



To,
Karen Bradley MP
Secretary of State for Culture, Media and Sport
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9 March 2017

RE: Response to 21CF regarding MRC/Avaaz media plurality submission

Dear Secretary of State,

We are writing further to our submission last week in respect of the proposed merger between 21st Century Fox and Sky Plc. We are aware that your stated deadline for submissions ahead of your referral decision has lapsed. However, in light of comments made by 21st Century Fox on our report, both in their submission to you and in the media, we would like to offer this response to ensure you have full information before you make your decision.

In short we still maintain that there is a clear case to answer on plurality, and only a full review before the merger can ensure that the public interest will be protected.

Here are brief responses to 21st Century Fox's main points - we will of course be happy to submit further information if you refer on plurality grounds.

1. 21st Century Fox has raised an objection with regards to what they called “the misattribution of consumption of news on commercial radio to Sky (which Ofcom has recognised is not the correct approach)”.

In fact our report (p.7) clearly acknowledges the change in Ofcom's approach and cites comparable data on that basis. It also critiques that change on the basis that Sky still provides wholesale news services for Global and Bauer stations and it is not clear from Ofcom's 2015 news consumption report why this provision is now not being considered.

2. 21st Century Fox have criticised what they call “the erroneous characterisation of News Corp as ‘the largest newspaper provider’”, adding that the largest newspaper provider is in fact DMGT in terms of circulation and Ofcom's share of reference measure.

In regard to circulation, our report shows that if the analysis is based on Ofcom's 2011 approach then News UK is still

the largest newspaper provider based on the latest available data. This approach excludes regional titles and the Metro (which is a uniquely Monday-Friday title distributed for free). In its 2011 review, Ofcom argued that News Corp's newspaper market share is most credibly assessed by focusing on national print circulation (as defined by paid-for daily and Sunday titles).

3. 21st Century Fox references what it calls “inaccurate claims that rising online readership has ‘eclipsed’ the dramatic decline in circulation of News Corp titles.”

This is itself misleading and the figures speak for themselves. The Sun's combined online and offline reach by any measure is substantially greater today than it was in 2011 and the same holds if we consider The Sun and The Times combined. 21st Century Fox bases its objection on Ofcom's cross-platform share of references measure which, as we make clear in our report, is inconsistent with more reliable market-specific data. This measure must in any case be treated with particular caution as argued by a number of independent experts, and not least due to its likely sensitivity to recall/awareness bias among survey respondents asked about media consumption habits.

4. Finally, 21st Century Fox object to the report's inattention to what they call “the implications of the split between 21CF and News Corporation.”

This was not addressed in detail in the report because, relying on Ofcom's 2006 definition of 'de facto control' in relation to media companies, it is clear that the Murdoch family will have effective control of the merged entity. From a plurality perspective, concerns in relation to the public interest are generated by concentration not in purely market terms, but in the power of voice exercised by a given individual or group. A principle the government adopted (DCMS July 2013) as the desired outcome of a plural market is “Preventing any one media owner or voice having too much influence over public opinion and the political agenda.” Our report demonstrates throughout why the proposed merger, based on preliminary evidence and assessment, presents a clear and present threat to news plurality within that context.

Detailed further evidence in support of the points above will be provided in due course.

Sincerely,



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Also on behalf of:
Justin Schlosberg
Chair, Media Reform Coalition