

## No 'get out of jail' card for ITV on CRR review

In a blow to the newly active Chairman and Chief Executive of ITV, the Competition Commission have this morning definitively ruled that the CRR remedy, (which allows buyers of advertising airtime to renew their existing contracts with ITV, with investment adjusted to reflect the change in ITV1's audience share), will be maintained for the foreseeable future. The only concession that the Commission has made to ITV's extensive lobbying is an amendment to include viewers delivered by the ITV1+1 and ITV1HD channels.

Echoing the sentiment expressed in the GroupM submission to the consultation, the Commission's spokesperson, Diana Guy, said:

*'ITV1 remains a 'must have' for certain advertisers and certain types of campaign. Despite all the changes in this market, no other channel or medium can come close to matching the size of audience that ITV regularly provides. So the essential reason for the CRR undertakings remains: to protect advertisers and other commercial broadcasters from the enhanced market position created by the merger of Carlton and Granada.'*

*'There has been virtual unanimity among the advertisers, media agencies, commercial broadcasters and trade bodies we have heard from that CRR should be retained in some form'.*

In a blunt fashion she added:

*'We believe that ITV has overstated the cost and distortions imposed by CRR.'*

Though the ruling in favour of the maintenance of CRR is unsurprising, and in keeping with an early provisional position issued by the commission, it nonetheless represents a setback for the aspirations of Archie Norman and Adam Crozier, the new dream team tasked with turning round the fortunes of the ailing broadcaster.

Today's ruling is definitive and enfranchised in legislation, and while it would be irresponsible of us to speculate on conspiracy theories, it is worthwhile acknowledging the relationship between the ITV chairman, Archie Norman (Conservative party chairman 1999 – 2001) and our newly crowned PM, David Cameron (ex-public relations manager for ITV's Carlton broadcaster), and noting a recent statement from the then shadow Secretary for Culture, Media & Sport, Jeremy Hunt, in which he announced a Conservative administration's intention to remove the CRR remedy in its entirety.

One suspects that we have not heard the last of this yet.