



For the Attention of Jeremy Hunt, Secretary of State
Department of Culture, Media and Sport

March 21st 2011

Dear Secretary of State

Ref: News Corporation bid for BSkyB

We are concerned that the terms of reference which are being used to adjudicate on News Corporation's takeover bid for BSkyB do not take account of the need to uphold the rule of law regarding our commitments to the European Audiovisual Media Services Directive. In addition, any measures taken or concessions made should take account of the objectives of the UNESCO Convention on the Promotion and the Protection of Diversity of Cultural Expressions, 2005.

The Audiovisual Media Services Directive, 2007, requires all television channels shall carry, wherever practicable, a majority of national/European content, excluding sport, current affairs, news and game shows. In many Member States, like Spain, this has enabled the government to ask cable and satellite channels to progressively increase their investment in local film, drama and documentary.

Furthermore, Article 13 of the directive states that Member States shall ensure that new television like services, meaning video on demand, promote and invest in national and European audiovisual content.

Concessions drawn from News Corporation may address issues of pluralism affecting news, but we would ask for evidence that the following are also taken into account.

Protection of diversity of programming

BSkyB has already used its superior purchasing power to cherry pick popular American programmes and to use them to ween audiences away from national broadcasters who cannot compete. For example, the rights to broadcast *Mad Men* were recently bought at a cost of £225,000 per programme, against the existing payment by the BBC of £65,000. By securing top ratings material in the same way as it has taken key sports events from the national broadcasters,

BSkyB not only affects the diversity of content available to viewers, but unfairly benefits from its dominant position to further expand its subscriber base. The total inclusion of BSKyB within News Corporations multinational empire can only increase this type of fiscal intimidation for market space to the detriment of diversity of expression in programming.

Investment in local and European content

The Secretary of State has not asked for assurances that News Corporation will comply with the Audio-Visual Media Services Directive by making proper, proportionate investment in local programming, particularly feature film, documentary and drama, to fulfil its obligations to UK citizens' right of access to diversity of programming.

Ofcom's recent report analyzing contribution to local programme content revealed that we are relying on 90% of original, local content being provided by our 5 terrestrial broadcasters. BSKyB's investment in local content is negligible and no clear statistics have been provided. Instead it recently supported the more profitable option of launching Sky Atlantic, thus aggravating a totally skewed playing field, where American film and drama already account for 80% or more of all feature film across our screens.

The UKCCD is concerned that The Secretary of State demonstrates how these issues are being taken into account in the negotiations with News Corporation. Whilst the promise of a longer debate with media organizations and experts prior to a Green Paper may allow some issues of public interest to be protected, there is no indication that compliance with the AVMS Directive or diversity of expression is included in these agendas.

We urge the Secretary of State to address these issues and look forward to making further contributions to the future debate.

Best wishes

Holly Aylett Director, UKCCD
Carole Tongue, Chair UKCCD
