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Competition and Markets Authority
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BY EMAIL TO: BauerMedia-inquiries@cma.gov.uk

PUBLIC VERSION

Dear Sirs

Bauer Media Group merger inquiry **Response to Notice of Possible Remedies published 5 December 2019**

Representation of independent radio stations for national advertising

We note the CMA prefers structural remedies, such as divestiture or prohibition, over behavioural remedies. ✂.

We submit that in the case of First Radio Sales (FRS) the only reasonable structural remedy is ✂. ✂.

As the CMA is already aware, ✂. This would result in ✂. ✂. ✂. ✂.

We believe ✂.

We are confident ✂, particularly if ✂.

This is important since ✂.

We confirm to the CMA that ✂.

In regard to potential behavioural remedies; ✂.

This would provide Bauer with a greater national share of commercial radio listening and new commercial services access to national revenue.

The terms must be the same or better than FRS – namely that stations are participants in RAJAR (or equivalent national audience survey) and at an equivalent or better rate of commission.

✂.

✂.

✂.

The supply of local advertising in the Wolverhampton area

✂.

Signal 107 in Wolverhampton has no history of success as a standalone operation, evidenced by the reapplication documents submitted by Wireless Group for the various licenses which constitute the wider Signal 107 service.

In the reapplication to Ofcom for Signal 107 Wolverhampton in 2015, UTV Group (now Wireless Group) commented:

“Signal 107 (Wolverhampton) –then the Wolf – sits in one of the most competitive radio markets in the country and by 2011 was reaching the limit of its financial viability. Strategic decisions needed to be made about its future. If this service was returned to a standalone station it would not be viable and would ultimately lead to the loss of a local radio service for Wolverhampton and also for Kidderminster, Telford and Shrewsbury/Oswestry.”

In the reapplication for Signal 107 Telford to Ofcom in 2015, UTV (now Wireless Group) commented:

“Signal 107 (Telford) is currently loss-making if considered on a standalone basis... As demonstrated by our financial projections, Signal 107 is on a firm path to profitability. However, our projections also show that if the Telford licence was returned to a standalone station it would not be viable. The security of all four licences which make up Signal 107 depends on their continued integration and the effective subsidy arising from UTV’s ownership.”

Any potential purchaser would need to invest to significantly restructure the business in order to separate it from Wireless Group infrastructure and programming incurring significant initial costs.

✂.

✂.

✂.

✂.

Yours sincerely

✂

Jason Bryant
Executive Chairman