

[GB] Government Proposals on Media Ownership

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The UK Government issued its long-awaited proposals on media ownership in May 1995. The proposals are for a reform of the currently highly complex rules governing concentration of ownership in broadcasting and cross-media ownership. The Government has accepted that it should retain special rules for the media rather than leaving control to ordinary competition law, but has aimed to introduce greater flexibility in order to reflect rapid technological change. The proposals deal separately with short and long term changes. In the short term, new legislation will permit newspaper groups with less than 20% of national circulation to control television broadcasters constituting up to 15% of the total television market defined by market share, subject to a limit of two Channel 3 licences, and also to apply for a limited share of the radio market. The Independent Television Commission will be able to disallow such control where it would not be in the public interest. The 20% limit to the newspaper holdings is important in disallowing television ownership by Rupert Murdoch's News Corporation and the Mirror Group, with 37% and 26% respectively. In addition, newspaper groups will be banned from controlling regional television or radio licences where they already have more than 30% of regional or local newspaper circulation. The rules limiting cross-ownership between terrestrial television, satellite and cable will be abolished, again with the exception of owners of more than 20% of newspaper circulation. The rules on local radio licence ownership will also be considerably relaxed. In the longer term, proposals are made for defining the total media market and shares within it and developing a 'media exchange rate' reflecting the relative influence of different media. Thresholds of market share will then be set above which ownership may be disallowed by a regulator applying public interest criteria such as promoting diversity and maintaining a strong media industry. The regulator will probably take the form of the existing competition authorities.

Media Ownership: The Government's Proposals.

