

SLAUGHTER AND MAY

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1 March 2011

Ms Victoria Kaye  
Department for Culture, Media & Sport  
2-4 Cockspur Street  
London SW1 5DH

Your reference

Our reference  
BJFLWHJE  
Direct line  
020 7090 5264

Dear Ms Kaye

**News Corporation/BSkyB**

I write further to our letters of 12 January, 20 January and 9 February. As before, we write on behalf of BT, Guardian Media Group, Associated Newspapers Limited, Trinity Mirror Plc, Northcliffe Media and Telegraph Media Group (together, the "Concerned Parties").

It was reported in the Financial Times on 24 February that News Corporation has offered to divest Sky News as part of a proposed undertaking in lieu of reference to the Competition Commission ("CC").

Our letter of 20 January outlined the key difficulties with any remedy which seeks to divest Sky News on a standalone basis (separated from BSKyB). In particular, our letter outlined the complexities involved in separating the loss-making Sky News from BSKyB and ensuring that the business divested would constitute a viable and independent source of news plurality.

The complex nature of the issues associated with standalone divestment of Sky News mean that such a remedy cannot be characterised as "clear-cut" and therefore could not be an appropriate remedy in the absence of a full investigation by the CC.

Furthermore, the complexity of these issues makes it all the more important that the Secretary of State, the OFT and OFCOM engage with interested third parties (many of whom have relevant sector experience) prior to taking a provisional decision that any proposed undertaking addresses the plurality concerns. Therefore, the Concerned Parties request that:

- The Secretary of State provides an outline of the key features of any remedy proposals that are made by News Corporation;
- The Concerned Parties are given the opportunity to discuss the remedy proposals with the OFT and OFCOM prior to them advising the Secretary of State; and

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- The Concerned Parties are given the opportunity to discuss the remedy proposals with the Secretary of State prior to any provisional decision or substantive announcement which he may make on this issue.

Finally, the Concerned Parties would be grateful if you could confirm that the Secretary of State, the OFT and OFCOM will consider the issues outlined in our letter of 20 January when considering whether any proposed undertaking constitutes an effective remedy to the plurality concerns.

Yours sincerely

W. H. J. Ellison

Jordan Ellison  
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Copy to : Sheldon Mills (OFT)