

IN.D. 01

[redacted]

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**From:** GEIST-DIVVER CAROLA  
**Sent:** 09 December 2010 17:42  
**To:** [redacted]  
**Cc:** [redacted]  
**Subject:** Weber Shandwick briefing on News Corp/Sky

[redacted]

Sorry, not sure whether you gathered that [redacted] and I discussed this yesterday on our way to the House.

We agreed that if [redacted] wanted to take the opportunity for this briefing, he would make abundantly clear that this department has no role whatsoever in the whole process, and it would be purely to aid his own understanding by way of background information, so we were better informed.

Carola

Carola Geist-Divver  
 Deputy Director - Legal (Broadcasting and Regulated Industries) Department for Culture, Media & Sport  
 2-4 Cockspur Street, London SW1Y 5DH  
 Tel: [redacted]

-----Original Message-----  
**From:** [redacted]  
**Sent:** 09 December 2010 12:17  
**To:** [redacted]  
**Cc:** GEIST-DIVVER CAROLA  
**Subject:** RE: thanks for dinner

might you want to offer this to Jonathan too, and then make it clear BIS lead on it, but we are interested?

-----Original Message-----  
**From:** [redacted]  
**Sent:** 08 December 2010 14:23  
**To:** GEIST-DIVVER CAROLA  
**Cc:** [redacted]  
**Subject:** FW: thanks for dinner

Carola,

Weber Shandwick have offered me a briefing on the News Corp/Sky acquisition (they are acting for [redacted] I believe). I am inclined to take them up on this while stressing that, although we have an interest, we do not "want to get into the plurality issue". Before doing so, though, I wondered if you thought this could carry any risks for the process.

[redacted]

-----Original Message-----

From: [redacted]

Sent: 08 December 2010 07:37

To: [redacted]

Subject: thanks for dinner

[redacted] given DCMS want to get into the plurality issue, who is the best person for my clients to come and brief on it... lots of evidence

[redacted]

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GSI may be automatically logged, monitored and/or recorded for legal purposes.

IN. D. 02

**From:** [redacted]  
**Sent:** 21 December 2010 20:01  
**To:** KILGARRIFF PATRICK; BEEBY, Sue; [redacted]  
 SMITH, Adam; [redacted]  
**Cc:** ZEFF JON; [redacted] PATEL RITA; MARTIN LINDA;  
 GEIST-DIVVER CAROLA; [redacted]  
**Subject:** RE: URGENT Competition policy

It occurs to me that we have a briefing meeting from [redacted] on Newscorp scheduled for tomorrow at 10.30. That was not, of course, a problem when Vince Cable was the decision maker in this case, but it seems to me that it probably ought to be cancelled now that responsibility has transferred to Jeremy. I don't think the presentation was, in any event, to Jeremy, but given recent events, I think that we ought to distance from any remote suggestion of influence by any interested party.

appy to discuss though; I'll be in the office from at least 8 tomorrow morning.



Legal Advisers to the Department for Culture, Media and Sport  
 Email: [redacted]

**From:** KILGARRIFF PATRICK  
**Sent:** 21 December 2010 18:06  
**To:** BEEBY, Sue; E [redacted] SMITH, Adam; [redacted]  
**Cc:** ZEFF JON; [redacted] PATEL RITA; MARTIN LINDA; GEIST-DIVVER CAROLA;  
**Subject:** RE: URGENT Competition policy

As we must now wait for Ofcom's report – so perhaps tweaked to – “...Ofcom's recommendation and so he will need to read Ofcom's report before making any decision”

**From:** BEEBY, Sue  
**Sent:** 21 December 2010 18:02  
**To:** [redacted] KILGARRIFF PATRICK; SMITH, Adam; [redacted]  
**Cc:** ZEFF JON; [redacted] PATEL RITA; MARTIN LINDA; GEIST-DIVVER CAROLA;  
**Subject:** RE: URGENT Competition policy

We also need a line on Jeremy's comment to the FT.

Suggested and cleared with Jeremy  
 “Jeremy clearly said at the time that he didn't want to second guess Ofcom's recommendation and so he will await their report before making any decision.”

**From:** [redacted]  
**Sent:** 21 December 2010 17:55  
**To:** [redacted] BEEBY, Sue; KILGARRIFF PATRICK; SMITH, Adam; [redacted]  
**Cc:** ZEFF JON; [redacted] PATEL RITA; MARTIN LINDA; GEIST-DIVVER CAROLA;

[redacted]  
**Subject:** RE: URGENT Competition policy

Know you are speaking to Sue. Jonathan would like to have sight of any proposed lines in response before they go out.

Ta

[redacted]  
[redacted]  
Department for Culture, Media and Sport  
[redacted]

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**From:** [redacted]  
**Sent:** 21 December 2010 17:50  
**To:** [redacted] BEEBY, Sue; KILGARRIFF PATRICK; [redacted] SMITH, Adam; [redacted]  
**Cc:** ZEFF JON; [redacted] PATEL RITA; MARTIN LINDA; GEIST-DIVVER CAROLA;  
**Subject:** RE: URGENT Competition policy

Just announced by no 10.

A Downing Street spokesman said:

"Following comments made by Vince Cable to the Daily Telegraph, the Prime Minister has decided that he will play no further part in the decision over News Corporation's proposed takeover of BSkyB.

"In addition, all responsibility for competition and policy issues relating to media, broadcasting, digital and telecoms sectors will be transferred immediately to the Secretary of State for Culture, Media and Sport.

"This includes full responsibility for OFCOM's activities in these areas.

"The Prime Minister is clear that Mr Cable's comments were totally unacceptable and inappropriate."

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**From:** [redacted]  
**Sent:** 21 December 2010 17:49  
**To:** BEEBY, Sue; [redacted] KILGARRIFF PATRICK; [redacted] SMITH, Adam; [redacted]  
**Cc:** ZEFF JON; [redacted] PATEL RITA; MARTIN LINDA; GEIST-DIVVER CAROLA;  
**Subject:** RE: URGENT Competition policy

Here's the basis for Jeremy' comment:

"BSkyB largest shareholder is News Corporation (News Corp) with a 39.02 per cent stake along with several directorships, which is sufficient to confer control over BSkyB." (from the OFT's report to SoS DTI on the Acquisition by British Sky Broadcasting Group plc of a 17.9 per cent stake in ITV plc, 27 April 2007).

So arguably Jeremy has done no more that repeat an earlier conclusion by the OFT.

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**From:** BEEBY, Sue  
**Sent:** 21 December 2010 17:36

IN.D. 03

[Redacted]

**From:** [Redacted]  
**Sent:** 22 December 2010 09:22  
**To:** ZEFF JON; KILGARRIFF PATRICK; SMITH, Adam; [Redacted]  
**Subject:** Permanent Secretary  
 FW: Media handling: BSKYB / NEWS CORP TAKEOVER - EC REPORT INTO COMPETITION  
**Attachments:** NewsCorps BSKyB - Handling issues - December 2010.doc

To see....

[Redacted]

**Department for Culture, Media and Sport**  
**Tel:** [Redacted]

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**From:** Cable MPST [Redacted]  
**Sent:** 22 December 2010 09:04  
**To:** SECRETARY OF STATE'S OFFICE  
**Subject:** FW: Media handling: BSKYB / NEWS CORP TAKEOVER - EC REPORT INTO COMPETITION

Hi [Redacted]

Here is the note our officials drafted last night. Might be helpful for your SoS to give this a once over.

Thanks, see you soon

[Redacted]

[Redacted]

8th Floor | 1 Victoria Street | London | SW1H 0ET

**Tel:** [Redacted] **Mob:** [Redacted]

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**From:** [Redacted]  
**Sent:** 21 December 2010 19:01  
**To:** Cable MPST  
**Cc:** [Redacted]

**Subject:** RE: Media handling: BSKYB / NEWS CORP TAKEOVER - EC REPORT INTO COMPETITION

[Redacted] sked us to do a note clarifying the handling process on the NewsCorps case. You might want to send this over to DCMS ahead of the briefing tomorrow. Given developments this afternoon there are still some issues for the lawyers to consider about whether DCMS can just pick it up from here or whether we start again but we'll get back to you on that. Hope this helps.

[Redacted]  
**Mobile:** [Redacted]

<<NewsCorps BSKyB - Handling issues - December 2010.doc>>

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Department for Business, Innovation & Skills | Tel:

IN.D.04

## Handling the Ofcom report and related issues

### **Anticipated Timeline**

- w/b 27 December – receive OFT's report on jurisdiction issues
- 31 December – receive Ofcom's report
- 6, 7 January – receive a further two versions of the report from Ofcom – a redacted one that can be published and a separate redacted version that can, if needed, be discussed with NewsCorp
- 4-7 January - officials consider the report, discuss it with Ofcom, and provide advice to the SofS
- 10-11 January SofS considers the report, discusses it with Ed Richards, Counsel and officials
- 11-14 January – NewsCorp given opportunity to make oral representations to BIS officials and a couple of days to make any further written representations. If the SofS is minded to refer he is obliged to tell the parties, and give them his reasons. He may want to give them an opportunity to make representations on undertakings in lieu of a reference.
- 17-21 January – SofS announces his decision

Note: the 10 working day timetable for a decision takes us through to 17 January. But this is an administrative not a statutory deadlines and there is no reason why the SoS should not take a few days longer, especially if discussions with the parties are needed.

### **Issue 1: When to publish Ofcom's report**

The SofS has discretion over when to publish the Ofcom report provided this is no later than when he publishes his decision on whether to make a reference to the Competition Commission.

Our recommendation is that the SofS should not publish the report until he announces that decision. This is a market sensitive issue, it appears sensible to do what we can to reduce media comment and speculation about the outcome of the Secretary of State's decision.

There is bound to be speculation, but this may be greater if the report were made public prior to announcing a decision since there would be substantive evidence and information for the media to analyse and interpret.

For that reason it would be reasonable for the SofS to maintain the position that Ofcom's report should be published only at the time he announces his decision.

If the alternative conclusion is reached, Ofcom intends to send us a redacted version of the report, suitable for publication, in the first week of January; accordingly it would probably be possible to publish the report on the 6 or 7 January.

**Issue 2: Bids to make further representations on the merits of the case**

In reaching a decision on a reference, it is open to the Secretary of State to take into account further evidence and information that may be submitted direct to him separate from the Ofcom report.

We would generally only actively seek such further representations if there was a particular point of fact or law on which the Secretary of State required clarification or additional information before taking a properly informed decision. But nor would we deny parties the opportunity to submit further arguments if they so wished.

However, we are required to act reasonably at all times. If, in particular, the merging parties believed they had further arguments they wished to make, we would seek to accommodate them as far as practicable. We should remain open to a meeting with them if desired and to receiving any further written representations they considered necessary.

**Issue 3: Requirement to consult the parties if the SofS is minded to make a reference**

Section 104 of the Enterprise Act provides that the SofS must consult affected parties before taking a relevant merger decision. If the Secretary of State were minded to make a reference in this case, it would be appropriate to give the merging parties an opportunity to make further representations about that decision, including on the possibility of offering statutory undertakings that addressed the public interest concern identified in lieu of making such a reference.

**Issue 4: Representations about the adequacy of the process**

If parties wished to comment on the way Ofcom conducted its investigation or other aspects of the process, we would again be under a general obligation to give fair hearing to these. We would wish to ensure that all relevant information and evidence had been properly considered and given due weight.

**Issue 5: Handling the Ofcom report – limited circulation**

The non-redacted confidential version of the Ofcom report will be delivered to the Secretary of State on 31 December. The report will only be made available to those officials directly involved in providing advice on the decision and to our external legal Counsel. In response to calls to disclose the contents of the report, we would need to maintain the position that it would be inappropriate to disclose it in advance of the decision.

IN.D.05

[Redacted]

**From:** [Redacted]  
**Sent:** 22 December 2010 15:22  
**To:** ZEFF JON  
**Cc:** KILGARRIFF PATRICK  
**Subject:** RE: BskyB handling

Jon,

You've just discussed with Jonathan. He's happy with the proposed wording.

He had a chat with [Redacted] to a similar effect – I'll send a quick write up of key points shortly.

[Redacted]

Department for Culture, Media and Sport

[Redacted]

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**From:** ZEFF JON  
**Sent:** 22 December 2010 15:18  
**To:** [Redacted]  
**Cc:** KILGARRIFF PATRICK  
**Subject:** BskyB handling

[Redacted]

As mentioned, below is the form of words which I have agreed with BIS (and with Patrick), subject to any views from Jonathan:

The DCMS Secretary of State is now the decision taker in the NewsCorp/BSkyB case. Accordingly, Ofcom will deliver their report to DCMS private office on 31 December. DCMS officials will have policy responsibility for the case and will take the lead in advising their Secretary of State on the substantive case for referring the merger to the Competition Commission, consulting Counsel, and handling discussions with NewsCorp and others. BIS officials, including legal advisers, will, however, be readily on hand to advise DCMS officials and Ministers on the process and applicable law, which will include being on hand to attend any meetings associated with the case. BIS officials will also work with colleagues at DCMS to provide all the assistance that is needed so that the DCMS Secretary of State has access to all the advice he might need.

Jon

Jon Zeff  
Director, Media  
DCMS

[Redacted]

IN.D.06

[Redacted]

**From:** [Redacted]  
**Sent:** 11 January 2011 08:41  
**To:** [Redacted]  
**Cc:** ZEFF JON; KILGARRIFF PATRICK; GEIST-DIVVER CAROLA  
**Subject:** RE: Restricted: Ofcom report

There's no mechanic in the legislation for the Secretary of State to refer and at the same time to highlight particular elements of concern to him. That being said, the CC will have, of course, his decision letter, which will have to refer to the reasons for the SoS referring the matter to the CC. I suspect that we may need to cover some of these issues in the decision letter, if only to say that the SoS still considers that they merit further investigation (if that is where we end up).

It seems to me that the logical way for the CC to approach the case, however, would be to build on Ofcom's existing findings. Moreover, given that Newscorp are asserting that the Broadcasting Code and impartiality renders the present discussion otiose, it seems to me axiomatic that the CC will have to consider this, as they will invite representations from Newscorp.

[Redacted]

**Legal Advisers to the Department for Culture, Media and Sport**  
**Email:** [Redacted] **Tel:** [Redacted]

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**From:** [Redacted]  
**Sent:** 10 January 2011 21:17  
**To:** [Redacted]  
**Cc:** ZEFF JON, [Redacted]  
**Subject:** Re: Restricted: Ofcom report

Sos didn't mention this to me but he clearly has been struck by a number of the conclusions in the report, to the extent that he feels there is a very strong steer from ofcom. I think he wants to ensure that if referred the cc we do so in a balanced and fair way that allows them to approach this in a spirit of enquiry (eg we don't give the impression to the cc that we've prejudged the outcome or are steering them in a way that leads down one path rather than another).

I expect the observations to which sos refers are around the areas he sought clarification from ofcom today- particularly the weight given to impartiality laws and the material impact on plurality (eg numbers of people affected by the decision).

[Redacted]

Sent from my BlackBerry Wireless Device

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**From:** [Redacted]  
**To:** [Redacted]  
**Cc:** ZEFF JON; [Redacted]  
**Sent:** Mon Jan 10 19:50:43 2011  
**Subject:** Restricted: Ofcom report

[Redacted]

Jonathan had a brief 1:1 with SofS earlier today who queried whether, in referring any decision, he was able to highlight areas of particular concern/interest.

He envisaged being very clear that it is for the Commission to make judgements (which he would not wish to prejudge) but that in giving the issue careful consideration he had been particularly struck by x, y and z.

Is it possible to do so?

If so, what are the issues which we might want to flag? In the course of discussion with Jonathan he seemed to highlight the impartiality requirement on TV news and wholesale news provision (tho I'm afraid I don't know the detail of their discussion).

Copying to [redacted] who may have had a more useful read out!

[redacted]  
[redacted]

Department for Culture, Media and Sport

[redacted]

KAYE VICTORIA

IN.D.07

**From:** PATEL RITA  
**Sent:** 11 January 2011 16:52  
**To:** [REDACTED]  
**Cc:** STEPHENS JONATHAN; SMITH, Adam; BEEBY, Sue; ZEFF JON; [REDACTED]  
KILGARRIFF PATRICK  
**Subject:** Restricted: SoS conversation with Ed Richards

The SoS had a brief conversation with Ed Richards (ER) this afternoon re News Corp. Please find below a summary of the conversation.

- ER said he wanted to raise an issue which is only touched on in the Ofcom report but could become an issue if things started to move quickly and which he did not have the opportunity to raise at their meeting earlier on in the week. The issue was of commitments and undertakings (prior to any remedies) which could become an important dimension and one which News Corp may choose to raise. The SoS would therefore want to consider how he would want to respond to this matter.
- The SoS confirmed that he had not received specific advice from officials on this matter. ER said the SoS will also want to consider, if and at what point, he would wish to consult Ofcom on this matter. The SoS said that ofcom would be the first pt of consultation and he was clear that appropriate due process should be followed.
- The SoS said the Ofcom advice was clear cut and makes it difficult for remedies to pass the test of reasonableness. ER said the advice was strong on the first stage hurdle but not at all definitive on the second stage.

Thanks

Rita

Rita Patel  
Principal Private Secretary to the Secretary of State  
Department for Culture, Media and Sport  
4-4 Cockspur Street  
London  
SW1Y 5DH

Tel [REDACTED]  
Fax [REDACTED]

Box Times: The Secretary of State's box closes at 3.00pm Monday – Thursday. Please contact the relevant Private Secretary directly regarding any urgent matters arising outside of these hours.

IN.D.08

**From:** [redacted]  
**Sent:** 12 January 2011 08:56  
**To:** [redacted]  
**Subject:** RE: Restricted: SoS conversation with Ed Richards

[redacted]

I agree with the issue about accepting undertakings at this stage. I think too little is certain about what the problems with plurality are. Having said that, it may well be that Newscorp try and offer some, in which case we will have to consider. But I also agree that Ofcom should be able to comment on their efficacy, as their report has not focussed on this.

Well, remedies are usually imposed by the regulator (in a straightforward competition case by the Competition Commission). But remedies can also be used as a blanket term to encompass undertakings and orders made to remedy the situation. I think what's meant at the first bullet point is undertakings prior to the discussion of remedies. Does that make sense at all?

[redacted]

Legal Advisers to the Department for Culture, Media and Sport  
Email: [redacted] Tel: [redacted]

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**From:** [redacted]  
**Sent:** 11 January 2011 17:15  
**To:** [redacted]  
**Subject:** FW: Restricted: SoS conversation with Ed Richards

[redacted]

My feeling is that it would be very difficult to accept commitments and undertakings at this stage when the nature of the problem is itself still somewhat ill-defined (Ofcom say in respect of a number of issues that more work needs to be done). Of course, we will have to see what, if anything, is proposed, before we can decide. It seems right that Ofcom should be able to comment on the efficacy of any commitments and undertakings.

Incidentally, I am not sure what the distinction is being draw between "commitments and undertakings" and "remedies". Is it just a timing point?

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**From:** PATEL RITA  
**Sent:** 11 January 2011 16:52  
**To:** [redacted]  
**Cc:** STEPHENS JONATHAN; SMITH, Adam; BEEBY, Sue; ZEFF JON; [redacted] KILGARRIFF PATRICK  
**Subject:** Restricted: SoS conversation with Ed Richards

The SoS had a brief conversation with Ed Richards (ER) this afternoon re News Corp. Please find below a summary of the conversation.

- ER said he wanted to raise an issue which is only touched on in the Ofcom report but could become an issue if things started to move quickly and which he did not have the opportunity to raise at their meeting earlier on in the week. The issue was of commitments and undertakings (prior to any remedies) which could become an important dimension and one which News Corp may choose to raise. The SoS would therefore want to consider how he would want to respond to this matter.
- The SoS confirmed that he had not received specific advice from officials on this matter. ER said the SoS will also want to consider, if and at what point, he would wish to consult Ofcom on this matter. The SoS said that ofcom would be the first pt of consultation and he was clear that appropriate due process should be followed.
- The SoS said the Ofcom advice was clear cut and makes it difficult for remedies to pass the test of reasonableness. ER said the advice was strong on the first stage hurdle but not at all definitive on the second stage.

Thanks

Rita

Rita Patel  
Principal Private Secretary to the Secretary of State  
Department for Culture, Media and Sport  
2-4 Cockspur Street  
London  
SW1Y 5DH

Tel:   
Fax:

Box Times: The Secretary of State's box closes at 3.00pm Monday – Thursday. Please contact the relevant Private Secretary directly regarding any urgent matters arising outside of these hours.

IN.D. 09

**From:** KILGARRIFF PATRICK  
**Sent:** 13 January 2011 13:02  
**To:** ZEFF JON  
**Subject:** Fw: RESTRICTED: Update on Newscorp

Jon  
As promised helpful update from [redacted]  
Patrick

Sent from my BlackBerry Wireless Handheld

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**From:** [redacted]  
**To:** KILGARRIFF PATRICK  
**Sent:** Thu Jan 13 09:07:53 2011  
**Subject:** RESTRICTED: Update on Newscorp  
trick,

I thought that you might appreciate an update on where we are now (and hopefully where we will stay until next week)...

- Minded to letter with report has been sent to Newscorp and Sky, and they have until Thursday (today) to respond. We've not heard from them between then and now;
- There has been publicity around the fact that Newscorp have gone public confirming that they have the report. Commentators are missing our duty to consult (and hurrah that we actually triggered that duty). Our press line has been that we will not give a running commentary on the process. Spads have been keen that we say less rather than more; Jeremy apparently content to live with suggestions that he is doing a deal, because of our decisions on process;
- We've had a letter today from Slaughter and May, which I think demands no more than a simple response saying that we note their position, and we'll come back to them at need (more elegantly phrased);
- Suggestion in yesterday's FT that the SoS has no power to accept undertakings as an alternative to referring to the CC. [redacted] and I have looked at this (and I was discussing with Daniel Beard this morning), and concluded it's rubbish; the power doesn't come from the Enterprise Act, it comes from the Protection of Legitimate Interests Order.
- Meeting with Ofcom went well on Monday. Nothing surprising. I've had a discussion with [redacted] in the margins about the note of the meeting and whether we might want to take a decision now about publishing that note at the time of publishing the report. I think there's merit in that, because it then means we should get some FOI protection for most of the note, as we will have taken a decision before we, inevitably, get FOI requests for a copy. Some of the discussion will almost certainly anyway be covered by the policy development exemption, but best not to use that if it's avoidable elsehow.
- I've had some discussions with Press Office (who are getting bombarded with requests for the report) and given them a brief run-down of the legislation. They were also getting questions from Number 10 press office. I've said that they ought to push back hard on No 10 doing anything other than referring to us, because this isn't a political decision, but one for Jeremy, and it will not assist if No 10 have their own lines on this.

- Jeremy has been asked to speak at a lunch on 18<sup>th</sup> Jan specifically about questions relating to this decision. Line, predictably, is no, not appropriate.

I think that's where we're at! But I don't think there's anything remarkably concerning at the moment.

Hope it's all going well!

[Redacted]

[Redacted]

Legal Advisers to the Department for Culture, Media and Sport  
Treasury Solicitor's Department | 2-4 Cockspur Street | London | SW1Y 5DH

Email [Redacted] el: [Redacted] fax [Redacted] [www.culture.gov.uk](http://www.culture.gov.uk)

IN.D.10

[redacted]  
**From:** [redacted]  
**Sent:** 18 January 2011 18:59  
**To:** [redacted]  
**Cc:** PATEL RITA  
**Subject:** news corp/BSkyB merger: meetings

[redacted]  
I spoke to [redacted] office and, after speaking to him, they said he would prefer a separate meeting, which is hardly surprising. I have been unable to speak to News Corp (we keep missing one another) but it has become academic given Sky's view. Sorry!

Could you get in touch with [redacted] office ([redacted]) about a time.

[redacted]  
DCMS  
2-4 Cockspur Street  
London SW1Y 5DH

W: [redacted]  
M: [redacted]

IN.D. 11

[Redacted]

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**From:** ZEFF JON  
**Sent:** 21 January 2011 18:24  
**To:** KILGARRIFF PATRICK  
**Cc:** [Redacted] SMITH, Adam; [Redacted]  
**Subject:** RE: Sky

Patrick

We spoke. Just for the record, I should be clear that: [Redacted] rang me expressly to tell me that, having had a debrief from Newscorp, Sky no longer felt the meeting on Monday was necessary. He said he wanted to check that the SofS would not object to cancelling. I emphasised that the SofS was happy to have the meeting if they wanted to take the opportunity to go through the points in their submission, but that equally if they didn't feel the need to do that it was fine by us. [Redacted] confirmed that, in that case, they did not want to go ahead with the meeting and said that Sky would contact the SofS's office to confirm that (which they did).

.n

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**From:** ZEFF JON  
**Sent:** 21 January 2011 13:58  
**To:** [Redacted]  
**Cc:** [Redacted] KILGARRIFF PATRICK; [Redacted] SMITH, Adam; [Redacted]  
**Subject:** Sky

RESTRICTED

[Redacted]

I spoke to Sky ([Redacted]) earlier: they no longer feel the need to meet SofS on Monday. I said the opportunity was there for them, but if they wanted to cancel that was fine by us. [Redacted] said they'd let you know direct.

They are clearly aware that we may make an announcement next week - [Redacted] noted that next Thursday is Sky's results day (so obviously they'd prefer us not to pick the same day).

Happy to discuss

Jon

Jon Zeff  
 Director, Media  
 DCMS

[Redacted]

I N . D . I I A

[redacted]

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**From:** [redacted]  
**Sent:** 21 January 2011 14:01  
**To:** ZEFF JON  
**Cc:** [redacted] KILGARRIFF PATRICK; [redacted] SMITH, Adam; [redacted]  
**Subject:** RE: Sky

Thanks Jon – Sky have called and we have removed from the diary. However, we are holding 11.30 on Monday for a further meeting with officials to take stock with SoS. Are you able to hold this in your diaries?

Thanks

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**From:** ZEFF JON  
**Sent:** 21 January 2011 13:58  
**To:** [redacted]  
**Cc:** [redacted] KILGARRIFF PATRICK; [redacted] SMITH, Adam; [redacted]  
**Subject:** Sky

RESTRICTED

I spoke to Sky ([redacted] earlier: they no longer feel the need to meet SofS on Monday. I said the opportunity was there for them, but if they wanted to cancel that was fine by us. [redacted] said they'd let you know direct.

They are clearly aware that we may make an announcement next week – [redacted] noted that next Thursday is Sky's results day (so obviously they'd prefer us not to pick the same day).

Happy to discuss

Jon

Jon Zeff  
Director, Media  
DCMS

IN.D.12

From: [redacted]  
 Sent: 21 January 2011 18:42  
 To: [redacted]  
 Cc: STEPHENS JONATHAN; ZEFF JON; KILGARRIFF PATRICK; GEIST-DIVVER CAROLA; [redacted] SMITH, Adam; BEEBY, Sue; MARTIN LINDA; [redacted]  
 Subject: meeting with News Corp legal team  
 Importance: High

[redacted]  
 Patrick, Carola [redacted] and I met [redacted] (the News Corp legal team) to discuss process and timing.

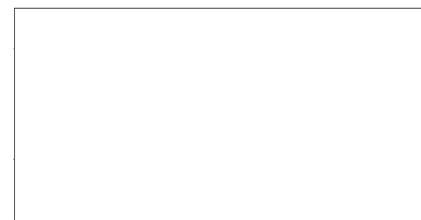
News Corp made the following points on the process:

- The SoS has all the information he needs to decide that he is satisfied in principle that the UILs would meet the plurality concerns. He should reach this decision now without consulting Ofcom or OFT, and indeed should not consult the OFT as the statute would otherwise have expressly provided for this
- The SoS should only then ask OFT to look at the UILs from an implementation rather than a policy perspective. This process should take a week so. (It was even suggested by [redacted] that we could skip this step and simply ask the OFT to comment during the consultation process but this was not pursued.)
- The SoS publishes the Ofcom report and the UILs and consults for 15 days.

On being pressed, News Corp accepted that the SoS could consult Ofcom (though they would prefer if we did not) and our lawyers do not share News Corp's interpretation of the proper role of the OFT; our view is that it would be quite proper for us to ask OFT for before reaching his decision, but are checking with Counsel.

The down side of the News Corp approach is that it prolongs the uncertainty (though they do not see it that way) and, if Ofcom and the OFT point out glaring flaws in the UILs, we could be forced to consult a second time. This would be legally watertight but could prolong the process and do little for the Department's credibility.

Consequently, we think there is no need to revise our plans for a Tuesday announcement.



DCMS  
 2-4 Cockspur Street  
 London SW1Y 5DH

W: [redacted]  
 M: [redacted]

IN.D.13

[Redacted]

**From:** [Redacted]  
**Sent:** 24 January 2011 17:40  
**To:** [Redacted]  
**Cc:** STEPHENS JONATHAN; ZEFF JON; KILGARRIFF PATRICK [Redacted] BEEBY, Sue; SMITH, Adam; MARTIN LINDA  
**Subject:** RE: news corp/sky merger  
**Attachments:** WRITTEN STATEMENT.Final draftdoc.doc

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

[Redacted]

Thank you for your submission.

The Secretary of State has approved the recommendation to make a statement tomorrow indicating that he intends to refer the proposed merger to the CC subject to first considering the undertakings in lieu (UIL) proposed by News Corp.

I attach a final version of the statement with SoS amends. No more changes please unless Patrick or Counsel advise there are good legal reasons for doing so.

Very grateful if we could have a further submission before the end of the week setting out recommendations for next steps.

Many thanks

[Redacted]

---

**From:** [Redacted]  
**Sent:** 24 January 2011 15:46  
**To:** [Redacted]  
**Cc:** STEPHENS JONATHAN; ZEFF JON; KILGARRIFF PATRICK; GEIST-DIVVER CAROLA; [Redacted] BEEBY, Sue; SMITH, Adam  
**Subject:** news corp/sky merger  
**Importance:** High

[Redacted]

As promised.

[Redacted]

DCMS  
2-4 Cockspur Street  
London SW1Y 5DH

W: [Redacted]

IN.D.14

[Redacted]

---

**From:** SMITH, Adam  
**Sent:** 27 January 2011 14:09  
**To:** [Redacted]  
**Cc:** [Redacted] ZEFF JON  
**Subject:** RE: News Corp/BSkyB

i agree. Jeremy was pretty clear to me he wanted it done in two weeks unless, having looked at it, they come back with a good reason for needing longer.

---

**From:** [Redacted]  
**Sent:** 27 January 2011 13:58  
**To:** [Redacted] SMITH, Adam  
**Cc:** [Redacted] ZEFF JON  
**Subject:** RE: News Corp/BSkyB

I think SoS is clear it's two weeks. OFT should wait to see the material first. If it becomes clear, having assessed the work required, that they need more time then they should write to SoS requesting it.

However at this stage SoS will want to keep the pressure on to get a robust decision quickly. I understand Ofcom thought this is do-able.

We really need to get the letters out – can we send the final versions up to me please?

Thanks

---

**From:** [Redacted]  
**Sent:** 27 January 2011 13:37  
**To:** SMITH, Adam  
**Cc:** [Redacted] ZEFF JON; [Redacted]  
**Subject:** FW: News Corp/BSkyB

Adam,

I assume that the latter is better - any views?

---

**From:** [Redacted] [oft.gsi.gov.uk]  
**Sent:** 27 January 2011 13:21  
**To:** [Redacted]  
**Cc:** [Redacted]  
**Subject:** RE: News Corp/BSkyB

In the letter, the Secretary of State states that:

I would like you to let me know your view on this within 2 weeks, but I suggest my officials mee' with you or your officials at the earliest opportunity to discuss an appropriate timetable.

Just to clarify, is the intention that this 2 week deadline might be revised further to Monday's discussion (ie by another formal letter from the Secretary of State, revising the deadline for reporting back) or that we would definitely be expected to report formally within 2 weeks, but noting that the undertakings in lieu might require additional work?

Kind regards

[Redacted]

[Redacted] Office of Fair Trading  
Fleetbank House | 2-6 Salisbury Square | London EC4Y 8JX | T: + 44 [Redacted]

---

**From:** [Redacted]  
**Sent:** 27 January 2011 11:39  
**To:** [Redacted]  
**Subject:** Fw: News Corp/BSkyB

Fyi

---

**From:** [Redacted]  
**To:** [Redacted]; [Redacted]  
**Cc:** [Redacted]  
**Sent:** Thu Jan 27 10:58:46 2011  
**Subject:** News Corp/BSkyB

Hi [Redacted]

Further to our conversation, please find attached the draft letter which the SoS wishes to send out today. Although the 2 week deadline is included within the letter, I am pleased that I have been able to secure some flexibility. At the meeting on Monday morning (at Cockspur St) you will be able to flag up concerns over the timetable.

Best Regards

[Redacted]

Media Directorate  
Dept for Culture, Media & Sport  
2-4 Cockspur Street  
London SW1Y 5DH

[Redacted]

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IN.D. 15

[Redacted]

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**From:** SECRETARY OF STATE'S OFFICE  
**Sent:** 04 February 2011 14:28  
**To:** ZEFF JON; [Redacted]  
**Cc:** [Redacted]  
**Subject:** FW: Public Interest Test - Letter from Ed Richards  
**Attachments:** J Hunt PIT 040211.pdf; J Hunt PIT Attachment 040211.pdf

[Redacted]  
V grateful for advice and draft reply as appropriate please.

[Redacted]

---

**From:** [Redacted]  
**Sent:** 04 February 2011 12:29  
**To:** SECRETARY OF STATE'S OFFICE  
**Subject:** Public Interest Test - Letter from Ed Richards

Dear Mr Hunt

Please find attached a letter from Ed, and an attachment, on the above subject. A hard copy will follow by post.

Kind regards



**:: Ofcom**  
 Riverside House  
 25 Spinningfields  
 London E14 4PU  
 [Redacted]  
[www.ofcom.gov.uk](http://www.ofcom.gov.uk)

For more information visit [www.ofcom.org.uk](http://www.ofcom.org.uk)

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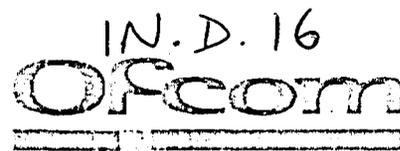
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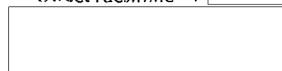


4 February 2011

ED RICHARDS  
Chief Executive

Direct Telephone + [redacted]  
Direct Facsimile + [redacted]

Rt Hon Jeremy Hunt MP  
Secretary of State for Culture, Olympics, Media and Sports  
Department of Culture, Media and Sports  
2-4 Cockspur Street  
London SW1Y 5DH



Dear Jeremy

The night before your statement on 25 January in relation to the Public Interest Test, we received non-confidential copies of the responses to our report submitted to you by News Corporation and Sky.

News Corporation's and Sky's submission to you make a series of statements which suggest that there are major flaws in Ofcom's report.

We have now had the opportunity to review these documents and, as a matter of record, it is very important to make clear that we reject these views comprehensively.

The attached document goes through the principal points made by News Corp and Sky and explains why they are unfounded.

I wish to draw two issues in particular to your attention:

*a) News Corp's claims that Ofcom did not have an open mind*

News Corporation alleges that Ofcom did not have an open mind when considering the issue of plurality referred to it by the Secretary of State. This allegation is entirely without foundation. News Corporation itself can come up with only one "example", which is addressed fully in the attached note.

News Corporation seeks to suggest that there are undisclosed documents that might support its allegation. In fact, on 7 January Ofcom fully disclosed all relevant communications between Ofcom and BIS in a Freedom of Information Act response. These documents, which are available on Ofcom's website for public scrutiny, show that Ofcom's dealings have been absolutely proper at all times. Allegations of this kind are extremely serious and should not be made lightly or in the absence of clear evidence to support them. News Corporation provide no such evidence.

*b) News Corp's claim that Ofcom has reversed its position on the question of control between the Sky-ITV and News Corporation-BSkyB public interest tests*

News Corporation's assertion is simply incorrect. In our report on BSKyB/ ITV we said that we "assumed that Sky is or may be controlled by News Corporation" based on News Corporation's shareholding in BSKyB of 39.1%. Our report on News Corporation/ BSKyB is about a proposal for 100% or *total* control. The two are very different. The Board of BSKyB currently is required to act in the interest of all shareholders - the majority of which are other investors - rather than just News Corporation. Total control would mean that News Corporation, as BSKyB's sole shareholder, could act in the exclusive interest of News

Office of Communications

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or  
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www.ofcom.org.uk

Corporation. As we pointed out in our report, this would, among other things, mean that News Corporation could exercise unqualified control over the ability to appoint and to dismiss Sky News editorial staff.

We remain absolutely clear that our report represents a clear, accurate and independent assessment of the public interest issues.

Best wishes.

Yours sincerely

A rectangular box with a thin black border, used to redact the signature of Ed Richards.

**Ed Richards**

Enc

Ofcom responses to News Corporation and Sky concerns on our report

This schedule only focuses on the main issues raised given the very short timescales available. The absence of an express rebuttal to a particular point should not be taken as an indication that we either accept it or consider it relevant to the question before the Secretary of State.

	News Corporation's position	Reference	Ofcom response	Ofcom reference
1.	Ofcom should have benchmarked "sufficiency"	1.10(b)(i) and (ii) Section 2(a) to (c) = paras 2.1-2.18 Section 8(a) = paras 8.1-8.3	<p>Our approach, as we said in paragraph 1.14 of our report, is the same as that adopted by the Competition Commission in the only other media public interest test (the Sky-ITV case).</p> <p>The effect of the proposed acquisition is to bring together one of the three main providers of TV news with the largest provider of newspapers, reducing the number of 'group 2' providers, (by which we mean the providers that, which not as important as the BBC, are nevertheless major players), from three to two in both share and reach terms. News Corporation's potential ability to influence would increase with the addition of total control of Sky News with:</p> <ul style="list-style-type: none"> <li>• an increase in its share of references from 12% to 22% at the wholesale level and 12% to 17% at the retail level</li> <li>• an increase in News Corporation's reach as a percentage of regular news consumers from 32% to 51% at the wholesale level and 32% to 42% at the retail level.</li> </ul> <p>In our view, there may not be a sufficient plurality of persons with control of media enterprises providing news and current affairs to UK-wide cross-media audiences as a result of the proposed transaction.</p>	1.14  1.32, 1.34
2.	Ofcom's approach means all mergers have to be referred	2.6	Our approach does not suggest that all mergers must be referred. We identified clear issues, specific to this transaction, in relation to the effect on plurality the proposed transaction would have.	1.32, 1.34
3.	Ofcom's recommendations are inconsistent with the Competition Commission's findings in 2007 that "plurality was sufficient"	1.15(iv) 2.11	There is no inconsistency. In 2007, the Competition Commission considered the effect of Sky acquiring a minority share in ITV. It found that the shareholding was too small for Sky to have any influence on ITV editorially, so it found that the transaction would have made no difference to plurality. That finding has nothing to do with sufficiency of plurality.	Competition Commission report in Sky/ITV paragraphs 5.75 – 5.77

	News Corporation's position	Reference	Ofcom response	Ofcom reference
4.	Ofcom should not have considered wholesale news; or, in any event, should have placed less weight on it	1.10 (b) (iii), 3 (a) and (c)	<p>We believe the provision of wholesale news to third parties is relevant to a consideration of plurality.</p> <p>Sky's provision of news ('Sky News') to other media enterprises may not, of itself, bring Sky within the definition of 'media enterprise' for the purpose of the statutory test. However, it is relevant to the question of the contribution made by those other media enterprises to plurality and therefore to the degree of any concerns arising from the proposed transaction.</p> <p>In Sky-ITV, the Competition Commission noted, in providing wholesale news to channels and publishers, both wholesaler and channel operator share some degree of editorial influence.</p> <p>Our views were formed by on analysis of both wholesale and retail news provision throughout the report, including in our assessment of:</p> <ul style="list-style-type: none"> <li>• Audience share and reach of individual platforms</li> <li>• Consumer's consumption of news, based on minutes of use a day</li> <li>• Primary research on consumers' claimed use of different media</li> </ul>	<p>2.19 – 2.20</p> <p>5.22 5.28 5.36 - 5.50</p>

	News Corporation's position	Reference	Ofcom response	Ofcom reference
5.	Ofcom relied excessively on minutes analysis and flaws in its minutes analysis meant it overstated the effect of the proposed transaction	3 (d)	<p>News Corporation only cites the incremental effect of the proposed transaction in terms of the minutes analysis Ofcom conducted, and suggests we rely excessively on share of minutes. In fact in our report, we considered three measures to reach our conclusions:</p> <ul style="list-style-type: none"> <li>• Audience share and reach of individual platforms</li> <li>• Consumer's consumption of news, based on minutes of use a day</li> <li>• Primary research on consumers' claimed use of different media</li> </ul> <p>In addition to the minutes analysis (paragraphs 5.24 to 5.32), considering an individual platform by platform assessment, the proposed transaction would mean:</p> <ul style="list-style-type: none"> <li>• At the wholesale level, News Corporation would be the only provider on all four media platforms (TV, newspapers, online, radio)</li> <li>• At the retail level, News Corporation would be one of three UK-wide news and current affairs providers on three of four platforms (alongside the BBC and Northern &amp; Shell)</li> <li>• News Corporation would have full control of a presence on the TV platform, which is of particular importance to consumers</li> </ul> <p>Based on our primary research, the proposed transaction would see News Corporation increase its share of audiences and reach:</p> <ul style="list-style-type: none"> <li>• Including wholesale provision, audience share increases from 12% to 22% and reach increases from 32% to 51%</li> <li>• Considering only retail news provision, audience share increases from 12% to 17% and reach increases from 32% to 42%</li> </ul> <p>All three sets of analysis were used to inform our view that there may not be a sufficient plurality of persons with control of media enterprises providing news and current affairs to UK-wide cross-media audiences as a result of the proposed transaction.</p>	<p>1.21</p> <p>Figures 15 and 16; and paragraphs 5.19 to 5.23</p> <p>Figure 29, 30, 31, 32; and paragraphs 5.33 to 5.43</p>

	News Corporation's position	Reference	Ofcom response	Ofcom reference
6.	Errors in Ofcom analysis – Ofcom should not have excluded regional press	4.2	<p>We exclude regional press as we defined the relevant audience as UK-wide audience. UK-wide news and current affairs providers can be expected to have a wider reach and greater relevance to UK democracy given a UK specific agenda.</p> <p>Regional press do not provide news to a UK-wide audience, and will have lower circulations and readerships for individual titles compared to national newspaper groups. We noted that some regional titles, notably within newspapers, may have a reach large enough to influence nation-wide opinion. Our investigation did not afford us the time to examine in detail how far such publications may contribute to plurality nation-wide. If there is a subsequent reference to the Competition Commission, we noted this may be an area for further analysis.</p>	3.10, 3.11
7.	Errors in Ofcom's research – Ofcom's market research used inconsistent definitions and there was an error in the questionnaire	4.3 (a) 4.3(b)	<p>Our research is based on definitions of 'regular' use for each of the different media. We believe this is a reasonable basis for the research.</p> <p>We investigated the potential effect of the omission of the Mail on Sunday, Daily Star on Sunday, Sunday Express and People on our research by undertaking a modelling exercise for all the weekly newspapers and normalised estimates based on the national readership distribution from the national readership survey. The results of this analysis showed a minimal effect on total share of mentions.</p>	Footnote 89
8.	Fewer than 1% of consumers rely on only News Corp or Sky News	1.12 (i) 5.19	<p>We note in our report that only a small percentage of UK news consumers rely solely on News Corporation or Sky News today.</p> <p>However, the ability for any media enterprise to influence public opinion and the news agenda extends beyond just those consumers who rely solely on it for news provision.</p> <p>Our view is that all UK consumers would be served by fewer cross media enterprises. The process of forming public opinion is not merely the sum of each individual's consumption choices, because consumers discuss opinions with one another and the overall public agenda depends on the choices all of them make.</p> <p>The relevant audience defined for this public interest consideration was UK audiences for cross media news and current affairs, with no sub-group audiences (for example, consumers of only News Corporation or Sky News).</p> <p>Based on our analysis, we consider that the proposed transaction will result in an increase in News Corporation's ability to influence public opinion as measured by share of news and current affairs consumption in the context of a cross media market.</p>	5.109  3.2 – 3.20  5.116, 2.27  5.45 - 5.52

	News Corporation's position	Reference	Ofcom response	Ofcom reference
9.	Internal Plurality, Broadcasting Code impartiality requirements secure that Sky News editorial judgment will not be unduly influenced by News Corporation.	1.10 (v) 1.12 (iv) 1.15 (iii) 6.1 – 6.4	<p>We considered Lord Pannick QC's opinion and agreed that the impartiality rules can in practice help ensure against intervention by owners for political reasons. But, as Lord Pannick recognises, broadcasters are required to present the news with "due impartiality" – this of course is not absolute and broadcasters have a degree of editorial discretion in the selection of the news agenda.</p> <p>On this point, the Chairman of Sky agrees, as noted by his quote from MacTaggart lecture in 2009 (see paragraph 5.84).</p> <p>We recognised that the impartiality rules are relevant and may contribute as a safeguard against potential influence on the news agenda by media owners, but they cannot by themselves necessarily ensure against it. Our view is that these provisions do not by themselves adequately address all potential concerns.</p> <p>In any event, there is a difference between the Broadcasting Code which provides the regulator with ability to intervene on a case by case basis and the statutory need for there to be a sufficient plurality of persons with control of media enterprises. The broadcasting regulatory framework, while relevant to the public interest assessment, does not by itself ensure a sufficient plurality of news.</p>	5.80 – 5.88
10.	Internal plurality: Rupert Murdoch does not influence editorial judgement in his newspapers	6.9 1.9 bullet 2	<p>We explain that there were a significant number of submissions alleging that Rupert Murdoch had a history of intervening in his newspapers.</p> <p>We fairly reflect News Corporation's position: at paragraph 5.69 we quote the Competition Commission reporting what News International told it about the different position in relation to the Times and the Sunday Times. We also refer to evidence given by Rupert Murdoch to the House of Lords Select Committee saying that he does not interfere with the Times or the Sunday Times.</p> <p>We quote Andrew Neil's evidence to the Select Committee as summarised in its report on Ownership of News 2008.</p>	5.66 – 5.76
11.	Internal plurality: nothing will change editorially at Sky	6.5 – 6.10	<p>We acknowledge that to date, News Corporation with a 39.14% shareholding has not interfered with Sky's editorial policy. News Corporation says this will not change in the future. In the report, we say "<i>the degree of control exercisable by News Corp as a full owner is clearly potentially different from its current minority shareholding, for example, News Corp would be able to appoint or dismiss the senior editorial team, including editor, at Sky News</i>" – News Corp do not comment at all on this example.</p>	5.78, 5.79

	News Corporation's position	Reference	Ofcom response	Ofcom reference
12.	'Control' - Ofcom has entirely reversed its position	1.15(iv), 5(a)	<p>In our report on Sky/ ITV we said that we "assumed that Sky is or may be controlled by News Corporation" based on News Corporation's shareholding in Sky of 39.1%. Our report on News Corporation/ Sky is about a proposal for total control.</p> <p>The two are very different. The Board of Sky currently acts in the interest of all shareholders - the majority of which are institutional investors - rather than just News Corporation. Total control would mean that News Corporation, as Sky's sole shareholder, could act in the exclusive interest of News Corporation.</p> <p>As we pointed out in our report, this would, among other things, mean that News Corporation could appoint and dismiss Sky News editorial staff.</p>	<p>Sky/ITV report</p> <p>Ofcom 1.14; 4.4-4.7</p> <p>5.78, 5.79</p>
13.	Ofcom should have had regard to how multi-sourcing enhances plurality, and to the fact that levels of multi-sourcing would be almost unchanged by the transaction.	1.12 (ii), 2.16 - 2.18 5 (c)	<p>Multi-sourcing was explicitly considered within our report.</p> <p>News Corporation's ability to influence is strengthened by the proposed acquisition (both in terms of share and of reach) even when taking into consideration all the sources that consumers access regularly.</p> <p>Our analysis suggests Sky would cease to be a distinct media enterprise, many individual consumers would continue to access a number of different sources following the proposed transaction. This would therefore provide some constraint on the extent to which News Corporation, post transaction, would be able to take advantage of an increase in its audience share and reach to influence public opinion and the news agenda.</p> <p>As we said in our report, while multi-sourcing merited further consideration by the Competition Commission should a reference be made, we did not consider that we could rely on it to ensure sufficient plurality.</p> <p>What matters more is the number and range of news providers used by all consumers and their relative significance, rather than the number of news providers used by each individual consumer.</p>	<p>4.64 - 4.80</p> <p>5.33 - 5.43, 5.107</p> <p>5.113</p> <p>5.114</p> <p>5.116</p>

	News Corporation's position	Reference	Ofcom response	Ofcom reference
14.	Ofcom acknowledges that the transaction will not affect the merged entity's ability to influence the wider agenda	1.12 (iii), 2.3, 7	<p>News Corporation appears to have misunderstood our position. Ability to control the agenda is not just about ability to control the news selection of third party media enterprises. We distinguish clearly in our report between the merged entity's ability to influence as a result of its own reach and audience shares (5.10-5.52), and its ability to influence the way in which unrelated media enterprises cover news stories (5.119-5.123).</p> <p>Paragraphs 5.119 to 5.123 of our report consider representations made that 'given News Corporation's presence across all platforms and in particular in TV rolling news (through Sky News), could exert a greater influence over the news agenda of third parties, therefore diminishing overall plurality. We found that the available evidence does not suggest News Corporation's ability to influence the news agenda of third party news providers (influence through other media) would be enhanced by the acquisition.</p> <p>However, we did conclude that the proposed transaction will result in an increase in News Corporation's ability to influence public opinion, as measured by share of news and current affairs consumption in the context of a cross media market. This is as a result of the consumption of news provided by News Corporation.</p>	5.119 – 5.123  5.52
15.	Plurality is increasing, particularly via the internet	8 (b), 8.5	We recognised the increasing importance of online news provision today. Our research indicates that online usage appears to be complementing the use of traditional media for consumers. However, traditional media providers account for 10 of the top 15 online providers of news with the remainder being predominately news aggregators rather than alternate sources of news. This suggests that today online news tends to extend the reach of established news providers as opposed to favouring the use of new outlets that are not present on traditional media. We recognise that this could change in the future, but the nature of any such change is uncertain.	5.117, 5.118

	News Corporation's position	Reference	Ofcom response	Ofcom reference
16.	In sum, the transaction poses no threat to the sufficiency of plurality	1, 10 (vi), 8c, 8.7	<p>Ofcom's advice, based on the evidence and reasons set out in this report and summarised in the executive summary, is that it may be the case that the proposed acquisition may be expected to operate against the public interest since there may not be a sufficient plurality of persons with control of media enterprises providing news and current affairs to UK-wide cross-media audiences.</p> <p>i. Ofcom's analysis and conclusions of the proposed transaction is only on cross media audiences – there are no effects on individual platforms with the exception of the internet, but these are not the relevant audiences for the proposed transaction.</p> <p>ii. As above.</p> <p>iii. We recognise that audience expectations, the culture of TV journalism and the nature of rolling news may together contribute towards the independence of editorial voices against proprietary influence on the Sky News agenda.</p> <p>However, for the reasons set out above we do not consider that these factors will ensure plurality. In light of the importance attached by Parliament to media plurality in informing opinion and setting the agenda, we do not consider that in this case we can rely on internal plurality to ensure sufficient plurality in the provision of news and current affairs.</p> <p>iv. In Sky-ITV, we (and the Competition Commission) considered the effect of Sky acquiring a minority share in ITV. We "assumed that Sky is or may be controlled by News Corporation" based on News Corporation's shareholding in Sky of 39.1%. The situation here is different, as it is about a proposal for total control. The finding that there were no plurality concerns in Sky-ITV is not relevant to this different situation. We detail our position on control in point 12 above.</p> <p>v. The implications of multi-sourcing in relation to this proposed transaction are complex and as a first stage authority we do not have sufficient time to consider it fully.</p> <p>vi. We outline our position on the potential effect of the transaction within point 8 above, noting that the effect is not simply limited to those consumers who rely solely on news Corporation or Sky News for news and current affairs.</p> <p>vii. In our report we found that the available evidence does not suggest News Corporation's ability to influence the news agenda of third party news providers (influence through other media) would be enhanced by the acquisition. However, this is different to the question of how far News Corporation may have an ability to influence public opinion and the news agenda as a result of its share of audiences and reach following the proposed transaction. We describe this point in more detail in point 14 above.</p>	<p>7.1</p> <p>5.19 – 5.20</p> <p>5.97</p> <p>5.102</p> <p>5.104 – 5.118</p>

Sky's position	Reference	Ofcom response	Ofcom reference
Ofcom discounts the significance of the internet	5.2	Sky says by cross reference to paragraph 4.31 of our report that we discounted the significance of the internet because not all consumers have access to it. This is wrong. We did not discount the significance of the internet. Paragraph 4.31 merely notes that 24% of UK households do not have access to the internet. Our conclusion on the internet is at paragraphs 5.117 and 5.118, where we recognise the growing importance of online news provision, but note that the traditional media providers account for 10 of the top 15 providers, which suggests that online news tends to extend the reach of established news providers as opposed to favouring the use of new outlets. We recognise this could change in the future, but the nature of such change is uncertain.	5.117 – 5.118

IN.D.17

[Redacted]  
**From:** [Redacted]  
**Sent:** 11 February 2011 17:22  
**To:** [Redacted] SMITH, Adam  
**Cc:** KILGARRIFF PATRICK; GEIST-DIVVER CAROLA; ZEFF JON  
**Subject:** RE: News Corporation/BSkyB

Hello all,

Jonathan has just had a 15 minute conversation with Ed R.

He has asked if we can have a 15 minute catch up to download and work out the way forward.

Would everyone be able to do 17:30 – room 45?

Many thanks,

[Redacted]

Department for Culture, Media and Sport  
Telephone [Redacted]

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**From:** [Redacted]  
**Sent:** 11 February 2011 17:16  
**To:** KILGARRIFF PATRICK; [Redacted] ZEFF JON; GEIST-DIVVER CAROLA [Redacted] SMITH, Adam;  
**Subject:** RE: News Corporation/BSkyB

I am now expecting OFT report by 6 and Ofcom by about 7 (it is currently with their lawyers). On the plus side, the latter is apparently quite short.

[Redacted]

---

**From:** [Redacted]  
**Sent:** 11 February 2011 11:10  
**To:** KILGARRIFF PATRICK; [Redacted] ZEFF JON; GEIST-DIVVER CAROLA  
**Cc:** CREAMER DEAN; SMITH, Adam  
**Subject:** RE: News Corporation/BSkyB

[Redacted] has told me that they had a meeting with News Corp last night which went on late into the evening and that News Corp will be writing to them following that meeting by midday, so the 3pm deadline will be a struggle and will depend on the nature of the NC response.

[Redacted]

---

**From:** KILGARRIFF PATRICK  
**Sent:** 11 February 2011 10:15  
**To:** [Redacted]; ZEFF JON; GEIST-DIVVER CAROLA

Cc: [redacted] SMITH, Adam  
Subject: Re: News Corporation/BSkyB

Jon Z asked me to pass on message from [redacted] may miss 3 pm deadline by a bit  
Patrick

Sent from my BlackBerry Wireless Handheld

---

From: [redacted]  
To: [redacted] ZEFF JON; KILGARRIFF PATRICK; GEIST-DIVVER CAROLA  
Cc: [redacted] SMITH, Adam  
Sent: Fri Feb 11 09:44:50 2011  
Subject: RE: News Corporation/BSkyB  
All,

I assume no-one has any queries in relation to this draft letter? I am now sending it to OFT and Ofcom, and will try and get it out this afternoon.

[redacted]

[redacted]  
Legal Advisers to the Department for Culture, Media and Sport  
Email: [redacted]

---

From: [redacted]  
Sent: 10 February 2011 15:21  
To: [redacted] ZEFF JON; KILGARRIFF PATRICK; GEIST-DIVVER CAROLA  
Cc: [redacted]  
Subject: RE: News Corporation/BSkyB

All,

Please see attached draft letter, which Daniel has seen and is happy with. I'll run this by Ofcom/OFT before sending it out, but are you content? I'd like to send it at least by midday tomorrow, given that we may be in a position to have a clearer idea of timetabling tomorrow, and I'd like to get this sent before then.

[redacted]

[redacted]  
Legal Advisers to the Department for Culture, Media and Sport  
Email: [redacted]

---

From: [redacted]  
Sent: 09 February 2011 14:25  
To: ZEFF JON; [redacted] KILGARRIFF PATRICK; GEIST-DIVVER CAROLA  
Cc: [redacted]  
Subject: FW: News Corporation/BSkyB

All,

Please see the attached from S&M. I do not think it takes us significantly further forward from previous correspondence, and I'd propose (having discussed with Daniel) to respond in relatively short order saying so.

Does anyone have any specific points which they think ought to be addressed. I plan already to ask (again) that correspondence be addressed to me.

[Redacted]

[Redacted]

Legal Advisers to the Department for Culture, Media and Sport

Email: [Redacted] tel: [Redacted]

**From:** [Redacted]  
**Sent:** 09 February 2011 14:13  
**To:** [Redacted]  
**Cc:** [Redacted]  
**Subject:** FW: News Corporation/BSkyB

CONFIDENTIAL EMAIL FROM SLAUGHTER AND MAY - THIS EMAIL AND ANY ATTACHMENT MAY BE PRIVILEGED

Dear [Redacted]

Please see attached a letter sent to the Secretary of State today (and copied to OFCOM and the OFT).

Best regards

[Redacted Signature]

Slaughter and May

[Redacted]

**From:** [Redacted]  
**Sent:** 01 February 2011 12:39  
**To:** [Redacted]  
**Cc:** [Redacted] Steve Unger  
**Subject:** News Corporation/BSkyB

Dear [Redacted]

Please see attached letter in response to your own of 27 January. Please note that this letter will only be sent electronically.

Regards,

[Redacted Signature]

[Redacted]

Legal Advisers to the Department for Culture, Media and Sport

Treasury Solicitor's Department 12-14 Colindale Avenue, London NW9 1UH

Email: [Redacted] Tel: [Redacted] www.culture.gov.uk

\*\*\*\*\*

This email and its contents are the property of the Department for Culture, Media and Sport.

IN.D.18

[Redacted]

---

**From:** SMITH, Adam  
**Sent:** 11 February 2011 19:37  
**To:** [Redacted]  
**Cc:** [Redacted] KILGARRIFF PATRICK; GEIST-DIVVER CAROLA; [Redacted]  
**Subject:** RE: reports

Will the reports be delivered somewhere that I can get at them tonight?

---

**From:** [Redacted]  
**Sent:** 11 February 2011 19:19  
**To:** SMITH, Adam  
**Cc:** [Redacted] KILGARRIFF PATRICK; GEIST-DIVVER CAROLA; [Redacted]  
**Subject:** reports

Hi Adam,

Nothing has arrived so I am going to go home and be in early (for me) on Monday to distribute.

[Redacted]

[Redacted]

DCMS  
2-4 Cockspur Street  
London SW1Y 5DH

W: [Redacted]  
M: [Redacted]

IN.D. 19

[Redacted]

**From:** [Redacted]  
**Sent:** 11 February 2011 20:18  
**To:** SMITH, Adam [Redacted]  
**Cc:** [Redacted] KILGARRIFF PATRICK; GEIST-DIVVER CAROLA [Redacted]  
**Subject:** Re: reports

When I spoke with ed Rs office they thought it would still get there. I've spoken with security who haven't received any deliveries since COP. I'll keep trying and keep you in touch

**From:** SMITH, Adam  
**To:** [Redacted]  
**Cc:** [Redacted] KILGARRIFF PATRICK; GEIST-DIVVER CAROLA; [Redacted]  
**Sent:** Fri Feb 11 19:37:16 2011  
**Subject:** RE: reports  
 Will the reports be delivered somewhere that I can get at them tonight?

**From:** [Redacted]  
**Sent:** 11 February 2011 19:19  
**To:** SMITH, Adam  
**Cc:** [Redacted] KILGARRIFF PATRICK; GEIST-DIVVER CAROLA; [Redacted] [Redacted]  
**Subject:** reports

Hi Adam,

Nothing has arrived so I am going to go home and be in early (for me) on Monday to distribute.

[Redacted]

[Redacted]

DCMS  
2-4 Cockspur Street  
London SW1Y 5DH

W: [Redacted]  
M: [Redacted]

IN. D. 20

[Redacted]

---

**From:** [Redacted]  
**Sent:** 12 February 2011 12:10  
**To:** [Redacted] SMITH, Adam  
**Cc:** [Redacted] KILGARRIFF PATRICK; GEIST-DIVVER CAROLA [Redacted]  
**Subject:** RE: reports

Hi Both,

I've checked in with security and there's no sign of the report. There's no-one in the office at Ofcom, which is making it a little difficult to check whether or not it's actually been sent, although every indication at 7pm yesterday was that it would be.

In short – unless anyone else has take receipt of it [Redacted] I think we'll all be speed reading come Monday morning.

Best wishes,

[Redacted]

[Redacted]

Department for Culture, Media and Sport

Telephone: [Redacted]

Mobile: [Redacted]

Please be aware that Private Office will not keep a file copy of this e-mail or any attachment. It is the responsibility of the policy or business division to ensure that documents are properly filed.

DCMS aims to improve the quality of life for all through cultural and sporting activities, to support the pursuit of excellence and to champion the tourism, creative and leisure industries.

---

**From:** [Redacted]  
**Sent:** 11 February 2011 19:19  
**To:** SMITH, Adam  
**Cc:** [Redacted] KILGARRIFF PATRICK; GEIST-DIVVER CAROLA [Redacted]  
**Subject:** reports

Hi Adam,

Nothing has arrived so I am going to go home and be in early (for me) on Monday to distribute.

[Redacted]

[Redacted]

DCMS  
2-4 Cockspur Street  
London SW1Y 5DH

W: [Redacted]  
M: [Redacted]

IN.D.21

[Redacted]  
**From:** [Redacted]  
**Sent:** 14 February 2011 09:46  
**To:** [Redacted] MITH, Adam  
**Cc:** KILGARRIFF PATRICK; GEIST-DIVVER CAROLA; [Redacted]  
**Subject:** Reports

Good morning,

Just for information: Jonathan and Jon Zeff are both in meetings (from which they cannot be extracted) 9.30-13.00 and 14.00-17.00 today. As such, if they need to be involved in any discussions today, these must be between 1pm and 2pm or after 5pm.

Many thanks,

[Redacted]

[Redacted]  
Department for Culture, Media and Sport  
Telephone: [Redacted]

Please be aware that Private Office will not keep a file copy of this e-mail or any attachment. It is the responsibility of the policy or business division to ensure that documents are properly filed.

DCMS aims to improve the quality of life for all through cultural and sporting activities, to support the pursuit of excellence and to champion the tourism, creative and leisure industries.

IN.D.22

[Redacted]

---

**From:** [Redacted]  
**Sent:** 14 February 2011 18:57  
**To:** [Redacted]  
**Cc:** STEPHENS JONATHAN; ZEFF JON; KILGARRIFF PATRICK; GEIST-DIVVER CAROLA;  
 [Redacted]  
**Subject:** RE: NEWS CORP/BSKYB MERGER

Many thanks for your note which we have just discussed with the SoS. The SoS has agreed the following next steps:

- 1 ) To write to News Corp copying the Ofcom and OFT reports. The letter should:
- explain that given the reports identify some outstanding concerns the SoS is still minded to refer.
  - acknowledge that both reports suggest the UILs would address plurality concerns if the outstanding conditions were met.
  - set out the SoS is prepared to allow News Corp 24 hours to indicate they would accept all the conditions proposed by the regulators
  - explain if News don't accept all of the remedies proposed in 24 hours SoS would refer directly to the Competition Commission
- 2) If News Corp are prepared to accept the remedies in full, SoS will write to Ofcom and OFT requesting them to continue discussions with a view to producing a final set of UILs for him to consider. These final UILs would form the basis of a public consultation.

Very grateful for a draft letter for SoS to consider and send tomorrow.

Many thanks

[Redacted]

---

**From:** [Redacted]  
**Sent:** 14 February 2011 12:55  
**To:** [Redacted]  
**Cc:** STEPHENS JONATHAN; ZEFF JON; KILGARRIFF PATRICK; GEIST-DIVVER CAROLA; [Redacted]  
**Subject:** NEWS CORP/BSKYB MERGER

Note for this afternoon's discussion attached.

[Redacted]

DCMS  
 2-4 Cockspur Street  
 London SW1Y 5DH

W: [Redacted]  
 M: [Redacted]

IN.D. 23

[redacted]

---

**From:** STEPHENS JONATHAN  
**Sent:** 15 February 2011 19:08  
**To:** [redacted]  
**Cc:** ZEFF JON; KILGARRIFF PATRICK; GEIST-DIVVER CAROLA; [redacted] BEEBY, Sue; SMITH, Adam  
**Subject:** Re: NEWS CORP/BSKYB MERGER

[redacted]

I don't know if Jeremy has seen this yet, but I think the sentence saying the reports show the (existing) UILs are close to addressing the plurality issue goes too far, given that both reports say existing UILs are inadequate. It's a sentence which risks looking as if we are leaning over backwards to put a positive gloss on the reports. I think it's better to say progress has been made, however both reports indicate a few significant issues which must be resolved in order to address the concerns about plurality raised in the first OFCOM report (not drafting, obviously). Can you feed this in please?  
Jonathan

Jonathan Stephens  
Permanent Secretary  
Department of Culture, Media & Sport  
2-4 Cocksour St London SW1Y 5DH  
Tel: [redacted]  
Mob: [redacted]  
E-m: [redacted]

---

**From:** [redacted]  
**To:** [redacted]  
**Cc:** STEPHENS JONATHAN; ZEFF JON; KILGARRIFF PATRICK; GEIST-DIVVER CAROLA; [redacted] BEEBY, Sue; SMITH, Adam  
**Sent:** Tue Feb 15 16:12:33 2011  
**Subject:** FW: NEWS CORP/BSKYB MERGER

Revised draft following a discussion with lawyers and SpAds.

Please note that lawyers would like to retain the sentence in square brackets in the third paragraph, as it gives the Secretary of State more scope for manoeuvre in the event that he decides not to accept the UILs, whereas SpAds would like it deleted to keep the letter more focussed and think that the reference to "serious consideration" later in the para makes it sufficient clear that he has not reached a final decision on the UILs.

I will bring down copies of the reports.

---

**From:** [redacted]  
**Sent:** 15 February 2011 14:16  
**To:** [redacted]  
**Cc:** STEPHENS JONATHAN; ZEFF JON; KILGARRIFF PATRICK; GEIST-DIVVER CAROLA; [redacted] BEEBY, Sue; SMITH, Adam  
**Subject:** RE: NEWS CORP/BSKYB MERGER

Draft attached. This has been cleared with our lawyers and Counsel.

As have mentioned, Ed would apparently like to speak to Jeremy before the report is sent to News Corp.

[Redacted]

**From:** [Redacted]  
**Sent:** 14 February 2011 18:57  
**To:** [Redacted]  
**Cc:** STEPHENS JONATHAN; ZEFF JON; KILGARRIFF PATRICK; GEIST-DIVVER CAROLA [Redacted]  
**Subject:** RE: NEWS CORP/BSKYB MERGER

Many thanks for your note which we have just discussed with the SoS. The SoS has agreed the following next steps:

- 1) To write to News Corp copying the Ofcom and OFT reports. The letter should:
  - explain that given the reports identify some outstanding concerns the SoS is still minded to refer.
  - acknowledge that both reports suggest the UILs would address plurality concerns if the outstanding conditions were met.
  - set out the SoS is prepared to allow News Corp 24 hours to indicate they would accept all the conditions proposed by the regulators
  - explain if News don't accept all of the remedies proposed in 24 hours SoS would refer directly to the Competition Commission
- 2) If News Corp are prepared to accept the remedies in full, SoS will write to Ofcom and OFT requesting them to continue discussions with a view to producing a final set of UILs for him to consider. These final UILs would form the basis of a public consultation.

Very grateful for a draft letter for SoS to consider and send tomorrow.

Many thanks

[Redacted]

**From:** [Redacted]  
**Sent:** 14 February 2011 12:55  
**To:** [Redacted]  
**Cc:** STEPHENS JONATHAN; ZEFF JON; KILGARRIFF PATRICK; GEIST-DIVVER CAROLA; [Redacted]  
**Subject:** NEWS CORP/BSKYB MERGER

[Redacted]

Note for this afternoon's discussion attached.

[Redacted]

DCMS  
2-4 Cockspur Street  
London SW1Y 5DH

W: [Redacted]

IN.D. 24

[Redacted]

---

**From:** STEPHENS JONATHAN  
**Sent:** 15 February 2011 21:57  
**To:** [Redacted]  
**Cc:** ZEFF JON; KILGARRIFF PATRICK; GEIST-DIVVER CAROLA; [Redacted] BEEBY, Sue; SMITH, Adam  
**Subject:** Re: NEWS CORP/BSKYB MERGER

Thanks, [Redacted] I think that's much better.

Jonathan

Jonathan Stephens  
Permanent Secretary  
Department of Culture, Media & Sport  
2-4 Cockspur St, London SW1Y 5DH

Tel: [Redacted]  
Mob [Redacted]  
m [Redacted]

---

**From:** [Redacted]  
**To:** STEPHENS JONATHAN; [Redacted]  
**Cc:** ZEFF JON; KILGARRIFF PATRICK; GEIST-DIVVER CAROLA; [Redacted] BEEBY, Sue; SMITH, Adam  
**Sent:** Tue Feb 15 19:57:11 2011  
**Subject:** RE: NEWS CORP/BSKYB MERGER  
Jonathan

Just to say I've now agreed a form of words with Patrick, Adam and SoS to cover this point. We have removed the reference to a deal being close and now say simply that progress has been made in regard to concerns about plurality, but there are a number of substantive issues outstanding which mean that neither Ofcom nor OFT have been able to give a definitive recommendation.

SoS has asked for the letter to go out tonight so I'm working on that basis and expect to send in the next 20mins or so.

Many thanks

[Redacted]

---

**From:** STEPHENS JONATHAN  
**Sent:** 15 February 2011 19:08  
**To:** [Redacted]  
**Cc:** ZEFF JON; KILGARRIFF PATRICK; GEIST-DIVVER CAROLA; [Redacted] BEEBY, Sue; SMITH, Adam  
**Subject:** Re: NEWS CORP/BSKYB MERGER

[Redacted]

I don't know if Jeremy has seen this yet, but I think the sentence saying the reports show the (existing) UIs are close to addressing the plurality issue goes too far, given that both reports say existing UIs are inadequate. It's a sentence which risks looking as if we are leaning over backwards to put a positive gloss on the reports. I think it's better to say progress has been made, however both reports indicate a few significant issues which must be resolved in order to address the concerns about plurality raised in the first OFCOM report (not drafting, obviously). Can you feed this in please?

Jonathan

Jonathan Stephens  
Permanent Secretary  
Department of Culture, Media & Sport  
2-4 Cocksour St. London SW1Y 5DH

Tel: [redacted]  
Mob [redacted]  
E-m [redacted]

---

**From:** [redacted]  
**To:** [redacted]  
**Cc:** STEPHENS JONATHAN; ZEFF JON; KILGARRIFF PATRICK; GEIST-DIVVER CAROLA; [redacted] BEEBY, Sue;  
SMITH, Adam  
**Sent:** Tue Feb 15 16:12:33 2011  
**Subject:** FW: NEWS CORP/BSKYB MERGER

[redacted]

Revised draft following a discussion with lawyers and SpAds.

Please note that lawyers would like to retain the sentence in square brackets in the third paragraph, as it gives the Secretary of State more scope for manoeuvre in the event that he decides not to accept the UILs, whereas SpAds would like it deleted to keep the letter more focussed and think that the reference to "serious consideration" later in the para makes it sufficient clear that he has not reached a final decision on the UILs.

I will bring down copies of the reports.

[redacted]

---

**From:** [redacted]  
**Sent:** 15 February 2011 14:16  
**To:** [redacted]  
**Cc:** STEPHENS JONATHAN; ZEFF JON; KILGARRIFF PATRICK; GEIST-DIVVER CAROLA; [redacted] BEEBY, Sue;  
SMITH, Adam  
**Subject:** RE: NEWS CORP/BSKYB MERGER

[redacted]

Draft attached. This has been cleared with our lawyers and Counsel.

As have mentioned, Ed would apparently like to speak to Jeremy before the report is sent to News Corp.

[redacted]

---

**From:** [redacted]  
**Sent:** 14 February 2011 18:57  
**To:** [redacted]  
**Cc:** STEPHENS JONATHAN; ZEFF JON; KILGARRIFF PATRICK; GEIST-DIVVER CAROLA; [redacted]  
**Subject:** RE: NEWS CORP/BSKYB MERGER

[redacted]

Many thanks for your note which we have just discussed with the SoS. The SoS has agreed the following next steps:

1) To write to News Corp copying the Ofcom and OFT reports. The letter should:

- explain that given the reports identify some outstanding concerns the SoS is still minded to refer.
- acknowledge that both reports suggest the UILs would address plurality concerns if the outstanding conditions were met.
- set out the SoS is prepared to allow News Corp 24 hours to indicate they would accept all the conditions proposed by the regulators
- explain if News don't accept all of the remedies proposed in 24 hours SoS would refer directly to the Competition Commission

2) If News Corp are prepared to accept the remedies in full, SoS will write to Ofcom and OFT requesting them to continue discussions with a view to producing a final set of UILs for him to consider. These final UILs would form the basis of a public consultation.

Very grateful for a draft letter for SoS to consider and send tomorrow.

Many thanks

[Redacted]

---

From: [Redacted]  
Sent: 11/11/11 12:55  
To: [Redacted]  
Cc: STEPHENS JONATHAN; ZEFF JON; KILGARRIFF PATRICK; GEIST-DIWER CAROLA; [Redacted]  
Subject: NEWS CORP/BSKYB MERGER

[Redacted]

Note for this afternoon's discussion attached.

[Redacted]  
[Redacted]

DCMS  
2-4 Cockspur Street  
London SW1Y 5DH

T: [Redacted]  
M: [Redacted]

IN.D. 25

[Redacted]

---

**From:** SMITH, Adam  
**Sent:** 17 February 2011 09:40  
**To:** [Redacted] ZEFF JON; STEPHENS JONATHAN; BEEBY, Sue; KILGARRIFF PATRICK; GEIST-DIVVER CAROLA  
**Cc:** [Redacted]  
**Subject:** RE: IMMEDIATE: NEWS CORP/BSKYB MERGER - LETTERS TO OFT AND OFCOM

Are we sure that by doing this will we get a clear recommendation back from them? We don't really want them spending time again looking at the ten year issue as this has already been considered. We want them focusing on checking that the new UIL does what News say it does. So I thought saying we'd made a decision on that closed the issue down.

---

**From:** [Redacted]  
**Sent:** 17 February 2011 09:07  
**To:** [Redacted] ZEFF JON; STEPHENS JONATHAN; SMITH, Adam; BEEBY, Sue; KILGARRIFF PATRICK; GEIST-DIVVER CAROLA  
**Cc:** [Redacted]  
**Subject:** RE: IMMEDIATE: NEWS CORP/BSKYB MERGER - LETTERS TO OFT AND OFCOM

[Redacted]

I've made a couple of amendments, simply to make clear that Jeremy has not reached a conclusion on the carriage agreement and whether it is long-term, but is asking the OFT and Ofcom to proceed on the basis that it is. I've also added the statutory reference to the OFT letter (I think it more important for that letter, although it could also be added to the Ofcom letter).

[Redacted]

Legal Advisors to the Department for Culture, Media and Sport  
 Email: [Redacted] Tel: [Redacted]

---

**From:** [Redacted]  
**Sent:** 16 February 2011 19:08  
**To:** ZEFF JON; STEPHENS JONATHAN; SMITH, Adam; BEEBY, Sue; KILGARRIFF PATRICK; GEIST-DIVVER CAROLA; [Redacted]  
**Cc:** [Redacted]  
**Subject:** IMMEDIATE: NEWS CORP/BSKYB MERGER - LETTERS TO OFT AND OFCOM  
**Importance:** High

Dear all,

Following News Corp's revised set of UILs, please find attached draft letters for JH to send to OFT and Ofcom. I understand that JH would like to issue these early tomorrow.

[Redacted]

DCMS

IN. D 26

[redacted]

---

**From:** [redacted]  
**Sent:** 17 February 2011 11:27  
**To:** [redacted] SMITH, Adam; ZEFF JON; STEPHENS JONATHAN; BEEBY, Sue; KILGARRIFF PATRICK; GEIST-DIVVER CAROLA  
**Subject:** RE: IMMEDIATE: NEWS CORP/BSKYB MERGER - LETTERS TO OFT AND OFCOM  
**Attachments:** SB 11 02 16 - JH letters to Ofcom and OFT (vers 2).docx  
**Importance:** High

Here are revised drafts.

[redacted]

---

**From:** [redacted]  
**Sent:** 17 February 2011 11:05  
**To:** [redacted] SMITH, Adam; ZEFF JON; STEPHENS JONATHAN; BEEBY, Sue; KILGARRIFF PATRICK; GEIST-DIVVER CAROLA  
**Subject:** RE: IMMEDIATE: NEWS CORP/BSKYB MERGER - LETTERS TO OFT AND OFCOM

[redacted] just discussed these letters with SoS.

He would like to keep both as simple as possible – ie thank them for the work done, note that they have suggested the plurality concerns could be overcome if certain conditions were met, explain that we now have confirmation from News suggesting they are willing to meet these conditions in full and now ask OFT and OFCOM to work with News to put the UILs in a form that SoS could take a final, definitive view on.

Can we turn these around for 11.45 so SoS can see them before we leave for Chatham at 12?

Many thanks

[redacted]

---

**From:** [redacted]  
**Sent:** 17 February 2011 10:43  
**To:** [redacted] SMITH, Adam; ZEFF JON; STEPHENS JONATHAN; BEEBY, Sue; KILGARRIFF PATRICK; GEIST-DIVVER CAROLA  
**Cc:** [redacted]  
**Subject:** RE: IMMEDIATE: NEWS CORP/BSKYB MERGER - LETTERS TO OFT AND OFCOM

I can live with this. The SoS did want to refer OFT to the Ofcom conclusions on 10 years so I would have preferred to retain the first deleted sentence, but I don't think it is essential.

[redacted]

---

**From:** [redacted]  
**Sent:** 17 February 2011 10:34

**To:** SMITH, Adam, [redacted] ZEFF JON; STEPHENS JONATHAN; BEEBY, Sue; KILGARRIFF PATRICK; GEIST-DIVVER CAROLA  
**Cc:** [redacted]  
**Subject:** RE: IMMEDIATE: NEWS CORP/BSKYB MERGER - LETTERS TO OFT AND OFCOM

Following discussions with [redacted] letters amended to minimise reference to the carriage agreement, and whether the SoS has or has not made a decision on this. Attached in clean and tracked form.

[redacted]

[redacted]

Legal Advisers to the Department for Culture, Media and Sport  
Email: [redacted] | Tel: 02 [redacted]

---

**From:** SMITH, Adam  
**Sent:** 17 February 2011 09:40  
**To:** [redacted]; ZEFF JON; STEPHENS JONATHAN; BEEBY, Sue; KILGARRIFF PATRICK; GEIST-DIVVER CAROLA  
**Cc:** [redacted]  
**Subject:** RE: IMMEDIATE: NEWS CORP/BSKYB MERGER - LETTERS TO OFT AND OFCOM

Are we sure that by doing this will we get a clear recommendation back from them? We don't really want them spending time again looking at the ten year issue as this has already been considered. We want them focusing on checking that the new UIL does what News say it does. So I thought saying we'd made a decision on that closed the issue down.

---

**From:** [redacted]  
**Sent:** 17 February 2011 09:07  
**To:** [redacted]; ZEFF JON; STEPHENS JONATHAN; SMITH, Adam; BEEBY, Sue; KILGARRIFF PATRICK; GEIST-DIVVER CAROLA  
**Cc:** CREAMER DEAN  
**Subject:** RE: IMMEDIATE: NEWS CORP/BSKYB MERGER - LETTERS TO OFT AND OFCOM

[redacted]

I've made a couple of amendments, simply to make clear that Jeremy has not reached a conclusion on the carriage agreement and whether it is long-term, but is asking the OFT and Ofcom to proceed on the basis that it is. I've also added the statutory reference to the OFT letter (I think it more important for that letter, although it could also be added to the Ofcom letter).

[redacted]

[redacted]

Legal Advisers to the Department for Culture, Media and Sport  
Email: [redacted] | Tel: [redacted]

---

**From:** [redacted]  
**Sent:** 16 February 2011 19:08  
**To:** ZEFF JON; STEPHENS JONATHAN; SMITH, Adam; BEEBY, Sue; KILGARRIFF PATRICK; GEIST-DIVVER CAROLA;  
**Cc:** [redacted]  
**Subject:** IMMEDIATE: NEWS CORP/BSKYB MERGER - LETTERS TO OFT AND OFCOM  
**Importance:** High

Dear all,

Following News Corp's revised set of UILs, please find attached draft letters for JH to send to OFT and Ofcom. I understand that JH would like to issue these early tomorrow.

[Redacted]

[Redacted]

DCMS  
2-4 Cockspur Street  
London SW1Y 5DH

W [Redacted]  
M [Redacted]

IN.D. 27

[redacted]

---

**From:** SMITH, Adam  
**Sent:** 17 February 2011 17:31  
**To:** [redacted]; BRAND STUART; ZEFF JON; STEPHENS JONATHAN; BEEBY, Sue; KILGARRIFF PATRICK; GEIST-DIVVER CAROLA; OLDFIELD PAUL  
**Subject:** RE: IMMEDIATE: NEWS CORP/BSKYB MERGER - LETTERS TO OFT AND OFCOM

I only have one question – are we ok to include a deadline? The last thing we want is them coming back saying they didn't quite get there again.

---

**From:** [redacted]  
**Sent:** 17 February 2011 13:10  
**To:** [redacted]; SMITH, Adam; ZEFF JON; STEPHENS JONATHAN; BEEBY, Sue; KILGARRIFF PATRICK; GEIST-DIVVER CAROLA; [redacted]  
**Subject:** Re: IMMEDIATE: NEWS CORP/BSKYB MERGER - LETTERS TO OFT AND OFCOM

I think [redacted] think this does the job.

Have agreed with sos for spads to now clear and send. Can we do this today?

[redacted]

Sent from my BlackBerry Wireless Device

---

**From:** [redacted]  
**To:** [redacted]; SMITH, Adam; ZEFF JON; STEPHENS JONATHAN; BEEBY, Sue; KILGARRIFF PATRICK; GEIST-DIVVER CAROLA  
**Sent:** Thu Feb 17 12:07:01 2011  
**Subject:** RE: IMMEDIATE: NEWS CORP/BSKYB MERGER - LETTERS TO OFT AND OFCOM  
 All,

Having spoken to [redacted] please see revised drafts.

[redacted]

[redacted]  
 Legal Advisors to the Department for Culture, Media and Sport  
 Email: [redacted] Tel: 020 [redacted]

---

**From:** [redacted]  
**Sent:** 17 February 2011 11:27  
**To:** [redacted]; SMITH, Adam; ZEFF JON; STEPHENS JONATHAN; BEEBY, Sue; KILGARRIFF PATRICK; GEIST-DIVVER CAROLA  
**Subject:** RE: IMMEDIATE: NEWS CORP/BSKYB MERGER - LETTERS TO OFT AND OFCOM  
**Importance:** High

[redacted]

Here are revised drafts.

[Redacted]

**From:** [Redacted]  
**Sent:** 17 February 2011 11:05  
**To:** [Redacted] SMITH, Adam; ZEFF JON; STEPHENS JONATHAN; BEEBY, Sue; KILGARRIFF PATRICK; GEIST-DIVVER CAROLA  
**Subject:** RE: IMMEDIATE: NEWS CORP/BSKYB MERGER - LETTERS TO OFT AND OFCOM

[Redacted] just discussed these letters with SoS.

He would like to keep both as simple as possible – ie thank them for the work done, note that they have suggested the plurality concerns could be overcome if certain conditions were met, explain that we now have confirmation from News suggesting they are willing to meet these conditions in full and now ask OFT and OFCOM to work with News to put the UILs in a form that SoS could take a final, definitive view on.

we turn these around for 11.45 so SoS can see them before we leave for Chatham at 12?

Many thanks

[Redacted]

**From:** [Redacted]  
**Sent:** 17 February 2011 10:43  
**To:** [Redacted] SMITH, Adam; ZEFF JON; STEPHENS JONATHAN; BEEBY, Sue; KILGARRIFF PATRICK; GEIST-DIVVER CAROLA  
**Cc:** [Redacted]  
**Subject:** RE: IMMEDIATE: NEWS CORP/BSKYB MERGER - LETTERS TO OFT AND OFCOM

[Redacted]

I can live with this. The SoS did want to refer OFT to the Ofcom conclusions on 10 years so I would have preferred to retain the first deleted sentence, but I don't think it is essential.

[Redacted]

**From:** [Redacted]  
**Sent:** 17 February 2011 10:34  
**To:** SMITH, Adam; [Redacted] ZEFF JON; STEPHENS JONATHAN; BEEBY, Sue; KILGARRIFF PATRICK; GEIST-DIVVER CAROLA  
**Cc:** [Redacted]  
**Subject:** RE: IMMEDIATE: NEWS CORP/BSKYB MERGER - LETTERS TO OFT AND OFCOM

Following discussions with Dean, letters amended to minimise reference to the carriage agreement, and whether the SoS has or has not made a decision on this. Attached in clean and tracked form.

[Redacted]

[Redacted]

Legal Adviser to the Department for Culture, Media and Sport  
Email: [Redacted] Tel: [Redacted]

**From:** SMITH, Adam

**Sent:** 17 February 2011 09:40

**To:** [redacted]; ZEFF JON; STEPHENS JONATHAN; BEEBY, Sue; KILGARRIFF PATRICK; GEIST-DIVVER CAROLA

**Cc:** [redacted]

**Subject:** RE: IMMEDIATE: NEWS CORP/BSKYB MERGER - LETTERS TO OFT AND OFCOM

Are we sure that by doing this will we get a clear recommendation back from them? We don't really want them spending time again looking at the ten year issue as this has already been considered. We want them focusing on checking that the new UIL does what News say it does. So I thought saying we'd made a decision on that closed the issue down.

---

**From:** [redacted]

**Sent:** 17 February 2011 09:07

**To:** [redacted]; ZEFF JON; STEPHENS JONATHAN; SMITH, Adam; BEEBY, Sue; KILGARRIFF PATRICK; GEIST-DIVVER CAROLA

**Cc:** [redacted]

**Subject:** RE: IMMEDIATE: NEWS CORP/BSKYB MERGER - LETTERS TO OFT AND OFCOM

[redacted]

I've made a couple of amendments, simply to make clear that Jeremy has not reached a conclusion on the carriage agreement and whether it is long-term, but is asking the OFT and Ofcom to proceed on the basis that it is. I've also added the statutory reference to the OFT letter (I think it more important for that letter, although it could also be added to the Ofcom letter).

[redacted]

[redacted]

Legal Advisers to the Department for Culture, Media and Sport

**Unit:** [redacted] **Tel:** [redacted]

---

**From:** [redacted]

**Sent:** 16 February 2011 19:08

**To:** ZEFF JON; STEPHENS JONATHAN; SMITH, Adam; BEEBY, Sue; KILGARRIFF PATRICK; GEIST-DIVVER CAROLA;

[redacted]

**Cc:** [redacted]

**Subject:** IMMEDIATE: NEWS CORP/BSKYB MERGER - LETTERS TO OFT AND OFCOM

**Importance:** High

Dear all,

Following News Corp's revised set of UILs, please find attached draft letters for JH to send to OFT and Ofcom. I understand that JH would like to issue these early tomorrow.

[redacted]

[redacted]

DCMS  
2-4 Cockspur Street  
London SW1Y 5DH

**W:** [redacted]  
**M:** [redacted]

IN.D. 28

[redacted]  
**From:** OLDFIELD PAUL  
**Sent:** 18 February 2011 15:36  
**To:** [redacted]  
**Subject:** RESTRICTED - News Corp

[redacted]  
I met with JS this morning. He's keen to have a plan in place early next week for the handling of the News Corp. outcome well in advance of any announcement. I said I'd wait for you to return on Monday before I did anything, in case you already had something in train.

Think he's keen to have a statement drafted well in advance and also a plan from [redacted] on who to brief etc.

Cheers.

ul.

Paul Oldfield  
Principal Private Secretary to the Secretary of State  
Department for Culture, Media and Sport

[redacted]

IN. D. 29

[Redacted]

**From:** ZEFF JON  
**Sent:** 01 March 2011 16:29  
**To:** [Redacted]  
**Cc:** SMITH, Adam  
**Subject:** RE: Restricted - News / Sky - publication of reports / non-confidential versions (0012561-0000367)

Seems fine to me.

Fred Michel rang me about this issue this morning. I said that although no decisions had been taken in advance of receiving the reports, I expected the SofS's strong inclination would be to publish all the reports in the interests of transparency, though we would obviously consider any genuinely substantive concerns from NewsCorp about the need for confidentiality.

---

**From:** [Redacted]  
**Sent:** 01 March 2011 15:58  
**To:** [Redacted] ZEFF JON  
**Cc:** SMITH, Adam  
**Subject:** FW: Restricted - News / Sky - publication of reports / non-confidential versions (0012561-0000367)

All,

Further to our conversation this morning, please see below request from A&O, on behalf of News. In italics below is my draft response. Are you content with this, and I will then float it past Daniel in case we are all missing something.

Thanks,

[Redacted]

Dear [Redacted]

*Thank you for your email.*

*To be clear, as I said when we discussed on 25 February, we do not think that the Secretary of State can mandate the way in which the OFT reports to the Secretary of State in response to a request. The form of providing its advice is clearly a matter for the OFT, and that is why we left it that you would speak to the OFT about their intentions in preparing their report. As you will appreciate, the effect of section 106B is that Ofcom must publish its report, and we consider that this will apply both to its interim and final reports. This is, of course, independent from any decision taken about publication by the Secretary of State.*

*Reports have not yet been received by the Secretary of State and, accordingly, a decision has not yet been taken as to when to publish those reports. We have taken the view though that it is inevitable (not least because of the operation of the Freedom of Information Act) that the OFT's first report will be placed in the public domain.*

*I note that your objection to publication is expressed to be "at this stage" however, and that your view is that, at this stage, such publication would "harm" the "interests" of your client. I wonder if you could set out in greater detail what interests it would harm, and what the nature of that harm might be, so that the*

Secretary of State will be in a position to take a reasoned decision on this issue when he decides whether not to accept UILs following receipt of advice from the OFT and from Ofcom.

As we discussed when we spoke, whilst the Secretary of State is committed to an open and transparent process, which mitigates in favour of as much information as possible being available as to the background to decisions he has taken, he is sensitive to proper objections to publication on issues of confidentiality and timing.

Regards etc.

[Redacted]  
Legal Advisers to the Department for Culture, Media and Sport  
Email: [Redacted] Tel: 020 [Redacted]

---

**From:** [Redacted] [AllenOvery.com]

**Sent:** 28 February 2011 19:55

**To:** [Redacted]

**Cc:** [Redacted]

**Subject:** FW: Restricted - News / Sky - publication of reports / non-confidential versions (0012561-0000367)

CONFIDENTIAL

Dear [Redacted]

I refer to my email of 24 February and to our telephone conversation the following morning. We have now received from OFT the request below.

As I mentioned in my email (and during our conversation) News Corp would regard the publication of a report disclosing its interim position in the discussion of UIL confidential and would consider that its disclosure at this stage would harm its interests. We do not see how it would be in the public interest to have that interim report public and, indeed, we believe that publication of that report at this stage would generate confusion.

It is now open to the Secretary of State to request that OFT includes in its final advice all issues that are relevant to the decision that the Secretary of State now needs to take based on the final set of Draft UILs and to send the final advice to the Secretary of State in a form that, subject to the customary representations on confidentiality, could be published promptly. I note that this practical solution - that I discussed separately with the OFT and DCMS - does appear to have been adopted.

Given that we are still in time to adopt this course of action I would urge to consult with OFT so that this can be achieved.

I look forward to your response before we revert to the OFT.

Best regards

---

**From:** [Redacted]  
**Sent:** Monday, February 28, 2011 7:20 PM  
**To:** [Redacted]  
**Cc:** [Redacted]  
**Subject:** Restricted - News / Sky - publication of reports / non-confidential versions

IN.D.30

[Redacted]

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**From:** SMITH, Adam  
**Sent:** 01 March 2011 16:35  
**To:** ZEFF JON [Redacted]  
**Subject:** RE: Restricted - News / Sky - publication of reports / non-confidential versions (0012561-0000367)

Fine with me. I've also reiterated that Jeremy's start point is to publish pretty much everything unless there's a good reason not to.

Thanks.

---

**From:** ZEFF JON  
**Sent:** 01 March 2011 16:29  
**To:** [Redacted]  
**Cc:** SMITH, Adam  
**Subject:** RE: Restricted - News / Sky - publication of reports / non-confidential versions (0012561-0000367)

Seems fine to me.

Fred Michel rang me about this issue this morning. I said that although no decisions had been taken in advance of receiving the reports, I expected the SofS's strong inclination would be to publish all the reports in the interests of transparency, though we would obviously consider any genuinely substantive concerns from NewsCorp about the need for confidentiality.

---

**From:** [Redacted]  
**Sent:** 01 March 2011 15:58  
**To:** [Redacted] ZEFF JON  
**Cc:** SMITH, Adam  
**Subject:** FW: Restricted - News / Sky - publication of reports / non-confidential versions (0012561-0000367)

All,

Further to our conversation this morning, please see below request from A&O, on behalf of News. In italics below is my draft response. Are you content with this, and I will then float it past Daniel in case we are all missing something.

Thanks,

[Redacted]

Dear [Redacted]

*Thank you for your email.*

*To be clear, as I said when we discussed on 25 February, we do not think that the Secretary of State can mandate the way in which the OFT reports to the Secretary of State in response to a request. The form of providing its advice is clearly a matter for the OFT, and that is why we left it that you would speak to the OFT about their intentions in preparing their report. As you will appreciate, the effect of section 106B is that Ofcom must publish its report, and we consider that this will apply both to its interim and final reports. This is, of course, independent from any decision taken about publication by the Secretary of State.*

*Reports have not yet been received by the Secretary of State and, accordingly, a decision has not yet been taken as to when to publish those reports. We have taken the view though that it is inevitable (not least because of the operation of the Freedom of Information Act) that the OFT's first report will be placed in the public domain.*

*I note that your objection to publication is expressed to be "at this stage" however, and that your view is that, at this stage, such publication would "harm" the "interests" of your client. I wonder if you could set out in greater detail what interests it would harm, and what the nature of that harm might be, so that the Secretary of State will be in a position to take a reasoned decision on this issue when he decides whether or not to accept UILs following receipt of advice from the OFT and from Ofcom.*

*As we discussed when we spoke, whilst the Secretary of State is committed to an open and transparent process, which mitigates in favour of as much information as possible being available as to the background to decisions he has taken, he is sensitive to proper objections to publication on issues of confidentiality and timing.*

*Regards etc.*

[Redacted]

**Legal Advisers to the Department for Culture, Media and Sport**

**Email:** [Redacted] **Tel:** [Redacted]

---

**From:** [Redacted] [AllenOvery.com]

**Sent:** 28 February 2011 19:55

**To:** [Redacted]

**Cc:** [Redacted]

**Subject:** FW: Restricted - News / Sky - publication of reports / non-confidential versions (0012561-0000367)

CONFIDENTIAL

Dear [Redacted]

I refer to my email of 24 February and to our telephone conversation the following morning. We have now received from OFT the request below.

As I mentioned in my email (and during our conversation) News Corp would regard the publication of a report disclosing its interim position in the discussion of UIL confidential and would consider that its disclosure at this stage would harm its interests. We do not see how it would be in the public interest to have that interim report public and, indeed, we believe that publication of that report at this stage would generate confusion.

It is now open to the Secretary of State to request that OFT includes in its final advice all issues that are relevant to the decision that the Secretary of State now needs to take based on the final set of Draft UILs and to send the final advice to the Secretary of State in a form that, subject to the customary representations on confidentiality, could be published promptly. I note that this practical solution - that I discussed separately with the OFT and DCMS - does appear to have been adopted.

Given that we are still in time to adopt this course of action I would urge to consult with OFT so that this can be achieved.

I look forward to your response before we revert to the OFT.

Best regards

**From:** [redacted]  
**Sent:** Monday, February 28, 2011 7:20 PM  
**To:** [redacted]  
[redacted]

**Subject:** Restricted - News / Sky - publication of reports / non-confidential versions

Dear [redacted]

We spoke earlier this evening about potential publication of the OFT reports to the Secretary of State.

DCMS has not requested, and OFT has not prepared, any form of 'composite' report to the Secretary of State. Rather, there exists:

- (1) the OFT advice provided on 11 February (the First Advice) and
- (2) the advice anticipated to be provided to the Secretary of State tomorrow (the Second Advice).

My understanding from DCMS is that, subject to a final decision being taken, they are currently minded to publish both the First Advice and the Second Advice in due course.

I appreciate that you do not, of course, have the Second Advice at this point in time. However, in the interests of time, DCMS has asked us to engage with you in the meantime on the preparation of a non-confidential version of the First Advice for future publication. We will send you tomorrow morning a clean word version of the First Advice to assist with this process. We would be grateful if you could indicate:

- what information is confidential to News such that publication might significantly harm its legitimate business interests; and
- for each category of information, the reason why this is the case.

We understand that you have provided a copy of the First Advice, in full, to Sky. On this basis, we will send a similar request to [redacted] at Sky in respect of information that Sky believes is confidential to it such that it should be removed from the version of the First Advice to be published.

Kind regards

[redacted]

[redacted] Office of Fair Trading  
Fleetbank House | 2-6 Salisbury Square | London EC4Y 8JX | T: + [redacted]

\*\*\*\*\*

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IN.D.31

From: [redacted]  
 Sent: 02 March 2011 20:13  
 To: [redacted]  
 Cc: STEPHENS JONATHAN; KILGARRIFF PATRICK; [redacted]; SMITH, Adam; BEEBY, Sue; ZEFF JON; [redacted]; OLDFIELD PAUL; MARTIN LINDA  
 Subject: Restricted - Commercial B SkyB Merger

Dear all

Many thanks to those who attended the meeting with the SoS this evening.

Just to confirm decisions:

Having met Ofcom/OFT this afternoon and considered their reports SoS is minded to accept the News Corporation UIL and proceed to consultation ahead of making his final decision.

SoS would now like arrangements to be put in place to make an announcement tomorrow.

We agreed this should include:

- 1) Press Notice (Action: Linda Martin)
- 2) Consultation Doc, timeline and associated correspondence/reports (Action: [redacted] and [redacted])  
 Grateful if [redacted] could liaise with Linda to ensure press office have the full list of attachments)

These documents to be released to the Markets first thing in line with normal practice.

- 3) An oral statement for the SoS to make to the House (Action: [redacted] and [redacted])

These will need to be cleared with SoS tonight please.

In addition, we also agreed a few key points of preparation:

- Baroness Rawlings should be informed this evening that we expect to make an oral statement tomorrow and make arrangements to brief her. (Action: Adam Smith)
- We should request a slot for a oral statement from the parliamentary authorities first thing tomorrow. (Action: [redacted])

Many thanks

[redacted]

IN.D. 32

[Redacted]  
**From:** [Redacted]  
**Sent:** 02 March 2011 18:08  
**To:** MARTIN LINDA; BEEBY, Sue  
**Cc:** ZEFF JON; [Redacted] KILGARRIFF PATRICK; SMITH, Adam; [Redacted]  
**Subject:** merger- release of letters

Linda, Sue,

News Corp have asked for copies of the documents to be published tomorrow which they haven't yet seen. These are SoS's two letters to Ofcom and OFT of 27 January and 17 February (they don't say much – I can forward if anyone wishes to see them). I would have thought that we could send them to News Corp at the same time as we communicate our decision, but grateful for views.

They would also like to see a copy of the PN in advance. Could we show them that at the same time (assuming that it is ready by then)?

[Redacted]

[Redacted]

DCMS  
2-4 Cockspur Street  
London SW1Y 5DH

W: [Redacted]  
M: [Redacted]

IN.D.33

[redacted]

**From:** KILGARRIFF PATRICK  
**Sent:** 02 March 2011 20:25  
**To:** [redacted]  
**Cc:** ZEFF JON; [redacted] GEIST-DIVVER CAROLA  
**Subject:** RE: Restricted - News / Sky - publication of reports / non-confidential versions (0012561-0000367)

Have now spoken to [redacted] and [redacted]

On the redactions to the "First Advice", they feel that the News redactions rob the narrative reasoning from the initial to the final UILs. Whilst some of the redactions are clearly commercially justified – for others they find the case less compelling. They are continuing to negotiate with News and are using the fact that Sky take a less precious attitude (and much of it is Sky's information) as leverage. No resolution as yet.

There is a measure of sympathy for News' request to redact the Arqiva date in final UILs. The issue is transparency and enforceability. OFT say (and I agree) now is not the time to re-open the UIL and we should be robust but if comment is compelling enough in the course of the consultation it would be possible to re-draft/re-cast the relevant UIL so no date was mentioned but the effect was substantively the same. Potentially a small hiccup for the future and one we probably need to share with the SoS in any submission covering the WMS/condoc.

Patrick

---

**From:** [redacted]  
**Sent:** 02 March 2011 18:27  
**To:** KILGARRIFF PATRICK  
**Subject:** FW: Restricted - News / Sky - publication of reports / non-confidential versions (0012561-0000367)  
**Importance:** High

Patrick,

ny views?

[redacted]

---

**From:** [redacted]  
**Sent:** 02 March 2011 18:11  
**To:** [redacted]  
**Cc:** ZEFF JON  
**Subject:** FW: Restricted - News / Sky - publication of reports / non-confidential versions (0012561-0000367)

[redacted]

Let's see what OFT say about their report but my reaction is to tell them that we are happy to agree the redaction of the UIL (highlighted below) unless they advise otherwise. Agree?

[redacted]

---

**From:** [redacted] [mailto:[redacted]]  
**Sent:** 02 March 2011 17:08  
**To:** [redacted]

[Redacted]  
**Subject:** RE: Restricted - News / Sky - publication of reports / non-confidential versions (0012561-0000367)

Please find attached News' requests for confidentiality over certain information contained in the OFT's report to the Secretary of State dated 11 February 2011.

As noted in the document itself, News requests that the text highlighted yellow be redacted from the version of this report that is made public under s.244(3) of the Enterprise Act 2002. That information is commercially sensitive or relates News' private affairs and is not within the public domain, the disclosure of which would significantly harm News' legitimate business interests. News also notes that parts of this report may be commercially sensitive to Sky. News has not attempted to identify all such information as it understands that the OFT has been in touch with Sky directly on this point.

News has no representations to make as to the confidentiality of information contained in the OFT's report to the Secretary of State of 1 March 2011.

DCMS (copied into this email) has suggested that News agree with the OFT in the first instance any proposed confidentiality redactions to the final draft UIL of 1 March 2011 for the purposes of the public consultation. To that end, I also attach a proposed non-confidential version of the 1 March UIL. You will see that the only information News requests be kept confidential is at 5.1(iv) and relates to the end date of Sky's contract with Arqiva, which is highly commercially sensitive.

Kind regards

[Redacted signature]

---

**From:** [Redacted]  
**Sent:** 01 March 2011 11:37  
**To:** [Redacted]  
**Cc:** [Redacted]  
**Subject:** RE: Restricted - News / Sky - publication of reports / non-confidential versions

Dear [Redacted]

As promised, and for the purposes of my email below, please find attached a clean word copy of the First Advice of the OFT to the Secretary of State.

Kind regards

[Redacted signature]

---

**n:** [Redacted]  
**t:** 28 February 2011 19:20  
[Redacted]@AllenOvery.com

**ject:** Restricted - News / Sky - publication of reports / non-confidential versions

Dear [Redacted]

We spoke earlier this evening about potential publication of the OFT reports to the Secretary of State.

DCMS has not requested, and OFT has not prepared, any form of 'composite' report to the Secretary of State. Rather, there exists:

- (1) the OFT advice provided on 11 February (the First Advice) and
- (2) the advice anticipated to be provided to the Secretary of State tomorrow (the Second Advice).

My understanding from DCMS is that, subject to a final decision being taken, they are currently minded to publish both the First Advice and the Second Advice in due course.

I appreciate that you do not, of course, have the Second Advice at this point in time. However, in the interests of time, DCMS has asked us to engage with you in the meantime on the preparation of a non-confidential version of the First Advice for future publication. We will send you tomorrow morning a clean word version of the First Advice to assist with this process. We would be grateful if you could indicate:

- what information is confidential to News such that publication might significantly harm its legitimate business interests; and
- for each category of information, the reason why this is the case.

We understand that you have provided a copy of the First Advice, in full, to Sky. On this basis, we will send a similar request to [redacted] at Sky in respect of information that Sky believes is confidential to it such that it should be removed from the version of the First Advice to be published.

Kind regards

[redacted]

[redacted] Office of Fair Trading  
 Fleetbank House | 2-6 Salisbury Square | London EC4Y 8JX | [redacted]

\*\*\*\*\*

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The Office of Fair Trading

Fleetbank House, 2-6 Salisbury Square, London EC4Y 8JX Switchboard (020) 7211 8000 Web Site: <http://www.oft.gov.uk>

This footnote also confirms that this email message has been swept for the presence of computer viruses.

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IN.D. 34

[redacted]

---

**From:** OLDFIELD PAUL  
**Sent:** 03 March 2011 10:02  
**To:** MARTIN LINDA; [redacted] ZEFF JON  
**Cc:** [redacted] BEEBY, Sue; SMITH, Adam  
**Subject:** No 10 and News Copr Announcement

[redacted] from number 10 called.

He appreciates the distance that they need to keep from all this, but would like us to send any briefing over to him pls. So, I would guess statement text, press notice, and any of the Q and A the press guys are using.

Linda/[redacted] – could you arrange to have relevant info sent over pls.

[redacted]  
[redacted]  
ul.

Paul Oldfield  
Principal Private Secretary to the Secretary of State  
Department for Culture, Media and Sport

IN. D. 35

[Redacted]

---

**From:** [Redacted]  
**Sent:** 03 March 2011 12:13  
**To:** [Redacted]; ZEFF JON; KILGARRIFF PATRICK; [Redacted]  
**Cc:** STEPHENS JONATHAN; MARTIN LINDA  
**Subject:** OLDFIELD PAUL; SMITH, Adam; BEEBY, Sue; [Redacted]  
**Attachments:** Final Oral statement  
 Final oral statement.3.2.11.doc.docx

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Dear all

SoS has only added one line to the statement this morning which I have discussed with [Redacted] 3<sup>rd</sup> para from the end, final sentence, he has added: "After careful consideration, I have followed that independent advice."

Attached is now the final version we will be sending over the House in time for the statement at 3pm.

Many thanks to all for your help on this.

[Redacted]

---

**From:** [Redacted]  
**Sent:** 03 March 2011 00:56  
**To:** [Redacted]; ZEFF JON; KILGARRIFF PATRICK; [Redacted]; STEPHENS JONATHAN; MARTIN LINDA  
**Cc:** OLDFIELD PAUL; SMITH, Adam; BEEBY, Sue; [Redacted]  
**Subject:** SoS Oral statement

[Redacted]

are is the hopefully (!) final version of the statement. It has been through Spads, SoS and Legal several times and is consistent with what we say in the Condoc and Press notice.

I expect we'll get SoS to look at this once more in the morning as we will have a bit of time (given that this is not going out with other documents at 7am) but no more changes from us please.

Many thanks

[Redacted]

IN.D. 36

**From:** [redacted]  
**Sent:** 04 March 2011 10:45  
**To:** [redacted]  
**Subject:** Re: Consultation correspondence

Hi [redacted]

Sos has just asked for some legal advice on the right way to handle what he is calling the '17 day' consultation.

I think it would be good to explain the process, what he can say at this stage to respondents and more generally how he should refer to the consultation when speaking about it publicly. We should also set out what happens once responses are in.

Would it be possible to have something for close Monday?

Thanks

[redacted]

-----  
Sent from my BlackBerry Wireless Device

**From:** [redacted]  
**To:** [redacted]  
**Cc:** [redacted]  
**Sent:** Fri Mar 04 08:23:44 2011  
**Subject:** RE: Consultation correspondence

It's also occurred to me this morning that we will need some strong lines about what the SoS can and cannot legally do. I think many of the responses focus on what are properly competition concerns, and concentration of media power concerns. Those are different from plurality, and we should, I think, work up some lines (also for a consultation response) to this effect.

[redacted]

[redacted]

Legal Advisers to the Department for Culture, Media and Sport  
Email: [redacted] Tel: [redacted]

**From:** [redacted]  
**Sent:** 04 March 2011 07:53  
**To:** [redacted]  
**Cc:** [redacted]  
**Subject:** RE: Consultation correspondence

[redacted]

Thank you very much – I'll ask [redacted] to set the meeting up.

I am not in the office on Monday and Tuesday (although happy to join the meeting on the spider phone) – but my thoughts are:

We need to ensure we are considering this from the correspondents point of view: do they believe that in writing to Jeremy – at any of the various emails used, that he will factor the points they have made into his decision making process – if yes, I think we should not respond to the letters but include them as consultation responses [redacted] and I discussed the FOI implications – which can be resolved).

Having looked at some of the letters coming in – I don't think we can send a response - they have read/heard Jeremy's statement and are responding to it, pointing them in the direction of the consultation document seems bureaucratic and unhelpful.

Thought on handling of MP letters and PQs gratefully received.

[redacted]

---

**From:** [redacted]  
**Sent:** 03 March 2011 18:51  
**To:** [redacted]  
**Cc:** [redacted]  
**Subject:** RE: Consultation correspondence

I suggested to both [redacted] and [redacted] earlier that we should have a catch up (sensibly next week; I don't think I am much capable of rational thought by the end of this one) about next steps on Newscorp. I'd suggest that we should consider this.

As an initial take though, I think much depends on the way in which the comments to Jeremy's in-box are structured. We will need a standard position on all of them (whether to respond or not, what to say, whether they go into the consultation and leave it at that). I think we also ought to be thinking about PQs and Ministerial correspondence and working up standard lines.

If someone more compos mentis than me wants to suggest a time early next week, I think this would be very sensible.

[redacted]

Legal Advisers to the Department for Culture, Media and Sport

Email: [redacted] [redacted] [redacted] Te [redacted]

---

**From:** [redacted]  
**Sent:** 03 March 2011 15:03  
**To:** [redacted]  
**Cc:** [redacted]  
**Subject:** RE: Consultation correspondence

Hi [redacted]

Quite understand.

We don't know how many there will be, but obviously writing to Jeremy's various addresses will be a popular option, and as we have no power over these inboxes, we can't put any auto-response on them, telling them to write to the right place (we have made such requests before to no avail). People may well think that by writing to him

they have taken part in the consultation exercise, and we have to be careful about being seen to have accepted everyone's views. I imagine that many emails will be of the 'you've made a terrible mistake / change your mind' variety – and I imagine that amongst the well considered replies the consultation inbox will receive, you will get lots of these too. So perhaps there will be not too much difference between the two correspondence streams.

I can quite understand all the key players are shattered, so tomorrow is absolutely fine to look into this further.

PS – we've heard rumours that the protest outside the building is at 5.30 today – have you heard that too?

Many thanks

[Redacted]

[Redacted]

Department for Culture, Media and Sport |2-4 Cockspur Street |London |SW1Y 5DH

DCMS aims to improve the quality of life for all through cultural and sporting activities, to support the pursuit of excellence and to champion the tourism, creative and leisure industries.

<http://twitter.com/dcms>

<http://www.youtube.com/user/dcms>

<http://www.flickr.com/photos/thedcms>

---

**From:** [Redacted]

**Sent:** 03 March 2011 14:52

**To:** [Redacted]

**Cc:** [Redacted]

**Subject:** RE: Consultation correspondence

Hi [Redacted]

I am hesitant about letting them go in the consultation in-box, as these are not responses to the consultation. Do you know how many there are and roughly what they are saying? Could you hold off until after I have spoken about it with colleagues, which will be tomorrow since [Redacted] are currently in the Box for both House debates, and will draw to a close their 35 hour shifts once the debates are finished!

Thanks

[Redacted]

---

**From:** [Redacted]

**Sent:** 03 March 2011 14:14

**To:** [Redacted]

**Cc:** [Redacted]

**Subject:** Consultation correspondence

Hi [Redacted]

We are proposing that BSkyB correspondence from private office (i.e. Jeremy's parliamentary inbox and associated addresses) is forwarded to the consultation inbox rather than PERU, if that's alright with you. (As people know that an announcement has been made, there is not much PERU can do in terms of replying to these emails.)

If you find in amongst them correspondence that you think needs a PERU response, then you can pass it to us for reply, but these are likely to be in the minority.

Can you let me know if you are happy with this, or have any issues. We have the first batch of such cases to pass on.

Many thanks



Department for Culture, Media and Sport |2-4 Cockspur Street |London |SW1Y 5DH

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 <http://twitter.com/dcms>

 <http://www.youtube.com/user/dcms>

 <http://www.flickr.com/photos/thedcms>

IN.D. 37

[Redacted]

**From:** [Redacted]  
**Sent:** 14 March 2011 12:02  
**To:** KILGARRIFF PATRICK; [Redacted] ZEFF JON; [Redacted] SMITH, Adam;  
STEPHENS JONATHAN  
**Cc:** OLDFIELD PAUL  
**Subject:** RE: Urgent - action required newscorp/bskyb merger

Jon/Patrick

Many thanks for briefing SoS this morning on the Newscopr/BSkyB merger.

On the consultation and the process of analysing the responses, SoS was clear that we should take the necessary time to examine the substantive points raised about the UILs. His priority was to ensure that the final UILs are robust and viable in the long term. We must take care to avoid possible loop holes.

On meetings, SoS wanted to be, and be seen to be, even handed with both proponents and opponents of the merger. To that end SoS agreed he would consider requests for meetings once written evidence had been submitted. In particular, SoS wanted the alliance of bodies working through Slaughter and May to be aware of this position and his willingness to meet, given the representations they have made throughout this process.

Many thanks

[Redacted]

-----Original Message-----

**From:** KILGARRIFF PATRICK  
**Sent:** 14 March 2011 09:15  
**To:** [Redacted] ZEFF JON; [Redacted] SMITH, Adam  
**Subject:** RE: Urgent - action required newscorp/bskyb merger

[Redacted]

Yes I am here.

I think the issue is one of what the diplomats would call "demandeur"

In essence if opposed parties seek a meeting/meetings - we determine the who, when and how. If we seek meetings we invite the invitees to determine the terms with the likelihood of lengthening the process.

The meetings can only be the opportunity for those opposed to emphasise and reinforce points we would want them to make in the written consultation and for the SoS to clarify his understanding of the points made. So better when the consultation has closed.

More pragmatically the obvious meeting is with the loose coalition of opposed media interests and on behalf of whom we have had a regular stream of letters from Slaughter + May - Solicitors.

Any meeting would need to see the SoS in listening mode - the meeting is not and should not a opportunity for the SoS to attempt to persuade those attending that its provisional decision is the right decision.

Patrick

-----Original Message-----

From: [redacted]  
Sent: 14 March 2011 08:46  
To: [redacted] ZEFF JON; [redacted] KILGARRIFF PATRICK; SMITH, Adam  
Subject: RE: Urgent - action required newscorp/bskyb merger

With apologies for the short notice, SoS would like to meet to discuss the legal advice at 9.30am.

Jon/Patrick - are you both able to attend?

Thanks

[redacted]

-----Original Message-----

From: [redacted]  
Sent: 14 March 2011 08:02  
To: [redacted]; ZEFF JON; [redacted] KILGARRIFF PATRICK; SMITH, Adam  
Cc: [redacted]  
Subject: RE: Urgent - action required newscorp/bskyb merger

All,

Just to let you know, I'll be out of the office from 8.30 until approximately 10 at a medical appointment.

Having discussed with Patrick over the last week, our view is both that grouping people together would be sensible. However, it may prove difficult (within a relatively short consultation window) to see everyone. If the SoS wishes to be proactive in meeting people, then it will be difficult to offer meetings, and then not be able to arrange them before the close of the consultation, so this might have the effect of lengthening the consultation period.

Just some initial thoughts...

[redacted]

Legal Advisers to the Department for Culture, Media and Sport

Email: [redacted]

-----Original Message-----

From: [redacted]  
Sent: 13 March 2011 20:04  
To: ZEFF JON; [redacted] KILGARRIFF PATRICK; SMITH, Adam  
Cc: [redacted]  
Subject: Urgent - action required newscorp/bskyb merger

Dear all

Sorry to email on a Sunday evening. Sos wants to meet on the newscorp consultation tomorrow morning. I will ask [ ] to arrange a slot in the diary. He is likely to want to meet the key opponents of the deal during the consultation to show that he has met and listened to both sides.

I have spoken to Jonathan Stephens tonight who would be very grateful if we could pull together a list of the organisations/people sos might see for 10.00am pls?

Presumably we could go for those people who wrote in to the original ofcom report? Could we group some of them together to avoid numerous meetings?

It's not impossible that sos will take the advice in the submission (ie only meet on request) but given what I've heard over the weekend I do think it will be unlikely, so we now need to get a back up plan in place.

Very happy to discuss

Many thanks



-----  
Sent from my BlackBerry Wireless Device

IN.D.38

[Redacted]

**From:** [Redacted]  
**Sent:** 21 March 2011 09:35  
**To:** [Redacted] SECRETARY OF STATE'S OFFICE;  
**Cc:** STEPHENS JONATHAN; ZEFF JON; GEIST-DIVVER CAROLA; [Redacted]  
**Subject:** RE: NEWS CORP/BSKYB MERGER

[Redacted]

Just to pick up on the consultation point. S&M have given us their consultation response, and they have not asked for the consultation to be extended until after the meeting, so I think there's no need for the SoS to meet by midday today, or to formally extend the consultation pending such meeting.

Given that last time I looked, we had over 38,000 consultation responses (albeit many of them saying the same thing), it seems to me that it will take some time for the consultation responses to be fully analysed. In those circumstances, I would suggest that we do not offer to extend the consultation, but recognise (internally at least) that the SoS would have to take into account anything *new* which the alliance says during the meeting. But, given the number of responses so far, I don't think we'll have finished analysing before we see them anyway, provided that is, as [Redacted] says, asap.

[Redacted]

Legal Advisers to the Department for Culture, Media and Sport

---

**From:** [Redacted]  
**Sent:** 18 March 2011 18:25  
**To:** SECRETARY OF STATE'S OFFICE; [Redacted]  
**Cc:** STEPHENS JONATHAN; ZEFF JON; KILGARRIFF PATRICK; GEIST-DIVVER CAROLA; [Redacted]  
 [Redacted] SMITH, Adam; BEEBY, Sue; [Redacted]  
**Subject:** RE: NEWS CORP/BSKYB MERGER

[Redacted]

Many thanks. Taking your points in turn:

- Now that we have the response from the opponents, I think we should go ahead and see them asap (the consultation period ends on Monday anyway).
- I would suggest [Redacted] from Ofcom (and possibly [Redacted] and [Redacted] from OFT (and possibly [Redacted]). To some extent it depends on how many people the SoS wants at the meeting. I expect that the opponents will want to bring a cast of thousands so you may want to manage expectations. That said, however, I would try and accommodate their wishes as far as possible so that cannot subsequently argue that the meeting was in some way perfunctory.
- Webber Shandwick are the PR people coordinating the opponents and who asked for the meeting so, yes, the contact is correct.

[Redacted]

**From:** OLDFIELD PAUL **On Behalf Of** SECRETARY OF STATE'S OFFICE

**Sent:** 18 March 2011 17:54

**To:** [Redacted]

**Cc:** STEPHENS JONATHAN; ZEFF JON; KILGARRIFF PATRICK; GEIST-DIVVER CAROLA; [Redacted]

[Redacted] SMITH, Adam; BEEBY, Sue; [Redacted]

**Subject:** RE: NEWS CORP/BSKYB MERGER

[Redacted]

SoS signed the letters this afternoon and [Redacted] as kindly issued with the attachments.

SoS has also said he'd be happy to see the Slaughter and May represented group. A few practical questions on that

- What timescale are we talking about here – do we have to see them before the consultation closes?
- Who from OFCOM and OFT should be there?
- Can I just check the contact – it is a Webber Shandwick email address. Is that right?

Could you confirm with Lauren and then we'll look to set something up.

Paul.

---

**From:** [Redacted]

**Sent:** 17 March 2011 17:39

**To:** [Redacted]

**Cc:** STEPHENS JONATHAN; ZEFF JON; KILGARRIFF PATRICK; GEIST-DIVVER CAROLA; [Redacted]

[Redacted] OLDFIELD PAUL; SMITH, Adam; BEEBY, Sue

**Subject:** NEWS CORP/BSKYB MERGER

**Importance:** High

[Redacted]

Please find a submission on the above.

I have deliberately not attempted to summarise the main points of the letters at this point as I do not want to give the impression of pre-judging their arguments which will need careful consideration. The Slaughter & May and BT letters, however, have executive summaries if the SoS would like to get an early indication of their concerns.

[Redacted]

DCMS  
2-4 Cockspur Street  
London SW1Y 5DH

W: [Redacted]  
M: [Redacted]

IN: D: 39

[Redacted]

**From:** SMITH, Adam  
**Sent:** 24 March 2011 12:40  
**To:** OLDFIELD PAUL; BEEBY, Sue; ZEFF JON; [Redacted]  
**Cc:** [Redacted] MARTIN LINDA  
**Subject:** RE: List of attendees from Stuart Brand

No public affairs advisors from News Corp were in any of our meetings with them. It was News employees plus lawyers wasn't it? So I still feel they shouldn't be there.

**From:** OLDFIELD PAUL  
**Sent:** 24 March 2011 12:39  
**To:** BEEBY, Sue; ZEFF JON; SMITH, Adam; [Redacted]  
**Cc:** [Redacted] MARTIN LINDA  
**Subject:** FW: List of attendees from [Redacted]

ws pls....

**From:** [Redacted] (LDN-WSW)  
**Sent:** 24 March 2011 12:20  
**To:** OLDFIELD PAUL  
**Cc:** [Redacted]  
**Subject:** RE: List of attendees from [Redacted]

Hello Paul

Perhaps there is a misunderstanding about our role. There is nothing in Weber Shandwick's presence that would make the meeting indirect or non-confidential (if that is the basis of the discussion). We would not normally speak in such a setting and we routinely conduct meetings in confidence. Our role is one of co-ordination and reporting for the alliance.

If, notwithstanding this clarification about our role, it is still felt not appropriate that we attend, then we are, of course, quite happy to accede to that request - on the understanding that you have placed an equivalent stricture on the public affairs advisors to News Corporation and BSKyB plc.

Best wishes

[Redacted]

[Redacted]

Fox Court  
14 Gray's Inn Road  
London  
WC1X 8WS

[Redacted]

IN.D.40

BRAND STUART

From: ZEFF JON  
Sent: 19 April 2011 11:44  
To: PATEL RITA  
Cc: [redacted]  
Subject: Fw: Comms Meeting Actions

Rita

See below. SofS raised two points:

A) are we sure the process is going as fast as it can - sofs keen to make decision asap post-holidays. I said I thought it was but we'd stay on the case.

B) wants to make sure we've thoroughly kicked the tires on scope for invoking the standards limb of th pi test. Someone has suggested to him that we could instigate a new reference because information has come to light (on phone hacking) which wasn't available to vince c when he took the original decision. I was doubtful but agreed to check.

[redacted]

sent from blackberry

From: OLDFIELD PAUL  
To: SMITH Adam; MARTIN LINDA; ZEFF JON; SMITH Godric  
Cc: [redacted]  
Sent: Mon Apr 18 10:41:39 2011  
Subject: Comms Meeting Actions  
Actions for our Comms meeting this morning

- Adam to speak to M Gove's SpAd re changes in curriculum affecting number of children studying Sports, Arts and Music. **ACTION - Adam**
- SoS asked whether we could/ should look to invoke the PI test re 'fit and proper person' re Newscorp/ Sky merger. SoS also asked for a likely timetable in concluding the process- ie what are next steps and dates. **ACTION - Rita**
- LM reported on DEA JR decision which was due this week. SoS would like Adam and Linda to work together on getting tone of any statement right.
- SoS wants to see [redacted] on Wed re 2012 Ceremonies. **ACTION** [redacted]
- SoS would like an update from Tanni Grey Thompson on honours for Paralympians. **ACTION** - [redacted] **chase up**

Paul Oldfield  
Principal Private Secretary to the Secretary of State  
Department for Culture, Media and Sport

[redacted]

IN.D.41

**From:** PATEL RITA  
**Sent:** 19 April 2011 11:46  
**To:** ZEFF JON  
**Cc:** [redacted]  
**Subject:** RE: Comms Meeting Actions

Thanks Jon. [redacted] has pulled together a note, and we are due to discuss with the SoS today.

Rita

---

**From:** ZEFF JON  
**Sent:** 19 April 2011 11:44  
**To:** PATEL RITA  
**Cc:** [redacted]  
**Subject:** Fw: Comms Meeting Actions

Rita

See below. SoS raised two points:

A) are we sure the process is going as fast as it can - sofs keen to make decision asap post-holidays. I said I thought it was but we'd stay on the case. ...

B) wants to make sure we've thoroughly kicked the tires on scope for invoking the standards limb of the pi test. Someone has suggested to him that we could instigate a new reference because information has come to light (on phone hacking) which wasn't available to vince c when he took the original decision. I was doubtful but agreed to check.

Jon

sent from blackberry

---

**From:** OLDFIELD PAUL  
**To:** SMITH, Adam; MARTIN, LINDA; ZEFF JON; [redacted]  
**Cc:** [redacted]  
**Sent:** Mon Apr 18 10:41:39 2011  
**Subject:** Comms Meeting Actions  
Actions for our Comms meeting this morning

- Adam to speak to M Gove's SpAd re changes in curriculum affecting number of children studying Sports, Arts and Music. **ACTION - Adam**
- SoS asked whether we could/ should look to invoke the PI test re 'fit and proper person' re Newscorp/ Sky merger. SoS also asked for a likely timetable in concluding the process- ie what are next steps and dates. **ACTION - Rita**
- LM reported on DEA JR decision which was due this week. SoS would like Adam and Linda to work together on getting tone of any statement right.
- SoS wants to see Steve Hilton on Wed re 2012 Ceremonies. **ACTION** [redacted]
- SoS would like an update from Tanni Grey Thompson on honours for Paralympians. **ACTION** - [redacted] to chase up

Paul Oldfield  
Principal Private Secretary to the Secretary of State

IN.D 44

[Redacted]

**From:** [Redacted]  
**Sent:** 11 May 2011 11:10  
**To:** [Redacted]  
**Subject:** Newscorp  
**Attachments:** Revised UIL (0012561-0000367); Newco Articles of Association (0012561-0000367); Revised drafts of key agreements and News' response to question 2.4 of the 6 May RFI (0012561-0000367)  
  
**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Revised documents from Allen and Overy, as discussed...

[Redacted]

Legal Advisers to the Department for Culture, Media and Sport  
Treasury Solicitor's Department | 2-4 Cocksspur Street | London | SW1Y 5DH

Email

[Redacted]

[Redacted]

[www.culture.gov.uk](http://www.culture.gov.uk)

IN.D. 45

**From:** [redacted]  
**Sent:** 26 May 2011 16:50  
**To:** [redacted]  
**Cc:** GEIST-DIVVER CAROLA  
**Subject:** FW: CA and BLA (0012561-0000367)  
**Attachments:** LT-#6815735-v3-Revised\_draft\_Carriage\_Agreement\_26\_May\_2011.DOC; CO-#14173525-v1-DV\_DCMS\_CA\_-\_CA\_26\_May.PDF; CO-#14137043-v4-Table\_of\_changes\_to\_the\_CA\_26\_May\_2011.DOC; LT-#6815876-v4-Revised\_draft\_Brand\_Licence\_26\_May\_2011.DOC; CO-#14173588-v1-DV\_DCMS\_BLA\_-\_BLA\_26\_May.PDF; CO-#14137310-v2-Table\_of\_changes\_to\_BLA\_26\_May\_2011.DOC; CO-#14161198-v1-Attachment\_to\_CA\_Table\_of\_Changes\_25\_May\_2011.XLS

ind

Please see attached documents from A&O. You'll see that they have made some amendments to the Carriage and Brand Licensing Agreements, which in some cases simply amount to removing the additions which Pinsents had made. I think we will need to consider, as a matter of policy, the extent to which we want to engage in commercial wrangling with them, or whether we would prefer to simply put any disagreements to the SoS. I must admit that I have not yet read the attachments, as they've only just come in, but I've sent them to Pinsents and will try and discuss with them tomorrow.

[redacted]  
 Legal Advisers to the Department for Culture, Media and Sport  
 [redacted]

---

**From:** [redacted]  
**Sent:** 26 May 2011 15:40  
**To:** [redacted]  
**Cc:** [redacted]  
 [redacted]@newsint.co.uk; [redacted]  
**Subject:** CA and BLA (0012561-0000367)

CONFIDENTIAL

[redacted]

I enclose our mark ups against the drafts of the Carriage Agreement and the Brand Licence Agreement that you sent us on, respectively, 20 May and 23 May.

We have prepared two tables that explain the changes made. I hope that this will assist Pinsent Masons' review and the Secretary of State's consideration of some of the commercial issues raised in the mark-ups.

Clean versions of each agreement are also attached.

I will be in touch to make sure that everything is clear and discuss timing and next steps also in light of an update with on the OFT/Ofcom process.

Best wishes

[redacted]

IN.D. 46

[redacted]

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**From:** [redacted]  
**Sent:** 02 June 2011 14:44  
**To:** FRENCH, Rita; [redacted]  
**Cc:** [redacted]  
**Subject:** RE: Update on timings on News Corp

Yes – we need the advice to come through together (and we must not put pressure on OFT and OFCOM to rush their advice) – but we initially told SoS this was due in May – and the timetable appears to keep slipping. What reassurance can we give SoS that there is an end in sight to these negotiations and that this latest timetable will be met?

Thanks

[redacted]

---

**From:** PATEL RITA  
**Sent:** 02 June 2011 12:14  
**To:** [redacted]  
**Cc:** [redacted]  
**Subject:** RE: Update on timings on News Corp

I thought the SoS had decided he didn't want the advice until the Ofcom and Oft advice had come through?

Rita

---

**From:** [redacted]  
**Sent:** 01 June 2011 17:57  
**To:** [redacted]  
**Cc:** [redacted] PATEL RITA;  
**Subject:** RE: Update on timings on News Corp

Thanks [redacted]

if the legal advice came in today will Jeremy have a submission to look at over the weekend?

Is there a good justification for giving them two weeks as I think we will need one so SoS doesn't think we are dragging our feet? If Jeremy approved the submission over the weekend would Ofcom and OFT be able to turn it around in a week?

[redacted]

---

**From:** [redacted]  
**Sent:** 01 June 2011 14:25  
**To:** [redacted]  
**Cc:** [redacted] PATEL RITA;  
**Subject:** RE: Update on timings on News Corp

[redacted]

Our best bet is that substantive advice will go to the SoS the week after next.

We are waiting for advice from our external lawyers (expected later today) which reports on their deliberations with Allen&Overy on the licensing and carriage agreements, which we may need put to JH for a decision after which Ofcom and OFT can finalise their advice and write up their reports

[Redacted]

DCMS  
2-4 Cockspur Street  
London SW1Y 5DH

[Redacted]

---

**From** [Redacted]

**Sent:** 01 June 2011 09:31

**To** [Redacted]

**Subject:** Update on timings on News Corp

Morning [Redacted]

Can we have an update on the timings on the News Corp process? I just want to check that we are still on for the advice to get to JH by next week.

Thanks,

[Redacted]

IN.D.47

**From:** [redacted]  
**Sent:** 03 June 2011 08:24  
**To:** [redacted]  
**Subject:** FW: CA and BLA - timing update (0012561-0000367)

Both,

Please see below, just to update you on being nagged by A&O. Since I don't think we have a finalised UIL to consult on, I'm fairly comfortable about this, but I think we'll need to move this along (given pressure from upstairs (or downstairs to you) also.).

Is it worth having half an hour or so at, say, 3 this afternoon?

[redacted]

Legal Advisers to the Department for Culture, Media and Sport

[redacted]

**From:** [redacted]  
**Sent:** 03 June 2011 08:03  
**To:** [redacted]  
**Cc:** [redacted]@newsCorp.com; [redacted]  
**Subject:** RE: CA and BLA - timing update (0012561-0000367)

[redacted]

Sorry for not having been able to get back to you yesterday. We are working through the comments that you have made in relation to the iteration of the Carriage and Brand Licensing Agreements which were sent to you, and will revert as soon as we are able. If we can revert on some points we will do so today, although I am aware now that some points will have to wait until Monday, and it may therefore be better to revert on all points then.

[redacted]

[redacted]

Legal Advisers to the Department for Culture, Media and Sport

[redacted]

**From:** [redacted]@AllenOvery.com  
**Sent:** 02 June 2011 18:08  
**To:** [redacted]  
**Cc:** [redacted]; [redacted]  
**Subject:** RE: CA and BLA - timing update (0012561-0000367)

[redacted] do you still intend to revert to us today? We are extremely concerned by this delay.

Regards

IN. D. 48

[Redacted]

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**From:** [Redacted]  
**Sent:** 08 June 2011 16:34  
**To:** [Redacted]  
**Subject:** FW: Newscorp/Sky merger - Carriage and Brand Licensing Agreements  
**Attachments:** Carriage Agreement (8 June 2011).doc; Brand Licence Agreement (8 June 2011).doc; Redline - Carriage Agreement - 8June vs 26 May 2011 version.pdf; Redline - Brand Licence - 8 June vs 26 May 2011 version.pdf; Table explaining changes to Carriage Agreement.doc; Table explaining changes to Brand Licence Agreement.doc

FYI; as sent to A&O...

[Redacted]  
**Legal Advisers to the Department for Culture, Media and Sport**  
 [Redacted]

---

**From:** [Redacted]  
**Sent:** 08 June 2011 16:28  
**To:** [Redacted]  
**Cc:** [Redacted]; [Redacted]  
**Subject:** Newscorp/Sky merger - Carriage and Brand Licensing Agreements

Dear [Redacted]

Please see attached:

- Updated, clean copies of the Carriage Agreement and Brand Licence;
- Redline copies of the above;
- Tables explaining the changes to the documents.

We are aware that there are on-going discussions with the OFT and Ofcom around the financial aspects of the hive-off of Sky News which are not currently reflected in the agreements. Clearly, we will expect any agreements reached as a result of those discussions to be reflected at a later stage when we may wish to present Masons to look again at these drafts.

As discussed with you earlier this week, we are, as always keen to make progress. We consider that the amendments which have now been represent a significant narrowing of the issues which were outstanding from the previous amendments sent to you, and we therefore look forward to hearing from you as swiftly as possible.

Regards,

[Redacted]

**Legal Advisers to the Department for Culture, Media and Sport**  
**Email:** [Redacted]

IN.D 49

[Redacted]

**From:** [Redacted]  
**Sent:** 13 June 2011 08:46  
**To:** [Redacted]  
**Subject:** FW: Newscorp/Sky merger - Carriage and Brand Licensing Agreements (0012561-0000367)  
**Attachments:** LT-#6892927-v2-Revised\_draft\_Carriage\_Agreement\_9\_June.DOC; CO-#14259180-v1-DV\_CA\_8\_June\_-\_CA\_9\_June.PDF; LT-#6891216-v2-Revised\_draft\_Brand\_Licence\_Agreement\_9\_June.DOC; CO-#14259184-v1-DV\_BLA\_8\_June\_-\_BLA\_9\_June.PDF; CO-#14252481-v1-List\_of\_changes\_to\_BLA\_and\_CA\_9\_June\_2011.DOC; RE: [CJSM] FW: Newscorp/Sky merger - Carriage and Brand Licensing Agreements (0012561-0000367)

I'd thought that I forwarded this to you on Friday, but your voicemail message leads me to conclude that I did not.

Here it is now, together with an email from Pinsents, indicating so far as they are concerned there is one matter to push back on, but that's about it. OFT will come back to me later today to say if there's anything further in this so far as they are concerned.

It looks therefore as though we should be gearing up for an announcement possibly next week. As I said in an earlier email, I'm on leave on Wednesday (and I'd really rather avoid Thursday, but only because it's my birthday!). I guess we'll receive the OFT report towards the end of this week, and the Ofcom report perhaps this week, and perhaps next. But I imagine we want to square off the remaining Pinsents issue before doing anything final.

[Redacted]  
Legal Advisers to the Department for Culture, Media and Sport

---

**From:** [Redacted]@AllenOvery.com [mailto:[Redacted]]  
**Sent:** 09 June 2011 20:56  
**To:** [Redacted]  
**Cc:** [Redacted]; GEIST-DIWER CAROLA;  
**Subject:** RE: Newscorp/Sky merger - Carriage and Brand Licensing Agreements (0012561-0000367)

**Confidential**

Dear [Redacted]

further to our call earlier today I enclose clean and marked up copies of the Carriage Agreement and the Brand Licence Agreement.

We discussed the rationale for some of the changes but I have summarised all changes and their reasons in a brief note which I also attach.

The drafts also reflect discussions between News and the OFT on the outstanding financial aspects. News has sent to the OFT official reviewing the financial aspects of the proposal a rider of the relevant clauses of sections C1 and C4 of the Carriage Agreement but we have not sent them the latest versions of the agreements as agreed with you.

IN.D 50

[Redacted]

**From:** [Redacted]  
**Sent:** 16 June 2011 09:14  
**To:** [Redacted]  
**Subject:** FW: News/Sky - Final drafts of the Carriage and Brand Licensing Agreements (0012561-0000367)  
**Attachments:** CO-#14296507-v2-Revised\_draft\_Carriage\_Agreement\_15\_June.DOC; CO-#14297087-v1-Revised\_draft\_Brand\_Licence\_Agreement\_15\_June.DOC; CO-#14299015-v1-DV\_CA\_9\_June\_-\_15\_June.PDF; CO-#14298583-v1-DV\_BLA\_9\_June\_-\_BLA\_15\_June.PDF; CO-#14299070-v1-DV\_CA\_21\_March\_-\_CA\_15\_June.PDF; CO-#14298889-v1-DV\_BLA\_21\_March\_-\_21\_June.PDF

Please see attached the documents received from A&O last night. You'll see that they've moved on all the points we went back to them about, so I think we are indeed done in relation to these agreements for now.

I'm checking with Pinsents, but I think we can work on the basis that we're ready to proceed to the next stage.

[Redacted]  
**Legal Advisers to the Department for Culture, Media and Sport**  
[Redacted]

**From:** [Redacted]@AllenOvery.com [Redacted]  
**Sent:** 15 June 2011 19:03  
**To:** [Redacted]  
**Cc:** [Redacted]  
[Redacted]  
[Redacted]  
**Subject:** News/Sky - Final drafts of the Carriage and Brand Licensing Agreements (0012561-0000367)

**Confidential**

Dear [Redacted]

Further to your email to [Redacted] earlier this afternoon, please find attached final drafts of the revised Carriage Agreement and Brand Licensing Agreement, incorporating the changes envisaged in the attachment to your email (in addition to the revised numbering of the Carriage Agreement requested by Pinsent Masons on 8 June). I have also attached comparites of both agreements as against: (i) the drafts previously circulated (on 9 June); and (ii) the original drafts sent to DCMS on 21 March.

We understand that there are now no further open issues on these key agreements or on the draft UIL.

Kind regards

[Redacted]

**Revised drafts of the Carriage Agreement and Brand Licensing Agreement**

IN. D. 51

From: [redacted]  
 Sent: 17 June 2011 09:27  
 To: [redacted]  
 Subject: FW: News/Sky - Final drafts of the Carriage and Brand Licensing Agreements (0012561-0000367)  
 Attachments: CO-#14304403-v1-Revised\_draft\_Brand\_Licence\_Agreement\_16\_June.DOC; CO-#14305601-v1-DV\_BLA\_21\_March\_-\_16\_June.PDF; CO-#14305851-v1-DV\_BLA\_9\_June\_-\_16\_June.PDF

FYI, corrected versions...

Legal Advisers to the Department for Culture, Media and Sport

From: [redacted]  
 Sent: 10 June 2011 15:37

Subject: News/Sky - Final drafts of the Carriage and Brand Licensing Agreements (0012561-0000367)

Please find attached a clean copy of the revised draft Brand Licence Agreement incorporating both of your comments below, along with comparites as against the 9 June and 21 March drafts.

Kind regards

From: [redacted]  
 Sent: 10 June 2011 12:10

Subject: RE: News/Sky - Final drafts of the Carriage and Brand Licensing Agreements (0012561-0000367)

Thanks for sending this through to us. I've got a couple of minor points.

1. Brand Licence Agreement -- [redacted]
2. Brand Licence Agreement -- [redacted]

IN.D. 52

[Redacted]

**From:** [Redacted]  
**Sent:** 28 June 2011 09:11  
**To:** [Redacted]  
**Cc:** PATEL RITA; GEIST-DIVVER CAROLA  
**Subject:** FW: News Corporation/BSkyB Merger (0012561-0000367)  
**Attachments:** CO-#14370097-v1-Redacted\_version\_of\_14\_June\_draft\_UIL.DOC; CO-#14373295-v1-Ofcom\_Report\_-\_News\_Redaction\_Requests.PDF; CO-#14362030-v2-OFT\_Report\_-\_News\_Redaction\_Requests.DOC

[Redacted]

I copied the documents to you, but here is the email from A&O. We'll need to confirm with them (probably later today) the SoS decision on the agreements. As discussed, I'll put together a very brief sub to him, and make sure it covers all the legal angles, so that we can ensure that he has considered all the relevant factors. I'd suggest that it comes from you, rather than from Legal, however, as we might want to be in a position to disclose it, which we then could without impinging on legal professional privilege.

I've also chased Pinsents for comments on the Articles. I'll let you have those when received.

[Redacted]

Legal Advisers to the Department for Culture, Media and Sport

[Redacted]

---

**From:** [Redacted]  
**Sent:** 27 June 2011 22:17  
**To:** [Redacted]  
**Cc:** [Redacted]  
**Subject:** RE: News Corporation/BSkyB Merger (0012561-0000367)

[Redacted]

, attach versions of the OFT and Ofcom reports in which those parts of the reports which News believes to be confidential have been excised.

News would also request that paragraph 5.3(iii) be redacted from the published version of the UILs (as attached).

<<CO-#14370097-v1-Redacted\_version\_of\_14\_June\_draft\_UIL.DOC>> <<CO-#14373295-v1-Ofcom\_Report\_-\_News\_Redaction\_Requests.PDF>> <<CO-#14362030-v2-OFT\_Report\_-\_News\_Redaction\_Requests.DOC>>

News considers that disclosure of the information which has been removed from these documents would harm its legitimate commercial interests.

I can, however, confirm that News has no objection to publication of the Articles of Association in their entirety.

News remains very concerned at the suggestion that the Carriage and Brand Licensing Agreements might be made public when there are no grounds for arguing that this is necessary and there are very good reasons to avoid publication of the agreements in order to protect the legitimate commercial interests of the companies involved.

News is aware of no other regulatory context where it would be common practice to force detailed commercial documents to be publicly disclosed. On the contrary, to the extent they are referred to at all, it is common practice for

IN.D.53

[Redacted]  
**From:** [Redacted]  
**Sent:** 29 June 2011 14:04  
**To:** SMITH, Adam; [Redacted]; PATEL RITA  
**Cc:** ZEFF JON; GEIST-DIVVER CAROLA  
**Subject:** RE: News Corporation/BSkyB Merger (0012561-0000367)

Adam,

Have you heard anything from News on this? I'm getting a little concerned as I haven't heard anything from A&O, and the UIL changes have a knock on effect to the possible redactions to the OFT report.

Thanks,

[Redacted]  
 [Redacted]  
 Legal Advisers to the Department for Culture, Media and Sport  
 Email: [Redacted]

---

**From:** SMITH, Adam  
**Sent:** 29 June 2011 10:12  
**To:** [Redacted] PATEL RITA  
**Cc:** ZEFF JON; GEIST-DIVVER CAROLA  
**Subject:** RE: News Corporation/BSkyB Merger (0012561-0000367)

Spoke to Fred and he saw our point. He's going to have a chat to their lawyers to see how much of an issue it is for them.

---

**From:** [Redacted]  
**Sent:** 29 June 2011 10:00  
**To:** SMITH, Adam; [Redacted] PATEL RITA  
**Cc:** ZEFF JON; GEIST-DIVVER CAROLA  
**Subject:** RE: News Corporation/BSkyB Merger (0012561-0000367)

I'll push back to A&O at the same time, and see where we get to...

[Redacted]  
 Legal Advisers to the Department for Culture, Media and Sport  
 Email: [Redacted] Tel: 02 [Redacted]

---

**From:** SMITH, Adam  
**Sent:** 29 June 2011 09:59  
**To:** [Redacted] PATEL RITA; [Redacted]  
**Cc:** ZEFF JON; GEIST-DIVVER CAROLA  
**Subject:** RE: News Corporation/BSkyB Merger (0012561-0000367)

I'll give him a bell now and let you know how I get on.

---

**From:** [Redacted]  
**Sent:** 29 June 2011 09:54  
**To:** PATEL RITA; [Redacted] SMITH, Adam  
**Cc:** ZEFF JON; GEIST-DIVVER CAROLA  
**Subject:** RE: News Corporation/BSkyB Merger (0012561-0000367)

IN.D. 54

**From:** [redacted]  
**Sent:** 29 June 2011 17:16  
**To:** SMITH, Adam  
**Subject:** FW: News Corporation/BSkyB Merger (0012561-0000367)

FYI, so you're aware of what I've said to A&O.

**Legal Advisers to the Department for Culture, Media and Sport**

**Email:** [redacted] **Tel:** [redacted]

---

**From:** [redacted]  
**Sent:** 29 June 2011 17:16  
**To:** [redacted]@AllenOvery.com'  
**Cc:** [redacted]@AllenOvery.com; [redacted]@AllenOvery.com  
**Subject:** RE: News Corporation/BSkyB Merger (0012561-0000367)

Dear [redacted]

Thanks for your email.

We are not content, I fear, with the redactions from the OFT report for the following reasons.

We firstly consider that the information in relation to [redacted] [redacted] are very important factors in the advice given by the OFT in relation to this matter. Whilst we appreciate that the information does, in some cases, refer to matters within the Carriage Agreement, are not considering publishing that document itself. We think that it is important for consultees to understand the points made here. Moreover, some of these points relate clearly to paragraph 5.3(iii) of the UILs, which is now not redacted. We further do not understand why [redacted] [redacted] needs to be removed.

I note that you have not expressed further why you consider this information to be commercially sensitive. Unless you are able to expand on what you have already said, we confirm that we consider that the OFT report should be published in its entirety.

Regards,

[redacted]

**Legal Advisers to the Department for Culture, Media and Sport**

**Email:** [redacted] **Tel:** 0[redacted]

---

**From:** [redacted]@AllenOvery.com [mailto:[redacted]]  
**Sent:** 29 June 2011 16:27  
**To:** [redacted]  
**Cc:** [redacted]@AllenOvery.com; [redacted]@AllenOvery.com  
**Subject:** RE: News Corporation/BSkyB Merger (0012561-0000367)

Dear [redacted]

We attach revised versions of the UILs for publication - clean and showing changes from the last published version - reinstating 5.3(iii).

IN.D.55

**From:** OLDFIELD PAUL  
**Sent:** 01 July 2011 17:43  
**To:** [redacted]  
**Subject:** RE: News Corp/BSkyB merger

Thanks [redacted] No media bids planned for the w/e so let's wait till next week....

Thanks for all your help this week.

Paul.

---

**From:** [redacted]  
**Sent:** 01 July 2011 16:23  
**To:** OLDFIELD PAUL  
**Subject:** FW: News Corp/BSkyB merger  
**Importance:** High

Paul,

Is JH doing and interviews or similar over the weekend when the merger might come up? When I briefed him in the House about "Rupert's friends", I didn't really give enough weight to the primary defence of plurality which is that News has to vote against changes to the articles. We have produced a note below which sets out the position in more detail and looks at scenarios. I am still awaiting comments from BIS and OFT so I would like to delay submitting it until they have done so, but he could have it sooner if he is planning to talk about it before then.

Happy to discuss.

[redacted]  
[redacted]

DCMS  
2-4 Cockspur Street  
London SW1Y 5DH

W: [redacted]  
M: [redacted]

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**From:** [redacted]  
**Sent:** 01 July 2011 16:08  
**To:** [redacted]@bis.gsi.gov.uk [redacted]@oft.gsi.gov.uk  
**Cc:** [redacted]  
**Subject:** FW: News Corp/BSkyB merger  
**Importance:** High

[redacted]

Any quick comments on the note below which I propose to send to Jeremy Hunt?

[redacted]



DCMS  
2-4 Cockspur Street  
London SW1Y 5DH

W:   
M:

\*\*\*\*\*

"Rupert's friends"

[The lawyers have given more thought to the extent to which the governance arrangements of Newco permit the acquisition of shares by friends and associates of Rupert (or even Rupert). This note looks at how arrangements might work under a number of scenarios.

The main protections of editorial independence are set out in the Articles of Association. These can only be changed by the agreement of 75% of the shareholders

For so long as News owns less than 50% of the shares in Newco, it has to vote against any change in the Articles.

Rupert's friends could buy as many shares as are available but they will not be able to change the Articles because News has to vote against, and therefore Rupert's friends will not be able to muster votes on their own to change the Articles.

There are only two ways in which the Articles can be changed. Either (a) you agree to allow News to increase its shareholding to over 50% so it no longer has to vote against changes to the Articles or (b) News sells down its shares to less than 25%.

Let us say (b) happens and News sells down its shares to the extent that one person now owns 75% or more and can change the Articles.

- If they are a broadcaster, this could be a relevant merger situation which triggered a plurality public interest intervention.
- If an individual or organisation without broadcasting interests purchased the shares, it would not be a merger situation, but it may well be the case that they could be shown to be acting in concert with News (because News has co-operated by selling them the shares necessary to make changes) so it would again be a relevant merger situation. If the individual were a close associate of Rupert the possibility that they are acting in concert looks more compelling. In this situation, News would not itself be in breach of the undertakings (because those only prohibit News from purchasing more shares without approval), but the key point is that there could be a further intervention on plurality grounds.

The "worst case" (from the point of view of critics of the deal) is probably where, without any collusion, an individual with views very similar to Rupert acquires +75% of the shares and changes the Articles. But all that has happened is that the company has (in effect) changed hands: the restrictions are designed to preserve plurality by limiting the influence on News on Newco, not to stop people with similar views owning Newco, and the latter case would represent an increase in plurality since News's influence would have been reduced.

1N.D. 56.

[Redacted]

---

**From:** OLDFIELD PAUL  
**Sent:** 06 July 2011 07:38  
**To:** [Redacted] PATEL RITA  
**Cc:** ZEFF JON; [Redacted] MARTIN LINDA; [Redacted] BEEBY, Sue;  
 SMITH, Adam; Permanent Secretary  
**Subject:** RE: URGENT: Briefing for Phone Hacking Debate  
**Attachments:** BSKYB Briefing docx (3).doc; BSKyB Briefing.docx

Thanks.

I think this looks good. I've also dug out the Q and A and edited down a bit/ amended for the AG's eyes. His PS tells me he is not very up to speed on this issue so a bit more info for him would be helpful I think. I attach both docs with track changes. Could you take a look and check they are OK.

The one thing that seems to be missing from here is the answer to the fit and proper person test. Could add a Q and A in about that pls. AG's office have asked for this by 9.30 so grateful for any comments before that.

I think our basic messages to the AG are

- Decision is a quasi judicial one for SoS.
- His decision must be made on media plurality grounds – not wider public interest – phone hacking is not material to his considerations on the merger.
- Has sought and published independent advice every step of the way.
- Has consulted, and responded to suggestions, to address media plurality concerns, and consultation is still ongoing.

Paul.

---

**From:** [Redacted]  
**Sent:** 05 July 2011 18:30  
**To:** [Redacted] PATEL RITA  
**Cc:** ZEFF JON; [Redacted] MARTIN LINDA; [Redacted] BEEBY, Sue; SMITH, Adam; OLDFIELD PAUL;  
 Permanent Secretary  
**Subject:** RE: URGENT: Briefing for Phone Hacking Debate

I am not sure how much they want. As it is the SoS's decision and not a Government one, the Attorney General should not be getting drawn into the details of the case or implying that he has any influence over its course. Attached is the briefing we provided No.10 with.

[Redacted]

DCMS  
 2-4 Cockspur Street  
 London SW1Y 5DH

W: [Redacted]  
M: [Redacted]

---

**From:** [redacted]  
**Sent:** 05 July 2011 18:18  
**To:** PATEL RITA [redacted]  
**Cc:** ZEFF JON; [redacted] MacNAMARA HELEN; MARTIN LINDA; [redacted] BEEBY, Sue; SMITH, Adam; OLDFIELD PAUL; Permanent Secretary  
**Subject:** URGENT: Briefing for Phone Hacking Debate  
**Importance:** High

Hi Rita

We've just learnt that the Attorney General will be leading tomorrow's debate in the Commons on phone hacking.

His office has requested our lines on NewsCorp/BskyB. With apologies for the tight deadline, they need this info first thing tomorrow morning. Any chance you could let us have something by 9:30am?

Grateful if you could confirm receipt of this email.

Many thanks

[redacted]  
Department for Culture, Media and Sport  
Tel: [redacted]

IN.D 57

[redacted]  
**From:** OLDFIELD PAUL  
**Sent:** 06 July 2011 07:45  
**To:** [redacted]  
**Subject:** RE: BSkyB Briefing

Hi [redacted]

We're working on it and will have you briefing by 9.30. I'm sure our officials would be happy to come over and brief the AG in person if that'd be helpful. I think our SoS was planning on being on the bench for the start of the debate. I'll confirm asap this morning.

The basic line is that the SoS (and he alone) has to make a quasi-judicial decision on the merger on media plurality grounds. Whilst we all agree that phone hacking is dreadful, and the police should pursue their investigations vigorously, the SoS has to make his decision on media plurality grounds - not wider public interest. He has followed the legal process, and been open in transparent in doing so, seeking and publishing advice from independent regulator at every step of the way.

One issue that will be raised is whether the Murdochs can be said to be 'fit and proper persons' and that the SoS should have considered that in considering the merger. The short answer is no, but I'll get you lines on that.

Paul.

-----Original Message-----

**From:** [redacted] attorneygeneral.gsi.gov.uk]  
**Sent:** 05 July 2011 21:46  
**To:** OLDFIELD PAUL  
**Subject:** BSkyB Briefing

Paul,

I spoke to someone in your office earlier this evening. The AG is leading on the Phone Hacking debate in the House from approx 1315 tmrw as a stand in for the Home Office.

The BskyB issue is likely to come up at some point during the 3 hour debate. I've asked for your latest lines, which the AG will need as he's wholly unsighted on the BskyB issue - he was in Court today on the [redacted] case so hasn't kept up to speed on the latest.

Something by 930 would be good as the AG will need to work through it before he's in the Chamber.

Also, are there any DCMS Ministers free to sit on the bench during the debate at all for at least part of it. Some support would be appreciated,

Thanks,

[redacted]  
Attorney General's Office  
20 Victoria Street  
London  
SW1H 0NF

IN.D 58

From: OLDFIELD PAUL  
Sent: 06 July 2011 07:50  
To: [redacted] EEBY, Sue; SMITH, Adam [redacted]  
Subject: FW: Hacking: public inquiry decision

???

-----Original Message-----

From: [redacted]@attorneygeneral.gsi.gov.uk  
Sent: 06 July 2011 07:38  
To: [redacted] OLDFIELD PAUL  
Cc: [redacted]  
Subject: Hacking: public inquiry decision

[redacted] Paul,

Can I ask who's taking the decision on whether to support a Phone Hacking Inquiry? It's going to be very difficult for the AG to rule one out completely in response during today's debate.

Arguing that the Police investigation should continue first is no problem, but Chris Bryant was last night asking for one to start, then adjourn and not do anything until after the Police investigation has concluded. Do we have a position yet?



Attorney General's Office  
20 Victoria Street  
London  
SW1H 0NF



\*\*\*\*\*

The Attorney General's Office is located at 20 Victoria Street, London SW1H 0NF

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IN. D. 59

[Redacted]

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**From:** OLDFIELD PAUL  
**Sent:** 06 July 2011 10:25  
**To:** [Redacted]  
**Cc:** PATEL RITA  
**Subject:** BSkyB - Private Eye Article  
**Attachments:** 2974\_001.pdf

[Redacted]

Not one for today, but SoS has seen an article in Private Eye this morning which makes some legal points about the strength/ enforceability of the Articles. He'd be interested in a legal view on the points they raise. Copy of the article is attached.

Paul.

Paul Oldfield  
Principal Private Secretary to the Secretary of State  
Department for Culture, Media and Sport

[Redacted]

IN. D. 62

**From:** OLDFIELD PAUL  
**Sent:** 09 July 2011 17:52  
**To:**   
**Subject:** Re: Jeremy

Hi

No worries. I'm on the case. Do you have Jon Z's number. I can't find my senior staff contact sheet!

I don't need to call him yet but will need to warn him about Mon morning if and when I get it set up.

Paul.

----- Original Message -----

**From:**   
**To:** OLDFIELD PAUL  
**Sent:** Sat Jul 09 16:07:27 2011  
**Subject:** Jeremy

Hello,

JH just been on to Jonathan.

Looks like oppo day debate on bskyb on weds. He wants to bring Daniel Beard meeting forward to Monday morn - ideally in place of the 8.30 comms meeting (or as early as possible thereafter)!

He'd like the team to be there too  jon  stephen, rita et al).

Sorry to be the bearer of such splendid news on a saturday - Jonathan asked if you mind letting Jeremy know what's poss?

Sorry dude - let me know if I can help.

Sorry to be the bearer

[Redacted]

IN-D. 63

**From:** OLDFIELD PAUL  
**Sent:** 10 July 2011 11:38  
**To:** [Redacted] SMITH, Adam; [Redacted]  
**Subject:** Re: No.10/BSkyB

Great thanks. I just got message - been on tube for 20 mins - and have returned [Redacted] call.

Just so you know we are working on it - [Redacted] currently advising and talking to counsel and we're arranging for him to come in first thing on Monday to run through.

----- Original Message -----

**From:** [Redacted]  
**To:** OLDFIELD PAUL; SMITH, Adam; [Redacted]  
**Sent:** Sun Jul 10 11:32:15 2011  
**Subject:** No.10/BSkyB

To be aware.....

I've just had a call from [Redacted] No.10 are v worried about the vote on Weds - they think it's highly possible that Miliband will win.

[Redacted] said that he needs us to do more work on the legal position/fallback options, etc. No.10 are most worried about the line that the fit and proper person evaluation "is a matter for Ofcom" - they are not convinced that this argument is sustainable.

I've hooked up Jon Zeff and [Redacted] to discuss this in greater detail.

Quiet week, anyone.....?

[Redacted]

-----  
nt from my BlackBerry Wireless Handheld

IN.D. 64

**From:** OLDFIELD PAUL  
**Sent:** 10 July 2011 12:06  
**To:** [redacted] BEEBY, Sue; [redacted] PATEL RITA; ZEFF JON  
**Cc:** SMITH, Adam; AMOS, Stephen; GEIST-DIVVER CAROLA  
**Subject:** Re: Newscorp

No 10 been in touch and spoken direct to Jon Z. They want a note for the PM this evening on current situation and our assessment of available options re delay, fit and proper person, and Wed's vote.

Jon working on that now and will want to clear through JH before going to PM - I'll speak to him now to alert him.

Counsel meeting set for 8.30 tomorrow morning.

---

**From:** [redacted]  
**To:** BEEBY, Sue; [redacted] PATEL RITA; ZEFF JON; OLDFIELD PAUL  
: SMITH, Adam; AMOS, Stephen; GEIST-DIVVER CAROLA  
**Sent:** Sun Jul 10 11:04:37 2011  
**Subject:** RE: Newscorp

Sue,

I cannot find any specific learning on this position (about which I am not remotely surprised, to be honest). I'm copying Stephen and Carola in in case they know of anything I do not. However, I wonder anyway whether we would be prudent to seek the Law Officers' view on this. I'll have a think about this also.

[redacted]  
[redacted]  
Legal Advisers to the Department for Culture, Media and Sport  
Email: [redacted] Tel: 020 [redacted]

---

**From:** BEEBY, Sue  
**Sent:** 10 July 2011 10:39  
**To:** [redacted] PATEL RITA; ZEFF JON; OLDFIELD PAUL  
**Cc:** SMITH, Adam  
**Subject:** Re: Newscorp

I'm afraid I don't have the details of the motion. But any guidance you can give would be gratefully received.

Thanks again  
Sue

---

**From:** [redacted]  
**To:** BEEBY, Sue; [redacted] PATEL RITA; ZEFF JON; OLDFIELD PAUL  
**Cc:** SMITH, Adam  
**Sent:** Sun Jul 10 10:24:40 2011  
**Subject:** RE: Newscorp

Sue,

Am just discussing electronically with Daniel now. Do we have the text of any motion yet?

Also, whilst I cannot see that the SoS would have to comply with it, it might well be that he couldn't ignore it (in public law terms). I know that sounds confusing, but I'll dig down into whether there's any particular learning about this, and see if I can come up with something more definitive.

[Redacted]

[Redacted]

Legal Advisers to the Department for Culture, Media and Sport  
Email: [Redacted] Tel: 020 7211 2238

---

**From:** BEEBY, Sue  
**Sent:** 10 July 2011 10:22  
**To:** [Redacted] PATEL RITA; ZEFF JON; OLDFIELD PAUL  
**Cc:** SMITH, Adam  
**Subject:** Re: Newscorp

Many thanks for the swift reply. That is really helpful

---

**From:** [Redacted]  
**To:** BEEBY, Sue, [Redacted] PATEL RITA; ZEFF JON; OLDFIELD PAUL  
**Cc:** SMITH, Adam  
**Sent:** Sun Jul 10 10:01:46 2011  
**Subject:** RE: Newscorp

Sue,

Adam's asked that we discuss this when Daniel Beard comes into the office tomorrow morning (waiting for confirmation of that, but he said it seemed manageable, so I imagine it will happen relatively early).

As far as this is concerned, the decision on the merger is one for the Secretary of State, and I do not see that a vote can have any legal effect in relation to his decision at all. The only thing which Parliament could do, I think, to affect his decision would be to vote in relation to legislative change.

I may well be speaking to Daniel this morning in relation to meeting tomorrow, so will check with him, and have a further think, but I cannot see that a vote would affect a decision at all.

[Redacted]

[Redacted]  
Legal Advisers to the Department for Culture, Media and Sport  
Email: [Redacted] Tel: [Redacted]

---

**From:** BEEBY, Sue  
**Sent:** 10 July 2011 10:00  
**To:** [Redacted] PATEL RITA; ZEFF JON; OLDFIELD PAUL  
**Cc:** SMITH, Adam  
**Subject:** Re: Newscorp

Hi

Ed Miliband is proposing an opposition day debate on delaying the bskyb decision and a vote. Can you let me know what the legal position is on this. Would it have any impact given its a quasi judicial decision?

I need this urgently if possible.

Thanks  
Sue

---

**From:** [redacted]  
**To:** [redacted] PATEL RITA; ZEFF JON  
**Cc:** [redacted] SMITH, Adam; BEEBY, Sue  
**Sent:** Fri Jul 08 12:33:38 2011  
**Subject:** Newscorp

All,  
  
Please see attached received from Daniel Beard which perhaps we can discuss when we meet at 2.30.

Thanks,

[redacted]

[redacted]

Legal Advisers to the Department for Culture, Media and Sport  
mail: [redacted] Tel: [redacted]

IN.D. 65

[redacted]

**From:** OLDFIELD PAUL  
**Sent:** 10 July 2011 13:19  
**To:** ZEFF JON; BEEBY, Sue [redacted]  
**Subject:** Fw: Note for No 10

Jon - to see. The assumptions/ options that No 10 are working on. Helpful if our note could address them.

SoS has said he would like to see note before it goes. Probably best to send direct to his gmail copying to me and sue. Let me know when you send and I can call/ text him to make sure he looks at it. His email is

[redacted]

JH is keen to explore the issue of whether fit and proper person consideration could affect plurality in event of licence revocation as part of options analysis.

Thanks

Paul.

----- Original Message -----

**From:** [redacted]  
**To:** OLDFIELD PAUL [redacted]  
**Sent:** Sun Jul 10 12:59:51 2011  
**Subject:** Re: Please can you call me?

These are the broad fall-backs we briefly discussed. I know you guys think 1) doesn't work - helpful if you could set briefly why not. Your idea about questioning the good faith of the assurances is also interesting - so v helpful if you could also cover that. And something at the top setting out clearly the current position after last week's developments would also be v useful. Please call me any time if any questions. Thanks v much [redacted]

1) The closure of NoTW raises new questions about the potential future impact on media plurality of this takeover bid. It is therefore right to look again with fresh eyes at whether the bid should be allowed to proceed, so JH has decided to refer it to the Competition Commission.

2) OFCOM has a responsibility for deciding whether those controlling media companies are fit and proper to hold a UK broadcasting licence. This is an on-going responsibility, not one that is exercisable specifically at a point of ownership transfer. Given the questions that have been raised about practices at NoTW, under NI's ownership, and the way senior management responded to allegations, it is important to be clear as soon as possible whether Sky and its owners are in OFCOM's judgement fit and proper to continue to hold a UK broadcasting licence. This cannot be deferred for years while investigations continue. So JH has asked OFCOM to review its current judgement on these issues as soon as possible and in any event by the end of 2011.

3) The current process for handling media bids in the UK is governed by the EA 2002 (check), legislation passed by the previous government. This legislation makes it impossible for Ministers or Parliament to prevent media takeovers unless independent authorities conclude that they will damage competition or reduce media plurality in a way that is contrary to the public interest. In addition this legislation does not oblige OFCOM to make judgements about fitness and properness at the point of takeover. We will extend the media inquiry we have just announced to include a review of this legal framework. While it is sensible to keep takeovers out of the political process as far as possible, it may well be right to amend the act to ensure that potential takeovers that raise real fitness and properness concerns cannot be approved until these have been addressed. But we will seek early guidance from the inquiry on this issue.

on 3) it is possible that we cd get someone to look into this separately rather than bundling it up with the review.

----- Original Message -----

From: OLDFIELD PAUL [mailto:PAUL.OLDFIELD@ ]  
Sent: Sunday, July 10, 2011 12:32 PM  
To: [ ]  
Subject: Re: Please can you call me?

Have you got the heywood note?

----- Original Message -----

From: [ ]  
To: OLDFIELD PAUL  
Sent: Sun Jul 10 11:01:34 2011  
Subject: Please can you call me?

Sorry, Paul - I really need an urgent word.

[ ]

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IN.D.66

[Redacted]

**From:** OLDFIELD PAUL  
**Sent:** 10 July 2011 13:46  
**To:** 'DBear' [Redacted]  
**Cc:** 'PAUL.OLDFIELD@' [Redacted]  
**Subject:** Re: [CJSM] RE: Newscorp

[Redacted]

Thanks ever so much. I'll let Jeremy know. Might be that we set the call up through No 10 Switchboard so don't be surprised if they call!

[Redacted] if I set up via switch would you like to listen in?

Paul.

---

**From:** Daniel Beard [Redacted]

[Redacted] Daniel Beard

**Cc:** OLDFIELD PAUL <PAUL.OLDFIELD@> [Redacted]  
**Sent:** Sun Jul 10 13:32:27 2011  
**Subject:** [CJSM] RE: Newscorp

Sure. I will be at home on [Redacted] mobile [Redacted]

daniel

---

**From:** [Redacted]  
**Sent:** Sunday, July 10, 2011 1:27 PM  
**To:** Daniel Beard  
**Cc:** OLDFIELD PAUL  
**Subject:** [CJSM] RE: Newscorp

Daniel,

Jeremy was wondering if he could have a preliminary chat with you about this this afternoon at about 5pm. I don't know if that would be possible at all, but am copying Paul Oldfield, Jeremy's Principal Private Secretary in. If it is, could you copy him into a reply giving appropriate numbers.

Thanks,

[Redacted]

[Redacted]

**Legal Advisers to the Department for Culture, Media and Sport**  
Email [Redacted] Tel [Redacted]

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[Redacted]

IN. D. 67

**From:** OLDFIELD PAUL  
**Sent:** 10 July 2011 16:17  
**To:** BEEBY, Sue  
**Subject:** Re: Newscorp

Hi - could you send me adam's mobile. Want to get him on conference call with jh and daniel at 5 (presume you got my text about that earlier)

---

**From:** BEEBY, Sue  
**To:** ZEFF JON; [Redacted] OLDFIELD PAUL  
**Sent:** Sun Jul 10 16:09:50 2011  
**Subject:** Re: Newscorp

I also think it is worth including on the list of options writing to ofcom as a matter of urgency asking them to address the following issues that have arisen over the past week.

Letter along the lines of...

Have received numerous consultation responses will of course consult ofcom and oft once we have processed them but there are further questions that have been raised in light of recent events which I would like to seek your advice on in the meantime.

1. Given the closure of the NOTW to what extent does this impact on your original report on media plurality and how would you propose addressing this in the current merger process.
2. I note your advice to John whittingdale on friday 8th july. Can you let me know whether a potential fit and proper persons test would impact on the issue of media plurality, specifically whether we should be considering whether any potential withdrawal of a broadcasting licence to News Corp would have such a significant impact on plurality in the media that we should be considering it as part of the current merger process.
3. Also in light of your statement on fit and proper persons whether we should also be considering the extent to which the UIL can be taken in good faith and relied upon to be legally robust and enforceable.

---

**From:** ZEFF JON  
**To:** [Redacted]; OLDFIELD PAUL; BEEBY, Sue  
**Sent:** Sun Jul 10 15:35:58 2011  
**Subject:** Fw: Newscorp

Jeremy

Draft briefing note for No10 attached, agreed with lawyers. Am copying to Paul and Sue but if you'd like a word my mobile is [Redacted]

Jon

---

**From:** [Redacted]  
**To:** ZEFF JON  
**Cc:** [Redacted]  
**Sent:** Sun Jul 10 15:28:28 2011  
**Subject:** Newscorp

[Redacted]  
Legal Advisers to the Department for Culture, Media and Sport  
Email [Redacted] Tel [Redacted]

IN.D.67a

[Redacted]

**From:** BEEBY, Sue  
**Sent:** 10 July 2011 16:06  
**To:** ZEFF JON; [Redacted] OLDFIELD PAUL  
**Subject:** Re: Newscorp

Are we making clear that we are looking into the legal viability of these options rather than just proposing that this is what we could do. I don't think we want to get into a situation where number 10 think we can go ahead with one option when actually legally it wouldn't be robust.

---

**From:** ZEFF JON  
**To:** [Redacted]; OLDFIELD PAUL; BEEBY, Sue  
**Sent:** Sun Jul 10 15:35:58 2011  
**Subject:** Fw: Newscorp

Jeremy

Draft briefing note for No10 attached, agreed with lawyers. Am copying to Paul and Sue but if you'd like a word my mobile is [Redacted]

Jon

---

**From:** [Redacted]  
**To:** ZEFF JON  
**Cc:** [Redacted]  
**Sent:** Sun Jul 10 15:28:28 2011  
**Subject:** Newscorp

[Redacted]  
Legal Advisers to the Department for Culture, Media and Sport  
Email: [Redacted] Tel: [Redacted]

IN.D. 68

**From:** OLDFIELD PAUL  
**Sent:** 10 July 2011 16:22  
**To:** BEEBY, Sue  
**Subject:** Re: Newscorp

Agreed...

---

**From:** BEEBY, Sue  
**To:** ZEFF JON; [redacted]; OLDFIELD PAUL  
**Sent:** Sun Jul 10 16:09:50 2011  
**Subject:** Re: Newscorp

I also think it is worth including on the list of options writing to ofcom as a matter of urgency asking them to address the following issues that have arisen over the past week.

After along the lines of...

Have received numerous consultation responses will of course consult ofcom and oft once we have processed them but there are further questions that have been raised in light of recent events which I would like to seek your advice on in the meantime.

1. Given the closure of the NOTW to what extent does this impact on your original report on media plurality and how would you propose addressing this in the current merger process.
2. I note your advice to [redacted] on friday 8th july. Can you let me know whether a potential fit and proper persons test would impact on the issue of media plurality, specifically whether we should be considering whether any potential withdrawal of a broadcasting licence to News Corp would have such a significant impact on plurality in the media that we should be considering it as part of the current merger process.
3. Also in light of your statement on fit and proper persons whether we should also be considering the extent to which the UIL can be taken in good faith and relied upon to be legally robust and enforceable.

---

**From:** ZEFF JON  
**To:** [redacted]; OLDFIELD PAUL; BEEBY, Sue  
**Sent:** Sun Jul 10 15:35:58 2011  
**Subject:** Fw: Newscorp

Jeremy

Draft briefing note for No10 attached, agreed with lawyers. Am copying to Paul and Sue but if you'd like a word my mobile is [redacted]

Jon

---

**From:** [redacted]  
**To:** ZEFF JON  
**Cc:** [redacted]  
**Sent:** Sun Jul 10 15:28:28 2011  
**Subject:** Newscorp

[redacted]  
Legal Advisers to the Department for Culture, Media and Sport  
Email: [redacted] Tel: [redacted]

IN. D. 71

[redacted]

---

**From:** OLDFIELD PAUL  
**Sent:** 11 July 2011 06:46  
**To:** STEPHENS JONATHAN; [redacted]  
**Subject:** Newscorp etc

We ended up having a preliminary phone call with Counsel last night that ended up being slightly more than preliminary!

Jon Z and [redacted] were in on the call.

In short SoS has agreed to write this morning to ofcom and oft to ask if anything in last few days has changed their advice on plurality and sos ability to accept undertakings.

SoS also writing to newscorp saying he must consider the viability and sustainability of the uils given recent events and did newscorp have anything to say on the matter.

Linda and Sue briefing them out this morning - ie 'jh will be writing later today...'

Will forward you those letters under separate cover.

We're still on for 8.30

[Redacted]

IN.D. 76

**From:** OLDFIELD PAUL  
**Sent:** 12 July 2011 08:34  
**To:** MARTIN LINDA  
**Subject:** FW: Comp Commission letter  
**Attachments:** Referral to the Competition Commission: Proposed News Corporation Merger with B SkyB

To make good on our commitment to write yesterday.

-----Original Message-----

**From:** [Redacted]  
**Sent:** 12 July 2011 08:27  
**To:** MARTIN LINDA; OLDFIELD PAUL; PATEL RITA; [Redacted]  
**Cc:** [Redacted] ZEFF JON  
**Subject:** RE: Comp Commission letter

No [Redacted] and I didn't get back from the Lords until gone 7 last night, and, partly because the clock starts for the CC from when they get the letter referring, we are aiming to send today instead. Paul has emailed them though...

[Redacted]

[Redacted]

Legal Advisers to the Department for Culture, Media and Sport  
Email [Redacted] | Tel: [Redacted]

-----Original Message-----

**From:** MARTIN LINDA  
**Sent:** 12 July 2011 08:25  
**To:** OLDFIELD PAUL; PATEL RITA; [Redacted]  
**Cc:** [Redacted] EFF JON  
**Subject:** Comp Commission letter

Hi all,

Has this gone yet? If so could we have a copy please so we can put it on our website?

Thanks.

Linda

Linda Martin

[Redacted]  
Department for Culture, Media and Sport

[Redacted]

IN.D.78

**From:** OLDFIELD PAUL  
**Sent:** 12 July 2011 08:58  
**To:** [redacted] PATEL RITA; [redacted] ZEFF JON  
**Cc:** PERU Forward  
**Subject:** FW: Letter from Mr Murdoch  
**Attachments:** 120711\_JHunt FINAL.pdf

To see. I was thinking last night we better right to News Corp to confirm SoS' decision!

Can this also be logged on CMS pls and reply commissioned from [redacted]

---

**From:** SMITH, Adam  
**Sent:** 12 July 2011 08:54  
**To:** OLDFIELD PAUL  
**Subject:** FW: Letter from Mr Murdoch

---

**From:** Michel, Frederic [mailto:[redacted]]  
**Sent:** 12 July 2011 08:50  
**To:** SMITH, Adam; [redacted]  
**Subject:** Letter from Mr Murdoch

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IN.D. 79

**STRICTLY CONFIDENTIAL**

Rt Hon Jeremy Hunt MP  
Secretary of State for Culture, Olympics, Media and Sport  
Department for Culture Media and Sport  
2-4 Cockspur Street  
London  
SW1Y 5DH

11 July 2011

Dear Jeremy,

News Corporation - British Sky Broadcasting Group Plc.

I am writing formally to confirm News Corporation's decision to withdraw the undertakings which we offered on 14 June 2011 and upon which you have consulted.

I am of course aware that Ofcom and OFT recommended that those undertakings were sufficient to remedy the preliminary issues identified by Ofcom in its report of 31 December 2010.

I have seen your letters to Ofcom and OFT of 11 July 2011 in which you ask for their advice on whether you should now reconsider accepting undertakings from News Corporation upon which you have consulted. You and officials from your Departments have previously emphasised in Parliament that due process requires you to assess the proposed transaction by reference to issues of media plurality alone. News Corporation agrees with this position, which was also expressed in the DCMS notice of consultation on our proposed undertakings of 8 July 2011: "whilst the phone hacking allegations are very serious they were not material to [your] consideration".

However, we have listened and considered public sensitivity, political concern and the requests for an independent Competition Commission review. In these circumstances I have taken a decision to withdraw the undertakings. This will allow the matter to be considered by the Competition Commission on an objective and fair basis taking into account factors and evidence which are relevant to the only applicable legal test of sufficiency of media plurality.

News Corporation continues to believe that properly taking into account those factors its proposed acquisition will not lead to there being insufficient plurality in news provision in the UK.

I note that, following our announcement earlier today, you have announced to the House of Commons that you will refer the proposed transaction to the Competition Commission for a detailed review. News Corporation is ready to engage with the Competition Commission on substance and to present its case that there is no reason why the transaction should raise concerns about the sufficiency of plurality in the UK.

Yours sincerely,

A rectangular box with a thin black border, used to redact the signature of James Murdoch.

James Murdoch

**James Murdoch**  
Deputy Chief Operating Officer  
Chairman & CEO, International

A rectangular box with a thin black border, used to redact information in the footer.

IN. D. 80

[Redacted]

**From:** OLDFIELD PAUL on behalf of SECRETARY OF STATE'S OFFICE  
**Sent:** 12 July 2011 09:03  
**To:** [Redacted]@cabinet-office.x.gsi.gov.uk  
**Subject:** RE: Letter on BSKyB  
**Attachments:** 3119\_001.pdf; 3120\_001.pdf

[Redacted]

Sorry for not coming back before. I think events have rather over taken this request as SoS has now referred the decision to the Competition Commission following News Corp's withdrawal of their undertakings yesterday.

The letters we sent to OFCOM and OFT are attached for info, but as I say, now rather overtaken.

Paul.

---

**From:** [Redacted] mailto:[Redacted]  
**Sent:** 11 July 2011 15:30  
**To:** secretaryofstateculture.gsi.gov.uk [Redacted]  
**Subject:** Letter on BSKyB

Hello there

Could I have a copy of the letter which your SoS has written today asking for updated advice on BSKyB.

Thanks very much

[Redacted]

**Private Secretary to the Deputy Prime Minister  
Economic and Domestic Affairs**

[Redacted]

\*\*\*\*\*

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IN. D. 81

[redacted]

---

**From:** OLDFIELD PAUL  
**Sent:** 12 July 2011 09:21  
**To:** [redacted]  
**Cc:** PATEL RITA  
**Subject:** FW: PMQs BSKyB bid - Role of the Regulators [UNCLASSIFIED] [Non-Record]  
**Attachments:** role of the regulators.docx

I'm a bit lost on all these No 10 briefing requests for PMQs I'm afraid. [redacted] I'm sure you're on top of this but I wonder whether we should ask [redacted] to send through whatever he is proposing to put to the PM so we can check them all over in the cold light of day. Rumour has it that the PM will be doing any oppo day debate tomorrow so it'd be as well to get our briefing lines up to date etc this morning as I fear we could be hit by a deluge of briefing requests this afternoon. I'm happy to help look over things this morning.

On that very point I did wonder what the status of our letters to OFCOM and OFT now are? Given SoS has now referred this to the CC are we still expecting a response from them, and if we got that advice what would we do with

Paul.

---

**From:** [redacted]  
**Sent:** 12 July 2011 09:00  
**To:** [redacted]  
**Cc:** Questions; [redacted] OLDFIELD PAUL; [redacted]  
**Subject:** PMQs BSKyB bid - Role of the Regulators [UNCLASSIFIED] [Non-Record]

Thanks

On your latter point which body then - if any - will be looking at the "fit and proper test"?

Also did the CC once have to look at the fit and proper test as part of their inquiry into a takeover bid? If so when was it removed and why?

Could you also check the attached for accuracy please

For midday latest please

[redacted]

---

**From:** [redacted]  
**Sent:** 11 July 2011 19:39  
**To:** [redacted]  
**Cc:** Questions; [redacted] OLDFIELD PAUL; [redacted]  
**Subject:** RE: PMQs BSKyB bid - TIMETLINE [UNCLASSIFIED] [Non-Record]

JH's wording was:

I understand that in the last few minutes News Corporation have withdrawn their Undertaking in Lieu.

On January 25th I said I was minded to refer News Corporation's proposed merger with BSKyB to the Competition Commission in the absence of any specific undertakings in lieu.

As a result of News Corporation's announcement this afternoon I am now going to refer this to the Competition Commission with immediate effect and will be writing to them this afternoon.

Then letter will not in fact issue until tomorrow.

Please note that the Culture Secretary's decision to refer the matter to the CC means that the letters he sent to Ofcom and the OFT have been overtaken by events as they were deigned to help him reach a decision on whether or not to refer.



DCMS  
2-4 Cockspur Street  
London SW1Y 5DH

W: [Redacted]  
M: [Redacted]

---

**From:** [Redacted] mailto:[Redacted]  
**Sent:** 11 July 2011 17:14  
**To:** [Redacted]  
**Cc:** Questions; [Redacted] OLDFIELD PAUL; [Redacted]  
**Subject:** RE: PMQs BskyB bid - TIMETLINE [UNCLASSIFIED] [Non-Record]

Let's add:  
11 July BskyB withdraw their undertakings. The SOS DCMS refers the takeover to the Competition Commission

Can we use the wording JH used?

---

**From:** [Redacted]  
**Sent:** 11 July 2011 16:56  
**To:** [Redacted]  
**Cc:** Questions [Redacted] OLDFIELD PAUL; [Redacted]  
**Subject:** RE: PMQs BskyB bid - TIMETLINE [UNCLASSIFIED] [Non-Record]

without the typos at the end

---

**From:** [Redacted]  
**Sent:** 11 July 2011 16:50  
**To:** James Bowler  
**Cc:** Questions [Redacted] OLDFIELD PAUL; [Redacted]  
**Subject:** PMQs BskyB bid - TIMETLINE [UNCLASSIFIED] [Non-Record]

---

**From:** [Redacted]  
**Sent:** 11 July 2011 13:33  
**To:** [Redacted]  
**Cc:** Questions [Redacted] OLDFIELD PAUL; [Redacted]  
**Subject:** RE: PMQs BskyB bid [UNCLASSIFIED] [Non-Record]

[redacted] thanks

Need the facts set out as simply as possible here.

Suggest we start with a timeline:

- Month 2010 bid
- Time: European Commission judgement on competition concludes [important to set this out
- Time: V Cable statement on plurality
- Time: JH refers to OFT and OfCOM
- 31 Dec OfCOM report
- 3 March - JH announcement and compulsory consultation
- 9 July consultation ends - over 100,000 responses JH states it will take some time to consider
- 11 July - letters to OfCOM

Enterprise Act 2002 - general statement of what the law is on (media) mergers as set out in the Act - quoting where helpful.

Regulators: you could usefully set out which regulator is doing what here. What is the role of the EU competition policy; OFT, Competition Commission; OfCOM

Announcements today

cover what JH has done. Set out the wider issues of plurality and competition.

- include JH's letters to OfCOM and OFT

JH stament for later today

---

**From:** [redacted]  
**Sent:** 11 July 2011 12:39  
**To:** [redacted]  
**Cc:** Questions; [redacted] OLDFIELD PAUL [redacted]  
**Subject:** PMQs BskyB bid [UNCLASSIFIED] [Non-Record]

[redacted]

I've re-workedthe note.

It needs more information on the respective roles of the different regulators etc.

[redacted] will probably have comments on it.

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## ROLE OF THE REGULATORS

IN. D. 82

### Role of the Competition Commission

Competition Commission (CC) is an independent public body which conducts in depth inquiries into mergers and markets when they are referred to it by the Office of Fair Trading or any of the economic regulators that have concurrent competition powers, and in public interest cases, the Secretary of State.

The CC does not initiate any of its own inquiries.

As News Corporation have withdraw their Undertaking in Lieu the Secretary of State is to refer this to the Competition Commission with immediate effect. Normally it would take the CC 6 months to conduct an inquiry. The CC will then report with recommendations to the Secretary of State; the final decision remains with him.

### Other regulators

The Culture Secretary has also written to OFCOM and the OFT to ask them for further advice in light of emerging events in the phone hacking scandal with regards to News Corps' bid to merge with BSkyB.

The Secretary of State has therefore written to Ofcom asking them to consider three separate issues:

1. **Closure of the *News of the World*.** The Secretary of State is considering the impact of this deal on levels of media plurality. The closure of a major newspaper clearly has implications on this important issue. As such he has asked Ofcom whether the closure gives them any additional concerns in respect of plurality over and above those raised in their initial report to him received on 31 December 2010.
2. **Fit and proper persons test.** Ofcom has an on-going duty to ensure that all holders of a broadcasting licence are fit and proper persons. Last Friday Ofcom wrote to the Chairman of the Culture, Media and Sport Select Committee explaining that they had asked the police for any information that would help them exercise this duty. The Secretary of State has therefore asked Ofcom to assess whether their consideration of whether News Corporation are fit and proper would impact on their plurality concerns or the Undertakings in Lieu.
3. **Credibility of the Undertakings.** Finally the Secretary of State has asked Ofcom if any new information that has come to light causes them to reconsider their advice on the credibility, sustainability or practicalities of the Undertakings offered by News Corporation. The Secretary of State has also asked the Office of Fair Trading for its view on this final question.

The Secretary of State will publish the advice he receives from Ofcom and the Office for Fair Trading in response to these questions.

## **Role of Ofcom**

### “Fit and proper” person test

Under section 3 of the Communications Act, Ofcom have a duty to ensure that holders of broadcast licences are and remain fit and proper persons.

This is entirely a decision for Ofcom and they have said that are in contact with the relevant authorities. Ofcom have an on-going duty to consider whether the holder of a broadcast licence is a fit and proper person, notwithstanding the current merger. Ofcom have confirmed that they are keeping track of the situation, and it could be expected that they would act if there were grounds to do so at any time.

Ofcom already considers that News Corp has material influence over BSkyB because of its existing shareholding, and therefore the merger is of limited relevance to this on-going duty.

## **Role of the Office of Fair Trading**

The Office of Fair Trading is the UK’s independent competition authority that has responsibility for enforcement of EU and UK competition law. It has relevant powers under the Competition Act 1998 and the Enterprise Act 2002 to investigate and enforce competition law.

This includes regulatory control of mergers which is established under the Enterprise Act 2002, whereby the OFT investigates merger on the basis of whether or not they substantially lessen competition.

The OFT can clear mergers, clear subject to conditions (undertakings) or refer them to the Competition Commission.

## **European Commission**

The European Commission also has jurisdiction to investigate those large mergers that have a European dimension under the European Community Merger Regulations (ECMR 139/2004), which is relevant to this case.

The EC, rather than the OFT investigated News Corps proposed acquisition of BSkyB on the grounds of whether it would substantially lessen competition (exactly the same test as would have been applied by the OFT) and it found it would not (throughout the European Union) and subsequently announced its clearance of the merger on 21 December.

However, this dual role for investigating mergers does not affect the SofS’ ability to make decisions based on public interest issues, such as media plurality due to Article 21(4) of the ECMR 139/2004, which allows Member States to take necessary measures to protect legitimate interests as a result of mergers.

## **Enterprise Act 2002**

The Enterprise Act 2002 contains a number of competition enforcement powers for the competition authorities, including the merger powers. It gives the OFT jurisdiction to investigate and make decisions on mergers on the basis of whether or not they substantially lessen competition.

The Enterprise Act 2002 also contains the powers to allow Ministers to intervene in mergers on the basis of public interest and make decisions. Those powers are restricted to public interest considerations that are defined. There are currently three defined areas; they are national security, media plurality and stability of the UK financial systems.

The power has been used in ten cases to date. Seven of those in defence sector related merger cases to protect UK national security interests, two media plurality cases (BSkyB/ITV and News Corp/BSkyB) and one under financial stability (Lloyds/HBOS).

So far, the power has not been used to block any of those cases – rather conditions (undertakings) have been given to the Secretary of State to remedy various concerns.

IN.D. 83

[Redacted]

**From:** OLDFIELD PAUL  
**Sent:** 12 July 2011 09:59  
**To:** [Redacted]  
**Subject:** RE: Urgent letter to the minister: opportunity to examine fit and proper for BSKyB takeover

Thanks. Could I see a copy of the avaaaz letter pls?

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**From:** [Redacted]  
**Sent:** 12 July 2011 09:57  
**To:** [Redacted] GEIST-DIVVER CAROLA; AMOS, Stephen  
**Cc:** BEEBY, Sue; PATEL RITA; SMITH, Adam; OLDFIELD PAUL; ZEFF JON  
**Subject:** RE: Urgent letter to the minister: opportunity to examine fit and proper for BSKyB takeover

All,

I've spoken briefly to Daniel about this, and I think it's probably best if we ask him to have a quick look at this. Importantly, I think this should be covered off *before* we formally write to the Competition Commission since, if it is right, we will have to consider where it leaves us.

[Redacted]

[Redacted]  
Legal Advisers to the Department for Culture, Media and Sport  
Email: [Redacted]@el [Redacted]

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**From:** [Redacted]  
**Sent:** 11 July 2011 19:25  
**To:** [Redacted] GEIST-DIVVER CAROLA; AMOS, Stephen  
**Cc:** BEEBY, Sue; PATEL RITA  
**Subject:** FW: Urgent letter to the minister: opportunity to examine fit and proper for BSKyB takeover

[Redacted]

Not read in detail, but relevant to the reference letter as they are arguing that SoS can change the terms of the original notification.

[Redacted]

[Redacted]

DCMS  
2-4 Cockspur Street  
London SW1Y 5DH

W: [Redacted]  
M: [Redacted]

**From:** [Redacted]  
**Sent:** 11 July 2011 16:04  
**To:** BEEBY, Sue; [Redacted]  
**Subject:** Urgent letter to the minister: opportunity to examine fit and proper for BSKyB takeover

Please pass to the minister urgently.

Jeremy Hunt  
Minister for Culture, Media and Sport  
DCMS  
Cockspur Street  
London

Dear minister,

As mentioned in the FT and on Today Lawyers a specialist competition barrister working for Avaaz has produced the attached note about how you can and should issue a new intervention notice for the BSkyB takeover process.

The legal advice sets out how Jeremy Hunt could allow the phone hacking scandal to affect his decision on BSkyB. Until now, Hunt and his advisors have argued that he is legally constrained and can only reject the deal on the grounds of media plurality - i.e. that the phone hacking scandal could have NO bearing on the 'akeover.

This note argues that Hunt is interpreting his powers too narrowly and being far too cautious. It argues that Hunt could withdraw the original European Intervention Notice which said the deal would be scrutinised only on the grounds of plurality and issue a new one which would consider the fitness of News Corp owners to takeover the rest of BSkyB.

This builds on our earlier letters to you from 20 April and last week.

We would welcome an opportunity to meet you urgently this week.

Sincerely,

[Redacted signature box]

**AVAAZ**

Tel: [Redacted phone number box]

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IN. D. 84

[Redacted]

**From:** OLDFIELD PAUL  
**Sent:** 12 July 2011 10:15  
**To:** PATEL RITA; [Redacted]  
**Cc:** ZEFF JON; [Redacted] SMITH, Adam  
**Subject:** FW: FINAL STATEMENT  
**Attachments:** JH oral statement 11 July 2011.doc

I've just re-read the transcript. I don't think Jeremy said anything wrong on fit and proper person but I do wonder whether it is worth writing to [Redacted] to clarify the position with her as she explicitly said that he confirmed the CC could consider 'fit and proper' – which they can't and SoS didn't say – but he didn't explicitly put her right.

Not urgent in the grand scheme of things. Perhaps [Redacted] could advise on appropriate timescale to send such a letter.

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**From:** [Redacted]  
**Sent:** 12 July 2011 08:48  
**To:** SMITH, Adam; OLDFIELD PAUL; MARTIN LINDA; BEEBY, Sue; ZEFF JON; [Redacted] AMOS, Stephen;  
**Cc:** [Redacted]  
**Subject:** RE: FINAL STATEMENT

Dear All,

Please find attached the transcript of yesterday's oral statement.

[Redacted]

[Redacted]

DCMS

[Redacted]

2-4 Cockspur Street  
 London SW1Y 5DH

[Redacted]

IN.D. 85

11 July 2011 : Column 39

#### Phone Hacking and the Media

4.16 pm

The Secretary of State for Culture, Olympics, Media and Sport (Mr Jeremy Hunt): May I start by apologising to the Leader of the Opposition for the fact that he has only just received a copy of this statement? As he will find out, there was a development only about a half an hour ago that dramatically changed the contents of this statement—I have only just received my own copy—which is why we were not able to get him a copy in advance. [Interruption.]

Mr Speaker: Order. I want to hear the statement and I am sure that the House wants to hear it.

Mr Hunt: Mr Speaker, the events of last week shocked the nation. Our proud tradition of journalism, which for centuries has bravely held those in positions of power to account, was shaken by the revelation of what we now know to have happened at the News of the World. The perpetrators of those acts not only broke the law, but preyed on the grief of families who had lost loved ones either as a result of foul murders or giving their life for their country. I hope that the law shows no mercy to those responsible and no mercy to any managers who condoned such appalling behaviour.

As a result of what happened, the Prime Minister last week announced two independent inquiries to examine what went wrong and recommend to the Government how we can make sure that it never happens again. The first will be a full, judge-led, public inquiry into the original police investigation. Witnesses will be questioned under oath and no stone will be left unturned. As the Prime Minister announced on Friday, that inquiry will need to answer the following questions. Why did the first police investigation fail? What exactly was going on at the News of the World, and what was going on at other newspapers? The bulk of the work of this inquiry can happen only after the police investigation has finished, but we will start what we can now.

The second will be a separate inquiry to look at the culture, practices and ethics of the British press. In particular, it will look at how our newspapers are regulated and make recommendations for the future. That inquiry should start as soon as possible, ideally this summer. As the Prime Minister said, a free press is an essential component of our democracy and our way of life, but press freedom does not mean that the press should be above the law and in announcing this inquiry the Prime Minister has invited views on the way the press should be regulated in the future.

I also have to make a decision about News Corporation's plans to buy the shares it does not already own in BSkyB. I know that colleagues on both sides of the House and the public at home feel very concerned at the prospect of the organisation that allegedly allowed these terrible things to happen being allowed to take control of what would become Britain's biggest media company.

I understand that in the last few minutes News Corporation has withdrawn its undertakings in lieu. On 25 January, I said I was minded to refer News Corporation's proposed merger with BSkyB to the Competition Commission in the absence of any specific undertakings in lieu. As a result of News Corporation's announcement this afternoon, I am now going to refer this to the Competition Commission with immediate effect and will be writing to it this afternoon—

[

Interruption.

]

Mr Speaker: Order. Whatever opinion a Member has about this matter, it is a question of elementary courtesy that the Secretary of State should be heard.

Mr Hunt: Thank you, Mr Speaker. Today's announcement will be an outcome that I am sure the whole House will welcome. It will mean that the Competition Commission will be able to give further full and exhaustive consideration of the merger, taking into account all relevant recent developments.

Protecting our tradition of a strong, free and independent media is the most sacred responsibility I have as Culture Secretary. Irresponsible, illegal and callous behaviour damages that freedom by weakening public support for the self-regulation on which it has thrived. By dealing decisively with the abuses of power we have seen, hopefully on a cross-party basis, the Government intend to strengthen and not diminish press freedom—[ Interruption. ]

Mr Speaker: Order. The Secretary of State must be heard.

Mr Hunt: The Government intend to strengthen and not diminish press freedom, making this country once again proud and not ashamed of the journalism that so shapes our democracy.

Edward Miliband (Doncaster North) (Lab): I accept the Culture Secretary's apology for the late notice of his statement, but the truth is that it points to the chaos and confusion at the heart of the Government. After what we have heard and the questions that have been left unanswered, we all know that it is the Prime Minister who should be standing at the Dispatch Box today. It is quite wrong that he chose to do a press conference on Friday in Downing street about the issues but is unwilling to come to the House today. Instead, he chose to do a press conference at Canary Wharf, just 20 minutes down the road.

The Culture Secretary has no direct responsibility for the judicial inquiry that he talked about, and he has no direct responsibility for the police and the relationship with the media, but he has been left to carry the can by a Prime Minister who knows there are too many difficult questions for him to answer. It is an insult to the House and to the British public.

Let me ask the Culture Secretary a series of questions. First, on the subject the judge-led inquiry, as soon as an inquiry is established, tampering with or the destruction of any documents becomes a criminal offence. We already know that is relevant to the offices of the News of the World. It may also be relevant to any documents in No. 10 Downing street and Conservative headquarters. Will the Culture Secretary—[ Interruption. ]

Mr Speaker: Order. I said a few moments ago that the Secretary of State must be heard. The same goes for the Leader of the Opposition, and if Members are chuntering away or, worse, shouting, they had better stop it.

Edward Miliband: Will the Culture Secretary now agree that the judge-led inquiry should be established immediately? Any less means there is a risk that evidence will be destroyed.

Will he also confirm that the inquiry will be set up under the Inquiries Act 2005 so it can compel witnesses to attend? The inquiry must have the right terms of reference, including the unlawful and unethical practices in the newspaper industry and the relationship between the police and certain newspapers. Neither of those issues were in the terms of reference implied by the Secretary of State in his statement. Can he confirm that all these issues will be in the terms of reference?

Secondly, let me talk about BSkyB. Let us be clear: the trouble that the Government are in is of their own making. Any changes they make are not because they have chosen to do so but because they fear defeat in the House on Wednesday evening. The Culture Secretary chose not to follow the

recommendation of Ofcom to refer this bid to the Competition Commission and he has been insisting for months that he can proceed on the basis of assurances from News Corporation. On Friday, the Prime Minister said the same. Now the Culture Secretary has adopted the very position he has spent months resisting—and the confusion continues. The Deputy Prime Minister has joined the call I made yesterday for Rupert Murdoch to drop the bid. On BSkyB, the Government are in complete disarray. Does the Deputy Prime Minister speak for the Government? If so, is the Culture Secretary now asking Rupert Murdoch to drop the bid? Can the Culture Secretary now assure us that on the basis of his new position, no decision will be made on the BSkyB bid until the criminal investigation into phone hacking is complete? Nothing else can give the public the confidence they need.

Thirdly, will the Culture Secretary state his position to the House on the need for responsibility to be accepted at News International? The terrible hacking of Milly Dowler's phone happened on Rebekah Brooks's watch, while she was editor of the News of the World. Last Wednesday, the Prime Minister refused to say she should go, and on Friday all he offered were weasel words. Will the Culture Secretary say what the Prime Minister refused to—that Rebekah Brooks should take responsibility for what happened on her watch and resign from her post?

Fourthly, given the role of Andy Coulson in relation to phone hacking and other allegations of illegality, will the Culture Secretary clarify the following—[ Interruption. ] Government Members should listen to what I am saying because it is relevant to victims up and down the country. On Friday at his press conference, the Prime Minister said, about the appointment of Andy Coulson:

“No one gave me any specific information.”

Yet Downing street has confirmed that The Guardian newspaper had discussions with Steve Hilton, the Prime Minister's senior aide, before Andy Coulson was brought into government. Those conversations detailed Mr Coulson's decision to rehire Jonathan Rees—a man who had been jailed for seven years for a criminal conspiracy and who is alleged to have made payments to the police on behalf of the News of the World. This serious and substantial information was passed by Steve Hilton to the Prime Minister's chief of staff, Mr Ed Llewellyn. The information could not have been more specific. Now, can the Culture Secretary tell us whether Ed Llewellyn, the Prime Minister's chief of staff, told the Prime Minister about this evidence against Mr Coulson, or are we seriously expected to believe that Mr Llewellyn, an experienced former civil servant, failed to pass any of this information on to the Prime Minister? Frankly, that beggars belief as an explanation. This issue goes to the heart of the Prime Minister's integrity and we need answers from the Culture Secretary.

Can the Culture Secretary now tell us whether it is true that the Prime Minister also received warnings from the Deputy Prime Minister and the former leader of the Liberal Democrats, Lord Ashdown, about bringing Andy Coulson into government? Unless the Prime Minister can explain what happened with Mr Coulson and apologise for his terrible error of judgment in appointing him, his reputation and that of the Government will be permanently tarnished.

The Prime Minister was wrong not to come to the House today. As on every occasion during this crisis, he has failed to show the necessary leadership that the country expects. He saw no need for a judicial inquiry, he saw no need to change course on BSkyB and he has failed to come clean on Andy Coulson. This is a Prime Minister running scared from the decisions he made. This is a Prime Minister who is refusing to show the responsibility the country expects. The victims of the crisis deserve better, this House deserves better and the country deserves better.

Mr Hunt: Let me tell the Leader of the Opposition about what the Prime Minister has done—  
[Interruption.]

Mr Speaker: Order. I want everybody who wants to contribute to these exchanges to have the chance to do so, but people who shout and scream cannot then expect to be called, and it is a rank discourtesy. It must stop on both sides of the House.

Mr Hunt: We are fighting a war. The Prime Minister arrived back from Afghanistan at around 10 o'clock last Tuesday night. By Wednesday lunchtime he had established two public inquiries. That is doing more in less than one week than the right hon. Gentleman's party did in eight years.

The right hon. Gentleman talked about Andy Coulson. He should be very careful not to be someone who throws sticks in glass houses. In his comments he criticised me for being willing to accept assurances from News Corp. He was willing to accept assurances from the very same people about Tom Baldwin.

Let me answer some of the right hon. Gentleman's specific questions. Tampering with evidence does not need a judge-led inquiry to be set up. It is a criminal offence now. We are moving as fast as we can to set up a judge-led inquiry into all the actions that were illegal or improper. We also want to set up an inquiry, with cross-party support—hopefully—to look into the unethical behaviour by the press, and we want that to start work immediately. Inquiries into illegal actions have to wait until

after police investigations are complete. We are willing to talk to the right hon. Gentleman in order to get some kind of cross-party consensus so that that can happen as soon as possible. I said in my statement that we would like that to start as soon as this summer.

With respect to the BSkyB decision, I have at every stage in this process followed the procedures laid down in the Enterprise Act 2002 that was passed by the right hon. Gentleman's Government. Not only that, but I have done more than those processes require, because at every stage I have asked for independent advice from the expert media regulator, Ofcom, and after careful consideration at every stage I have followed that advice.

Let me say gently to the right hon. Gentleman that he needs to show some humility in this matter. He attended Rupert Murdoch's summer party and failed to bring up the matter of phone hacking. He was part of a Cabinet—[Interruption.]

Mr Speaker: Order. I want to hear the answer.

Mr Hunt: He was part of a Cabinet which, according to the then Culture Secretary, discussed phone hacking and decided not to act, and we now know why. According to the autobiography of Tony Blair's chief of staff, Jonathan Powell,

"We first started discussing...the failed relationship between the media and politics in 2002...We discussed the issue back and forth for the next three years, but Tony never felt the moment was right to speak out...Gordon, who was courting the press, had no intention of agreeing to anything that might upset them."

Now is not the time for party political posturing. We have all failed—politicians, journalists and media owners—and we must all work together to put the problem right.

Oliver Heald (North East Hertfordshire) (Con): Does my right hon. Friend agree that it is vital in his role that he should act within the law, taking independent advice—legal advice—because if he does not, any decision that he makes can be attacked in court? Does he agree that it is all very well for the Opposition to make their points today, but the spirit in the House last week was that there were faults on all sides and that we ought to do what is in the interests of the country? Does he agree that the Leader of the Opposition has betrayed that today?

Mr Hunt: I completely agree with my hon. Friend. If we are to tackle this very serious cancer that we have seen in our society in the past week, we need a responsible attitude from Members on both sides of the House, and if we are worried about newspapers getting above the law, Ministers need to set an example and ensure that they do not get above the law themselves.

Alan Johnson (Kingston upon Hull West and Hessle) (Lab): I am surprised that we have the monkey at the Dispatch Box and not the organ grinder—[ Interruption. ]

Mr Speaker: Order. Members are entitled to their own views on taste. There has been no breach of order.

Alan Johnson: The Prime Minister said on Friday that he received no "specific" information, but it is clear that that information was passed to Ed Llewellyn. If Ed Llewellyn failed to pass that information to the Prime Minister, will he be sacked or given "a second chance"?

Mr Hunt: I take being called a monkey very seriously, because in my wife's country they used to eat them.

With regard to what the Prime Minister did or did not know, he will answer for himself, but he has said that he takes full responsibility for the decisions he took and that he had no knowledge of any illegal or criminal activity by Andy Coulson when he decided to employ him.

Simon Hughes (Bermondsey and Old Southwark) (LD): Will the Secretary of State, whose behaviour so far on this matter has been beyond reproach, pass on to the Government and the leader of the Conservative party the request that they join my party in asking Rupert Murdoch to withdraw his bid, and will he confirm that it is entirely appropriate for the regulator, Ofcom, to consider illegality by any of the people employed by any title owned by News Corporation, meaning all its newspapers and not just the News of the World?

Mr Hunt: My right hon. Friend has asked a question that I cannot answer, because every Member of the House can have a view on whether the take-over should go ahead or be withdrawn except me, as I have a quasi-judicial role and so I am unable to prejudge the decision by making a comment. With regard to illegality and the requirement under the Broadcasting Act 1990 that all people holding broadcasting licences be fit and proper, I wrote to Ofcom this morning to ask whether it stood by its original advice that the deal could go ahead, in view of the matters that came to light last week and had News Corporation not withdrawn its undertakings today. I am pleased to say that,

with this referral to the Competition Commission, all those issues will be considered properly and fully.

Margaret Beckett (Derby South) (Lab): Does the Secretary of State not recognise that at a time when wrongdoing was being very strongly alleged, and even more strongly denied, the Prime Minister's decision then to appoint Andy Coulson to No. 10 as director of communications reinforced the credibility of what we now know to be unjustified denials of wrongdoing? Is that not why the Prime Minister should be here today?

Mr Hunt: With respect to the right hon. Lady, there are all sorts of things that this Government and the previous Government have done that we might now review in the light of the allegations that have emerged in the past week. That is why it is incredibly important that we have these two public inquiries to get to the bottom of press ethics, which is why we are trying to ensure that we grapple with the problem and sort it out, rather than sit on it for a very long time.

Louise Mensch (Corby) (Con): In 2003 the predecessor of the current Culture, Media and Sport Committee, of which I am a member, warned of deplorable practices in the media, including payments by journalists to the police, and called for an inquiry. Does my right hon. Friend agree that we should have had an inquiry at that time?

Mr Hunt: Hindsight is a wonderful thing and I think that everyone will be reflecting on what has happened. In the last Parliament there were two Select Committee inquiries on the matter and two reports by the Information Commissioner stating that things were wrong and needed to be sorted out, but nothing happened. Let us hope that as a political class we are up to the challenge of sorting things out this time.

Mr Jack Straw (Blackburn) (Lab): Extraordinarily, the Secretary of State has come to the House without any briefing whatsoever to give further and better particulars behind the Prime Minister's statement on Friday that he had—very careful words—no “specific” knowledge that Mr Andy Coulson had appointed a known criminal to work at the News of the World. Given the absence of a briefing today, does the Secretary of State accept that it is his duty to go back to the Department and to Downing Street and insist that a full, detailed chronology of who informed whom—or failed to inform whom—by name and what they said is published by the close of play today?

Mr Hunt: I believe that the Prime Minister is a man of honour and integrity, and when he says that he had no knowledge of that particular episode, I believe him.

Duncan Hames (Chippenham) (LD): It is regrettable that undertakings that the Secretary of State had previously secured have been withdrawn today, but will he tell the House why, under the Competition Commission referral, it is possible for the "fit and proper person" test to be applied in the decision?

Mr Hunt: I will tell my hon. Friend why that is the case. Typically, when there is a referral to the Competition Commission, it could decide to block the deal entirely or it could negotiate undertakings, circumstances and conditions under which it would consider it acceptable for the merger to go ahead. The Competition Commission is considering media plurality, just as I did. It is not considering broader competition issues, but if as part of that consideration it decided to accept any undertakings, it would want to be sure that they were credible, which is why compliance with the "fit and proper person" requirements of the Broadcasting Act 1990 will be extremely important.

Mr Ben Bradshaw (Exeter) (Lab): Did the Secretary of State know about the dinner involving the Prime Minister, James Murdoch and Rebekah Brooks two days after he was handed responsibility for this policy area? Why, shortly after that dinner, did he abandon the previous approach by the Business Secretary and reject Ofcom's clear recommendation to send the matter to the Competition Commission?

Mr Hunt: I did not know about the dinner, and I did not reject Ofcom's recommendation. If the former Culture Secretary had been listening to my statement, he would know that I actually accepted its recommendation. On 25 January, I wrote to News Corporation saying that I was minded to accept what Ofcom were recommending, namely a referral to the Competition Commission.

Anna Soubry (Broxtowe) (Con): No party cosied up to the Murdoch press as much as the Labour party, and the Press Complaints Commission has been an inadequate, toothless body for far too long. Does the Secretary of State think that there is some connection in the failure of the previous Government to sort out the PCC, and will this Government take on that task?

Mr Hunt: My hon. Friend is absolutely right. I am sorry to say—and I am sure that she will agree with me—that the Leader of the Opposition got his tone absolutely wrong. The shameful events of last week are something for which both sides of the House need to take their share of responsibility, and working together, both sides of the House can make sure that we sort them out so that they never happen again.

Sir Gerald Kaufman (Manchester, Gorton) (Lab): May I remind the right hon. Gentleman that on 11 March 2003, Rebekah Brooks told the Select Committee on Culture, Media and Sport under my chairmanship:

“We have paid the police for information”,

thereby admitting a criminal offence? She was then editor of The Sun, having just been editor of the News of the World. How is it possible for someone with that background to become chief executive of an organisation and for that organisation’s bid to be accepted or even not brushed away totally?

Mr Hunt: What I would say to the right hon. Gentleman is how is it possible, when that happened under his Government, for them to do absolutely nothing about it for eight years?

Sajid Javid (Bromsgrove) (Con): I warmly welcome my right hon. Friend’s statement. Will he confirm that any police investigation into this matter will cover the media practice of blagging?

Mr Hunt: I confirm to my hon. Friend that the intention is that the judge-led inquiry will cover all illegal and improper activity, and I am particularly keen that it should cover the practice of blagging, which is at the heart of many of the problems that we have been finding out about in the past week.

Mr Tom Watson (West Bromwich East) (Lab): As head of Operation Abelard, John Yates would be aware of paperwork showing convicted private investigator Jonathan Rees discussing the use of covert surveillance techniques, including computer hacking, with a close associate of Rebekah Brooks, Mr Alex Marunchak. Rees, while serving time in prison, discussed his contact with reporters from The Sunday Times. Far from this scandal being about wrongdoing at the News of the World, it is a story of institutional criminality at News International. John Yates’ review of the Mulcaire evidence was not an oversight. Like Andy Hayman, he chose not to act. He misled Parliament. He misled readers of The Sunday Telegraph only yesterday. Does the Secretary of State agree that his position is untenable?

Mr Hunt: With great respect to the hon. Gentleman, who I commend for his tenacious campaign in this area, I do not think that that is a judgment that I, as Culture Secretary, should make. However, all the practices that he describes must be dealt with properly, in terms of both the specific criminal acts and the changes necessary to make sure that they do not happen again. He made one very important reference, in particular, when he pointed out the issue of computer hacking. We have to

be very careful to act with sufficient thoroughness to make sure that we do not find that e-mail hacking becomes the next big scandal.

Charlie Elphicke (Dover) (Con): Between 2003 and 2010, successive reports set out that there were serious problems. Can the inquiry cover the relationship between the media and the Government to look at why action was not taken before now?

Mr Hunt: Yes.

Pete Wishart (Perth and North Perthshire) (SNP): On behalf of the Scottish National party, we welcome the public inquiries and the referral back to the Competition Commission. Does the Secretary of State agree that there has been a systematic failure of successive Westminster Governments when it has come to the whole field of the regulation of the press? As long ago as 2006, the Information Commissioner found more than 3,000 breaches of data protection, but nothing was done. How can we have any faith that this House will in future get its press regulation fixed?

Mr Hunt: It is stretching it a bit to say that this is a Westminster issue and not something that affects the whole of the United Kingdom. We have to sort it out, and we are absolutely determined to do so.

Mrs Eleanor Laing (Epping Forest) (Con): The House fully appreciates why the Secretary of State cannot give his opinion on the BSkyB matter. Is he aware that the vast majority of people out there in the country are not the least bit interested in party political point-scoring, but believe that if Mr Murdoch had any decency at all, he would withdraw his bid for BSkyB?

Mr Hunt: As I said in my statement, I completely understand the horror with which many people viewed the thought of a company allegedly responsible for these appalling actions taking over what would become Britain's biggest media company. I completely understand where the public are on that. We now have a lengthy process that will get to the bottom of the media plurality issues. If any of the appalling events that have come up in the past week are linked to media plurality, I am sure that they will be considered in their entirety.

Chris Bryant (Rhondda) (Lab): I hope that the whole House will, like me, be scandalised by the facts that are emerging this afternoon about the former Prime Minister's son's medical records having been targeted by other newspapers in the News International stable.

One of the biggest problems that we have is that the police failed to act systematically. Assistant Commissioner Yates repeatedly lied to Parliament. He said that there were very few victims. He said that all the victims had been contacted. He said that all the mobile phone companies had been put on notice in relation to this. All of these things are lies, as he seems to have admitted in yesterday's edition of The Sunday Telegraph, and yet he has not had the decency to apologise to this House or, for that matter, the decency to apologise at all—surely he should. He is in charge of counter-terrorism in this country, for heaven's sake. Surely he should resign.

Mr Hunt: I completely understand the hon. Gentleman's anger on that issue, but obviously parliamentarians cannot tell the police what to do because we have the separation of powers. However, the judge-led independent inquiry will look fully at the way in which the police have behaved and it will get to the bottom of this. We must give it our full support.

Mr Don Foster (Bath) (LD): The House will have noted in the Labour leader's contribution the complete absence of any reference to the repeated failure by the Labour Government, despite repeated warnings to act in this area. Will my right hon. Friend confirm that, notwithstanding what has been announced today, which is frankly little more than another ruse by the Murdoch empire, there is nothing to prevent Ofcom from now investigating whether the Murdoch empire is fit and proper to own the 40% of BSkyB shares that it owns?

Mr Hunt: Ofcom is at liberty to investigate the "fit and proper" issue in the Broadcasting Act 1990 at any time. It will have to investigate that issue to see whether it is relevant to the potential acceptance of any undertakings subsequent to a Competition Commission inquiry. Those issues will therefore be looked at thoroughly and carefully.

Keith Vaz (Leicester East) (Lab): Will the Secretary of State confirm that the Home Affairs Committee and the Culture, Media and Sport Committee, both of which have held inquiries into these matters, will be consulted about the terms of reference of the public inquiry? I have just received a letter from the Director of Public Prosecutions confirming his view on the law of phone hacking. I see that the Attorney-General is beside the Secretary of State. Is it the Government's view that we should take the narrow interpretation of the law, as championed by the Metropolitan police, or the wider interpretation, as championed by the DPP?

Mr Hunt: The right hon. Gentleman will understand that that question is slightly above my legal pay grade. It is not for the Government to take a view on that matter, but for the courts. If the courts take a view that is not consistent with what we want to see, we are at liberty, as a Parliament, to change the law to ensure that the courts interpret it in the way that we want.

Stephen Hammond (Wimbledon) (Con): The previous Administration ignored reports from the Information Commissioner about 300 journalists across the national media being involved in illicit practices to gain information. Will the Secretary of State confirm that the inquiry he is setting up today will look across the national media and consider wider issues than just phone hacking?

Mr Hunt: Absolutely; we need to look at the kind of problems we may face in the information age, which might be very different from the tragic problems that were reported last week. We will look at all those issues. We recognise that our press has some of the finest traditions in the world, but has fallen sadly short of them. We want to do everything possible to ensure that we go back to having the finest journalism in the world.

Mr Michael Meacher (Oldham West and Royton) (Lab): Given that the criteria for media plurality are so narrowly drawn that they exclude such critical issues as the capacity to distort competition through cross-promotion, price bundling and preventing rivals from advertising, why cannot the Secretary of State use the delay created by the police investigation and sorting through 150,000 responses to the consultation to modernise the criteria for media plurality, either through a one-clause Bill or through an amendment to the communications legislation?

Mr Hunt: The issue of media plurality is not as narrowly drawn as the right hon. Gentleman might think. All the issues he talked about can be considered in so far as they affect media plurality. What we cannot consider under the Enterprise Act 2002 are competition issues, which are considered separately. In this case, they were decided by the European Union. We recognise that the law on media plurality needs to be looked at. Some of the processes that have come to light in the past few months have caused Ofcom to question whether the law is right on protecting media plurality, which we all think is very important. We will consider that as part of the communications Bill that we propose to bring before the House in the second half of this Parliament.

Conor Burns (Bournemouth West) (Con): Did my right hon. Friend in recent days take any advice on the potential legal consequences had he, as Secretary of State, followed the advice given in public by the Leader of the Opposition? If he did seek such advice, did it suggest that had he followed the advice of the Leader of the Opposition, he would have sought to place himself above the law?

Mr Hunt: My hon. Friend is right that had I, as was suggested by the Opposition on a number of occasions, immediately referred the matter to the Competition Commission without going through due process, I would have exposed the Government to potentially successful judicial review. I think it is incredibly important, when people are concerned about newspapers putting themselves above the law, that the Government do not do so.

Mr David Winnick (Walsall North) (Lab): Can I bring the Secretary of State back to earlier questions? Is it not an amazing situation when an organisation admittedly involved in criminality can even be considered for further ownership of the media? No one outside this place can really understand that. It is surely a matter for punishment, not for being rewarded.

Mr Hunt: The hon. Gentleman will be relieved to know that there is indeed a very important responsibility to ensure that everyone who holds a broadcasting licence is fit and proper. However, that is a responsibility not for politicians but for the independent regulator, Ofcom, which I know will discharge its responsibilities very carefully in that respect.

Steve Baker (Wycombe) (Con): Do the Government agree with me that the best way to improve media plurality and break the excessive power that has led to such repulsive behaviour is to eliminate all barriers to entry into the media market?

Mr Hunt: We want to encourage investment in the UK media sector in any way we can. I have to admit that right now, how to do that has not been at the top of my mind, but I agree that we want to stimulate plurality. The arrival of the internet makes that possible in a much lower-cost way than would otherwise have been the case.

Mr Dennis Skinner (Bolsover) (Lab): Is it not convenient that this absent Prime Minister has been able to dodge the real questions—what did he know about criminal activities from Murdoch, when did he know it, and is it not time, based upon the British public's reaction, that we sent this non-tax-paying Murdoch back from whence he came and, for the final humiliation, got the Secretary of State for Energy and Climate Change to drive him to the airport? [Laughter.]

Mr Hunt: I am not sure how I can follow that, but suffice it to say that the hon. Gentleman has the chance every Wednesday to ask the Prime Minister any question that he chooses.

Jo Swinson (East Dunbartonshire) (LD): The Secretary of State understands the huge public concern not just about the plurality issues of the BSkyB takeover but about the criminal and unethical behaviour of Murdoch's News International. I welcome the Secretary of State's assurance that the "fit and proper person" test can be taken into account by the Competition Commission, but as he has said, it is Ofcom's responsibility. In a letter on Friday, it seemed to say that it was reluctant to act while police investigations were ongoing, for fear of prejudicing them. Can the Secretary of State

confirm that if the "fit and proper person" test cannot be resolved while the police are still investigating, he will make no decision until the criminal investigations are complete?

Mr Hunt: I have to inform my hon. Friend that I am not legally allowed to put a pause in the process until any criminal proceedings have come to a conclusion. However, I will take as much time as I need. I am very well aware of public concern on this issue. The Competition Commission will report in six months' time, and there will then be a subsequent period of intensive discussions. During that period I am very hopeful that we will properly resolve the "fit and proper person" issue, because I am aware of how important it is to Members of all parties.

Helen Goodman (Bishop Auckland) (Lab): One of the reasons for operating a positive vetting system in Whitehall is to see whether officials might be susceptible to blackmail. Following the horrific revelations from News International, it appears that Mr Coulson would be a prime candidate for blackmail. Was he positively vetted?

Mr Hunt: I am afraid that I do not know the answer to that question.

George Eustice (Camborne and Redruth) (Con): May I welcome the decision to review the regulation of the media, which is central, long-term, to raising standards and restoring faith in journalism? However, is the Secretary of State aware that for the best part of 10 years, Alastair Campbell invited the Labour party to do just that—to review the regulation of the media—but that it failed to do so throughout its term in office?

Mr Hunt: My hon. Friend is absolutely right, which is why, with the greatest respect, I think the Opposition have got their tone completely wrong this afternoon. We have an opportunity to do something that many Opposition Members in their hearts know should have been done a very long time ago. We are determined to do that, and I would encourage them to work with the Government to ensure that this time, we get it right.

Mr George Howarth (Knowsley) (Lab): In view of the fact that the Secretary of State has a quasi-legal responsibility in some of these matters, why is he making this statement?

Mr Hunt: Just because I have a quasi-judicial role does not mean that I am not able to announce to Parliament important developments in the exercise of that role, which is what I have done this afternoon with, I see, Mr Speaker's approval.

Mr Speaker: I was not expressing approval or disapproval; I was just nodding benignly, as is my way.

Greg Hands (Chelsea and Fulham) (Con): When it comes to the wider inquiry, could we ensure that the press practice of blagging is included? It appears to mean using subterfuge and pretence to gain access to confidential and other personal information, and it has been alleged of other newspapers, including by a journalist who now works for the Leader of the Opposition.

Mr Hunt: We must absolutely ensure that we do everything necessary to stamp out blagging. One of the most awful parts of this whole process is that we have discovered just how easy it is. In that respect, I would add that I believe that the role of phone companies is very important as well. They need to ensure that they are co-operating fully to ensure that it stops.

Mr David Hanson (Delyn) (Lab): Could the Secretary of State advise me—if he cannot do so today, he could report back in future—as to whether or not the Prime Minister or any member of the Government has discussed these extremely serious allegations with Mr Coulson, or with Rebekah Brooks, since his resignation from the Downing street office in January of this year?

Mr Hunt: The Prime Minister has said that he has not spoken to Andy Coulson since he resigned his position—[ Interruption. ]

Mr Speaker: Order. The House has heard what has been said—[ Interruption. ] Order. I call Mr Christopher Pincher.

Christopher Pincher (Tamworth) (Con): Does my right hon. Friend think that it is a great pity that the very fine and bipartisan speech made last Wednesday by the hon. Member for Rhondda (Chris Bryant) was not repeated today by the Leader of the Opposition? Does not the contrast between those two speeches demonstrate who is the better and more thoughtful man on this issue?

Mr Speaker: Order. I am sure that the Secretary of State will want to focus not on character assessment and comparisons in relation to it, but on phone hacking and the media.

Mr Hunt: Any character assessment should be done by someone independent—as we have been discovering, independence is important.

May I take this moment to correct what I said earlier to the right hon. Member for Delyn (Mr Hanson)? I believe that what the Prime Minister said was that he has not spoken to Andy Coulson recently.

Mr Denis MacShane (Rotherham) (Lab): I do not think that the Secretary of State or the Leader of the Opposition were in the House about a decade ago, when there were quite a lot of references to, and discussions about, the occult financing of the Tory party by the then Mr Michael Ashcroft in Belize. That was quite properly investigated by The Times newspaper. Since then, the now Lord Ashcroft has had his second chance—we should leave it at that. In the second inquiry, will the Secretary of State focus a bit on how we can have an ethics of journalism that protects not us, but the little person? Those are the ones who are destroyed by The Sun, The Mail on Sunday, the News of the World and all those foul practices.

Mr Hunt: I am not quite sure that I understand the first and second halves of the right hon. Gentleman's question, but let me just say that the second inquiry will absolutely concentrate on the ethics of the press. The lesson from last week is that what changed the public mood was the fact that phone hacking moved from being something that affected celebrities and politicians to something that tragically affected members of the public.

Alun Cairns (Vale of Glamorgan) (Con): Does the Secretary of State regret that such serious and grave matters have been used for party political point scoring? Will he reassure the House that the investigations from hereon in will still contain an invitation to the Leader of the Opposition to contribute constructively to such an important debate that is in all our interests?

Mr Hunt: I absolutely give that assurance to the House because we want to solve this problem. The Leader of the Opposition has to make up his mind whether he wants to continue with his party political posturing or tackle this problem in the national interest.

Toby Perkins (Chesterfield) (Lab): Is it not a disgrace that the Secretary of State has come here to make a statement without basic answers to the questions being asked? He does not even know about conversations between Andy Coulson and the Prime Minister that anybody who reads a paper would have known. Why is the Prime Minister not here? What is his engagement that is more important than this House?

Mr Hunt: The Prime Minister is not here because today we have had an incredibly important development in a decision for which I am responsible. I therefore thought it important, as did he, that I came to speak to the House.

John Cryer (Leyton and Wanstead) (Lab): The Secretary of State will be aware that, in his statement last Friday, the Prime Minister said that he commissioned a company to do a basic background check on Andy Coulson, but

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he omitted to name the company. I am sure that it was a perfectly innocent omission, but will the Secretary of State place those details in the Library of the House this afternoon?

Mr Hunt: I will pass on the hon. Gentleman's request to the Prime Minister.

Chi Onwurah (Newcastle upon Tyne Central) (Lab): I have a relatively simple question: did the Prime Minister's chief of staff, Ed Llewellyn, pass on details of the allegations of criminal activity to the Prime Minister? If the Secretary of State cannot answer that question, will he write to me to let me know?

Mr Hunt: The Prime Minister has said that he had no knowledge of any illegal activity by Andy Coulson before he offered him the job in Downing street.

Mr Michael McCann (East Kilbride, Strathaven and Lesmahagow) (Lab): You might recall, Mr Speaker, that on 27 April, I led an Adjournment debate in the House on the inadequacies of press self-regulation. Sadly that debate was very thinly attended. I learned from other Members afterwards that a lot of Members did not want to participate in case they were then targeted by the press. What reassurance can the Secretary of State give us that the review of press regulation will be free of intimidation?

Mr Hunt: The best reassurance I can give to the hon. Gentleman is the fact that the inquiry into illegal activity—and certainly the kind of pressure he is talking about would be illegal—will be conducted by a judge who will, without fear of favour, look at everything that has happened and make recommendations to ensure that it stops.

Helen Jones (Warrington North) (Lab): Further to the Secretary of State's answer to my right hon. Friend the Member for Delyn (Mr Hanson), now that he has said that the Prime Minister has not spoken to Andy Coulson "recently", will he undertake to place in the Library a log of any meetings and phone calls between the Prime Minister and Andy Coulson since his resignation from Downing street?

Mr Hunt: I will happily pass on the hon. Lady's request to the Prime Minister, who will make a decision on what he wishes to place on the public record.

Diana Johnson (Kingston upon Hull North) (Lab): Due to the confusion about who knew what and when in Downing street, is it not about time that the Minister for the Cabinet Office was asked to conduct a review and get to the bottom of who knew what and when?

Mr Hunt: With respect to the hon. Lady, we have two independent reviews, one of which is looking into all illegal and improper activity, and the other of which is looking into press ethics. I think that all the activities about which she is concerned will be covered.

Sheila Gilmore (Edinburgh East) (Lab): The Secretary of State indicated at the beginning of his statement that he had been late in preparing the statement because something had happened within the past half hour. He then went on to say that he was here instead of the Prime Minister because an important development had taken place. However, we were given to understand two or three hours ago that it would indeed be the Secretary of State making the statement. Surely these statements do not square.

Mr Hunt: Had News Corporation not withdrawn its undertakings half an hour before I spoke, I would have had another important announcement—one that is no longer valid—to make to the House about the operation of those undertakings. That is why the Prime Minister said that I was the appropriate person to make this statement.

Kerry McCarthy (Bristol East) (Lab): Little has been said today about the practice of journalists giving illegal backhanders to police officers and perhaps even to royal protection officers, which seems to be prevalent from the News of the World down to the smallest local paper. It is disappointing that the Home Secretary is not here for this debate. May we have assurances from the Secretary of State that before Parliament goes into recess we will get a statement from the Home Secretary about what actions she has taken to stamp out this practice and ensure that any police officers involved are held to account?

Mr Hunt: I hope that what I have announced today will reassure the hon. Lady, because we are having a judge-led inquiry that will look into all illegal and improper activities, including the kind of activities that she has mentioned. That inquiry will be statutory, and it will have the ability to compel witnesses, who will speak under oath, so we will get to the bottom of the kind of activities that she describes and ensure that we stamp them out.

Paul Blomfield (Sheffield Central) (Lab): Does the Secretary of State agree that it was wrong for ordinary staff at the News of the World to have been sacrificed in an effort by News International to protect those at the very top of the organisation who were really responsible for the scandal at that newspaper? Does he therefore agree that Rebekah Brooks should resign from her post forthwith?

Mr Hunt: I think everyone should be held to account for their actions, whether they are the people personally responsible for phone hacking or the people who authorised it.

#### Points of Order

5.10 pm

Chris Bryant (Rhondda) (Lab): On a point of order, Mr Speaker. One hon. Member has already referred to 11 March 2003. Also on that day, Andy Coulson and Rebekah Brooks appeared before the Culture, Media and Sport Select Committee and cited the Milly Dowler case as a prime example of good co-operation between the press and the police. In retrospect, that seems one of the most disgusting pieces of cynical manipulation of a Select Committee ever. In addition, there has subsequently been a series of lies by News International and by the Metropolitan police to Select Committees of this House. That means that Members from all parties have been led a merry dance. That is partly because witnesses are not required to give evidence on oath, and we are therefore unable to pursue someone for perjury if they have lied to a Select Committee.

There is now, however, going to be a judge-led inquiry in which the witnesses will have to give evidence on oath. Mr Speaker, can you ensure that it is perfectly possible for that inquiry to look at the issue of whether lies were told to Parliament, which might otherwise be covered by privilege—[ Interruption. ] I hear what the Clerk is saying, and I disagree with him. I urge you to disagree with him as well, because it is important that the judge-led public inquiry should be able to look at how Parliament could be so grossly misled, how Members could be intimidated and how people could refuse to give evidence. If that were to happen, we might come up with a stronger Parliament that is able to deal better with issues such as these in the future.

Mr Speaker: I am grateful to the hon. Gentleman for his point of order, but he is somewhat inclined to invest me with powers that I do not possess. Although it is generous of him to make that attempt, I think that in all wisdom, I should resist it. I will happily reflect on the particular points that he makes, but I would emphasise to him and to the House that there is a distinction between what the Chair can do and what the House as a whole can decide to do. The hon. Gentleman will know that a Member who wishes to raise a privilege complaint—he did not use those words, but I think that that concept was there in his point of order—is required to give me written notice. That is provided for on page 273 of “Erskine May”. I understand, as I think the House now will, that the Select Committees involved in this matter—the Home Affairs Committee and the Culture, Media and Sport Committee—are themselves pursuing the matter. As the hon. Gentleman also knows, the Chair does not intervene in matters before Committees of the House. I must also add that it is of course always open to a Committee to report to the House on any matter it wishes, but that is a matter for the Committee and not for the Chair to decide. I will leave it there for today.

Several hon. Members rose —

Mr Speaker: In a moment. Patience will be rewarded. I call Mr Hilary Benn.

Hilary Benn (Leeds Central) (Lab): On a point of order, Mr Speaker. Could you advise the House whether you received any indication earlier today from the Prime Minister as to why he was unable or unwilling to come to the House this afternoon to make the statement that we have just heard? His refusal to do so means that the House has had no opportunity to question him about these matters, whereas last Friday he gave the press the chance to do that in a press conference. Is not that a gross discourtesy to the House? Furthermore, given the number of questions asked of the Secretary of State this afternoon that he was unable to answer—I feel sorry for him, because he has been dumped in it—can you confirm that you would make time available later today for the Prime Minister to come to the House to make a statement if he can finally find the time and the will to do so?

Mr Speaker: I am grateful to the shadow Leader of the House for his point of order. The answer to his first question is no. I received no communication of the kind to which he referred. The second point that I would make to him is that it is always open to a Minister, if he or she so wishes, to come to the House at any time to make a statement on an important matter that is of interest both to the Government and to the House.

Sir Gerald Kaufman (Manchester, Gorton) (Lab): Further to that point of order, Mr Speaker. I have had cause on a number of occasions recently to draw your attention to the fact that Ministers have

made statements and held press conferences outside this House—they have done so on a considerable number of occasions now—and then come to the House either later or not at all. We have now had the latest and worst example of this. The Secretary of State for Culture, Olympics, Media and Sport said in his last answer that everyone should be held accountable for their actions. The one person who refuses to be accountable for his actions in this is the Prime Minister. That being so—while I recognise that although you do not have power, you do have a remit—what action will you take, Mr Speaker, to make it plain to this Government that it is totally unacceptable for them constantly to insult this House by making statements outside the House and then perhaps coming here as an afterthought?

Mr Speaker: I am grateful to the right hon. Gentleman for his point of order. First, I have repeatedly stressed—and I do so again—that important statements of policy, including changes of policy, should be made first to the House. Secondly, the Prime Minister, to whom the right hon. Gentleman referred, will be here in the House, if not before Wednesday, then on Wednesday to respond to questions. The right hon. Gentleman and other Members may seek to catch my eye on that occasion if they are so minded. Thirdly, he will have noticed that when statements are made, in an attempt always to protect the interests of the House as a whole—and in particular the interests of Back-Bench Members—I am inclined to let them run fully, so that Back Benchers have a full and unvarnished opportunity to question the Minister, whoever that Minister may be, and however senior he or she may be.

Paul Farrelly (Newcastle-under-Lyme) (Lab): Further to the earlier point of order, Mr Speaker. The Select Committee on Culture, Media and Sport has followed phone hacking tenaciously. In February last year we issued a report that found it inconceivable that only one rogue reporter at the News of the World knew about phone hacking. During that inquiry very senior people at the News of the World and News International testified that a so-called second investigation, in 2007, found no further evidence of wrongdoing, and News International's lawyers wrote us a letter confirming that. However, documents passed to the Metropolitan police by News International and held by those self-same lawyers now show that this was a blatant untruth. Several inquiries into this whole affair have already been announced, but it also prompts the question whether Select Committee powers should be made more effective—from giving powers of summons through to imposing consequences when witnesses mislead and lie with impunity. On behalf of the House, may I ask you, Mr Speaker, to give some thought not only to future reform to make Select Committee powers more effective, but to discussing the issue urgently, so that we can learn the lessons of this affair with the Government and urge them to bring forward reforms to put Select Committees in this House on a par with congressional committees in the United States?