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Dear Ms Shinnick

Media ownership rules review

I am writing in relation to Ofcom's review of media ownership rules. I read with interest the sections on the appointed news provider rule and local cross media ownership rules, and would like to submit on behalf of Channel 4 some brief comments on these two issues. I apologise for the delay in responding to you.

Appointed news provider rule

The appointed news provider rule is a specific arrangement for the provision of news to Channel 3 licence holders, which requires that their news provider is independent of the BBC and funded adequately. Channel 4 notes the discussion about whether to expand the appointed news provider rule, and Ofcom's conclusion that there is no case for extending the scope of the rules to include Channel 4.

News sits at the heart of Channel 4's public service delivery. Channel 4 remains dedicated to its comprehensive UK-wide service and to developing online provision. The award-winning *Channel 4 News* is the UK's only hour-long peak-time news programme, which allows significantly greater depth and breadth of coverage than any other peak-time news programme. *Channel 4 News* speaks with a distinctive voice and appeals to harder to reach audiences, such as ethnic minorities and younger viewers. Channel 4 remains committed to plurality in news provision, and will play its part in maintaining a sustainable alternative source of UK-wide and international news to the BBC.

As highlighted by Ofcom, the primary rationale for the appointed news provider rule is to ensure that Channel 3, as the commercial television channel with the largest audience share, is able to provide plurality to the BBC in news provision. Notwithstanding the plurality provided by *Channel 4 News* in terms of distinctiveness of voice and ability to reach a wider range of audiences,

Channel 3 remains the primary provider of plurality to the BBC's news service in terms of audience share.

Channel 4 therefore agrees with Ofcom's conclusion that, based on current audience share and the current roles of the commercially-funded public service broadcasters, there is no case for extending the appointed news provider rule to Channel 4. Channel 4 also agrees with Ofcom's view that an extension would be more of an interventionist measure, and that it might involve Ofcom making judgements about how Channel 4 spends its news budget, at the risk of news independence. In addition, as a publicly-owned public service broadcaster, Channel 4 has the incentive to maintain a well-funded news service in line with its remit and licence, which precludes the need for additional regulation.

Local cross media ownership rules

As a UK-wide public service broadcaster, Channel 4 is naturally focused on national media ownership issues and national advertising markets. However, Channel 4 also supports the plural provision of news at a regional and more local level, and in this context would like to comment on Ofcom's proposals to liberalise the local cross media ownership rules.

Channel 4 believes it is important that the regional and local news model should seek to secure news provision from organisations beyond the BBC. In television, Channel 3's regional news services have long provided a public service alternative to the BBC, driving the benefits of competition and innovation, choice and a diversity of viewpoints for consumers.

However, Channel 4 recognises the financial pressures urgently facing regional and local news providers across television, print and radio. The Government has also recognised these challenges, and has proposed the introduction of independently-funded news consortia (IFNCs) to address this issue. The Government believes that IFNCs—while expected to be run commercially—would likely need to benefit from some public funding to be sustainable in future.

Channel 4 believes that liberalisation of the local cross media ownership rules could also potentially help regional and local media companies find a more sustainable financial model, and therefore provide continued competition to the BBC. Of course, safeguards need to remain in place to ensure that some plurality between different types of media at a local and regional level continues. However, to the extent that liberalisation of the local cross media ownership rules can help facilitate alternative news provision to the BBC, Channel 4 is broadly supportive of Ofcom's proposals.

I hope this information will be of assistance.

Yours sincerely



Nick Toon
Director of Corporate Relations