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Karen Bradley MP
Secretary of State for Culture, Media and Sport

Dear Secretary of State,

The National Union of Journalists (NUJ) notes your statement of 3 March 2017 inviting submissions in relation to the proposed full merger of 21st Century Fox Inc and Sky plc. We welcome your statement of the same date that you are minded to issue a European Intervention Notice on the basis there may be public interest concerns, as set out in the Enterprise Act 2002, which warrant further consideration.

The NUJ strongly supports an investigation by Ofcom into the proposed merger, which poses a significant threat to media plurality and broadcasting standards. We believe the merger would undermine the public interest and that referral for investigation under Section 58 of the Enterprise Act 2002 is essential.

The NUJ is the voice for journalism and for journalists across the UK and Ireland. It was founded in 1907 and has 30,000 members. We are an affiliate of both the European Federation of Journalists and the International Federation of Journalists (IFJ). We represent journalists working at home and abroad in all sectors of the media, including staff, students and freelancers – writers, reporters, editors, sub-editors, photographers, illustrators and people who work in public relations.

As a union we have a strong commitment to the concept of media diversity. Any individual, family or company which dominates the media landscape is fundamentally damaging to democracy. In examining the proposed merger, Ofcom would have to consider the already unsatisfactory situation prevailing in the UK, where the provision of radio and television news is restricted to the BBC and two dominant players in the commercial sector.

Sky and NewsCorp are the biggest commercial news producers in the UK and their combined influence gives cause for concern. For example, Sky News Radio is the main supplier of news to more than 280 commercial stations across the UK. Sky's only real competitor in radio news production is the BBC. In television, there are now only two UK-based 24-hour television news channels – Sky News and the BBC News Channel.

A new report produced by the Media Reform Coalition in conjunction with Avaaz, entitled *Consolidating Control: The Fox/Sky merger and news plurality in the UK*, argues there is an unprecedented case for intervention on plurality grounds, and that the competition authorities should reject the acquisition to safeguard plurality. The data contained in the report strongly suggest that, should the deal be allowed to progress, it will result in an unparalleled accumulation of media power in the hands of one family, posing a grave threat to media plurality in Britain for generations to come.

The report shows that the ownership landscape in which both Sky and News UK operate remains largely unchanged since 2011, when Rupert Murdoch made an initial attempt to buy out the

remaining shares in Sky plc. There does, however, appear to have been a marked decline since then in the number of wholesale news sources on which most consumers rely. This suggests that, while the overall picture on plurality is relatively stable on the aggregate level, it is worsening at the level of individual exposure, a condition that further increases the risk posed to diversity and plurality by the proposed deal.

You will be aware that a decision was taken in 2011 by the then secretary of state to refer the deal to Ofcom under the public interest test framework, and Ofcom in turn raised substantive concerns about the merger following its review. If the logic of those decisions is accepted, then it is clear that at least the same level of intervention is warranted now.

The NUJ welcomed the public interest test on News Corporation's proposal to take total control of BSkyB by acquiring the remaining 60.9 per cent of BSkyB shares it did not own. News Corp already owned a third of the existing newspaper circulation. BSkyB, one of only two commercial TV news companies in the UK, supplies Sky News, Channel 5 news and virtually all commercial radio news. The merged company would have had a reach of 52 per cent of the adult population, with profound consequences, not just for media plurality but also for democracy. It was only the unfolding scandal of dubious workplace practices at Murdoch's News of World, along with the public campaign of opposition, that helped put a halt to the merger bid.

If the current bid is successful, 21st Century Fox, which is controlled by the Murdoch corporation, will go from owning less than half of Sky to 100 per cent ownership and 21st Century Fox plc would directly control the dominant commercial news producers in the UK across television, radio and print. In these circumstances it would be inconceivable for the merger not to be referred for investigation, on grounds of threat to media plurality. If plurality means anything, it indicates news from diverse, reliable, independent sources.

In opposing the merger the NUJ is also mindful of the track record of Rupert and James Murdoch. This should also be considered by Ofcom and the fig leaf of corporate restructuring should not be used as a mechanism to allow the Murdoch family to gain further dominance, control and influence. It is also clear that the British public do not believe that Rupert Murdoch is fit and proper to run BSkyB and we are confident that there is widespread support for a referral of the proposed merger to Ofcom on this basis. The propriety of the proposed purchasers and controllers, including James and Rupert Murdoch, must be examined. The investigation must assess whether the proposed owners are persons who are likely to maintain high standards of corporate governance, accountability, and conduct.

The Murdoch family business spans film, television, cable, satellite, newspapers, magazines and book publishing. This cross-ownership and its economy of scale have allowed Murdoch to cross-subsidise and cross-publicise his activities. It has allowed him to embark on savage price-cutting campaigns and bolster loss-making, yet prestigious enterprises, such as The Times.

Our concerns are already a matter of public record. In seeking referral to Ofcom we would also ask that the proposed merger be viewed in the context of the Leveson Inquiry and the events which led to its establishment. We also strongly believe that the deal should be stopped in its entirety until Part Two of the Leveson Inquiry has taken place.

The Leveson Inquiry Part 1 looked at the relationship between politicians and the press. The revelation that members of the parliament, lawyers and witnesses to the telephone hacking affair were spied on by private investigators is ample evidence of carrot and stick methods used by the servants of this media mogul.

We share the concerns expressed by Alan Redbridge, former editor of The Guardian, when he said that "something was dangerously out of kilter" when MPs such as Adam Price, who at the time was on the culture, media and sport parliamentary select committee, confessed he had been "held back" from probing News Corporation's affairs because of "fear of what that company might do to them" – or when former employees are "too frightened to speak publicly about what they know".

The NUJ believes it is vitally important to support the growth and availability of quality journalism across a range of platforms and providers. We believe that this is not possible by the exertion of market forces alone; indeed, it is the competitive nature of the media industry, and the cut-throat practices by some of its owners, that have led directly to a diminution of choice. As we said in our opening statement to the Leveson Inquiry, the increasing consolidation of media ownership and the disproportionate power and influence which this brings is a matter for concern. The application of a rigorous public interest test should be a prerequisite when media titles or broadcasting rights come on the market.

The central role of the media in a democracy and the potential consequences of concentration of ownership mean that business transactions involving media organisations must be treated differently to other sales.

There is a need for political leadership on this issue. We are aware that public figures may be reluctant to challenge the dominant position of the parties to the proposed merger. The well-grounded fear of reprisal from this dominant player, who already wields excessive influence, underlines the necessity for an investigation into the merger.

We therefore urge you to use your powers under the Enterprise Act 2002 and refer the deal to Ofcom on the grounds of public interest, media diversity, and fit and proper tests.

Yours sincerely

Séamus Dooley
NUJ acting general secretary