

## UKRD Response to letter of 22 October

[(i) information as to Global Radio's current competitors in the radio services industry in the UK, and what new competitors Global Radio may face in the future;]

- (i) This is particularly difficult to answer in terms of what the future may bring as entry into the market place is extremely difficult for any new operator. Currently, as Global is already so dominant in the sector, one reason why we are opposing the acquisition of Global by GMG, there are very few parts of the UK where that organisation does not have a presence and were this acquisition to be approved, that dominance would not only be cemented but cemented in such a way that practically no part of the UK will be apart from Globals overbearing influence. Local radio operators such as ourselves will, we believe, suffer undue damaging effects from an overly powerful control of the national revenue market particularly within the sector, which will undoubtedly be exploited to the full by Global with its newly enhanced position.

[(ii) how easy or difficult would it be to enter this market?]

- (ii) It is now almost nigh on impossible to enter the local commercial radio sector as Ofcom is no longer issuing new FM/analogue licences (which still account for nearly two thirds share of all listening) and as such, any potential new entrant will have to "buy" their place in the sector from other operators. The more Globals influence and dominance is allowed to grow the greater the difficulty in ensuring genuine competition across the sector and the more damage which can be done directly as a result, to other smaller less powerful operators

[(iii) the effect of the acquisition on current and future customers, suppliers or competitors]

- (iii) The effect this acquisition will have on competitors will inevitably undermine their ability to compete as they are squeezed at national and local level. Suppliers will have few alternative of any scale to allow the market to operate effectively and customers will increasingly have a "take it or leave it" option as Global seeks to further drive its own performance by squeezing everyone elses. This acquisition is a substantial move in the context of the sector itself and the argument as presented by Globals Chairman recently that this is a small deal may well be so in the context of the wider media industry but in the context of the sector within which we all have to operate, it is a massive and transformational deal not only for Global but also, and in my view negatively, for the wider commercial radio sector.

Thank you for inviting us to present our views on this critically important issue.

Yours sincerely  
William Rogers

Chief Executive Officer  
UKRD Group Limited