

13 July, 2017

Rt. Honourable Karen Bradley  
Secretary of State for Culture, Media and Sport  
DCMS  
100 Parliament St.  
London SW1A 2BQ

Dear Minister Bradley,

I write you in relation to the 21<sup>st</sup> Century Fox/Sky deal that you are considering for referral to the Competition and Markets Authority. Since Ofcom's assessment has focused entirely on the potential consequences for news to the exclusion of other public interest concerns, I would like to bring some additional concerns to your attention with some further evidence as to their relevance.

This merger could be damaging to the UK public interest due to the potential impact on non-news content, which is also important for our democratic process and social cohesion, and on the advertising market, which is not only an important industry in its own right, but also one upon which our creative industry depends.

While news is crucial for keeping citizens informed and enabling public debate, it is not the only content that can shape people's worldview or even engagement with political issues or processes. A [review of research on the effects](#) of entertainment content provides convincing evidence that it can influence people's levels of social trust, fear of crime, views on law enforcement and civil liberties, stances on gender and equality issues, all of which can be important shapers of political preferences.<sup>1</sup> A [recent study](#) of Austrian television viewers found a clear correlation between the amount of American content watched and misconceptions about the norms and facts of the justice system in their own country.<sup>2</sup> These viewers, for instance thought the capital punishment was normal and in active use, whereas in Austria it had been abolished in 1968.

There is also evidence that entertainment content can introduce political issues to audiences that are not usually interested in news and politics, even encouraging them to seek out information on issues. A [recent experimental study](#) found that some kinds of entertainment content encouraged

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<sup>1</sup> Delli Carpini, M. (2017). "The Political Effects of Entertainment Media." In *The Oxford Handbook of Political Communication* Oxford University Press.

<sup>2</sup> Till, B., Truong, F., Mar, R.A. & Niederkrotenthaler, T. (2016) "Blurred world view: A study on the relationship between television viewing and the perception of the justice system" *Death Studies* 40(9).

viewer's awareness of and engagement with political issues.<sup>3</sup> Celebrities, who appear not just as actors or musicians but also on talk shows and other formats, can influence political positions and levels of engagement. There is also increasing evidence of the nuanced influence of satire and political comedy shows.

Live sport transmission and sports coverage is big business, but it is also important for social cohesion. Live sports remains a significant force in bringing communities and even the nation together in a collective experience that can engender unity and pride. This would include not just the World Cup or the Olympics for which viewer's access is somewhat protected by being listed as "important events". The participation of clubs from places like Tottenham, Liverpool, and Glasgow in international tournaments can be valuable vehicles for social cohesion in some of the country's more deprived areas.

Sports rights, however, are increasingly the subject of fierce and very [expensive bidding wars](#).<sup>4</sup> By 2016, the two biggest football rights holders in the UK were both internet service providers, BT and, of course, Sky. The movement of sports content to subscription and online only platforms can seriously affect the ability of those from poorer communities, the elderly and those in rural areas to access sports. While this may not be as important a public interest as that of having a well-informed public engaged in political processes, it is still a legitimate public interest concern.

Despite raising serious and well-evidenced concerns over the potential consequences of the deal on the UK's news provision and political process, Ofcom decided that the behavioural undertakings offered by Fox to set up an independent board for Sky News and take other measures to safeguard against members of the Murdoch Family Trust influencing Sky News would acceptably mitigate these concerns. Leaving aside, the fact that the Murdochs do not have a good record of sticking to promised undertakings, such behavioural remedies would not address the company's position as an internet service provider and the potential consequences in terms of access to content and viewers, the premium content markets, or to the advertising market upon which UK content production depends.

The Incorporated Society of British Advertisers, in its submission to Ofcom, which was noted only in an appendix, rightly raised the potential negative consequences for the UK advertising market of having a dominant owner across multiple media platforms. Advertising still funds a vast amount of the UK-produced content of all types, so the health of that market – and the extent of competition for advertising and audience "eyes" faced by UK content providers face is important.

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<sup>3</sup> Bartch, A. and Schneider, (2016) "Entertainment and Politics Revisited: How Non-Escapist Forms of Entertainment Can Stimulate Political Interest and Information Seeking" *Journal of Communication* 64 (2014)

<sup>4</sup> See Evans, T., Iosifidis, P., and Smith, P. (2013) *The Political Economy of Television Sports Rights* Palgrave MacMillan.

With advertising now happening across multiple platforms, the fact that the deal will give the Murdoch Family Trust a combination of cross-platform media ownership and ownership of an internet service provider could give it dangerous power in relation to UK advertisers. The potential for bundled services and cross-platform promotion are also great. Professor Jonathan Hardy correctly warned Ofcom that this combination could lead to the “lock-in” of consumers and could also affect editorial independence.<sup>5</sup>

As my UEA colleague David Reader and I argued in [our submission](#) to Ofcom, Sky’s position as an ISP in an environment in which “reasonable” traffic management is allowed can have damaging consequences for viewers’ access to content, not to mention its dominance in the market for premium content rights, such as for high-quality drama and sports.<sup>6</sup> These concerns cannot be solved by behavioural undertakings of the kind that have been proposed by 21<sup>st</sup> Century Fox, and may require structural changes.

I urge you to do as you are minded to do and refer this case to the CMA, not only for the reasons that Ofcom has made clear related to news, but also for the reasons above and for a much more thorough investigation into the potential consequences for the UK public.

Sincerely,

Sally Broughton Micova  
Lecturer in Communications Policy and Politics

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<sup>5</sup> <http://www.mediareform.org.uk/wp-content/uploads/2017/05/Hardy.pdf>

<sup>6</sup> <http://competitionpolicy.ac.uk/documents/8158338/16525214/1+CCP+response+to+Ofcom+Fox-Sky+consultation+-+March+2017.pdf/3252251b-e37a-4557-b09f-5658af09ce33>