

In blow to Murdoch, UK refers Fox bid for Sky to regulator

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By JILL LAWLESS Associated Press

The British government will refer Twenty-First Century Fox Inc.'s bid for satellite broadcaster Sky to the country's competition regulator for further examination, in a blow to Rupert Murdoch's takeover plans.

Culture Secretary Karen Bradley told lawmakers Tuesday that she intended to refer the takeover to the Competition and Markets Authority because of concerns that the deal might concentrate too much power in one company's hands. Murdoch already owns British newspapers including the Sun and The Times of London.

And, in a change of view, she said she was also "minded" to refer it out of concerns about broadcasting standards. Bradley said there is a risk, "which is not purely fanciful," that the merger would not be in the public interest.

Twenty-First Century Fox said it was disappointed in the decision, noting that U.K. broadcast regulator Ofcom had advised the government that the deal did not raise concerns about broadcast standards. Ofcom has said that the takeover could give the Murdoch family too much influence over Britain's media.

"We urge the secretary of state to take a final decision quickly," Fox said, adding that the deal, announced in December 2016, was now likely to be completed by June 30, 2018, "subject to any further delays in the decision-making process."

Murdoch's media group is trying to buy the 61 percent of Sky it doesn't already own. The takeover values Sky, which broadcasts Premier League soccer and top film and television offerings in Britain and other European markets, at 18.5 billion pounds (\$25 billion).

An earlier attempt to buy the remaining shares was scuttled by the 2011 phone-hacking scandal that rocked Murdoch's British newspapers and led him to close the 168-year-old News of the World.

Bradley's announcement is a victory for Murdoch's critics, who have been emboldened by scandals over alleged racial discrimination and sexual harassment at his U.S. TV network Fox News. They say Murdoch does not meet the requirement that U.K. media owners be "fit and proper" people.

Bradley said that because of submissions she had received over the summer, "I am now minded to refer the merger to the (regulator) on the grounds of genuine commitment to broadcasting standards."

She said one area raised by critics of the deal was "what they termed the 'Foxification' of Fox-owned news outlets internationally."

British broadcasters are bound by stricter rules governing balance and neutrality than those in the United States, where Fox News' partisan style has won it a large audience.

Bradley said it was "important that entities which adopt controversial or partisan approaches to news and current affairs in other jurisdictions should, at the same time, have a genuine commitment to broadcasting standards here."

Tom Watson, media spokesman for the opposition Labour Party, congratulated Bradley on her decision.

"This is the first time a minister in the current government has ever stood in the way of what the Murdochs want, and frankly it's about time," he said.

Douglas Wigdor, a U.S. lawyer representing current and former employees who are suing Fox for racial

discrimination, also welcomed the announcement.

Wigdor, who previously wrote to Ofcom listing allegations against Fox News, said he was "hopeful that Fox will now waive any gag orders so that other individuals can provide relevant information without fear of reprisal."

Once a formal referral takes place, the regulator will have six months to conduct an investigation.

Sky said in a statement it was "disappointed by this further delay."

"Nevertheless we will continue to engage with the process as the secretary of state reaches her final decision," the company said.

Sky shares fell 1.7 percent on the news, to 936 pence.