

21ST CENTURY FOX/SKY MERGER INQUIRY

Summary of non-substantive submissions to issues statement

Introduction

1. On 10 October 2017, the Competition and Markets Authority (CMA) published an issues statement to the proposed acquisition by 21st Century Fox, Inc (Fox) of Sky plc (Sky) for the shares that it does not already own (the Transaction). Fox proposes to increase its share ownership from approximately 39% to 100%.
2. The CMA received close to 12,400 submissions to the issues statement; those more substantive in nature were published on the [CMA website](#) on 7 November 2017. This note summarises the views expressed in the remaining submissions in regard to the public interest considerations relevant to this inquiry – media plurality in the UK and a genuine commitment to broadcasting standards. There were approximately twenty views expressed in relation to matters outside of the scope of the inquiry that have not been included in this summary. These included, for instance, views on exiting the European Union.
3. The majority of submissions received expressed views that were opposed to the Transaction. Of the 12,400 submissions, only 3 were in favour of the Transaction that expressed that Sky News was a credible news broadcaster, and highlighted that Ofcom, in its Public Interest Report at Phase 1, had found that there were no broadcasting standards concerns that may justify a reference by the Secretary of State to the Competition and Markets Authority.

Summary of views raised in non-substantive submissions

Media Plurality

4. The following views were expressed in relation to the media plurality consideration:
 - (a) that the deal would be bad for democracy because the Murdoch family already own The Times, The Sunday Times (, and The Sun. Full control would give them too much power;

- (b) that the Murdoch family would have even more influence over the news agenda than it does currently, after the Transaction. The submissions put forward that in their view, this had already been confirmed by Ofcom in its [Public Interest Report](#) at Phase 1;
- (c) that there was evidence to suggest that Rupert Murdoch had influenced editorial decisions before at The Times, The Sunday Times, The Sun and The Wall Street Journal;
- (d) that the Transaction would operate against the public interest because Sky was considered a trusted news provider, and any change in ownership and editorial influence would therefore have a significant impact on political debate in the UK;
- (e) that despite claims made that Sky was currently a less important news provider because more people use the internet for news sources, research showed that online news was still dominated by traditional providers like Sky and the BBC;
- (f) that Fox's control over Sky would enable it to harm the editorial neutrality of Sky, as the Murdoch family had previously influenced editorial decisions at The Times, The Sunday Times, The Sun and The Wall Street Journal;
- (g) that the last two years showed an insufficient level of media plurality, and that any merger that reduced media plurality from current levels would be unacceptable because it would further weaken democracy;
- (h) that even though Fox News in the US was unfit to operate, it continued its operation through power of money and editorial influence over the US government. The fact that the CMA has not already blocked the merger is indicative of money being used to influence the government;
- (i) that the Murdoch family has already damaged society by providing sensationalised, fake and biased news and would further harm the UK from their right-wing influence;
- (j) that the EU Referendum showed that the British media was overly controlled by wealthy individuals with right-wing views who used their media outlets to manipulate public opinion;
- (k) that News Corp UK is already a dominant market player in the world of UK journalism as the current publisher of three large newspapers in the

UK, and that the Transaction would not only increase the dominant position of News Corp but harm the freedom of press in the UK;

- (l) that a single family – the Murdoch family - owns major interests in the entities involved in the Transaction, which would give the Murdoch family indisputable control to influence reporting of news to one political direction without covering other substantive points or views;
- (m) that the Murdoch family is incapable of providing a diversity of viewpoints that is sourced ethically, responsibly and transparently.
- (n) that, citing findings from the Leveson inquiry, members of the Murdoch family had political influence. This is evidenced from the considerable number of interactions Rupert Murdoch had had with politicians compared to other media owners; and
- (o) that the Murdoch Family Trust has already influenced public opinion on the focus of political and governmental attention through its control of the Sun and the Times newspapers. Increasing the existing level of influence of a small group of unaccountable individuals would seriously damage the balance of media coverage and the breadth of public access on the diverse journalistic views that is necessary to preserve democracy.

Genuine Commitment to Broadcasting standards

5. The following views were put forward in relation to the broadcasting standards consideration:

- (a) that Fox and News Corporation could not be trusted on moral grounds that most British people consider acceptable, given allegations of sexual harassment at the former and the phone hacking scandal at the latter;
- (b) that Fox cannot be trusted to offer fair and balanced news in the UK, and that Sky, if owned by Fox, would become the same as Fox News in the US;
- (c) that there were genuine questions about the commitment of Murdoch family owned companies to corporate governance, with the example given that newspapers owned by the Murdoch family had engaged in criminal activity such as bribery and phone-hacking. It was also cited that Ofcom had criticised the role of James Murdoch, the current CEO of Fox and Chairman of Sky, stating that his actions 'repeatedly fell short' as Chief Executive of News International at the time of the phone-hacking scandal;

- (d) that the concerns raised by Ofcom in its [Public Interest Report](#) about the lack of procedures Fox News had in place to comply with the UK broadcasting code suggested that commitment of the merged company to such standards, was in doubt;
- (e) that Fox has had numerous harassment allegations against its prominent presenters such as Bill O'Reilly whose contract was renewed by Fox despite the sexual misconduct claims made against him, and that Fox had taken efforts to 'cover up' a number of these claims. The view that, as a result, the Transaction should be blocked because such a culture and abuse of power would not be acceptable in the UK.;
- (f) that any organisation operating in the news arena should uphold the highest standards of decency, honesty, legality and transparency, and failure to do so should be a key factor in limiting such an organisations expansion. The view that key individuals in Fox have not been able to prove a good track record of upholding such standards;
- (g) that, as members of the Murdoch family do not hold British citizenships, allowing them to exercise power and influence over the government in the UK is against the public interest;
- (h) that the news would not be reported with due impartiality if the Transaction was approved by the CMA, because the history behind the editorial influence of the Murdoch family on companies it owns, indicates that there is a risk that Sky News coverage would become a platform to promote Fox's commercial interests at the expense of fair reporting. Further that this would result in the public being unable to distinguish true events from fake news for news events that may be connected to Fox's commercial ventures;
- (i) that, from personal experience at Fox and/or News Corp, there was evidence of the following types of behaviour:
- wrongful dismissal and defamation.
 - continued culture of sexual harassment, abuse and intimidation of women at Fox that was covered up by the senior executives of Fox.
 - unethical internal processes of handling complaints of harassment.
 - manipulation and control by blackmailing as well as defaming individuals.

- encouraging journalism through editorial influence to avert from truthful facts.