

Briefing dossier on the Newscorp/BSkyBMedia merger

blogs.lse.ac.uk/polis/2010/12/14/briefing-dossier-on-the-newscorpbskybmedia-merger/

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[POLIS debates](#) the idea of Media Plurality by looking at the case of the proposed full merger of Newscorp and BSkyB in the UK. Details of the [event here](#). You can read [a report of the event here](#).

Here is a briefing giving background articles and documents prepared by POLIS interns Davide Morisi and Diana Osipova

Key documents

DOSSIER MEDIA PLURALITY News Corp's bid for BSkyB

- **Enterprise Act 2002** Section 67 allows the Secretary of State to intervene in order to protect legitimate interests, including that there is a sufficient plurality of persons with control of media enterprises.
<http://www.legislation.gov.uk/ukpga/2002/40/contents>
- **European intervention notice given pursuant to section 67 enterprise act 2002 – anticipated acquisition of British sky broadcasting plc by news corporation** The Secretary of State in exercise of his powers under section 67(2) of the Act, hereby gives this intervention notice and requires the Office of Fair Trading to investigate and report in accordance with article 4 of the Enterprise Act 2002 (Protection of Legitimate Interests) Order 2003 and Ofcom to investigate and report in accordance with article 4A of that Order, both within the period ending on 31 December 2010. <http://www.bis.gov.uk/assets/biscore/business-law/docs/b/skyb-intervention-notice-nov-2010>
- **Memo for Vincent Cable by Claire Enders** <http://www.beehivecity.com/wp-content/uploads/2010/09/For-Vincent-Cable.pdf>
- **EU Commission Merger Regulation** <http://ec.europa.eu/competition/mergers/legislation/legislation.html>
- **OFCOM Guidance note for public interest test – Summary** <http://media.ofcom.org.uk/2010/11/04/guidance-note-for-public-interest-test/>
- **OFCOM Guidance note for public interest test – Full Document**
http://www.ofcom.org.uk/files/2010/11/PIT_Guidance_note.pdf
- **Sky Response to Ofcom's Invitation to Comment dated 5 November 2010**
http://corporate.sky.com/documents/pdf/press_releases/4ad9b907f137492d998022a042ac035b/Response_to_Ofcoms_Invitation_to_Comment
- **OFCOM – Media ownership rules review – 31 July 2009** Ownership is considered a proxy for viewpoints. However Ownership plurality does not always ensure a plurality of news sources.
<http://stakeholders.ofcom.org.uk/binaries/consultations/morr/summary/morrcondoc.pdf>
- **Global Tv Economics in 2010 (see page 4 regarding BSkyB)** Oliver and Ohlbaum Associates
<http://www.oando.co.uk/publications/OandO-Global-TV-Economics-in-2010.pdf>
- **How Sky has consolidated its grip over British viewers** The Economist – Oct 14th 2010
<http://www.economist.com/node/17258846>

12/12/2010

The referral of the BSkyB by Vince Cable

- **Vince Cable refers News Corp's BSkyB bid to regulator** Business secretary Vince Cable has referred News Corporation's controversial £12bn bid for full ownership of BSkyB to Ofcom
<http://www.guardian.co.uk/media/2010/nov/04/news-corporation-bskyb-cable-labour>

The Claire Enders report on the merger by Enders Analysis

- **Commentary on Claire Enders' memo** *Why Rupert Murdoch's bid for Sky should be blocked* September 12, 2010 By Dan Sabbagh <http://www.beehivecity.com/newspapers/why-rupert-murdochs-bid-for-sky-should-be-blocked123456/>
- **Article from the Guardian summarizing Claire Enders' viewpoint** *Why News Corp's buyout of BSkyB is much more than a business deal* Media analyst Claire Enders on the potential implications of the Murdoch merger
<http://www.guardian.co.uk/media/2010/sep/20/claire-enders-news-corp-bskyb-murdoch>
- **Summary of the memo on News Corp's bid, from Enders Analysis website** *News Corp's bid for BSkyB: not just a matter of price – June 2010* We think that there is a strong case that the transaction does raise substantial issues of 'plurality' as defined in the Court of Appeal judgment on the purchase of ITV shares by BSkyB in 2006.
<http://www.endersanalysis.com/node/3891>

EU commission

- **European Commission extends News Corp. BSkyB review, WSJ reports** The European Commission has extended the deadline to review News Corp.'s (NWS) proposed takeover of British Sky Broadcasting, reports the Wall Street Journal. Through its website, the EU has extended the deadline to December 22 from December 8.
<http://online.wsj.com/article/BT-CO-20101202-708810.html>
- **News Corp offers remedy to EU to secure BSkyB bid** Company sources say media giant offered to be bound by restrictions on future operations – but did not include selloffs – Thursday 2 December 2010
<http://www.guardian.co.uk/media/2010/dec/02/news-corp-bskyb-eu>

Office of Fair Trading

- **The U.K. Office of Fair Trading declined to seek jurisdiction over the case** News Corp.'s proposed acquisition of British Sky Broadcasting Group Plc will be reviewed by European Union antitrust regulators after the U.K. Office of Fair Trading declined to seek jurisdiction over the case. Nov 29, 2010 <http://www.bloomberg.com/news/2010-11-29/news-corp-s-bskyb-bid-to-be-reviewed-by-eu-regulators-after-u-k-declines.html>
- **OFT May Pass on Review of News Corp.'s BSkyB Bid, Lawyers Say** U.K. antitrust regulators won't seek their own review of News Corp.'s proposed acquisition of British Sky Broadcasting Group Plc while Business Secretary Vince Cable conducts a separate probe, lawyers and analysts said. Nov 25 <http://www.bloomberg.com/news/2010-11-25/u-k-regulator-may-pass-on-review-of-news-corp-s-bskyb-bid-lawyers-say.html>

British media united against News Corp's bid

- **British media join forces against Murdoch takeover of BSkyB** Letter to Vince Cable signed by many of UK's leading news providers warns £8bn deal would damage democratic debate – 11 October
<http://www.guardian.co.uk/media/2010/oct/11/murdoch-bskyb-british-media-unite>
- **Turning the heat on Rupert Murdoch** Media groups must raise the political temperature if they are to halt News Corp's bid to take full control of BSkyB – 11 October <http://www.guardian.co.uk/media/2010/oct/11/sky-murdoch-takeover-bid-analysis>

Positions against News Corp's bid

• **Church of England criticises News Corp's BSkyB bid** Bishop of Manchester calls on Ofcom to block takeover, saying merged group would dominate TV and newspaper landscape

<http://www.guardian.co.uk/media/2010/nov/23/church-of-england-bskyb?INTCMP=SRCH>

• **Campaign for Press & Broadcasting Freedom Rupert Murdoch has 'corrosive role', Ofcom told** Campaign for Press & Broadcasting Freedom attacks News Corp's proposed £8bn BSkyB bid in submission to regulator

<http://www.guardian.co.uk/media/2010/nov/19/news-corp-bskyb-ofcom-submissions>

BSkyB and News Corp – Campaign welcomes Cable's intervention

<http://www.cpb.org.uk/body.php?subject=media%20ownership&id=2422&f=1>

• **Interesting article linking political orientation and worries about Murdoch power News Corp-Sky merger concerns half the country** Liberal Democrat voters most worried about Murdoch power and influence, while Conservatives are that little bit more relaxed

by Dan Sabbagh Wednesday 8 December <http://www.guardian.co.uk/media/organgrinder/2010/dec/08/lib-dems-fear-murdoch>

Counter arguments pro-merger

• **Why Rupert Murdoch's bid for Sky shouldn't be blocked** <http://www.beehivecity.com/newspapers/why-rupert-murdochs-bid-for-sky-shouldnt-be-blocked/>

• **The Murdochs should be allowed to acquire Britain's satellite broadcaster**

<http://www.economist.com/node/17251736>

• **James Murdoch: blocking BSkyB deal jeopardises UK jobs** News Corp chief claims there are no strong grounds for government intervention [http://www.guardian.co.uk/media/2010/nov/17/james-murdoch-bskyb-deal?](http://www.guardian.co.uk/media/2010/nov/17/james-murdoch-bskyb-deal?INTCMP=SRCH)

[INTCMP=SRCH](http://www.guardian.co.uk/media/2010/nov/17/james-murdoch-bskyb-deal?INTCMP=SRCH)

• **BSkyB: News Corp takeover is in the public interest** Sky board says that blocking takeover bid would threaten investment in the 24-hour Sky News channel – Monday 22 November 2010

<http://www.guardian.co.uk/media/2010/nov/22/news-corp-bskyb-takeover-ofcom>

OFCOM and Pay Tv (2007-2008)

• **Submission to Ofcom on the need for a market investigation into the pay TV industry** By British Telecommunications plc, Setanta Sport Holdings Limited, Top Up TV Europe Limited, Virgin Media Limited (3 July 2007) **In particular, see pages 16-22 / 27-32 regarding SKY**

<http://stakeholders.ofcom.org.uk/binaries/broadcast/reviews-investigations/pay-tv/submission1.pdf>

• **OFCM – Pay Tv second consultation**

http://stakeholders.ofcom.org.uk/binaries/consultations/second_paytv/summary/condoc.pdf

• **Response by British Sky Broadcasting group plc to Ofcom's consultation document 'pay tv second consultation: access to premium content' of 30 september 2008**

http://stakeholders.ofcom.org.uk/binaries/consultations/second_paytv/responses/1_Sky.pdf

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