



ED RICHARDS
Chief Executive



14 July 2011

Keith Vaz MP
Chairman
Home Affairs Select Committee
House of Commons
London SW1A 0AA

Dear Keith,

You will see from the attached that my colleague, Chris Woolard, has written to Elizabeth Flood today to ask for your Committee to provide any relevant information you may have that is pertinent to our consideration of whether BSkyB is a fit and proper holder of a broadcast licence.

I would be very grateful for any assistance your Committee can provide.

Yours sincerely



Ed Richards

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14th July 2011

Ms Elizabeth Flood
Clerk, Home Affairs Select Committee
7 Millbank
London
SW1P 3JA

Christopher Woolard
Group Director
Content, International & Regulatory
Development Group



Dear Ms Flood

You may have seen several references in recent news reports to Ofcom's duties in relation to ensuring that persons who hold broadcasting licences are fit and proper. I am writing to you in this regard.

Ofcom is the communications regulator in the UK responsible for the licensing of television and radio services. We have a positive duty under the Broadcasting Acts 1990 and 1996 to be satisfied that any person holding a broadcasting licence is, and remains, fit and proper to hold those licences.

BSkyB holds licences from Ofcom under the Broadcasting Acts and therefore BSKyB is a person about whose fitness and properness Ofcom must be satisfied as a condition of continuing to hold those licences.

News Corporation currently holds 39.14% of shares in BSKyB and if its proposed takeover is authorised by the Secretary of State it will own 100% of the shares. In these circumstances Ofcom must take account of News Corporation's conduct (and that of its subsidiary companies) in assessing the continuing fitness and properness of BSKyB as a licence holder as well as the conduct of BSKyB itself.

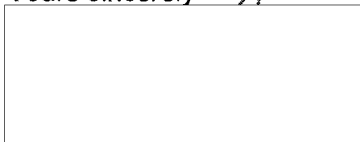
We understand that the Select Committee has taken evidence relating to the police investigation of unlawful conduct at News of the World.

I stress that we do not consider that it is for Ofcom to seek to investigate matters which properly lie within the Committee's hands. Moreover we cannot and should not act on allegations that are unsubstantiated.

We would however be grateful if you could inform us of any evidence that may be relevant to any assessment under our duty to be satisfied that BSKyB is and remains fit and proper to hold its broadcast licences. We would also like to discuss arrangements as to how we might properly be kept informed of any information coming to you in future which may assist us.

If it would be helpful, we would be happy to meet and discuss how we might be able to liaise in a way that is most effective and efficient for you and your staff."

Yours sincerely



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