

Department for Culture, Media and Sport  
Broadcasting Policy Division



*File - NO Carving Bill*

To Secretary of State

cc

From

[Redacted]

Bill Bush

File Ref

Date 31 July 2002

**ADDITIONAL BRIEFING - FOREIGN OWNERSHIP OF BROADCASTERS**

You asked for some additional information on the context of our policy on non-EEA ownership.

Attached is a brief that gives some idea of the regulatory trend in other European countries, as well as indication of where we have got to in our attempts to negotiate reciprocal arrangements with the US.

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## FOREIGN OWNERSHIP

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### European states that have already removed foreign ownership rules

Germany  
Spain  
Netherlands  
Portugal  
Sweden  
Finland  
Denmark  
Belgium  
Luxembourg

### The effects of removal

Hard to judge.

In the most high profile cases - Germany and Spain - the media have continued to be controlled by powerful local conglomerates (PRISA and Telefonica in Spain; Kirch and Bertelsmann in Germany). With the collapse of Kirch, that may change in Germany.

Some European companies have interests in a range of EU countries (Bertelsmann/RTL and Vivendi/Canal Plus) but US activity has been very limited.

### States that have imposed a requirement for reciprocity

Italy

In terms of US interest, the effect of this has been negligible - since Italian firms cannot hold more than a 25% share in any US broadcasting company, no US firm has been allowed into the Italian broadcasting market, except in pay TV, where News Corporation own Stream and are in the process of acquiring Telepiu from Canal Plus.

### Where we are in terms of negotiating reciprocity

The line to take is:

"As soon as we published the Draft Bill, we began a process of negotiation to encourage the US to follow our example, and drop its foreign ownership rules."

In practice this has involved our representative at the Embassy in Washington speaking to his contacts, to establish a dialogue.

It seems that formal negotiations will have to be conducted through GATT and the European route. Our international branch are working with the DTI to set this up.