













Martin Stott

From: BATCHELOR HEATHER [redacted]  
 Sent: 27 July 2011 11:03  
 To: Martin Stott  
 Subject: FoI Release  
 Attachments: highlighted\_Meeting with B SkyB 23 11 04[1].pdf

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Dear Martin,

For your information: Please find attached the minutes of a meeting between Tessa Jowell and James Murdoch. We have received an FOI request requesting the highlighted text at point 5, and intend to release this next week. If you have any comments, please let me know at your earliest convenience.

Kind regards,

Heather Batchelor  
 Freedom of Information Team  
 Department for Culture, Media & Sport



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To Jon Zeff cc Gareth Maybury  
Andrew Ramsay  
From Helen Williams Stephen Lovegrove  
Catherine Smadja  
File Ref Bill Bush  
Dominic Lake  
Date 23 November 2004

*[We are proposing to withhold blanked sections under S35 - Commercial Interests]*

#### MEETING WITH JAMES MURDOCH

1. You and I were present when the Secretary of State met with James Murdoch, Michael Rhodes and Ray Gallagher of Sky. Also present were Andrew Ramsay, and Bill Bush.
2. JM said that he would like to discuss sports, the ECB and the broadcast of test cricket matches and free-sat.
3. Sport and Young People SoS said that she was keen to encourage sport in the curriculum including after school. The target is 2 hours per week of good quality sport in 85% of schools by 2008. In addition there will be a proper talent development programme so that once young people have developed beyond the capacity of school, they are hooked up to a club or a coach, to bursaries or scholarships as appropriate. SoS said that it would be some time before this offer is open to all. SoS said that we are under-developed in junior rankings and in engaging parents.
4. SoS asked if Sky could help with encouraging children's participation and supporting sports development and junior rankings. JM said that Sky already have a CSR initiative which does a lot of community involvement work including sports for kids and JM noted that some of the rights holders, with whom Sky has links, are concerned about youth participation and interest. He said that SoS's suggestions were in line with Sky's interests but Sky would need to consider what kind of involvement would be practical. He said he was happy to help promote rankings. Ben Stimpson from Sky will take this forward with Nicky Roche.



### Cricket and the ECB

5. Sky are in negotiations with the ECB: the likely outcome is that Test Cricket will be exclusive to Sky. JM said that Sky still need to win the vote in the counties and ofcom would need to approve the deal. The highlights will probably be sold to Channel 5. Because Test Cricket is a grade B listed event Ofcom could object to the arrangements on the basis that Ch5 does not have the required 95% coverage – Ofcom would need to be satisfied that the main broadcasters had had a fair opportunity to bid for the highlights. JM acknowledged that there may be some negative publicity around the sale to Sky. JM said that he thought a percentage of the money raised by ECB would go to the Counties.

### Freesat

6. JM said that Freesat had only just started and they are focusing on the areas without Freeview coverage. He said that they are marketing modestly in the regions, working with communities, local radio and press. JM said ~~that the solution is helpful for Sky because of the potential~~ customers it could bring. It is also helpful for Government in expanding the availability of free-to-view digital TV.
7. JM said that he understood the BBC are interested in freesat and commented that between Sky and the BBC they could really drive build out of digital coverage.
8. JM asked SoS about her thinking on the cost of DTT build out. He said that the last percentage of digital coverage could be dealt with by satellite much more cheaply and efficiently than through the roll out of digital terrestrial.
9. SoS said that DSO policy starts with platform neutrality. She said that key considerations are availability, affordability and accessibility. She said that the Government are pursuing DTT roll out but had also thought about the extent to which satellite could be relied on to help those in areas not covered by DTT. JZ emphasised that, while satellite may well be the preferred route for many people, for others it may not be an option or they may want a mix of platforms. It was important to provide a choice of platforms as far as possible. SoS noted that, for example, satellite did not offer as easy a solution for second and third sets.
10. JM said that converting second and third TV sets to digital satellite is not technically challenging. He said that Ofcom have not spoken to Sky about second and third sets. It was true that set-top reception was not possible via satellite. However, he expected that Sky would in the future be able to offer tuners which would enable extra sets to be operated separately without the need for additional cables – he estimated that these could be widely available by 2012.
11. MR said that Sky's interpretation was that ITV were being required to

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build out the full DTT network but would be compensated for this via reduced licence payments. The implications of this would interest the European Commission. JZ noted that the Digital Replacement Licences and Financial Reviews for ITV were Ofcom's responsibilities and asked whether Sky had made their views known in response to Ofcom's consultations: they confirmed they had.

12. JM said that there had been discussions about Freesat between the BBC and Sky. These had broken down because of disagreements on issues like cross-promotion, Sky marketing and encryption.
13. JM said that Sky have concerns about levels of neutrality of BBC's policy on promotion of digital TV. In particular, the BBC had indicated that they would not promote Sky's new offer as "free" unless Sky gave strong undertakings not to promote pay TV services to "freesat" customers for six months. This meant that BBC's digital promotions focused heavily on Freeview. *[We are proposing to withhold blanked sections under S35 - Commercial Interests]*
14. SoS said that BBC cross-promotion will be considered during the Charter Review process and Sky have mentioned this point in their submission on CR.
15. JM will submit a paper to SoS on the issues raised on digital coverage. SoS will discuss with Ofcom and offer a considered response.

  
Helen Williams  
Private Secretary

**Martin Stott**

**From:** Martin Stott  
**Sent:** 01 August 2011 12:28  
**To:** 'BATCHELOR HEATHER'  
**Subject:** RE: FoI Release

Heather

Thank you for keeping us informed. We have no comments to make.

Best Wishes

Martin  
**Martin Stott**  
Head of Corporate & Regulatory Affairs  
Channel 5

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[channel5.com](http://channel5.com)

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