

*“Working for quality
and diversity in
British broadcasting”*



PO Box 401, Gravesend, Kent DA12 9FY
Telephone: 01474 338711 / 01474 338716
Fax: 01474 325440

Founded in 1983 by Jocelyn Hay CBE

E-mail: info@vlv.org.uk
Web: www.vlv.org.uk

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Office of Communications (FAO Marco Marini)
Riverside House
2a Southwark Bridge Road
SE19HA

News International/BSkyB Public Interest Test – a submission by Voice of the Listener & Viewer (VLV)

I am writing on behalf of Voice of the Listener & Viewer (VLV) in response to Ofcom's invitation to comment on its Public Interest Test into the proposed take over by News international of the remaining shares in BSkyB it does not already own. VLV is opposed to this proposed take-over on public interest grounds.

We note that under s. 58 of the Enterprise Act of 2002, Ofcom is asked to advise the Secretary of State for Business and Innovation of the impact of the proposed take-over by News International Corporation on 'the need, in relation to every different audience in the UK or in a particular area or locality of the UK for there to be a sufficient plurality of persons with control of the media enterprises serving that audience'.

VLV is deeply concerned at the threat to plurality in British broadcasting and to the sources of new and information available to audiences in the UK, and thus to the democratic process, presented by the expressed ambition of News International Corporation to acquire the total shareholding, and with it assume total control of BSkyB. We note that News International Corporation (NI) is already the dominant press company in the UK, exercising control over 37% of the national press, having been given permission to acquire it by the Government of the day. Such a situation would not have been permitted in Australia, the birth-country of News International's principal shareholder, Rupert Murdoch, nor in the U.S.A, of which he is currently a citizen.

To allow NI now to take over those shares of BSkyB which it does not already own would, we believe, put it in so dominant a position that many people would find it intolerable in a democratic society. NI and its subsidiary companies and newspapers, (The Times, The Sunday Times, the Sun and the News of the World), are known to be partial in their news agenda and reporting and to be selective in the stories they cover at times, avoiding those which might harm their proprietor's commercial interest. (see below) This is permitted under UK law and freedom of expression. The rules on broadcast news are different, however, and require all broadcasters to be impartial in their reporting of political and industrial affairs.

We would be concerned that any take-over might lead to a closer collaboration between the news gathering resources of NI and Sky News, and to exchanges in personnel between the editorial teams of the two companies, and hence to a weakening of the impartiality observed by Sky News.

Mr Murdoch is the principal shareholder in Fox News in the USA, notorious for its political bias. He has repeatedly criticised the impartiality rules in the UK and lobbied for their removal. We believe any weakening of those rules would be against the public interest.

Mr Murdoch is a frequent critic of the British broadcasting system and its emphasis on protecting the public interest. He particularly despises the principles of public service broadcasting, its main proponent, the BBC, and the media regulator, Ofcom, and called for both to be reduced in size and power. The proposed take-over could give him another platform from which to do so.

As evidence of NI's lack of impartiality in some of its reporting, I quote research by the former Broadcasting Research Unit (1980 – 1990) which VLV holds. This research conducted after the Peacock Inquiry and prior to the 1988 Broadcasting White paper, showed that readers of the NI papers held significantly views on broadcasting issues and the BBC and its funding via the licence fee, from readers of other newspapers, due to the constant drip of negative editorials and news stories they contained.

VLV itself has noticed negative and selective reporting of events and issues by NI papers not shared by other papers.

Two notable, more recent instances of bias are;

- 1) When the BBC Director General gave the MacTaggart lecture in Edinburgh in August 2010, he included a suggestion that BSkyB should contribute more to the British broadcasting economy. One way he suggested might be to require BSkyB to pay re-transmission fees on the public service channels it carries on its highly profitable satellite service. This suggestion was in line with a similar call that Mr Murdoch had made in the USA for channels carried by his companies there to pay a re-transmission fee to NI. All the serious UK papers included this item in their reports of the speech. The Times and Sun did not.
- 2) Further evidence of Mr Murdoch's willingness to sacrifice impartiality to his financial commercial interest was provided by Andrew Neil, former editor of the Sunday Times. Mr Neil reported that a contract had been signed with Harper Collins, a subsidiary of NI, for the publication of the memoirs of Chris Patten, the last Governor of Hong Kong. However, the contract was suddenly cancelled because of fears that it was too critical of the Chinese Government at a time when Mr Murdoch was negotiating for his Star TV satellite channel to be given permission to operate in China. The book was later published by Macmillan and NI made an unreserved apology to Mr Patten.
- 3) In similar vein, NI's Star channel cancelled a long standing contract with the BBC World Service because of criticism the BBC news channel had made of the Chinese Government's actions..

We note that the purely competition aspects of the take-over will be assessed by the European Commission but we are concerned that, were it permitted, it would give NI the freedom to cross-promote and profit in other ways, increasing its ability to outbid other

broadcasters for attractive programmes, events and sports rights. This could skew the market in its favour, to the detriment of other commercial broadcasters in the UK, and hence to the ability of viewers who do not subscribe to BSkyB to access programmes and coverage of major national and sporting events. The advantage which Sky would gain would disadvantage the other UK commercial channels which, unlike BSkyB, bear considerable public service obligations in relation to the quality, diversity and accessibility of their programming. They also, unlike BSkyB, observe the European rules on sourcing at least 51% original UK content, apart from news and sport.

We trust, therefore, that in the national interest and those of individual UK citizens and consumers, Ofcom will advise the Secretary of State that the ambitions of News Corporation should not prevail.

Yours sincerely

Jocelyn Hay CBE
Honorary President