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26 June 2020

Dear Sam,
OneWeb

Thank you for your letter dated 26 June 2020, relating to the proposed purchase of OneWeb. I have considered the content of your letter.

I have taken advice from HMT, BEIS, UKSA and Cabinet Office officials. I have been informed that even with substantial haircuts to OneWeb's base case financial projections the investment would have a positive return.

We also agree that OneWeb, a UK-based company, represents an opportunity for UK interests globally. As you say, it would be the first mega-constellation operator, if it succeeds, and would have the potential to connect millions of people, in particular those in remote, rural locations without broadband access. There are also broader potential benefits that could be realised beyond global broadband. If OneWeb is successful, the UK would have a share in a global space platform, including through possible future research and development, and potentially bringing future manufacturing to the UK. There could be wider, less quantifiable benefits of signalling UK ambition and influence on the global stage.

The fact that any investment would also be alongside other private commercial investors as part of a wider consortium, and as you say, one large and trusted investor already on board, indicates a rational commercial case for investing.

The Chancellor and his officials have given me approval to proceed and I am prepared to provide support for the proposed purchase of OneWeb. I am therefore formally directing you as Accounting Officer to take this forward with immediate effect.

I note that your letter and this reply will be published in due course, when a deal has been concluded.

I am copying this letter to the Comptroller and Auditor General and the Treasury Officer of Accounts.

Kwid *regard,*

THE RT HON ALOK SHARMA MP
Secretary of State for Business, Energy & Industrial Strategy