

NS Response to Ofcom Media Ownership Rules Review 2009

Question 1: We welcome any further evidence on our assessment of the media economic landscape, including key examples of international regulatory best practice that you believe may be relevant to this review.

The Newspaper Society and NS members have submitted a mixture of confidential and publicly available evidence to the OFT, Parliament, Government and Ofcom in the course of the Government's Digital Britain Review, including their submissions to the OFT's Review of the Local and Regional Media Merger Regime, Ofcom's Local Media Review, Ofcom's Market Impact Assessment in respect of the BBC Trust's Public Value Test of the BBC's Local Video proposal and the House of Commons Culture Media and Sport Select Committee's enquiry into the Future of Local and Regional Media. If Ofcom would find further information helpful, we would be happy for Ofcom to discuss this with us.

We seek views and supporting evidence on the following issues:

Local Media Ownership Rules

Question 2: We seek views and supporting evidence on our recommendation to remove the local radio service level ownership rules.

Question 3: We seek views and supporting evidence on our recommendation that the local cross-media ownership rules be liberalised.

The Newspaper Society supports the liberalisation of local cross-media ownership.

This is important to the future development of regional multi-media companies, as they innovate, sustain and expand the journalistic and other services across media platforms which they provide to their local communities.

Relaxation of cross-media ownership rules also needs to be accompanied by a more realistic approach to local media mergers and assessment of competition in local media markets by the competition authorities, under the merger regime.

The NS welcomes Ofcom's recognition that relaxation of local cross-media rules is necessary. We would view the proposal as the minimum change and would welcome further radical reform as soon as possible.

The NS's view continues to be that all local cross-media ownership rules, including the media public interest test, should be removed completely, rather than any restrictions remain upon the owner of a newspaper with 50% plus local market share from ownership of both a local radio station and the regional Channel 3 licence.

However, we appreciate that this is intended to enable cross-media acquisition by newspaper companies which would be currently prohibited. We would welcome the opportunity to discuss the actual application and effect of Ofcom's proposal in practice in more detail, so that members can evaluate the extent to which it will benefit their business and future strategy.

It will also be important to ensure that the national media ownership rules and media public interest test do not in practice indirectly prevent any regional media company from benefiting from liberalisation of the local cross-media ownership rules.

National Media Ownership Rules

Question 4: We seek views and supporting evidence on our recommendations to retain the national cross-media ownership rules.

See above.

Question 5: We seek views and supporting evidence to remove the national multiplex rules.

Restrictions on Broadcasting Licences

Question 6: We seek views and supporting evidence on our recommendations to retain the restrictions on broadcasting licences.

The Newspaper Society strongly supports the retention of restrictions on broadcasting licences in respect of local authorities. The NS believes that there should be stronger restrictions upon public authorities' media activities. In particular, local authorities should not be allowed to publish newspapers, or provide on line or broadcast news and advertising services, supported by third party advertising as well as public funds, in direct and damaging competition with the local commercial media for audience or advertisers. We refer you to the public submissions which the NS has already put forward to Government, OFT, Ofcom and the Audit Commission.

Appointed News Provider Rule

Question 7: We seek views and supporting evidence to retain the appointed news provider rule.

Question 8: We seek views and supporting evidence to retain the media public interest test in its current form.

The Media Public Interest Test

The NS considers that the media public interest test in its current form should be removed completely. Local newspaper mergers were rarely prevented on plurality public interest grounds under the previous regulatory regime. The test has not been invoked under the new regime for regional media companies.

The proliferation of information sources renders unnecessary any public interest test used only to prevent transfer of titles or merger of newspaper companies or development of multi-media services in any locality or region.

Changes to the media ownership rules and to the merger regime and their operation are needed, but these must facilitate rationalisation and enable changes which would sustain the continuation of any local or regional newspaper title or information service, by way of consolidation or cross-media acquisition.

Santha Rasaiah
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