



Department for
Digital, Culture,
Media & Sport

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By Email

Brian L Roberts
Chairman and Chief Executive Officer
Comcast Corporation/NBC Universal Media LLC
Comcast Center
1701 JFK Boulevard
Philadelphia, PA 19103
USA
[REDACTED]

Dear Mr Roberts

**COMCAST CORPORATION AND SKY PLC
CONSIDERATION OF MEDIA PUBLIC INTERESTS**

I refer to the proposed acquisition by Comcast Corporation ("Comcast") of Sky plc ("Sky"), which was formally notified to the European Commission on 7 May 2018. In light of that notification, the Secretary of State for Digital, Culture, Media and Sport ("the Secretary of State") is considering whether to issue a European Intervention Notice ("EIN") in relation to the merger under section 67 of the Enterprise Act 2002 ("the Act").

As you are aware, the Secretary of State has powers to intervene in certain media mergers on public interest grounds, as set out in section 58 of the Act. The Secretary of State has therefore considered the following media public interest considerations as follows:

- (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 plurality ground");
- (b) the need for the availability throughout the United Kingdom of a wide range of broadcasting which (taken as a whole) is both of high quality and calculated to appeal to a wide variety of tastes and interests ("the range and quality of broadcasting ground"; and

(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”).

The Secretary of State, having considered a range of evidence, including six representations made by third parties, is not minded to issue a EIN under section 67 of the Act in relation to the proposed acquisition, for the reasons summarised out below.

Media plurality: The Secretary of State is of the view that the merged entity would not have a significantly larger presence in the UK news market than that already exercised by Sky plc and Sky News, and would have no greater ability to influence the news agenda. Comcast’s television and associated online services currently have a very small market share in the UK, to the extent that CNBC and its online presence are not recorded in Ofcom’s News Consumption report. The Secretary of State also notes that Comcast currently has no interest in UK national or local newspapers or in UK commercial radio stations.

The Secretary of State has considered the point made by some of the third party representations about the online presence of Buzzfeed, in which Comcast has a minority share. However, given Comcast has a non-controlling investment and equity share, and the significant degree of plurality in the online news market, the Secretary of State does not identify this to be a concern for wider UK media plurality. The Secretary of State also notes that including television services and online entities in which Comcast has minority shareholdings in the overall plurality assessment would not significantly increase Comcast’s cross-platform share were it to acquire Sky.

As such, the Secretary of State considers there would be little impact on media plurality in the UK as a result of the merger.

Range of quality broadcasting: The Secretary of State has no concerns about the range of programming that Comcast and Sky would show, post merger, nor on the impact of the merger on the range of choice in terms of programme origination, content or genre available to UK viewers.

Broadcasting standards: In assessing the public interest in terms of a genuine commitment to broadcasting standards, the Secretary of State, noting the views of the CMA and Ofcom, has placed that the greatest weight on Comcast’s record of broadcasting standards compliance in the UK. Comcast has a record of compliance in the UK at least comparable to other US-based broadcasting groups, and has recorded only one breach in its news and current affairs activities in the last five years. The Secretary of State also notes the information provided setting out that Comcast has had no breaches of broadcasting standards recorded against it in any of the EU member states in which its channels are regulated, and has never been sanctioned in the US for indecency violations.

Consideration has been given to other factors, including corporate governance concerns raised in third party representations, but in the Secretary’s of State’s view these do not affect the assessment of the evidence relating more directly to the commitment of Comcast to the attainment of the broadcasting standards objectives in the UK. As a result, the Secretary of State considers there to be no valid concern that would lead him to think that the merged entity would not have a genuine commitment to broadcasting standards.

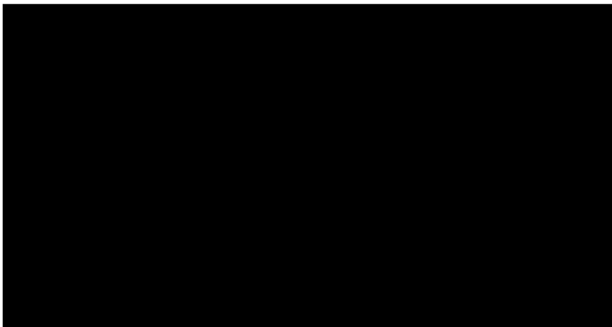
Conclusion: The Secretary of State does not believe that it is or may be the case that these public interest considerations are relevant to a consideration of the proposed acquisition and he is therefore not minded to intervene.

Given the lack of public interest concerns raised by the proposed acquisition, the Secretary of State found it unnecessary to consider the undertakings Comcast has proposed in relation to Sky News.

This letter is however without prejudice to the Secretary of State's ability to intervene if new or additional information comes to his attention. He is therefore giving until **5pm on Thursday 24 May** for Comcast or any other parties to make further representations, which he will consider before taking his final decision on whether to issue an EIN in respect of the merger.

I am copying this letter to Andrew Hall at NBC Universal and Jeremy Darroch of Sky.

Yours sincerely,

A large black rectangular redaction box covering the signature and name of the Secretary of State.A black rectangular redaction box covering the contact information, likely an email address.