

# **Summary of responses to the consultation seeking views on the undertakings offered by News Corporation 3 March – 21 March 2011**

We received submissions from a range of stakeholders.

## **1. Commercial and professional organisations**

- BT
- Slaughter and May on behalf of BT, Guardian Media Group, Associated Newspapers Limited, Trinity Mirror Plc, Northcliffe Media and Telegraph Media Group
- Virgin Media
- Trinity Mirror PLC
- DTT Multiplex Operators Limited

## **2. Lobbying groups**

- DLA Piper on behalf of Avaaz

## **3. Academic and industry observers**

- Steve Barnett
- Bournemouth Media School, Bournemouth University
- Communications and Media Research Institute (CAMRI)
- Jewish Funds for Justice
- Media Matters for America
- UK Coalition for Cultural Diversity
- Campaign for Press and Broadcasting Freedom

## **4. Unions**

- TUC
- BECTU
- National Union of Journalists, Parliamentary Group
- National Union of Journalists

## **5. Direct submissions from individuals and MPs**

## **6. Over 40,000 individuals** via an online campaign organised by Avaaz

### Analysis of Responses

#### 1. Responses from commercial and professional organisations

BT – (redacted version)

- BT expressed concern that News Corp has full control of Sky News for 9 month interim period when it can influence Sky News' future agenda. 3 months normally considered the maximum acceptable period. UILs will not prevent News Corp interfering in Sky News during this time, nor prevent the sharing of confidential information between News Corp and Sky News.
- BT considers that the UILs pave the way for News Corp to make a full bid for Sky News in 10 years' time. The impending expiry of the carriage agreement between BSkyB and Sky News that underpins viability of Newco will make it less attractive to competing bidders. The acquisition of further shares by News Corp in 10 years may not trigger a control review.
- **Not independently viable:** the UILs do not ensure the Newco is independently viable in terms of voting rights, directorships, the web of contracts between News Corp/BSkyB and Sky News and the insufficiency of independent contracts for Sky News.
- **Voting rights may be used by News Corp to undermine the UILs:** BT argues that as News Corp through BSkyB is likely to have a majority of voting rights at general meetings of Newco, it will enable BSkyB to block important resolutions. This could give News Corp control over an important source of funding for Newco and a share issue may be blocked by BSkyB.
- Newco will have no independent way of raising money and all Newco's revenue streams will have to come from third party contracts. BT says that third party contracts are a fragile basis for funding particularly when the principal contract Newco relies on is the carriage agreement. The UILs should ensure that Newco's borrowing powers are enshrined in the Articles.
- **The independence of the board is not guaranteed** since only one independent director has to have senior editorial/journalistic experience, this may result in a majority of industry experts on Sky News Board being BSkyB appointees. The single expert independent director will be the lynchpin for guaranteeing the board's independence and the UILs do not provide enough support; no fellow independent expert board members, no requirement that they should be present at meetings, no provision to cover for any long term absence.
- BT said independent non-experts may not have the experience required to probe some of the more complex board proposals.
- **Contracts can be used to frustrate the undertakings:** All of Newco's contracts will be with BSkyB and that this will give News Corp multiple opportunities to use BSkyB's contractual rights to frustrate the UILs. BT referred to a number of points as examples which are set out below:
  - The 10 year carriage agreement is not long enough to secure Newco's independence.
  - BT was concerned that the Brand Licensing Agreement might be used as a control mechanism by News Corp; the example given was an

obligation not to denigrate the brand could be used to control Newco's activities.

- BT thought that it was not satisfactory that the Carriage Agreement should end once the Brand Licensing Agreement ceases as they believe this prevents Newco from ending the Brand Licensing Agreement after the initial 7 year term in readiness for the Carriage Agreement elapsing.
- BT said that B Sky B and Newco being required to share premises and facilities for 15 years is all to B Sky B's advantage as it will bring huge scope for fertilisation and influence. BT said that the UILs should ensure that News Corp provides Newco with the financial means to be physically separate.
- BT say that the UILs should require advertising to be handled by a third party albeit funded by B Sky B, as B Sky B may otherwise try to secure terms that advantage News Corp or B Sky B instead of securing the most attractive financial deal for Sky News.
- **News Corp can reacquire Newco after 10 years:** BT states that the impending expiry of the carriage agreement between B Sky B and Sky News will make Newco less attractive to other bidders, leaving the field open for News Corp. BT's concern is that a bid for Newco would not necessarily trigger the merger control provisions of the Enterprise Act as: gross assets may be below the £70 million threshold and may not increase a share of supply of 25% or more.
- BT believes that the Audit Committees powers are too vague to be effective. The corporate governance and editorial committee's powers are central to the UILs and are insufficiently defined. The UILs should set out Newco's obligations in greater detail including a requirement for breaches to be reported to the Editorial Committee and then reported to OFT or Ofcom who should be given formal responsibility for supervision of the operation of the UILs. UILs should require the head of Sky News to make representations to the Editorial committee on compliance with the principle of editorial independence.
- BT also state that there should be a requirement in the UILs for News Corp and B Sky B not to discriminate against Newco in their commercial deals, and to grant Newco no less favourable terms than a third party.
- BT in conclusion consider that the UILs pave the way for News Corp to make full bid for Sky News in 10 years' time and that the proposal should be referred to the Competition Commission to unpick the complexities of the UIL and ensure future of media plurality.

#### **DTT Multiplex Operators Limited (DMOL) (redacted version)**

- DTT Multiplex operators limited noted that New Corporation have undertaken to use all reasonable endeavours to transfer or make available to Newco capacity for one standard definition channel until the expiry of Sky's existing agreement in respect of broadcast of Sky News and ensure that Newco is provided with an EPG slot which is no work than Sky News current slot on Sky Platform.
- DMOL then noted that Sky has refused to enter into a LCN (Logical Channel Numbers) agreement or have discussions with DMOL about them. DMOL are

concerned that News Corporation's endeavours regarding Newco EPG slot are limited to Sky Platform alone and no consideration has been given to the provision of the Newco EPG slot on DTT. DMOL feel that Newco will have a more favourable view and long term commitment to the DTT platform.

- DMOL suggested that Secretary of State makes an LCN agreement by Sky with DMOL for Sky News a requirement of the acquisition and the agreement allows Sky News to take advantage of the DMOL LCN policy.
- DMOL confirmed that if Newco do not sign a DMOL LCN Agreement or receive the benefit of such an agreement via Sky it risks losing security over its current LCN and continued engineering support from DMOL for service information related changes.

**Slaughter and May on behalf of BT, Guardian Media Group, Associated Newspapers Limited, Trinity Mirror Plc, Northcliffe Media and Telegraph Media Group– sent to Hugh Robertson MP and then forwarded.**

- A letter was sent on behalf of the alliance of media organisation setting out why they believe the proposed undertaking will be ineffective and not achieve their stated aim of protecting plurality in news media. It also set out arguments why the UILs should not be accepted and the matter referred to the Competition Commission.
- **The letter argued that Newco will be in a state of economic dependency vis a vis News Corporation** as will rely on News Corp for 85% of its revenue and for access to the market via digital satellite BSkyB platform. Newco will also be tied into the royalty bearing brand licensing agreement with News Corp for the Sky News and other associated brands. It is felt that this will provide a means for News Corp to exert influence.
- **The safeguards for editorial independence are weak and of the sort that News Corporation has previously been adept at undermining.** Only one of the independent directors of Newco will be required to have editorial or senior journalistic experience. The remedy relies on an unspecified principle of editorial independence and the safeguards for staff are too legalistic and written in employment terms. They require editorial staff to put themselves into dispute with employers in defence of editorial independence which is regarded as an extreme and risky step. The proposal for a subcommittee of main board of Newco to oversee this is a remedy precisely of the sort that has previously been undermined by the News Corporation.
- **Neither OFCOM or OFT regard this remedy as a sustainable solution.** The Alliance feel that OFCOM's and OFT's advice about the proposed remedy only being effective in the short to medium term does not amount to advice as to the appropriate duration of the remedy.
- **The proposed consultation is insufficient** The alliance do not regard it as practically possible to prepare review and anticipate the complex effects of the proposals in a two week consultation period especially as some of the key elements of the arrangements have not been made public.
- **The remedy puts too much power in the hands of the Culture Secretary rather than independent regulators.** The alliance mention that there are at least seven different ways in which the Culture Secretary can be required to approve or agree to behaviours governed by the undertakings, which make them incredibly susceptible to more or less implicit political interference in

future. The undertakings to protect independence would be extinguished should News Corporation acquire over 50% of Newco. It was mentioned that this would require the consent of and consultation by the Culture Secretary. There were concerns that if it were to fall into economic distress a bid by News Corporation to increase its stake in Newco to 'save Sky News and protect plurality' can readily be envisaged.

- **The law to protect plurality has failed and needs urgent strengthening**

The alliance agree with OFCOM that the current laws protecting plurality do not work well and urges a wider review with a view to creating a system that does not require a transaction to take place for issues of plurality to be examined by the regulator. They feel that the need for a review is intensified by the increase in market power that will be exerted by the merged News Corporation/BSkyB entity. They feel they will be in a position to restrict or distort competition through cross-promotion, bundling, banning rivals advertisements and distorting the advertising market with cross-platform deals.

**Virgin** (redacted)

**Trinity Mirror PLC** (also part of the Group of Media companies – but they submitted a separate submission)

- Trinity Mirror PLC (TM) believes that the proposed merger would have profound implications for their businesses, and also on plurality in the UK.
- They say Sky News's audience is boosted by being heavily promoted on other BSkyB channels. Under the new arrangements will Sky News be charged "rate card" for the time paid for advertising? If the time is to be given free or at a discount, Sky News becomes further beholden to BSkyB and therefore News Corporation and if it loses viewers it will become less viable.
- They doubt that Newco will have freely and publicly tradable shares.
- TM do not feel that the governance provisions in the remedy proposal can safeguard Sky News' editorial independence in circumstances where it is financially and commercially dependent on News Corporation.
- They mention that previous experience show that obligations of this type have not prevented News Corporation from influencing editorial policy.
- They also feel that you can rely on the independent directors to act as the guardians of editorial independence. They mention that the independent directors will have a legal obligation to promote the best commercial interest of Sky News, which equates to maintaining the financial support of News Corporation on which Sky news will be dependent.
- They feel that in reality there will be no independent external oversight of Sky News editorial policy.

## 2. Lobbying groups who responded

**DLA Piper** (submitted their response on behalf of Avaaz – the company responsible for the internet generated letters)

DLA Piper/Avaaz believe that the proposed acquisition should be referred to the Competition Commission on the grounds that for News Corp to have 100% ownership of BskyB in addition to 37% of the UK newspaper market gives one enterprise and one individual too much control of the media. Moreover the UILs are insufficient to prevent News Corp exercising a significant degree of control. Given that there has been a month of negotiations 'behind closed doors', 17 days for public consultation is insufficient to take account the significant public concerns expressed.

However, if the Secretary of State decides accept the UILs and not refer the proposed acquisition, the DLA Piper submission comments on ways in which the UILs must be strengthened:

- Media Plurality should be protected permanently and not just for 10 years.
- Completion of the acquisition should be delayed until after Sky News has been spun off.
- A Monitoring Trustee should be appointed to supervise the negotiations on the commercial contracts and spin off of Sky news.
- Newscorp to have limited voting rights to avoid it having *de facto* control over Sky News.
- Ensure that Sky News can become financially independent. The terms of commercial agreements should be improved including a requirement that they should be on fair and reasonable terms and terminable by Sky News.
- More active monitoring by strengthening the obligations regarding compliance and reporting on adherence to the UILs including financial penalties for breach given upfront.
- Impose a non-compete obligation on Newscorp so that it cannot circumvent the UIL and undermine Sky News.

### **Letter from Avaaz of 20 April**

This is Avaaz's record of a meeting with the Secretary of State on 15 April.)

- The Secretary of State is reported to have said that News Corp's 8th April admission of liability on phone hacking is not relevant to the BskyB deal.
- When the Secretary of State issued the European intervention notice on the takeover, he was unaware of relevant matters that now give rise to additional public interest considerations. This makes the original notice defective and invalid and obliges him to issue a fresh notice specifying all of the public interest considerations that now arise.
- The announcement on 8th April shows that News Corp is not a suitable guardian of our media standards, that its owners are not fit and proper people as set out in the 2003 Communications Act, and that they cannot be trusted to implement in good faith the letter or spirit of the undertakings they have proposed.
- The Secretary of State should delay announcement on the merger, and to issue a new European intervention notice expanding the scope to look at media standards and fit and proper persons owning our media. He should not take an inappropriately narrow interpretation of his powers, but rather to interpret them broadly so as to safeguard the public interest.

### 3. Responses from Academic and noted industry observers

#### **Patricia Holland, Senior Lecturer, Bournemouth Media School**

- It was stated that if the acquisition were to go ahead UILs will not guarantee the editorial or operational independence of Sky News as the new company will be partially controlled by News Corporation. The UILs also leave open the possibility after 10 years that Sky News may be fully owned by News Corp.
- The problem of market dominance and plurality of provision extends across the broadcasting genres, and is not confined to news.
- It was also noted that the strength and international reputation of UK broadcasting has been built on an ecology which balances provision from the publicly funded BBC with that from a range of different commercially funded companies. Pluralism in provision has meant vigorous competition for quality and audiences between the differently funded organisations and between the different commercial companies resulting in a breadth and diversity which benefits all parts of the viewing and listening audience.
- Ms Holland also referred to the media analyst Claire Enders who pointed out in her report of Sept 2010 that Sky is already bigger than the BBC in broadcasting revenues. Sky could grow to control 50% of the newspaper and television markets respectively. Consequences are cultural as well as financial and affect the broad range of programming especially the domestically produced programming.
- The issue of cultural consequences of having a dominance of a powerful internationally company need to be addressed but are outside the terms of reference of the Competition Commission.
- She concluded that the Secretary of State should refer the proposal to the Competition Commission and take into account the aspects which are not within the Competition Commission's remit.

#### **Campaign for Press and Broadcasting freedom (CPBF)**

CPBF do not believe undertakings address the concerns they expressed in original Ofcom submission and events since have highlighted the inadequacy of UK media ownership law and regulation.

- Argued to Ofcom that takeover would “represent a transformative shift in UK media ownership”
- Consultation fundamentally flawed because it excluded any competition aspects of the proposed merger and narrows discussion on the viability or otherwise of undertakings regarding Newco.
- Issue of Sky News, though important in terms of plurality of news, is marginal in terms of the overall impact the merger would have on UK media. From News Corps perspective the obligation to fund Sky News is a minor concession to gain full control of the profits B Sky B will generate in the future.
- Argues that the proposed merger raises both competition and media plurality issues which are inextricably linked and that EC ruling does not directly address the impact on the domestic UK media market and still allows UK to “take appropriate measures, including prohibiting proposed transactions to protect legitimate interests, such as the plurality of the media”.

- Argues that News Corp wants BSkyB for two reasons:
  - BSkyB has already invested heavily in its infrastructure – broadband and HD TV and profits are rising;
  - Merged organisation will be a multi-media emporium able to bundle and cross-promote its products. It would completely dominate UK media and is capable of damaging or destroying other media.
- No consideration of the future impact of the merger company on other UK media companies.
- Newco will not be a viable independent news business. Its economic dependency will make it vulnerable if News Corp exerts influence.
- The definition of independence and the safeguards for editorial independence in the UILs are weak.
- Concerned that monitoring compliance lies with Secretary of State rather than independent regulators. At least seven different ways in which the Secretary of State can be required to approve or agree to behaviours governed by the undertakings, which make them susceptible to more or less implicit political interference in the future.
- Some key elements of the arrangements have not been made public.
- Query whether the further test on the viability and robustness of the commitments advised by OFT has been possible during the consultation process.
- Bid has highlighted that the media ownership laws are unfit for purpose – need a wider review of the current laws on media plurality, establishment of a Media Commission and a proper definition of media plurality.

**Prof Steven Barnett, University of Westminster, Communications and Media Research Institute (CAMRI)**

- Prof Steven Barnett believes that the UILs are inadequate for 3 reasons (highlighted below) and that taken together should be sufficient reason for the Secretary of State to refer the matter to the Competition Commission.
- **Independent Board of Directors will not insulate Sky News from potential editorial influence from News Corporation.** On the two previous occasions when similar boards have been established to safeguard editorial independence within News Corporation the structure has failed; the Times Newspaper and the Wall Street Journal. The new company will be almost entirely financially dependent on News Corp who will also be presumably responsible for paying the bulk of the salaries of independent directors.
- **Ofcom's advice in relation to the UIL appears to be qualified and contingent on the detail of further negotiations with News Corporation.** How can an acquisition with profound repercussions for media diversity in Britain be acceptable when the main communications regulator has not yet been satisfied about the precise terms of UILs which are then to be determined behind closed doors.
- **Any undertakings will apply for 10 years only, after which News Corp will be able to take full control of Sky News.** Why has a time limit been imposed given the uncertainty over how media plurality and consumption will unfold? There is an assumption by Ofcom and government that the direction of travel is towards greater plurality, but this is contrary to empirical evidence.



- Prof Barnett also stated that the coalition parties are committed to better democratic practices allowing important decisions to be properly and publicly interrogated. However, this transaction is apparently to be permitted after nothing more than an exchange of letters between government, regulators and News Corp constrained by an extremely tight timetable. A reference to the Competition Commission would allow for proper detailed transparent and public scrutiny of the merger. The decision itself and the indecent haste in which the Secretary of State is seeking to impose it are affront to the principles of democratic accountability and transparency.
- He concludes that there is not sufficient knowledge of the detailed arrangements to know whether they are sustainable and there is no evidence that the media environment will be sufficiently benign after the proposed 10 year period to accommodate a full editorial takeover of Sky News by News Corp. Also that the manner in which the decision is being taken is undemocratic and contrary to the public interest and asks the matter to be referred to the Competition Commission.

### **Jewish Funds for Justice (JFJ)**

JFJ believe that the UIL's do not sufficiently mitigate or prevent the public interest concerns in relation to media plurality and fall short of protecting the UK public. They believe UIL's should be referred to Competition Commission for full investigation.

- JFJ stated that 'Newco' would not be adequately independent to protect media plurality.
- JFJ raised concerns about the content of some of News Corporation's TV broadcasts in the US and argue that it does not give reason to believe that News Corp will act in a way that protects the greater public interest in UK.
- JFJ do not believe the consultation was long enough to allow parties to fully investigate the UILs and that there are questions outstanding. Referral to the Competition Commission would be a way of investigating these, including, are the checks and enforcement clauses adequate to ensure that Murdoch will not exert editorial influence over 'Newco'? What will prevent Murdoch from increasing the profile of Fox News in the UK? Are the timescales adequate to protect the long-term media plurality?
- JFJ also raised the question of public interest protection. They feel the acquisition threatens media plurality, prospect of fair and balanced reporting and the partial independence granted to Sky News will not solve these. The submission cited Rupert Murdoch's tolerance of comments by Glenn Beck that they feel are anti-Semitic in nature as examples of this.
- JFJ believe the merger is counter to the public interest both on grounds of protecting media plurality and preventing dangerous rhetoric from receiving greater prominence on UK television.

### **Media Matters for America**

- Insufficient checks to ensure the undertakings are strictly adhered to and only valid for 10 years.
- Nothing in the proposals prevents News Corp from creating a news station totally under the aegis of BSkyB (and hence News Corps editorial control). This would be antithetical to the public interest and not enhance plurality.

- Refers to Murdoch's purchase of the Times and Dow Jones as precedent of promises of maintaining independence not kept.
- Assumes independence can be measured – editorial influence can be exerted in a number of immeasurable ways.
- UILs do not prevent News Corp from building the profile of Fox News in the UK and therefore a “Foxification” of news agenda leads to viewers being misinformed on key areas.

### **UK Coalition for Cultural Diversity**

- Concerned that the acquisition bid does not take account of the commitments to the AVMS Directive, which requires all television channels where practical to carry a majority of national/European content, excluding sport, current affairs, news and game shows. Also any concessions or measures should take account of the objectives of the UNESCO Convention on promotion and Protection of Diversity of Cultural Expressions, 2005.
- Believe that BSkyB has already used its purchasing power to get audiences away from national broadcasters i.e. Mad Men bought for £225,000 per programme compared with the BBC £65,000 and sports events. Argue that the inclusion of BSkyB within News Corp will increase this fiscal intimidation for market space to the detriment of diversity of expression in programming.
- The Secretary of State should demonstrate how the issues and compliance with the AVMS Directive or diversity of expression are taken into account in the negotiations with News Corp and the promise of a longer debate with media organisations and experts prior to a Green Paper to allow issues of public interest to be protected.

### **David Elstein**

- Believes the Ofcom report is flawed – the Secretary of State should not believe that there really is a plurality issue. Neither the Competition Commission nor a judicial review of the Ofcom report could conceivably sustain its methodology.
- Attached was a note he prepared in February detailing a series of errors and questionable judgments in the Ofcom report, whose combined effect is to enlarge the potential effect on media plurality.
- The figures given by Ofcom on the two key indicators reach and share from combining the businesses 51% and 24% are wrong and more plausible figures are 9% and 14%.
- The methodology is misguided and no reliance can be put on it.
- If Ofcom: seemingly does not know how to define reach in comparable terms as between different media; does not understand the significance or even the quantum of supposed consumption of news across different media; and chooses to ignore the detailed research about consumer behaviour it has commissioned; it is hard to have much confidence in its ability even to define the circumstances for non-transaction intervention.
- The government will have ample time to consider the wisdom of the Ofcom bid for extra powers in the run-up to a new Communications Act in 2015 and that the UILs offered by News Corp and are accepted by Ofcom and OFT will do as little damage as possible.

- The merger should not be referred to the Competition Commission and that the best outcome would be for the merger to proceed without restrictions.

#### **James Firth, Dalton Firth Limited**

- Concerned that the proposed merger will impact competition and plurality in the online news market and that this has not been fully assessed. It could lead to a closed market of news for BSkyB customers and challenges for other online newspapers.
- Concerns stem from the estimated 2.5 million broadband subscribers using BSkyB's internet service Sky Broadband. The proposed deal could put News Corporation in a position to give discounted, bundled or preferential access for Sky Broadband subscribers to its online news titles.
- This could adversely affect other publishers in the online news sector if News Corporation chose to promote News Corps online titles to Sky Broadband customers and in the sale of advertising slots which may have an adverse impact on competition in the market for advertising.
- The deal might restrict the plurality of news sources accessed by a bulk of Sky Broadband subscribers if News Corporation decided to promote its own online news content on its portal services.

#### **4. Unions**

##### **BECTU**

- BECTU do not accept that the competition issues have been satisfactorily dealt with.
- The sheer size and reach of the proposed merged company gives rise to clear concerns that it would be anti-competitive. These include: the merged company would be the largest private media company ever seen in the UK; an enlarged News Corp with an expected turnover of £9b within a few years would have almost double the revenue of the BBC. Its size and scale would dominate every other media organisation in the UK; the combined BSkyB/News Corp would reach across all significant media platforms.
- News Corp would have opportunities on a scale unavailable to any competitor to cross promote News Corp new titles and channels, to bundle news products with other media services, to develop integrated news products for convergent devices and media to win wholesale news contracts, to distort the advertising market with cross platform deals, to take a dominant position in competing for rights.
- The proposed new company operating Sky News would be independent, but it would be small and commercially dependent on News Corp/BSkyB for 85% of its revenue and 25% of its costs. News Corp would be its largest shareholder as well as sole funder, and there is no guaranteed mechanism for the new company to escape this position of dependence in the future.
- The measures to provide 'editorial independence' appear to be completely inadequate, especially given News Corp's previous record of promises of editorial independence and integrity at the time of earlier takeovers.
- Concern this is taking place whilst News Corp companies are subject to civil actions and police investigation concerning illegal phone hacking.

- Concerned about News Corp's commitment to editorial independence as they noted it was not willing to undertake that the chair should be independent.
- They note that following reports from Ofcom and OFT Secretary of State was minded to refer the issue to the Competition Commission, and question why News Corp were then allowed the privilege of series of private discussions with regulators without any public scrutiny leading to reluctant and unconvincing undertakings.
- BECTU in conclusion calls on the Secretary of State to refer the proposed merger to the Competition Commission rather than abjectly accepting this inadequate settlement. They also call on the Government to institute a broader review of the statutory framework governing the public interest in media pluralism.

### **National Union of Journalists**

- Believes the massive power of the planned Newscorp/BSkyB operation through financial and other resources which the merger would make available is inimical to the public interest.
- Financial power of merged Newscorp/BSkyB can only damage the sustainability of the other media groups which are an important factor in media plurality as well as strengthening any political or other causes which Newscorp/BSkyB or its proprietor chooses to support.
- Exclusion of competition aspects of the proposed merger means the overall effect on media and media plurality in the UK has been ignored.
- Merger would also allow opportunities for cross-promotion giving it an advantage over other media.
- Guarantees of editorial independence queried.
- Will not be a viable independent news business – using BskyB platforms to access viewers.
- Query whether the further test on the viability and robustness of the commitments advised by OFT have been possible during the consultation process.

### **National Union of Journalists Parliamentary Group**

- Concern that previous guarantees and assurances have been disregarded citing Murdoch's takeover of The Times and Sunday Times.

### **TUC**

- UIL's are inadequate.
- Does not believe that Newco will be a viable independent news business. Will be economically dependent on News Corp/BSkyB and vulnerable to influence.
- Guarantees of editorial independence inadequate as News Corp executives will be able to exert influence over Sky News.
- Previous guarantees over editorial independence broken.
- UIL's place great onus on the Secretary of State – seven ways in which he can be required to approve or agree to behaviours governed by the UILs. Has to be seen in the context where Newscorp is a major player in British political life.

## 5.a) Individual submissions

The Department for Culture, Media and Sport received over 40,000 direct submissions in response to the consultation. The majority opposed the proposed merger and requested that the proposal be referred to the Competition Commission. Issues raised include:

### **UILs – safeguards for independence**

- A large number of respondents were concerned that the UILs do not address the fundamental concerns and not all concerns raised by Ofcom have been addressed. It is felt that the UILs for independent board, appropriate skills, independent director, editorial independence, governance undertakings will not guarantee independence. There is concern that there is nothing in the agreement to reverse the situation of ownership of BSKyB should Sky News fail as an independent organisation.
- The UILs do not ensure the Board of Directors will be sufficiently independent because:
  - Former employees of News Corporation can be directors of the Board as long as they have not been employed by News Corporation within 5 years prior to appointment to the Board;
  - Anyone with material business relationship with News Corporation can be a director, only need to demonstrate that this relationship ceased three years before appointment to the Board.
  - Family members of News Corporation advisers, directors or senior employees can become directors, only need to demonstrate not close family members;
  - No provision to prevent friends of News Corporation advisers, directors or senior employees or any former politicians who have benefited from News Corporation directly or through their political parties from becoming directors.
- The Chairman should have no past involvement with News Corp and this should be added to the undertakings.
- The decision is fatally flawed because it will: severely undermine media pluralism, destroy competition, give Murdoch more antidemocratic, monopolistic media power, allow more offshore tax avoidance by News International, allow further anti-democratic, anti-cultural diversity and anticompetitive cross media ownership concentration, allow potential further illegal reporting on the News of the World Glen Mulcaire/Coulson model.
- Some raised concerns that under the terms of the UIL there is nothing to stop individual members of the Murdoch family being one or more of the independent directors of Sky News or Newco.
- There was concern that Ofcom has not given unqualified support to UILs and has stated that their effectiveness in addressing plurality concerns will depend on the detail of the arrangements. It was felt that if further negotiations take place behind closed doors how will the public to be satisfied that the regulator's concerns about the precise detail of the undertakings have been responded to.

- The matter of monitoring Sky News was raised by a number of respondents in particular who would conduct the daily monitoring to ensure no Murdoch interference and who will pay for it and the cost to the taxpayer.
- There were doubts that the proposed Corporate Governance and Editorial Committee could ensure compliance with the principles of the editorial independence and integrity when the existing regulatory framework 'The Press Complaints Commission' has shown itself incapable of controlling the excesses of the press. Especially as News Corp seem adept at circumventing regulation.

### **Media Plurality**

- The proposed acquisition would result in too much media control in the hands of one individual and this raises moral, ethical and political concerns and democratic health of the country. It would not just harm media plurality but harm the quality of output and amount of investment in UK talent. A belief that Murdoch already owns too much media in the UK.
- A number argued that the deal would undermine the diversity and quality of media and that there was a need to have a balanced, plural set of media both for entertainment and for news coverage.
- Films often have a political dimension and ownership by News Corporation may influence the nature of films shown. Documentaries that expose News Corporation's misconduct are likely not to be commissioned and sports programmes can be influenced by owners (Commentators).
- Media plurality is not just about the number of owners but the range of views represented in the media sector. Currently right-wing bias is in most areas of the news media. It was felt that genuine plurality cannot emerge without a multiplicity of media owners and editors who are truly independent of each other and who have roughly equal powers of influence
- Publishers in different media push their own agenda through their papers, radio and television programmes. The plurality of media ownership in the UK has in the past offered some protection and balance to free speech with the BBC as the gold standard for independent reporting.

### **10 year carriage contract and 7 year brand licensing**

- The undertakings for 10 year carriage contract and 7 year brand licensing will result in Mr Murdoch retaking control of Sky News sooner or later.
- There were suggestions that there is not a problem with the theory of the 10 year carriage and 7 year (plus 7) brand licensing agreement but there is a problem in the likely practice and News Internationals failure to keep to its agreement as history suggests that no matter what "agreement" is reached the reality is it will work to NI's benefit.

### **Referral to the Competition Commission**

- The proposal should be referred to the Competition Commission for impartial scrutiny, especially due to the significant political and economic implications of this highly significant and controversial media merger.
- Some commented that Jeremy Hunt's announcement against the Ofcom recommendation to refer the proposal to the Competition Commission and it

was arrogantly bypassing the process laid down in the UK by refusing to let the UK Competition Commission review this proposal.

- A few people have also requested that the matter be exposed to a public debate in Parliament.

### **Suggestions to strengthen UILs**

- There was a concern that there are omissions in the undertakings offered by News Corp; what happens in the event of a breach of the UILs by News Corp? There is nothing in the UILs that will prevent Rupert Murdoch buying Sky News at a later date.
- Suggested additional safeguards/undertakings including:
  - a quota for UK produced content for each of Sky's channels;
  - a cap on American imports;
  - a requirement to make expensive public service type programmes including high quality kids TV on free to air channels;
  - requiring BSkyB to take at least 80% of its news and current affairs programming from Sky News; and
  - the proposed local television licences; the addition of diversity and pluralism through online media;
- News Corp should be restricted to no more than 15% of the Sky News shares. The current proposal allowing News Corp to retain 39.1% of the hived-off Sky News undermines Sky News's proposed status as an independent news provider. News Corp would retain the power to block any strategic decisions that directors might refer to shareholders where consent of more than 75% of those voting required for approval.

### **Threat to democracy**

- It was argued that a media organisation which has 37 % of the newspaper market and 35% of the broadcasting market has, not only the monopolistic power to unduly influence the broadcasting market, but also the power to unduly influence politicians and government. This is detrimental to the UK Constitution and UK Parliamentary democracy.
- The proposed takeover of BSkyB would be the most serious threat to democracy in Britain since World War 2.
- Granting Murdoch control of BSkyB would trample our media ownership laws and threaten our democracy.

### **Comments in relation to past experiences**

- The proposal and process showed that we are relying too heavily on minimal regulation and a market economics based approach to policy.
- The proposed acquisition would result in the UK's media being similar to the Berlusconi's situation in Italy.
- There were a number of accusations that Sky has been detrimental to the broadcasting environment in the UK broadcast. For example, the high number of channels has diluted spending by advertisers, restricting access to high quality domestic content as you have to be a subscriber, and spreading football over several sports channels.

## **Comments relating to the Rupert Murdoch's/News Corp integrity**

- There were a number of concerns raised about Rupert Murdoch and News Corporations fitness to own so much media including:
  - dumbing down the Times, turning the Sun into a porn magazine which is available to Children;
  - appear to tolerate or encourage illegal activity;
  - News Corp and Murdoch pay no or little tax in the UK; and
  - the quality and type of programmes currently broadcast on Murdoch's channels often one-sided political prejudice;
- disagree strongly with the government over the BBC and Murdoch has influenced policy regarding license fees.
- A number of respondents asked the Government to stand up to Murdoch and not to allow him to run the country.

## **Comments on Secretary of State's integrity**

- Respondents made the point that the approval of the acquisition was favours being returned following Murdoch media's endorsement of the Conservative party at the general election.

## **Impact on BBC**

- The merger would leave News Corp the undisputed dominant player in the UK's media market and able to dictate terms to both suppliers and customers. The combined revenues of BSkyB and News Corp will be 2-3 times that of the BBC while BSkyB alone has turnover of more than BBC and ITV put together.
- Some raised concerns about the impact on British broadcasting, in particular News Corp removing programmes from the BBC, therefore taking viewers to Sky. This reference is in relation to Rupert Murdoch recently purchasing daughters company Shine TV which produces some BBC shows.
- A number of people mentioned the Government trying to destroy the BBC with funding cuts.

## **Competition concerns**

- Some respondents said that the EU does not have competence to deal with UK competition concerns. Also that the BSkyB primary market does not cross European borders.
- The massive dominance of one company should be a major concern to a coalition so committed to competition.

## **“Bundling” and “cross promotion” concerns**

- The merger would put News Corp in a strong position to offer cross promotion, cross subsidising, advertising sales packages that span print, online and TV and to bundle newspaper subscriptions with SkyTV/Sky Broadband subscriptions. Many believe that BSkyB revenues will be used to support News Corp's non profitable newspapers leading to a negative impact on other newspapers facing difficulties due to declining circulations.



- If the proposed merger goes ahead there is a possibility that online versions of News Corporations newspapers will be given exclusive access to multimedia content from BSkyB's TV channels that BSkyB owns the broadcast rights to.

### Other relevant comments

- That impartiality laws should apply to print newspapers and their online counterparts separating news from opinion columns.
- If the acquisition goes ahead then it would be one more British company to no longer be British.
- Trust this decision is successfully challenged in the courts.
- A number of people mentioned that they would like to review any business plans Sky may present for a standalone Sky News PLC. They feel that they could identify material financial questions currently unanswered and help in negotiating the appropriate amendments to the business plan with Sky.
- The numbers of actual people reached by News Corp compared with other media should be examined not just the provision of news.
- News Corp would be one of three providers of UK-wide news and current affairs on three of four platforms at the retail level but the only news and media provider present on all four platforms (TV, newspapers, on-line and radio).
- In terms of "news minutes" consumed, News Corp would consolidate its position as the second place provider behind the BBC.
- There were a number of questions raised by the respondents:
  - Who would appointment the new board and select the new chairman?
  - What will happen to the ownership of Sky News in the longer term?
  - Why should News Corp be able to have any shares at all in Sky News?
  - Who will make senior editorial appointments and for how long a so-called separation of one channel from a corporate parent be sustained?
  - Will the proposed Corporate Governance and Editorial Committee have jurisdiction over both Sky News and BSkyB?
  - Does governance require a compliance report to be published unrestricted and public annually?
  - What incentives/penalties/restraints are there to assure that Sky News remains a viable business and is not closed and a new business set up outside the realm of the Corporate Governance and Editorial Committee?
  - Is there a requirement for BSkyB to adhere to Ofcom's Broadcasting Code added and enshrined in the company's articles of association?
  - Who will conduct the daily monitoring of Sky News to ensure no Murdoch or News International interference and who will pay for this monitoring and at what cost to the taxpayer?
  - Is BSkyB prevented from setting up another news channel within BSkyB after takeover?
  - Is BSkyB prevented from showing any programme with a political element that could influence viewers on any political subject after takeover?
  - What extent will BSkyB be allowed to show fiction with a strong political bias which has been shown to influence views after takeover?

- What extent will employees of BSkyB after takeover be allowed to openly campaign on air for any one political party or political view or be allowed to openly recommend on air the assassination of people?
- Who will ensure that the employees of BSkyB do not hack into private emails or answer phone services as Murdoch's employees and agents have done already and what cost to the taxpayer?

**Individuals who were in favour of the acquisition made the following comments:**

- A few changed the Avaaz campaign letter to say it would not undermine media diversity and quality and feel our democracy will live with this takeover.
- As a Sky customer for years found coverage of news and current affairs to be of good quality, fair and unbiased.
- Some felt that Rupert Murdoch has done more to modernise the television service than ITV and BBC together. ITV and BBC have borrowed his on screen style his 15min 24 hour news turn around and Sky box
- There was disapproval at the start of the ITV network of companies, and reflects on the enormous influence it had on the BBC.

**MPs**

- A number of MPs have expressed views of constituents as part of the consultation, either by forwarding letters received or by noting points raised.

Points raised include:

**UILs – safeguards for independence**

- The safeguards for editorial independence are weak and the arrangements for Sky News will not be sufficient to prevent a media monopoly as Rupert Murdoch will be a large shareholder and able to influence decisions by putting people on the board of Newco.
- MPs do not feel reassured by the principle UILs which envisage a majority of independent directors and an independent chairman of the Board guaranteeing editorial independence at Sky News. Concern that despite this arrangement Rupert Murdoch will still wield significant influence over the agenda and philosophy of Sky News which will compromise the plurality of media and news control in the UK.
- There was concern that the definition of independence in the UILs relies on an unspecified principle of editorial independence. Potential that this would lead to editorial staff putting themselves into dispute with their employer in defence of editorial independence.
- The on-going management of the UILs puts too much power to the Secretary of State rather than independent regulators. Direct oversight by Government risks politicising the agreement.
- A number of questions were asked in relation to the proposed UILs including:
  - Who will appoint the Sky News Board and the proportion who will be Newscorp representatives or independent non-executive directors?
  - Who will be responsible for hiring and firing Sky News editorial staff?
  - Whether Sky News will be dependent on News Corp for finance?

- Who will monitor the independence of Sky News?
- Will the broadcasting news impartiality rules will remain in place?
- Whether other UK media organisations who opposed the acquisition have been consulted during the past month?
- Do you accept the following in relation to Newco?
  - It will be dependent on a contract with News Corporation for 85% of its revenues and 25% of its costs
  - It will be dependent on News Corporation to distribute its TV news output on the BSkyB network
  - It will only be viable long-term if NewsCorp are willing to renew the carriage agreement.
- How is the proposed remedy consistent with OFT's guidance that it is rare to accept even interim purchase/supply arrangements between merging partners and the divestment business given the requirements for a clear cut remedy in lieu of a competition commission reference?
- What steps are you taking to ensure that the 40% stake Mr Murdoch will have in Newco will not allow him to have an undue influence on decisions made by the Newco Board?
- What steps are you taking to ensure that if there are concerns Mr Murdoch is influencing the output of the channel these can be thoroughly investigated and dealt with?

### **Media Plurality**

- The safeguards are so weak that they will be rendered ineffective and that the takeover is a serious threat to media plurality.
- Some MPs have highlighted the point made by Ofcom about the inadequacy of the current laws protecting media plurality and call for a review of the laws protecting media plurality in order to improve and modernise the regulations.
- Concerns that the proposed acquisition of BSkyB might result in an over concentration of power over news media over 4 different media platforms, thus compromising media plurality.

### **Past experience**

- A lack of trust that News Corp will deliver what it promises. Previously News Corp has offered UILs in relation to acquisitions but has not lived up to these. There were references to broken promises in relation to the Times as well as its general attitude to the industry and media plurality.
- Questions were asked about whether any assessment has been undertaken of News Corp's approach to past UILs.

### **10 year carriage contract and 7 year brand licensing**

- Concern that the carriage agreement between News Corp and Newco, will provide financial stability, but will also leave Sky News in a state of economic dependency vis-a-vis News Corp and lacking control of its own affairs.
- The government needs to set out what will happen at the end of the 10 year period; i.e. what restrictions will be placed on the ability of News Corporation to regain control of Sky News as currently the UILs leave open the possibility;

where will the decision rest; will News Corporation or any of its newspapers be able to establish another 24 hour news channel within this period?

### **Referral to the Competition Commission**

- The matter should be referred to the Competition Commission for independent scrutiny.

### **Comments relating to Rupert Murdoch's/News Corp integrity**

- The Department should delay or extend the consultation period until the reopened criminal investigations by the Metropolitan Police into Murdoch's News of the World has been completed.

## **6. Campaign submissions**

### **a) Avaaz internet campaign**

*Avaaz is a global 'citizens' network with 7 million members worldwide (over 500,000 members in the UK). Avaaz's particular interest is in safeguarding democracy.*

The Department for Culture, Media and Sport received 38,465 responses which replicated the standard text proposed by Avaaz:

"I am deeply concerned that News Corporation's bid for full ownership of BSkyB would harm our democracy. I strongly urge you to reject it. The proposals that you are consulting on would undermine our media quality and diversity. The temporary safeguards you propose for News Corporation are weak and can easily be circumvented. News Corporation would still have strong control over Sky News through its shareholding, its financing and its control of satellite access. Rupert Murdoch has exploited his media power for political influence and opinion polls show that 9 out of 10 members of the public oppose his takeover of BSkyB. I object to the proposed deal and call on you to immediately refer it to the Competition Commission"

A significant number of these submissions contained different text in one form or another, with many raising further points and making additional comments including:

### **Government influence**

- The most common addition related to a perception that the decision not to refer the proposed acquisition to the Competition Commission was political, and a form of pay back for Murdoch's support of the Conservative Party at the last election. Blatant example of government being bought by big business.
- The Secretary of State appears biased in favour of the deal.
- Comments about the U-turn from the original "minded" to refer to private meetings and allowing time for Murdoch to negotiate the UIL's.
- Support democracy in Libya and elsewhere but allowing it to be stifled here.

- Government is simply taking the line of least resistance rather than trying to support and sustain the reputation of Britain and its cultural media.
- It is clear from the evidence of phone and email-hacking, the failure of the Metropolitan police to adequately investigate in a timely manner, and from the appointment of a former NoW editor as Cameron's press secretary, that the relationship between this government and Murdoch's empire is, at the very least, unhealthy; indeed morally and ethically corrupt.
- Belief that Rupert Murdoch wields too much power and has been able to determine elections in the past – jeopardising democracy. Murdoch has more influence on UK politics than millions of voters.

### **Comments relating to the Rupert Murdoch's/News Corp integrity**

- Is Rupert Murdoch not a fit person to own so much media.
- There is a conflict of interest as Mr Murdoch's son is chair of BSkyB
- A number of people referred to his Australian/American nationality.
- Many people included the following quote from Private Eye (1986): " You tell these bloody politicians whatever they want to hear, and once the deal is done you don't worry about it. They're not going to chase after you later if they suddenly decide what you said wasn't what they wanted to hear. "
- Seen as a threat to a cohesive multicultural nation, stifling diversity of reason and opinion.
- Many gave the example of Fox News in the US as an example of what we could expect to see more of. Shows he does not respect principle of impartiality in broadcast news and current affairs.
- Murdoch stake in TNT who might bid for Royal Mail.
- He is interested in media domination. News Corp is a rapaciously acquisitive organisation and does not have a good reputation for political neutrality and objectivity.
- He is a serial monopolist – reference to his stranglehold on sport and charges he makes to pubs for showing matches.
- Murdoch has had an appalling influence on UK politics and TV programmes.

### **Threat to democracy.**

- Concern about 1 person, with such strong views, controlling a large part of UK media. Murdoch's influence already evident; to increase it further is anti-democratic.
- Secretary of State should be acting as a guard and gate keeper to the free and fair operation of democracy in Britain.
- Corporate monopoly smothers democracy as effectively as state control.
- Murdoch has always opposed real democracy if it threatens his substantial interests, and manages to terrify governments, especially those who support socialist or liberal values.
- UK's great heritage is free speech and democracy. Both would be harmed.
- The merger would leave us with a media sector dominated by one family with only the BBC left to stem the tide. What's more, it isn't even a British influence which is coming to dominate our screens, as well as our papers. We have already seen much of our manufacturing sector allowed to fall under foreign ownership (& often closure) e.g. Cadbury, our utilities are dominantly owned

by the French and Germans, and even insurance lies largely in the hands of international groups,

- The efforts of civilians in the Arab world to address monopoly media and political control is admired by our politicians...and yet you are considering allowing the creation of an overly powerful media monopoly here in the UK.
- Influence the political climate to undermine political leaders and promote extremism in order to draw attention to his media outlets.
- Need objective, analytic, well researched information, accessible to all to enable people to make balanced decisions

### **Comments in relation to past experiences**

- News Corp in the past has broken undertakings in relation to previous acquisitions i.e. Dow; Times and Sunday Times.
- Recent example of BSkyB's acquisition of Virgin media's TV channels and closing them down within 3 months.
- Mention of supporting price rigging in the case of pub landlords having to pay BSkyB fees

### **Competition**

- BSkyB removed some competition by buying Living TV group from Virgin Media. It then closed Bravo and Virgin 1 as they competed with existing Sky channels.
- BSkyB/News Corp's earnings would multiply as packages bundle together monopolistic sports, TV archive and film rights, combining advertising and sales offers across newspapers, their websites and all digital platforms and make it impossible for competitors to enter the market.
- Should not support monopolies, but instead introduce real competition to big business.
- There are no alternative satellite TV operators in the UK, why should such a large company which is 100% dominant in the satellite TV sector be allowed to be taken over by a foreign company?
- Government should seek to increase the spread of media ownership by limiting how many titles and broadcasters any one company, individual, consortium or umbrella organisation can own
- Has already used buying power to outbid competitors for TV programmes which have won an audience on terrestrial TV- Mad Men, Lost – HBO back catalogue for Sky Atlantic. Can only get worse if Murdoch gets his way.

### **Media Plurality**

- News Corp share of global and UK media market is already having an adverse effect on plurality of views and on public discussion.
- Need for free and unbiased media. Lost diversity will not be regained. This has happened with the local press which is losing accountability.
- The power of the media should never be underestimated and it is absolutely vital that we maintain the integrity of the information our society consumes. Although system is not perfect, it does serve as an example to the world and helps maintain an intelligent free thinking, creative and tolerant society.

## **UILs – safeguards for independence**

- UILs should restrict NewsCorp from distorting competition through cross-promotion, bundling, banning rivals' advertisements and distorting the advertising market with cross platform deals.
- Note the UILs protect news output; however, News Corp would be able to broadcast their views via other programming.
- Nothing to stop BSkyB introducing a news channel to undermine Sky News.
- Murdoch family could buy shares in Sky News to increase 39.1% stake
- Despite the UILs, Murdoch would still be able to influence/control Sky News.
- A large number doubted Sky News would be financially viable as the majority of funding could come from News Corp.
- News Corp will find ways to undermine 10 year undertaking.

## **Comments relating to BBC**

- A number raised concern that the BBC funding is being cut, and limiting BBC's spending power all the quality/expensive and special events will be broadcast behind a paywall costing £240/year.
- Government insisted that BBC now has to pay for running fibre optic cables across country even though beneficiary would be subscription only services owned by Murdoch's company.
- Believe Murdoch strengthening will undermine BBC. Demonstrates Secretary of State/government hostility to BBC.
- Sky pressure on government to restrict BBC online services because they compete with the 'commercial' sector.

## **Other comments**

- A number of respondents referred to an ICM poll where: (sample size 2,500)
  - 63% said there should be an independent investigation before deciding whether to allow the deal to proceed
  - 84% said that a single organisation should not be allowed to control too much of the news media
  - 75% said it was important to have competing independent sources of news in the UK
  - 44% oppose the deal with a mere 5% in favour; opposition among Conservative voters was nearly as strong with 43% opposed and just 5% in favour
  - 53% of those who currently identify themselves as Lib Dem oppose the deal with just 4% in favour
- As a minimum today all media outlets should make the public aware that they are owned or controlled by a single person or entity where more than 20% of shares are not held by public. For example TV should broadcast regularly who they are owned by, and Newspapers set out on the front page.
- Draining the UK of important tax money because his organisation does not pay UK tax. This money should be re-injected into the UK economy.
- Few people indicated whether they were or had been BSkyB subscribers.

## **b) Media Matters campaign**

Media matters sent in a letter which had been signed by about 300 people in the UK. The letter argued that they were unconvinced that the UILs would satisfactorily remedy, mitigate or prevent the public interest concerns in relation to media plurality. In particular the following points were made:

- Although News Corp may have committed to the independence of Sky News from BSkyB there are not sufficient checks and balances to ensure that News Corp strictly adheres to the UILs.
- Concern that the UILs do not prevent Murdoch or News Corp from building the profile of Fox News in the UK. There is nothing to prevent Murdoch creating a new news channel along the lines of Fox News. It was felt that the UILs do not go far enough to prevent the 'Foxification' of the UK's news agenda.
- Requested more time be given to considering this matter further either by pursuing a full investigation by the Competition Commission which would allow for proper scrutiny and public protection. At the very least insist News Corp promise new UILs for consideration by UK public which address the issues above and truly protect the public interest concerns raised by Ofcom's report.



**In addition, a number of comments on how the process and consultation has handled were received:**

- **Length of consultation** Some respondents commented that the 18 day consultation was not long enough to test the UILs
- A number felt that sufficient time has not been spent in reaching the decision.
- A few were concerned had not published any information about how many people contacted the Government.
- **Question over capacity and expertise** of DCMS due to the haste which responsibility transferred.
- **Secret meetings** A number of people have referred to Jeremy Hunt, David Cameron having un-minuted meetings with James Murdoch from News Corporation and Prime Minister's lunch over Christmas with the CEO of News Corp and members of Murdoch family. Therefore proposed decision for non-referral is biased and partial.
- **Secretary of State position** A number of people are sceptical about the impartiality of Secretary of State in relation to the merger, and therefore not the right person to make the decision.
- It is felt that the Secretary of State has a **bias against the BBC** and allowing News Corp to acquire BSkyB is a way of further weakening the position of the BBC by allowing an already significant competitor to become even stronger.
- Should have run extensive opinion polls at the start of this matter (not the end) asking whether the British public had any wish to extend News Corp ownership of the media available to us.
- **OFT restrictions** A number of people have asked questions relating to OFT consultation including why they did not consult with third parties, did not have sufficient time to test the veracity of statements given by News Corp, regarding the UIL. Terms of reference given to the OfT restricted to 'practical and financial viability; why did they not test democratic balance of potential ownership and influence implied by the UIL?