

*"Working for quality
and diversity in
British broadcasting"*



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Response from Voice of the Listener & Viewer (VLV)

To the Consultation by the Secretary of State for Culture, Media, the Olympics and Sport into the proposed take-over by News Corporation of BSkyB.

This response follows a decision by the Secretary of State for Culture, Media, the Olympics & Sport on 30 June 2011, to offer a last opportunity for responses to the additional safeguards proposed in respect of the independence of Sky News, in the context of the proposed take-over of BSkyB by News Corporation. The deadline for these responses is 8 July 2011.

Our response is in two parts. Firstly we deal with the substantive issue of whether or not the proposed merger undermines the principle of media plurality and secondly we comment on the relevance of the extraordinary allegations made in the week of 4 July, 2011 concerning the practice of phone-hacking at News of the World whose parent company is, ultimately, News Corporation. These allegations led to a special debate in Parliament on 6 July and touched on, among other things, the possibility that the mobile phones of the murdered school child Milly Dowler and of some of the families of the victims of the London bombings had been hacked into by an investigator acting under the instructions of staff employed at News of the World.

1. The principle of media plurality.

In our view the proposal by News Corporation to take over the total ownership of BSkyB will have the medium to long-term effect of diminishing plurality of cultural provision, of 'voice' and of news production generally in the United Kingdom. Our evidence for this is the experience of the last few decades when concentrations of media ownership have progressively reduced the range of views available to readers and audiences; the editorial evolution of the *Times* is a case in point. In the case of satellite television ownership we do not think that the various attempts that have been made to mitigate this risk by proposing time-limited forms of independence or quasi-independence for Sky News (see the letter from Ofcom to the Secretary of State of 22 June, 2011) are a sufficient safeguard. We therefore remain of the view that the proposed merger will undermine pluralism and is therefore against the public interest.

2. The proposed acquisition by News Corporation of BSkyB plc in the light of public reviews announced by the Prime Minister.

There have recently been significant developments in relation to previous Parliamentary concerns about the journalistic activities of News Corporation and its relations with some officers of the Metropolitan Police. These new allegations were so serious that on Wednesday 6 July the Prime Minister announced that he was launching new inquiries. One will be into the manner in which the Metropolitan Police handled information obtained in pursuit of its enquiries into News Corporation's journalistic activities; another will be into the relations between the media and the Press Complaints Commission and there may be others. These inquiries may well result in profound changes in the regulation of the media.

VLV recognises that there is a difference between press activities, which are self-regulated, and broadcasting activities, which are regulated by Ofcom. In a narrow sense, therefore, regulatory responsibilities for the journalistic activities of the press subsidiaries of News Corporation are unrelated to those of its broadcasting subsidiaries. On the other hand, the Prime Minister also informed Parliament that he would be looking to Ofcom to advise whether it considered News Corporation to be a fit and proper person to exercise control of a UK media organisation. In so doing, he appeared to re-open the possibility that Ofcom should comment on the philosophy and competence of News Corporation's management of its media subsidiaries.

As representatives of listeners and viewers in the UK, VLV considers that all listeners and viewers would wish to be reassured that News Corporation is, and will continue to be, a fit and proper person to own BSkyB. We are sure that Members of Parliament will share this view.

We submit that Ofcom will not be in a position to come to a conclusion on this matter until the enquiries to be launched by the Prime Minister have been concluded. There is therefore a danger that if Ofcom is asked by the Secretary of State to reach a premature conclusion on the fitness and propriety of News Corporation to own BSkyB plc, it could either prejudge, or fail to take account of, any evidence or conclusions which may emerge from the new inquiries being set up by the Prime Minister.

Bearing in mind that any decision taken by the Secretary of State into the future ownership of BSkyB plc will be taken in a quasi-judiciary capacity, ***VLV submits that it would be wise for the Secretary of State to delay any final decision on the future ownership of BSkyB plc until the inquiries being set up by the Prime Minister have been concluded.***

Voice of the Listener & Viewer (VLV) is an independent, non-profit-making association, free from political, commercial and sectarian affiliations, working for quality and diversity in broadcasting. VLV represents the interests of listeners and viewers as citizens and consumers across the full range of broadcasting issues. VLV is concerned with the structures, regulation, funding and institutions that underpin the British broadcasting system; it does not handle complaints.

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