirements specified in section 16(2) of the Act and that each applicant would be able to maintain his proposed service throughout the period for which the licence would be in force;
- (ii) in respect of the application from CPV-TV (South of England Television) it did not appear that the applicant's proposed service would comply with the requirements specified in section 16(2)(b), (c) and (f) of the Act;
- (iii) in respect of the application from TVS Television it appeared that the applicant's proposed service would comply with the requirements specified in section 16(2), but it did not appear that the applicant would be able to maintain that service throughout the period for which the licence would be in force.

78. Accordingly, the Commission proceeded to consider the award of the licence on the basis of the cash bids submitted by each of the applicants referred to in Minute 77(i) above, which were as follows :

[REDACTED]  
[REDACTED]

79. The Commission considered whether there were exceptional circumstances which made it appropriate for the Commission to award the licence to the applicant referred to in Minute 78 above who had submitted the lower bid, and DECIDED that there were no such exceptional circumstances. In its consideration of ITC Paper 197(91) the Commission NOTED that the words "the quality of" should be added after "consider that" in the eighth line of paragraph 3 of that Paper.

80. The Commission considered whether it was satisfied that [REDACTED] was a fit and proper person to hold the Licence and DECIDED that it was so satisfied.

81. Accordingly, the Commission RESOLVED, subject to the requirements of section 5(1)(b) of the Act, and to the operation of the Multiple Bidding Rules, to award the Regional Channel 3 Licence for South and South-East England to [REDACTED] Limited. The award would be subject to conditions based upon paragraph 66 of the Regional Invitation to Apply and satisfactory completion of a Declaration by the applicant in a form to be specified by the Commission.

South-West England - ITC Papers 178-180(91) and Addendum to Paper 180(91), and ITC Information Paper 89(91)

82. The Commission considered the three applications received for this licence, namely those of [REDACTED] and [REDACTED]

83. The Commission considered the correspondence with Mr Stephen Redfarn, of [REDACTED] which had been circulated as an Addendum to ITC Paper 180(91) and AGREED that the assurances that had been received about the availability and commitment of the person appointed as managing director appeared to be satisfactory. [REDACTED] reported on a recent letter received from [REDACTED] giving information about the grant of planning permission by [REDACTED] for proposed premises; [REDACTED] reported on a further letter from [REDACTED] reporting an increase to [REDACTED]. Neither had led staff to change the recommendations in the relevant assessment paper.

84. After discussion, the Commission DECIDED that:

- (i) in respect of the application from [REDACTED] it appeared that the applicant's proposed service would comply with the requirements specified in section 16(2) of the Act and that the applicant would be able to maintain that service throughout the period for which the licence would be in force;
- (ii) in respect of the application from TSW it appeared that the applicant's proposed service would comply with the requirements specified in section 16(2) of the Act, but it did not appear that the applicant would be able to maintain that service throughout the period for which the licence would be in force;
- (iii) in respect of the application from [REDACTED] it did not appear that the applicant's proposed service would comply with the requirements specified in section 16(2)(b) and (c) or that the applicant would be able to maintain that service throughout the period for which the licence would be in force.

85. The Commission NOTED that the cash bid submitted by [REDACTED]

86. The Commission considered whether it was satisfied that [REDACTED] was a fit and proper person to hold the licence and DECIDED that it was so satisfied.

87. Accordingly, the Commission RESOLVED, subject to the requirements of section 5(1)(b) of the Act, and to the operation of the Multiple Bidding Rules, to award the Regional Channel 3 Licence for South-West England to [REDACTED]. The award would be subject to conditions based upon paragraph 66 of the Regional Invitation to Apply and satisfactory completion of a Declaration by the applicant in a form to be specified by the Commission.

Wales and the West of England - ITC Papers 181-184 and ITC Information Paper 85(91)

88. The Commission considered the four applications received for this licence, namely those of C3W Ltd, Channel 3 Wales and the West Ltd, [REDACTED] and [REDACTED]. In considering the applications, the Commission NOTED that the dual region to be served presented particular difficulties as regards the appropriate balance between the provision of a service for Wales and the provision of a service for the West of England.

89. In respect of the application from C3WW, the Commission NOTED that the words "we are not wholly convinced" in the second sentence of paragraph 43 of ITC Paper 182(91) should be replaced by the words "we do not believe": the Commission did not need to be wholly convinced that the proposed service could be maintained. NOTED also that in paragraph 1 of ITC Paper 184(91) on [REDACTED]

90. After discussion, the Commission DECIDED that :

- (i) in respect of the application from [REDACTED] it appeared that the applicant's proposed service would comply with the requirements specified in section 16(2) of the Act and that the applicant would be able to maintain that service throughout the period for which the licence would be in force;
- (ii) in respect of the application from C3W it appeared that, in spite of the possible lack of detailed knowledge of the West of England among key post holders (as staff had noted in paragraph 17 of ITC Paper 181(91)), the applicant's proposed service would comply with the requirements specified in section 16(2) of the Act, but it did not appear that the applicant would be able to maintain that service throughout the period for which the licence would be in force;

- (iii) in respect of the application from C3WW it did not appear that the applicant's proposed service would comply with the requirements specified in section 16(2)(a), (b), (c) and (f) of the Act, or that the applicant would be able to maintain that service throughout the period for which the licence would be in force;
- (iv) in respect of the application from Merlin Television it did not appear that the applicant's proposed service would comply with the requirements specified in section 16(2)(b), (c) and (f) of the Act, or that the applicant would be able to maintain that service throughout the period for which the licence would be in force.

91. The Commission NOTED that the cash bid submitted by [REDACTED]

92. The Commission considered whether it was satisfied that [REDACTED] was a fit and proper person to hold the licence and DECIDED that it was so satisfied.

93. Accordingly, the Commission RESOLVED, subject to the requirements of section 5(1)(b) of the Act, and to the operation of the Multiple Bidding Rules, to award the Regional Channel 3 Licence for Wales and the West of England to [REDACTED]. The award would be subject to conditions based upon paragraph 66 of the Regional Invitation to Apply and satisfactory completion of a Declaration by the applicant in a form to be specified by the Commission.

Yorkshire - ITC Papers 185-187 and 198(91) and ITC Information Paper 95(91)

94. The Commission considered the three applications received for this licence, namely those of Viking Television Limited, White Rose Television Limited, and [REDACTED]

95. The Commission considered whether the additional information about funding which had been supplied by White Rose, as described in paragraphs 30 and 34 of ITC Paper 186(91), was admissible. The Commission noted that the total sum of £30.4m that it was proposed should be available to White Rose was unchanged, and CONCLUDED that the information constituted a clarification of the applicant's funding proposals and that there would be no unfairness to other applicants if it was accepted. Members indicated that they did not necessarily agree with all the points contained in paragraph 34 of ITC Paper 186(91), including the statement in the sixth sentence of the paragraph that it had appeared from the original application that White Rose would have inadequate resources, but AGREED with the conclusion in the Paper that the additional information was admissible.

96. After discussion, the Commission DECIDED that

- (i) in respect of the applications from White Rose Television and [REDACTED] it appeared that each applicant's proposed service would comply with the requirements specified in section 16(2) of the Act and that each applicant would be able to maintain his proposed service throughout the period for which the licence would be in force;
- (ii) in respect of the application from Viking it did not appear that the applicant's proposed service would comply with the requirements specified in section 16(2)(b), (c), (d) and (f) of the Act, or that the applicant would be able to maintain that service throughout the period for which the licence would be in force.

97. Accordingly, the Commission proceeded to consider the award of the licence on the basis of the cash bids submitted by each of the applicants referred to in Minute 96(i) above, which were as follows:

White Rose Television : £17,403,000

[REDACTED]

98. The Commission considered whether there were exceptional circumstances which made it appropriate for the Commission to award the licence to the applicant referred to in Minute 97 above who had submitted the lower cash bid, and DECIDED that there were no such exceptional circumstances.

99. The Commission considered whether it was satisfied that [REDACTED] was a fit and proper person to hold the licence and DECIDED that it was so satisfied.

100. Accordingly, the Commission RESOLVED, subject to the requirements of section 5(1)(b) of the Act, and to the operation of the Multiple Bidding Rules, to award the Regional Channel 3 Licence for Yorkshire to [REDACTED]. The award would be subject to conditions based upon paragraph 66 of the Regional Invitation to Apply and satisfactory completion of a Declaration by the applicant in a form to be specified by the Commission.

**London Weekday: renewed consideration - ITC Paper 195(91)**

101. The Commission returned to its consideration of whether there were exceptional circumstances which made it appropriate for the Commission to award the London Weekday licence to the applicant referred to in Minute 46 who had submitted the lower bid. The Commission DECIDED that there were no such exceptional circumstances.



102. The Commission considered whether it was satisfied that [REDACTED] was a fit and proper person to hold the licence and DECIDED that it was so satisfied.

103. Accordingly, the Commission RESOLVED, subject to the requirements of section 5(1)(b) of the Act, and to the operation of the Multiple Bidding Rules, to award the Regional Channel 3 Licence for London Weekday to [REDACTED]. The award would be subject to conditions based upon paragraph 66 of the Regional Invitation to Apply and satisfactory completion of a Declaration by the applicant in a form to be specified by the Commission.

National Breakfast-time Licence - ITC Papers 188-190, 199 and 200(91) and ITC Information Paper 84(91)

104. The Commission considered the three applications received for this licence, namely those of Daybreak Television Limited, [REDACTED] and TV-am plc.

105. After discussion, the Commission DECIDED that in respect of each of the three applicants it appeared that the applicant's proposed service would comply with the requirements specified in section 16(2) of the Act and that the applicant would be able to maintain his proposed service throughout the period for which the Licence would be in force.

106. Accordingly, the Commission proceeded to consider the award of the licence on the basis of the cash bids submitted by each of the applicants, which were as follows :

Daybreak Television : £33,261,000

[REDACTED]  
TV-am plc : £14,125,000

107. The Commission considered whether there were exceptional circumstances which made it appropriate for the Commission to award the licence to either of the applicants referred to in Minute 106 above who had not submitted the highest bid, and DECIDED that there were no such exceptional circumstances.

108. The Commission considered whether it was satisfied that [REDACTED] was a fit and proper person to hold the licence and DECIDED that it was so satisfied.

109. Accordingly, the Commission RESOLVED, subject to the requirements of section 5(1)(b) of the Act, and to the operation of the Multiple Bidding Rules, to award the National Breakfast-time Licence to [REDACTED]. The award would be subject to conditions based upon paragraph 58 of the National Invitation to Apply and satisfactory completion of a Declaration

by the applicant in a form to be specified by the Commission.

**Channel 3 Licence Awards: Final Decisions**

110. The Commission NOTED that the award of the 15 Regional Channel 3 Licences and the National Breakfast-time Licence in accordance with the resolutions recorded in Minutes 22 to 109 above did not bring into operation the Multiple Bidding Rules.

111. The Commission NOTED also that the awards which it had resolved to make did not appear to result in any breach of the requirements imposed by or under Parts III to V of Schedule 2 to the Act, but DECIDED that the subsequent grant of each of the licences should be conditional upon compliance with those requirements by or in relation to the person to whom the licence has been awarded.

**Letters to successful and unsuccessful applicants - ITC Paper 204(91)**

112. The Commission considered the draft letters attached as Annexes to the Papers, and DECIDED that recognition of disappointment should be deleted from the letter to unsuccessful applicants, and that expressions of good wishes should be deleted from the letter to successful applicants. The drafts were otherwise APPROVED, subject to such amendments as the Chairman might approve.

**Announcement of the Channel 3 licence awards: further progress - ITC Paper 201(91)**

113. In discussion of the Paper it was AGREED that the cash bids of those unsuccessful applicants that had given their consent for publication should be disclosed at the time of the announcement. It was NOTED that, of the unsuccessful applicants, only Daybreak Television and [REDACTED] had declined to give consent. The Secretary then tabled ITC Paper 145(91) which contained for Members' information a list of all cash bids. A copy of the list is attached to these Minutes. [Secretary's note: the cash bid of [REDACTED]

114. The recommendations in paragraphs 3(d)-(i) of the Paper were AGREED, and it was AGREED that the announcement of the awards should be on the morning of 16 October. The press conference should be held at 10.00 am, and the applicant companies should be informed of the decision by fax shortly before the time of the press conference. The arrangements proposed in paragraphs 3(a)-(c) of the Paper were NOTED and endorsed.

Draft of the Chairman's statement about the awards - ITC Paper 202(91)

115. It was NOTED that there was no statutory obligation on the Commission to announce the names of those applicants that had failed to satisfy the requirements of section 16(1)(b) of the Act, and it was AGREED to do so only in the three instances in which a highest bidder had failed to meet the requirements of section 16(1)(b), where the failure would be apparent following the disclosure of the cash bids.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Minutes of the Tenth Meeting of the Commission held on Thursday

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Aftermath of the Channel 3 awards

3. [REDACTED] summarised the immediate press reaction to the announcement of the Channel 3 licence awards.

4. The Chairman stressed that continuing care would be required over what was said to unsuccessful applicants. He would himself be consulting the Commission's legal advisers about the appropriate response to requests for meetings or for explanation of the Commission's decisions. It would be inevitable that, in the normal run of events, Members and staff would meet individual members of unsuccessful applicant groups. It was important that, whatever understanding might be expressed of their disappointment, no regret or apology was expressed for the Commission's decisions. Those who persisted in questioning the basis of the decisions could be invited to write to the Chairman or to the Secretary.

Preparation and issuing of Channel 3 licences - ITC Paper 215(91)

5. [REDACTED] introduced the Paper. It was NOTED that, rather than restating applicants' programme proposals, the Annex to each licence would refer to the licensee's original application document. NOTED also that the contents of the Annex were not negotiable, and that it should be made clear to applicants that they were being asked only for comment on points of detail.

6. After discussion the recommendations in the paper were AGREED. It was AGREED also that powers should be delegated to the Chairman, in consultation with other Members as necessary, to take decisions on matters concerning the licences which needed to be dealt with before the next ITC Meeting on 21 November.