



Department for
Digital, Culture,
Media & Sport

Ben Dean
Director – Sport, Gambling and
Ceremonials
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100 Parliament Street
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www.gov.uk/dcms

12 May 2021

Richard Masters
Chief Executive, Premier League

Dear Richard,

Premier League Broadcast Rights - Potential Exclusion Order

I refer to your recent letters to the Secretary of State for Business, Energy and Industrial Strategy (“the Business Secretary”) and to the Secretary of State for Digital, Culture, Media and Sport (“the Culture Secretary”) about broadcasting rights and an Exclusion Order under competition law.

The Government has been clear that football has the resources to support itself financially to deal with the consequences of the Covid-19 pandemic felt by football clubs and organisations across the English football pyramid. In response, you have asked the Business Secretary to exercise his statutory powers under paragraph 7 of Schedule 3 of the Competition Act 1998 to disapply competition law temporarily, via a so-called “Exclusion Order”, to allow the Premier League to renew its current UK broadcast rights contracts on their current terms for the next three-year cycle without conducting a tender process.

The Business Secretary and the Culture Secretary have both considered your request. The Business Secretary is currently minded to make the requested Exclusion Order in order to facilitate the Premier League fulfilling the funding commitments to the football pyramid as set out in your correspondence to DCMS of 18 March and 28 March 2021.

Before making a final decision, the Business Secretary and the Culture Secretary are inviting representations from interested or affected parties to be sent via email to plbroadcastingexclusionorder@dcms.gov.uk by 17.00 on Friday 28 May 2021.

Background

To remain consistent with past commitments to competition authorities and to avoid a potential breach of competition law, you (the Premier League) sell your domestic and international broadcasting rights through an open and transparent tender process at regular intervals and in a way that allows multiple competitors to acquire different packages of rights.

The Premier League would normally have re-tendered its domestic broadcast rights in early 2021 at the mid-point of the current three-year cycle and would have concluded sales by now. Instead, owing to the impact of Covid-19, you have requested that the Government make an Exclusion Order allowing it to renew its current domestic broadcast agreements for an additional three-year period starting 2022-23 without conducting the normal tender process.

The proposed Exclusion Order would allow an agreement for your current domestic broadcast packages to roll over on the same commercial and license terms to the existing rights holders.



This would entail live and non-live broadcasting agreements with Sky, BT, Amazon and the BBC. You have assured the Government that the current agreement holders are content with this approach.

If such an Exclusion Order is made, you have committed to:

- guaranteeing existing levels of financial support for the football pyramid for four years from 2021/22 to the end of the 2024/25 season. This includes solidarity payments, parachute payments, youth development funding and funding for grassroots football at existing levels, worth over £1.5 billion over the three-year rights cycle.
- maintaining this level of funding “*regardless of any fall in its broadcasting revenues for the next rights cycle in the rest of the world*” when they are re-tendered individually in the period through to 2022 (per paragraph 3.8 of your proposal of December 2020), and to increase the level of funding if its international broadcast rights exceed their current value; and
- providing a further minimum £100 million in solidarity and good causes funding over the same time period to 2024/25, in roughly equal shares, to the National League, women’s football, League One and Two clubs, grassroots football and cross-game initiatives.

Considerations

The Business Secretary and Culture Secretary have considered the impact of Covid on the English football pyramid and are minded to agree that the Government should act to enable the Premier League to provide financial stability to the pyramid. This would be to protect the domestic game following heavily disrupted seasons due to Covid, and would be for the following reasons:

- a) Football clubs are a central part of local communities across the country. They provide a focal point, but also huge social impact via outreach, wellbeing programmes and fundamentally economic value to local areas through jobs, income and tourism. There is therefore public policy value in preserving football clubs for their fans as consumers but also as local residents.
- b) There is inherent value in the football league pyramid. As our national game, football holds a unique cultural position, and the preservation of a meritocratic fair system through the football pyramid has a public policy benefit in its own right.
- c) There is public policy value in having a healthy football system. It is a source of international reputation, attracts fans globally and is a major source of exports for the United Kingdom. The strength of the Premier League is one of the UK’s soft power levers for the United Kingdom to attract investment so having a financially stable system enables that.

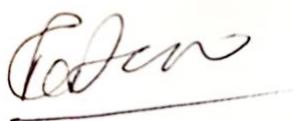
On advice from the Culture Secretary, the Business Secretary is satisfied that your funding commitments as set out above would provide financial stability for the English football pyramid. He is also satisfied that renewing the Premier League’s domestic broadcasting rights for a period of three years only will help to minimise any possible detrimental effects on the broadcasting market and consumers.

An Exclusion Order, if made, would only be a temporary measure in response to the pandemic. The Business Secretary notes the potential for new entrants into the market for sports broadcasting, which may present opportunities for new products and cost savings for consumers.

The Government is also in the process of a fan-led review of football governance, and you are undertaking a Strategic Review. Your proposal does not preclude those reviews from acting to change the distribution of broadcast revenue, but it provides certainty for the pyramid and a minimum level of funding to maintain stability to 2024/25.

On balance, the Business Secretary is minded to conclude that there are exceptional and compelling reasons of public policy to make the proposed Exclusion Order, but he and the Culture Secretary would like to consider any relevant representations from interested parties before a final decision is taken. Representations should be sent via email to plbroadcastingexclusionorder@dcms.gov.uk by **1700 on Friday 28 May 2021**.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Ben Dean', is written over a light yellow rectangular background. A thin horizontal line is drawn below the signature.

Ben Dean
Director, Sport, Gambling and Ceremonials