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1. July 2003

## COMMUNICATIONS BILL: HANDLING OF PLURALITY AT LORDS REPORT

Further to Lord Williams' letter of 13th June, in which he gave us approval to table a number of amendments to the Communications Bill at Lords Report Stage, we are now writing to seek your approval for our proposed handling of the debate on media plurality. This is an issue of some controversy, and for handling reasons we would like to deal with it as soon as possible. We would therefore be grateful for any comments by Tuesday 1<sup>st</sup> July at the latest, to allow us to handle these amendments at Report stage as set out below.

## **Plurality**

In view of continued strong opposition to some aspects of our media ownership proposals, we propose to amend the Communications Bill to introduce a media plurality test by adding plurality as a public interest consideration under the Enterprise Act. The test would apply to all qualifying mergers in principle, though in practice we would propose that the Government only referred mergers in those areas where we had removed media ownership rules, and we would set this out clearly in guidance. Therefore it would not apply where there are no plurality controls at present.

The test would consider the need for a plurality of owners, the need for a wide range of high quality broadcasting which is calculated to appeal to a wide variety of tastes and interests, and the need for a genuine commitment to the issues covered in OFCOM's programme and fairness standards, including the need for impartiality and accurate presentation of news. This test would sit alongside the special newspaper which would continue to consider newspaper-only mergers. We believe that, with this test, we may be able to avoid a defeat on our proposal for removing the restrictions on major newspapers holding the Channel 5 licence and foreign ownership.

## For Distribution to CPs

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