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Prior notification of a concentration (Case M.8354 — Fox/Sky)

The International Federation of Journalists (IFJ) and European Federation of Journalists (EFJ) notes the notification of a potential concentration pursuant to Article 4 of Council Regulation (EC) No 139/2004 (1) by which the undertaking Twenty-First Century Fox, Inc. ('Fox', USA) acquires within the meaning of Article 3(1)(b) of the Merger Regulation control of the whole of the undertaking Sky plc ('Sky', UK) by way of a public bid.

The IFJ is the global federation of journalists unions and associations. We represent 600,000 journalists in 167 unions/associations in 141 countries, including all the countries where Fox and Sky operate. The IFJ was founded in 1926 and has associate status with the United Nations, UNESCO, the International Labour Organisation and the United Nations High Commission for Human Rights. The EFJ is the largest organisation of journalists in Europe, representing over 320,000 journalists in 71 journalists' organisations across 43 countries.

Since the IFJ's establishment in 1926 we have had as a fundamental principle a strong commitment to media pluralism - a key foundation of democratic societies. Action, by government or commercial interests that enables any one organisation, company, family or individual to dominate a large part of the media landscape in any country or region is deeply damaging to democracy.

We strongly welcome the Commission's decision to examine the proposed merger, which we believe is contrary to the public interest and a threat to media plurality. The merger would

undermine media diversity, freedom of expression and undermine the fundamental principles of the European Commission.

According to the European Commission, freedom of expression is one of the essential foundations of the European Union. But freedom of expression can only be exercised in a free and pluralistic media environment, including through independent media governance.

The European Union's commitment to respect freedom and pluralism of the media, as well as the right to information and freedom of expression is enshrined in Article 11 of the [Charter of Fundamental Rights](#), similar to the provision of Article 10 of the [European Convention for the Protection of Human Rights and Fundamental Freedoms](#).

The exercise of that freedom is contingent on the existence of a free and pluralistic media environment.

In November 2013, the Council of the European Union and the representatives of the governments of the member states, meeting within the Council, adopted the following conclusions on media freedom and pluralism in the digital environment.

- Media freedom and pluralism are fundamental values enshrined in the Charter of Fundamental Rights of the European Union.
- They are an essential pillar of democracy as the media play an important role in ensuring transparency and accountability and have an impact on the public opinion and on the participation of citizens in and the contribution of citizens to the decision-making processes;
- The Council of Europe carries out very important work in the field of media freedom and pluralism. In this regard, the 2007 Memorandum of Understanding between the Council of Europe and the European Union lists freedom of expression and information among the shared priorities and focal areas for cooperation between these organisations;
- Particular attention should be paid to the possible negative effects of both excessive concentration in the sector and the strengthening of gatekeepers' positions;
- A high level of media independence and pluralism is essential not only to democracy, but also contributes to the strengthening of economic growth and to its sustainability;
- The Council of Europe plays an important role in setting standards for media freedom and pluralism and the cooperation with that body should be further continued and strengthened;
- Ensuring high levels of media freedom and pluralism is essential for the EU to be credible in negotiations with acceding countries and in international fora,

In examining the proposed merger, the Commission must 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. Britain has [one of the most concentrated media environments in the world](#), with 3 companies in control of 71% of national newspaper circulation and 5 companies in command of 81% of local newspaper titles.

The hacking scandal and its aftermath demonstrated how that power has been used nationally, whilst at local level community after community is losing the means to publicly hold power to account.

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.

The Media Reform Coalition report produced in conjunction with Avaaz, “*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. We agree.

There is no singular or definitive measure for assessing plurality or the potential impact of any particular merger. The policy decision therefore must be based on an assessment of risk.

In 2011, Rupert Murdoch’s News Corp attempted to buy Sky. A decision was taken by the UK government at the time to refer the bid to Ofcom to assess the threat to plurality. Ofcom subsequently raised concerns with the deal after carrying out an extensive and comprehensive review. The current bid raises considerably more grounds for concern than there were in 2011.

If the merger goes ahead it will undermine news plurality. It will result in the merged company being the only news and media provider present on all four media platforms at the wholesale level, with a significant and in many cases dominant presence across them. It will effectively become:

- The largest newspaper provider
- The third largest TV provider
- The second largest provider of radio news content
- The fourth largest online news provider

It would bring together Britain’s monopoly satellite platform and largest broadcaster by revenue.

Whilst these rankings are little different to 2011, the overall picture of news plurality has worsened since then. There has been a decline in multi-sourcing at the wholesale level, with just 38% of consumers using 3 or more providers across platforms in 2015 compared to 53% in 2010.

The merger would make Rupert Murdoch the only person ever to control a substantial share of wholesale news provision on all the main platforms for news with a strong presence on leading third party sites such as Youtube and Yahoo, further extending the company’s reach. Sky News online is the most widely featured news source on Yahoo’s UK news page, accounting for more than 25% of articles in February 2017 and over 50% of headlines.

Added to this is the significant political and opinion-forming power the new entity would have. Ofcom states that a commitment to media plurality is important to prevent “*too much influence over the political process being exercised by any single media owner*”. The Leveson Inquiry demonstrated the level of political influence and access already enjoyed by Rupert Murdoch and his company which is far in excess of all other individuals or commercial organisations.

Plurality requires access to news from diverse, reliable, independent sources.

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 and achieve a dominant market and political position within the UK media.

In the digital age the dominant role of the Murdoch empire is a matter of European and global concern.

Free, independent media play a crucial role in a democracy and the risks posed by concentration of ownership mean different tests must be applied to media mergers than other business transactions. This is rightly acknowledged by the Commission and approval of the proposed merger would run contrary to established policy and principles.

The IFJ and EFJ reaffirm our opposition to the merger on the grounds that it acts against citizens' interests, undermines media plurality and gives undue influence to one individual and company.