

Subject: CPBF representation on Sky/ Fox merger

From: CPBF <freepress@cpbf.org.uk>

Date: 08/03/17 16:59

To: skyfoxmerger@culture.gov.uk, karen.bradley.mp@parliament.uk

Dear Secretary of State,

The Campaign for Press and Broadcasting Freedom is an independent organisation which has campaigned for more diverse, democratic and accountable media since its creation in 1979. Over a dozen national unions are affiliated to us, representing over 4.4 million workers.

In response to the bid from 21st Century Fox, the company that owns News Corporation, to buy the 61% of Sky TV that it doesn't already own. Despite the financial and business case put forward, we argue that, when dealing with the broadcast media, as with all forms of public communication in a democracy, the issues are far wider than the purely commercial. Social and cultural factors should be taken into account, and the television channels broadcast by Sky UK should be seen both in the context of the broader provision of television in the UK, and in the context of the wider UK media industry. We argue strongly that the move would have a negative effect on media provision in the UK.

There are several important issues:

- a. Plurality of ownership
- b. The editorial independence of Sky News
- c. questions of media owners' improper influence over politicians and the political process
- d. The question of whether the Murdoch family are 'fit and proper' persons to control media company.

a. On plurality of ownership:

The strength and international reputation of UK broadcasting is built on an ecology which balances provision from a number of organisations with different funding and ownership structures: the publicly funded BBC; the publicly owned but advertising funded Channel 4; ITV and Channel 5 funded mainly by advertising; and Sky, together with other available satellite channels, funded mainly by subscription. Over the years this pluralism in provision has generated vigorous competition for quality and audience attention rather than competition for profit and audience size. It has resulted in a breadth and diversity which benefits all sections of the viewing and listening audience.

Sky already has a dominant role in subscription pay-TV services, and already in 2010 the economist and media analyst, Claire Enders, was arguing that a take-over would lead to a 'reduction in media plurality to an unacceptably low level'. A recent report from the Media Reform Coalition demonstrated that a take over would result in an unparalleled accumulation of media power in the hands of one family, posing a grave threat to media plurality in Britain.

b. On the editorial independence of news:

Currently Sky News recognises the UK regulatory requirement that news should be independent and balanced. It has a reputation for quality journalism and impartial reporting, unlike Fox News in the US which does not have the same regulatory requirements. The ownership of Sky should be seen in the context of the dominant

position of newspapers owned by News UK, commanding nearly 40% of the newspaper market. A recent study has demonstrated that broadcast news follows agenda set by newspapers, and that papers owned by News UK are more frequently quoted Cushion, S., Kilby, A., Thomas, R., Morani, M., & Sambrook, R. (2016). Newspapers, impartiality and television news: Intermedia agenda-setting during the 2015 UK general election campaign. *Journalism Studies*, 1-20.

c. Improper influence:

Despite revelations in the Leveson Inquiry, Rupert Murdoch and his executives continue to enjoy unrivaled access to senior figures within government. Between April 2015 and September 2016, for instance, they met with either the Prime Minister or Chancellor on at least 10 occasions, more than any other private sector company or individual.

d. 'Fit and proper persons':

The Leveson Inquiry and subsequent police investigations and trials revealed widespread criminality in Rupert Murdoch's newsrooms. This has not yet been fully investigated as Leveson 2 has not yet taken place, meanwhile However both Rebekah Brooks and James Murdoch have been re-instated. Leveson 2 should be conducted before the proposal for a Sky merger is considered.

As Avaaz have argued in their submission, when the Sky bid is reviewed, the Secretary of State should, if necessary, make this referral on a new ground - that more clearly covers these matters - which would be set out by order under the power set out in ss42 and 58 (3) of the Enterprise Act 2002

Your sincerely,

Josef Davies-Coates
National Organiser
Campaign for Press and Broadcasting Freedom

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Josef Davies-Coates
07974 88 88 95

National Organiser

Campaign for Press and Broadcasting Freedom

For a diverse, democratic and accountable media

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