

## Terms of reference and conduct of inquiry

### Terms of reference

1. On 29 April 2004 the OFT sent to the CC the following reference:

Whereas in exercise of its duty under section 22(1) of the Enterprise Act 2002 (“the Act”) to make a reference to the Competition Commission (“the Commission”) in relation to a completed merger the Office of Fair Trading (“the OFT”) believes that it is or may be the case that—

- (a) a relevant merger situation has been created in that:
  - (i) enterprises carried on by or under the control of Archant Limited have ceased to be distinct from enterprises carried on by or under the control of Independent News and Media PLC; and
  - (ii) as a result, the condition specified in section 23(3) of the Act will prevail to a greater extent, with respect to the supply of free and paid for local newspapers in a substantial part of the United Kingdom; and
- (b) the creation of that situation has resulted, or may be expected to result, in a substantial lessening of competition within any market or markets in the United Kingdom for goods or services, namely the market for the supply of free and paid for local newspapers.

2. Now, therefore, the OFT, in exercise of its duty under section 22 of the Act, hereby refers to the Commission, for investigation and report within a period ending on 13 October 2004, the following questions in accordance with section 35 of the Act—

- (a) whether a relevant merger situation has been created; and
- (b) if so, whether the creation of that situation has resulted, or may be expected to result, in a substantial lessening of competition within any market or markets in the United Kingdom.

3. In relation to the question whether a relevant merger situation will be created, the Commission shall exclude from consideration one of subsections (1) and (2) of section 23 of the Act if they find that the other is satisfied.

**Vincent Smith**  
**Director, Competition Enforcement, Office of Fair Trading**  
**29 April 2004**

### Conduct of inquiry

4. Notices inviting interested parties to submit evidence to the CC were placed in the *Barking & Dagenham Post Series*, *East London Advertiser*, *Ilford and Redbridge Weekly Post*, *Islington Gazette Series*, *North London Weekly Herald Series*, *Romford & Havering Weekly Post*, *Stratford & Newham Express*, the *Guardian Media Supplement* and the *Evening Standard*.

5. We also sought evidence from a number of potential third parties, including other newspaper publishers and advertisers. Non-sensitive submission received from third parties can be found on the CC's web site, together with a summary of other third party views, and also reports on surveys commissioned from Synovate and from Andrew Irving Associates.
6. Written evidence was received from many of these parties and hearings were held with three of them.
7. We also held two hearings with Archant. A non-sensitive version of Archant's initial submission can be found on the CC web site.
8. The Group visited Archant's local newspapers in north and east London. They also visited some local authority advertisers.
9. We should like to thank all those who have helped us in our inquiry, particularly Archant.
10. In the course of the inquiry, we sent to Archant, and also published on the CC web site, a Statement of Issues, a Notice of Interim Undertakings and a Notice of Provisional Findings.