



Department for
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Media & Sport

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Date: 20 September 2017

By Email

██████████
Executive Director
Competition and Markets Authority
Victoria House
Southampton Row
London
WC1B 4AD

Dear ██████████

**TWENTY-FIRST CENTURY FOX, INC (“21CF”) AND SKY PLC (“Sky”)
PHASE 2 REFERRAL**

I refer to the Secretary of State’s statement to Parliament on 14 September 2017 concerning her intention to refer the above merger to the Competition and Markets Authority (“CMA”) for a Phase 2 investigation under Article 5 of the Enterprise Act 2002 (Protection of Legitimate Interests) Order 2003 (“2003 Order”).

I can now confirm that the Secretary of State for Digital, Culture, Media and Sport (“Secretary of State”) has decided to refer the merger to the CMA on the following grounds set out in section 58(2C) of the Enterprise Act 2002 (the “Act”):

(a) the need, in relation to every different audience in the United Kingdom or in a particular area or locality of the United Kingdom, for there to be a sufficient plurality of persons with control of the media enterprises serving that audience (“the media plurality ground”);

...

(c) the need for persons carrying on media enterprises, and for those with control of such enterprises, to have a genuine commitment to the attainment in relation to broadcasting of the standards objectives set out in section 319 of the Communications Act 2003 (“the commitment to broadcasting standards ground”).

Alongside this letter, I also enclose a Terms of Reference for the CMA's Phase 2 investigation. The effective date of referral is 20 September 2017. I would be grateful if you could confirm receipt.

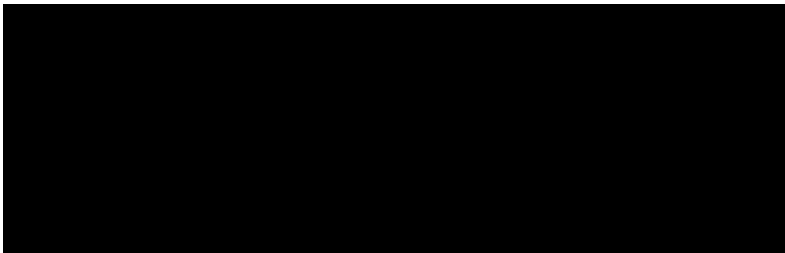
We will later today provide the CMA, under Part 9 of the Enterprise Act 2002, with the substantive third party representations on this merger as were submitted to the Secretary of State. We will also provide a sample selection, and summary analysis, of the almost 43,000 non-substantive representations as agreed with your officials.


We attach the following letters sent by the Secretary of State to the parties which will be relevant to the CMA's investigations on the public interest considerations set out in the terms of reference:

- DCMS letter to 21 Century Fox Inc and Sky PLC - 3 March 2017 (Minded to refer letter - for Phase 1 referral)
- DCMS letter to 21 Century Fox Inc and Sky PLC - 16 March 2017 (Confirmation of Phase 1 referral letter)
- DCMS letter to 21 Century Fox Inc and Sky PLC - 29 June 2017 (Minded to refer letter on Media Plurality)
- DCMS letters of Ofcom - 7 August and 31 August
- DCMS letter to 21 Century Fox Inc and Sky PLC - 12 September (Minded to refer letter on Broadcasting Standards)
- DCMS letter to 21 Century Fox Inc and Sky PLC - 20 September (Confirmation of Phase 2 referral letter)

In particular the Secretary of State's letters of 12 and 20 September set out a series of issues to which she considers the CMA will wish to pay particular attention in carrying out your investigation.

Yours sincerely




Deputy Director for Media
Department for Digital, Culture, Media and Sport

Encl.