Completed Acquisition by Global Radio Holdings Ltd of GMG Radio Holdings Limited

Competition Commission Statement of Issues Dated 21 November 2012

I write in response to the invitation to comment on the above.

We are pleased that the CC, in its Statement of Issues, appears quickly to have grasped the fundamental points at stake. As the representative body of British Advertisers, we have three objectives in this matter, which we believe are also in consumers’ interests. In markets funded by advertising, advertisers stand proxy for consumers to ensure that advertising costs – an important cost component in many consumer goods and services – are kept in check through healthy and vibrant competition between media owners.

Our three objectives are:

1. to ensure that no market funded wholly or partly by advertisers (whether commercial television or radio, newspapers, magazines and other print media, cinema, outdoor display, or online) becomes so concentrated that one or more media owners are able to exert excessive market power over advertisers.

2. consistent with other ISBA inputs to regulatory authorities, to ensure that the emergence of a dominant party in one channel (such as Radio) does not set unwelcome precedents elsewhere (eg, television or newspapers).

3. to ensure that any dominant or highly concentrated position that might be allowed to arise is subject to suitable controls governing advertisers’ access to commercial spot advertising, sponsorship and promotional airtime and the pricing thereof.

With regard to the Statement’s para 30, therefore, we would reiterate the suggestion in our previous submissions to the Office of Fair Trading and Ofcom, namely that some form of behavioural merger remedy might be appropriate in this regard. Given our experience in the area, we have some suggestions as to how this might be implemented which we would be happy to discuss further as and when the CC might wish.
Finally, we note that the enquiry is being chaired by Simon Polito who, as a partner in Lovells, advised ITV plc during the CC inquiry into the merger of Granada and Carlton which led to the implementation of the Contract Rights Renewal pricing remedy in 2003. We also note the participation of Steven Oram, who we know from his previous work as Chief Executive of the Newspaper Publishers’ Association, the representative body of national newspapers.

Yours faithfully

[ISBA]