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### **Press retail supply chain**

We have been giving detailed consideration to the proposals you announced on 23 February for your opinion on the Press retail supply chain and which we understand you propose to publish early in April.

It is clearly extremely disappointing to us that the OFT is minded to produce an opinion which seeks to protect a secure route to market for newspapers but not for magazines. We know that the inextricable nature of Press distribution - newspapers and magazines - has been cogently argued to you and it is clearly disappointing that OFT either does not believe, or, if it believes, does not care, that separating newspapers from magazines in the level of security it is seeking to give, will be sufficient to unravel the supply chain for both newspapers and magazines.

However, notwithstanding the position OFT has apparently reached on these points, we believe it is extremely important that the executives responsible for this opinion agree to see senior members of the magazine publishing industry before this opinion is published to consider three vital aspects which - despite the tens of thousands of words which have been written - we do not believe have been fully considered in reaching the decision to date.

We believe these to be:

1. **Time sensitivity of magazines:** From the discussion our representatives had with your executives on 23 February it was quite clear to us that OFT has either not appreciated, or certainly has not given adequate consideration to, the time-sensitivity of our products which we believe we can demonstrate has at least equal importance for the viability of many magazines as for newspapers.
2. **Discrimination between different groups of publishers of Press product:** Perhaps even more importantly from the discussion on 23 February it is clear to us that the OFT has not considered sufficiently, and certainly appears not fully to have appreciated, the full impact of the discriminatory nature of the opinion it is minded to issue. It must be clear to all that newspapers are declining as a product while magazines have continued to flourish over the last 10 years, despite the amazing amount of other media competition. It is no surprise, therefore, that newspapers are increasingly becoming an offering of magazines, most notably, but not exclusively, on Saturdays and Sundays. They look like magazines, smell like magazines and compete vigorously with

magazines both for vital advertising revenue and for readers. An inevitable impact of offering a level of protection for the publishers of newspaper/magazines and not for magazine/magazines will be a grotesque distortion of the market between one group of Press publishers and another. We believe this must be fully evaluated and understood.

- 3. Threat to a free and diverse Press:** Again from the discussion on 23 February, we are quite clear that the OFT has not given adequate consideration to the long-term threat to a free and diverse Press that its opinion could pose. Please would you confirm that the wider implications for Press freedom have not been taken into account, perhaps because you believe it not to be an issue for the OFT. Together with our newspaper colleagues, we are pursuing our concerns on this issue with DCA, DCMA and the Prime Minister's Office, and hope they will be making appropriate representations to you.

We do hope you will agree it is vital that we are given an opportunity to meet with you and or your executives to discuss these important points before publication of your opinion on the Press distribution issue and look forward to your early response.

Yours sincerely

IAN LOCKS  
Chief Executive