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Mr Cecillo Madero Villarejo
Director
European Commission
Directorate General for Competition
Rue Joseph II 70
Brussels

8 May 2009

Dear Mr Madero-Villarejo,

**DRAFT COMMUNICATION FROM THE COMMISSION ON THE APPLICATION OF
STATE AID RULES TO PUBLIC SERVICE BROADCASTING**

My Authorities have asked me to thank you for the opportunity to comment on the above draft Communication and for holding a further multi-lateral meeting on 5 May.

My Authorities very much welcome this draft text, which takes a pragmatic and flexible approach and has made a real effort to address the concerns expressed at the December multi-lateral meeting and in the wider consultation.

My Authorities appreciated the Commission's helpful clarification of their concerns at the multi-lateral meeting. Taking these in the order in which they appear in the text, they are reassured that the final sentence in paragraph 48 in no way undermines or over-rides a Member State's appreciation of public value. This is important because a Public Value Test is a key element in the BBC Trust's approach when considering a new service.

They were also grateful for your reassurance that the financial review period could be longer than the four years specified in the text. Whilst my Authorities very much agree that there should be a regular financial reviews, as they have already explained the BBC currently has a five year review period. This has been designed to ensure that financing is agreed over two Parliaments and thus help safeguard its political independence. This flexibility in the four-year period is therefore of great importance to my Authorities.

In conclusion my Authorities repeat their support for the text and hope that it can be finalised as soon as possible.



Yours sincerely,

Rebecca Ireland

Antony Manchester

P.P

First Secretary, Competition Policy and Company Law