

FOX/SKY PROPOSED DEAL

I am responding to your invitation to comment on your provisional findings regarding the proposed Fox/Sky deal.

I take the view that, even in an age of supposed richness of news sources, particularly online, dominant players in the UK market ought not to be allowed to increase their dominance, and for that reason I believe your decision is the correct one.

As to the proposed remedies, hiving off Sky News does not seem to be a viable option, in that it is clearly in itself a loss making operation. There is nothing inherently wrong with that, for it can be legitimately argued that Sky's right to broadcast should include the obligation to provide a news channel alongside the highly lucrative sport and entertainment channels it offers. But it is hard to see how any standalone news operation could succeed, and continue to offer effective competition to the BBC, ITV and Channel 4.

As to the option of some kind of ring fencing of the Sky news operation, experience suggests that such an arrangement would always be a precarious one, given the Murdoch company's history generally and specifically in relation to the undertakings given when it acquired The Times in 1981.

At the current juncture it seems desirable that the deal should therefore be blocked.

In the event of the Fox/Disney deal going through, Ofcom would be entitled to require of Disney that it continue to operate Sky News as a permanent condition of its ownership of the dominant stake in Sky.

One issue that perhaps should have required more consideration is the growing power of US based companies in the British media. Apart from Newscorp, both Viacom and Gannett have a substantial presence in the UK. This is not necessarily a bad thing but across the world governments have tended to take the view that there are risks attached to non-domestic companies owning significant parts of their countries' media and have developed policies to ensure the viability of the indigenous sectors.

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David Hutchison is a Scottish-based academic with a particular interest in media policy. Among his publications are -

**Media Policy, Blackwell, 1999, and Scotland's Referendum and the
Media:National
and International Perspectives. Edinburgh University Press, 2016. (Co-editor).**

**He has been a member of the BBC's General Advisory Council and chair of
Regional
Screen Scotland.**