

[Redacted]

From: SMITH, Adam
Sent: 07 January 2011 12:51
To: [Redacted]
Cc: [Redacted]
Subject: RE: News Corp/BSkyB Correspondence

I'm happy with this line thanks [Redacted]

From: [Redacted]
Sent: 07 January 2011 12:39
To: SPECIAL ADVISERS; SMITH, Adam
Cc: [Redacted]
Subject: News Corp/BSkyB Correspondence

Adam,
We are starting to receive letters from members of the public relating to the News Corporation merger with BSkyB (48 at the last count). No doubt MP cases will follow.

I am proposing to reply using the attached lines which have been drawn up with the help of Legal. Before we start sending them out, could you please confirm that you are content.

Many thanks

[Redacted]

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

[Redacted]

[Redacted]

From: SMITH, Adam
Sent: 10 January 2011 15:48
To: [Redacted] GEIST-DIVVER CAROLA; [Redacted]
Cc: KILGARRIFF PATRICK; ZEFF JON; SMITH KEITH; [Redacted]
[Redacted] MARTIN LINDA [Redacted] BEEBY, Sue
Subject: RE: NEWS CORP/BSKYB MERGER

We can't say anything different to Weber Shandwick than we do to any journalists that ask.

From: [Redacted]
Sent: 10 January 2011 15:41
To: [Redacted] GEIST-DIVVER CAROLA; [Redacted] SMITH, Adam
Cc: KILGARRIFF PATRICK; ZEFF JON; [Redacted]
[Redacted]
Subject: RE: NEWS CORP/BSKYB MERGER



We've now had the following questions from the Times:

- Has News been sent the Ofcom report now?
- Who else has the Ofcom report?
- What confidential discussions has news had with DCMS - are these discussions about remedies?
- Is News meeting ministers or just officials?
- Is there a date for meetings? Is there a date for a decision now?
- Will other parties be allowed to make representations?

If no-one objects, I think we should stick to the line agreed last week:

It is open to the SoS to take representations from whoever he chooses, but we are not providing a running commentary on what, if any, discussions he is having.

Thanks

[Redacted signature block]

Department for Culture, Media & Sport
Telephone: [Redacted]
Website: www.dcms.gov.uk

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: 10 January 2011 15:12
To: GEIST-DIVVER CAROLA; [Redacted] SMITH, Adam; [Redacted]

Cc: KILGARRIFF PATRICK; ZEFF JON; [redacted] MARTIN LINDA;

Subject: FW: NEWS CORP/BSKYB MERGER

Importance: High

Carola, [redacted] Adam, [redacted]

Please see the further correspondence from Weber Shandwick (who represent GMG, Trinity Mirror, BT, Associated Newspapers and Northcliffe). I understand from [redacted] that newspapers have already picked up the Sel Com communication below.

My inclination is to say to WS: "In the event that the Secretary of State is minded not to refer the matter to the Competition Commission, he will give your clients the opportunity to make further representations". More general press enquiries could be the same, prefaced with "We are not going to give a running commentary on this process. However, in the event...".

I don't think this gives anything away, though a more dead bat reply would be: "We will certainly be in touch if the Secretary of State decides he needs further information from your clients before he reaches a decision". I think the former is preferable; we should make a virtue of our wish to be even-handed and not allow the suspicion to grow that we are planning to do a backroom deal with News Corp.

Any thoughts?

I am copying to [redacted] in case he thinks we should clear this line with the SoS.

[redacted]

From: [redacted] (LDN-WSW) [mailto:[redacted]]

Sent: 10 January 2011 14:35

To: [redacted]

Subject: Re: NEWS CORP/BSKYB MERGER

Thanks [redacted]

I've seen the following (see below) from the Select Committee today. If News Corp are discussing remedies or similar with DCMS, I am certain that my clients would expect to be invited into the department to ensure that the arguments to the effect that remedies would not be effective are fully presented to provide proper context for any assurances being given by News Corp. I note that our earlier meeting was cancelled. Perhaps you could let me know when we might come in to discuss this.

Regards

[redacted]

From: "Culture, Media & Sport Committee" <CMSCOM@parliament.uk> Date: 10 January 2011 12:21:51 GMT To: "Culture, Media & Sport Committee" <CMSCOM@parliament.uk> Subject: Cancellation of News Corp Committee briefing Wednesday 12 January To all Members of the Committee News Corporation have informed us that they are now unable to brief the Committee on Wednesday because they expect to be fully engaged with the Ofcom Report and with confidential discussions with DCMS. There will, therefore, be no Committee meeting on Wednesday. Thursday's meeting with a coalition of media groups is still taking place. Keely Bishop Committee Assistant Culture, Media and Sport Committee Room 170, 7 Millbank London, SW1P 3JA 020 7219 6188

From: [redacted]
Sent: Thursday, January 06, 2011 09:49 AM
To: [redacted] (LDN-WSW)
Subject: NEWS CORP/BSKYB MERGER

Dear [redacted]

Good to speak to you. I have spoken to my lawyers and can confirm that the SoS is studying the report at the moment and is not at present seeking representations from parties opposed to the merger, but he is aware of all the representations made to the SoS BIS and to Ofcom

Best wishes,

[redacted signature box]

CMS
2-4 Cockspur Street
London SW1Y 5DH

W: [redacted]
M: [redacted]

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[Redacted]

From: SMITH, Adam
Sent: 14 January 2011 10:55
To: [Redacted]
Cc: KILGARRIFF PATRICK; GEIST-DIVVER CAROLA; MARTIN LINDA; [Redacted]
[Redacted] BEEBY, Sue
Subject: RE: MP letters on bskyb

Will change both bits.

Thanks.

From: [Redacted]
Sent: 14 January 2011 10:14
To: [Redacted] SMITH, Adam
Cc: KILGARRIFF PATRICK; GEIST-DIVVER CAROLA; MARTIN LINDA; PATEL RITA; [Redacted] BEEBY, Sue
Subject: RE: MP letters on bskyb

I'd be wary of suggesting that it's a process that Government is going through. That perhaps suggests that there's a political aspect to the decision, which we must guard against.

Perhaps "being followed by the Secretary of State, Jeremy Hunt", and then with the necessary alteration of the following paragraph?

[Redacted]

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

From: [Redacted]
Sent: 14 January 2011 10:07
To: SMITH, Adam
Cc: KILGARRIFF PATRICK; GEIST-DIVVER CAROLA; [Redacted] MARTIN LINDA; PATEL RITA; [Redacted]
BEEBY, Sue
Subject: RE: MP letters on bskyb

Looks fine.

Just a minor drafting point but, rather than suggest the SoS is role playing, you might want to say "Due to the SoS's quasi-judicial role, it is not possible...."

[Redacted]

From: SMITH, Adam
Sent: 14 January 2011 09:38
To: [Redacted] MARTIN LINDA; PATEL RITA; [Redacted] BEEBY, Sue
Cc: [Redacted] KILGARRIFF PATRICK; GEIST-DIVVER CAROLA
Subject: RE: MP letters on bskyb

So would we be happy with the following –

Thank you for getting in touch about the News Corp/BskyB transaction. I thought it would be helpful if I clarified the process that the Government is going through.

Ofcom delivered their report to the Secretary of State Jeremy Hunt on 31st December. He is now considering the report carefully. He has been clear that he will take as much time as necessary to come to a fully considered decision and he rightly believes that it is more important to come to the right decision rather than work to an arbitrary timescale. In taking this decision it is open to the Secretary of State to take representations however, it would detract from the decision making process to provide a running commentary on what, if any, discussions he is having. Jeremy will however, be publishing Ofcom's report but he has not taken a final decision about when this will happen. He has a statutory duty to publish it before or at the time of the announcement of his decision so it will be available for everyone to see at some point soon.

Due to the quasi-judicial role the Secretary of State is playing it is not possible to provide any further details at the moment but needless to say he is committed to reaching a decision in a fair and even-handed way. Further details about this process will be announced once the Secretary of State's decision has been made public.

Thank you.

From: [redacted]
Sent: 14 January 2011 08:48
To: MARTIN LINDA; SMITH, Adam; PATEL RITA; [redacted] BEEBY, Sue
Cc: [redacted] KILGARRIFF PATRICK; GEIST-DIVVER CAROLA
Subject: RE: MP letters on bskyb

I would be happier if we didn't say that it isn't possible to give a running commentary. It is possible, but, for sensible reasons, we've chosen not to. I think we could say something like, it's undesirable, or would detract from the decision to facilitate extra speculation by providing such a commentary.

In the final paragraph, we might want to refer to the "fair and even-handed" line we agreed yesterday.

[redacted]

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

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

From: MARTIN LINDA
Sent: 13 January 2011 22:17
To: SMITH, Adam; PATEL RITA; [redacted] BEEBY, Sue; [redacted]
Cc: [redacted]
Subject: Re: MP letters on bskyb

I think this is absolutely fine but, [redacted] grateful if you could double check. Thanks.

L

Linda Martin
Head of News
Department for Culture, Media and Sport

[redacted]

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

From: SMITH, Adam
To: PATEL RITA; [redacted] MARTIN LINDA; BEEBY, Sue

Sent: Thu Jan 13 20:38:24 2011
Subject: MP letters on bskyb

Lots of MPs have received an email about the perceived lack of transparency over the bskyb process. I have drafted lines below for them to use but do not want to send out any details which either a) the lawyers aren't happy with or b) press office and sue haven't already given.

Is it possible to check the below please. This is for them to reply to constituents with.

Thanks.

Ofcom delivered their report to the Secretary of State Jeremy Hunt on 31st December. He is now considering the report carefully. He has been clear that he will take as much time as necessary to come to a fully considered decision and he rightly believes that it is more important to come to the right decision rather than work to an arbitrary timescale. In taking his decision it is open to the Secretary of State to take representations however, it is not possible to give a running commentary on what, if any, discussions he is having.

Jeremy will be publishing Ofcom's report but he has not taken a final decision about when this will happen. He has a statutory duty to publish it before or at the time of the announcement of his decision. Further details about this process will be announced once the Secretary of State's decision has been made public.

Due to the quasi-judicial role the Secretary of State is playing it is not possible to provide any further details at the moment but needless to say he will be following the right and proper process at every step of the way.

[Redacted]

From: SMITH, Adam
Sent: 18 January 2011 14:07
To: [Redacted]
Cc: [Redacted]
Subject: RE: Fact Check

Great. Many thanks. Point taken on their press notices.

From: [Redacted]
Sent: 18 January 2011 14:01
To: SMITH, Adam
Cc: [Redacted]
Subject: RE: Fact Check

Adam

In the Sky/ITV case, it is true that the Ofcom report (with redactions) and also the OFT report were published at the time the Secretary of State announced his decision on a reference (24 May 2007).

However, there is a difference between that case and this in that Ofcom had issued a press release on the day they delivered their report to the Secretary of State (27th April 2007 - not 24th) - in which they made clear that Ofcom's advice to the Secretary of State was that the merger did raise public interest issues relating to plurality. The Ofcom press release can be found on the Ofcom website at the following address:

<http://media.ofcom.org.uk/2007/04/27/ofcom-completes-investigation-into-bskybs-shareholding-in-itv-plc/>

Similarly, the OFT issued a press release on 27 April 2007 setting out its findings on competition issues raised by the case. This is on the OFT website at: <http://oft.gov.uk/news-and-updates/press/2007/68-07>

[Redacted]

CCP BIS

[Redacted]

From: [Redacted]
Sent: 18 January 2011 13:16
To: SMITH, Adam
Cc: [Redacted]
Subject: RE: Fact Check
Importance: High

Adam,

Yep, that's my understanding. I am copying to [Redacted] in BIS in case he has anything to add.

[Redacted]

From: SMITH, Adam
Sent: 18 January 2011 13:12

To: [redacted]
Subject: Fact Check
Importance: High

[redacted]

I'm doing some prep for Oral Questions this for JH and wanted to check something. Having looked at the press releases from the ITV/BskyB case it appears that Ofcom and OfT reported on 24th April 2007, and then the decision was made by the SoS on 24th May 2007. And that the reports weren't published until the decision was made (see below). Would it be accurate for Jeremy to therefore say that under the last time government went through this process the reports weren't published until the SoS publicised his decision?

Thanks,

Adam

OFT press release of 27th April 2007

The OFT's report will also be made public no later than the same date and until such time the OFT will not release further details.

On 24 May 2007, the Department for Trade and Industry (DTI) announced that the Secretary of State for Trade and Industry has referred the acquisition by British Sky Broadcasting Group plc (BSkyB) of a 17.9% stake in ITV plc to the Competition Commission. The reference has been made under section 45(2) of the Enterprise Act 2002 on the basis that a relevant merger situation has been created which may be expected to result in a substantial lessening of competition and also that a public interest consideration (media plurality) is relevant to the consideration of the merger. The Secretary of State, therefore, considers that it is or may be the case that the relevant merger situation operates, or may be expected to operate, against the public interest. The reports of the Office of Fair Trading (OFT) and Office of Communications (Ofcom), providing advice to the Secretary of State, have also now been published.

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[Redacted]

From: SMITH, Adam
Sent: 21 January 2011 12:16
To: [Redacted] ZEFF JON; KILGARRIFF PATRICK;
GEIST-DIVVER CAROLA; BEEBY, Sue; [Redacted]
Cc: MARTIN LINDA [Redacted]
Subject: RE: PWS
Attachments: SB 20 01 11 - SoS statement on merger.DOCX

Some suggestions from both me and Sue in the attached.

From: [Redacted]
Sent: 21 January 2011 11:26
To: [Redacted] ZEFF JON; KILGARRIFF PATRICK; GEIST-DIVVER CAROLA; SMITH, Adam;
BEEBY, Sue; [Redacted]
Cc: MARTIN LINDA [Redacted]
Subject: RE: PWS

It is a may rather than a must. The must really derives from the overall scheme of competition law (which is that generally Government should not intervene in private transactions, and that if it does so for specific competition or plurality reasons, the intervention should be as minimal as possible to meet the problem which the transaction raises), and general public law duties of fairness.

I've made a couple of amendments. One of them addresses this point, and I've just phrased it as "it is right that I consider...".

[Redacted]

Legal Advisers to the Department for Culture, Media and Sport

Email: [Redacted]

From: [Redacted]
Sent: 21 January 2011 11:21
To: [Redacted] ZEFF JON; [Redacted] KILGARRIFF PATRICK; GEIST-DIVVER CAROLA; SMITH, Adam;
BEEBY, Sue; [Redacted]
Cc: MARTIN LINDA; [Redacted]
Subject: RE: PWS

I believe it is a "may" rather than "must", unfortunately, but no doubt lawyers will confirm.

[Redacted]

From: [Redacted]
Sent: 21 January 2011 11:10
To: [Redacted] ZEFF JON; [Redacted] KILGARRIFF PATRICK; GEIST-DIVVER CAROLA; SMITH, Adam;
BEEBY, Sue; [Redacted]
Cc: MARTIN LINDA; [Redacted]
Subject: RE: PWS

[Redacted]

A question on this line:

However, before doing so I am allowed under the statute to consider any undertakings in lieu

Is there any obligation for him to consider UIL, or is it right that he is simply allowed to? If there's an obligation it would be good to use that stronger language.

Thanks,

[Redacted]

From: [Redacted]

Sent: 21 January 2011 10:48

To: ZEFF JON; [Redacted] KILGARRIFF PATRICK; GEIST-DIVVER CAROLA; SMITH, Adam; BEEBY, Sue;

[Redacted]

Cc: [Redacted] MARTIN LINDA; [Redacted]

Subject: PWS

Importance: High

Dear all,

Attached is a draft statement for use next week. Grateful for any comments. Could [Redacted] check the meeting dates and add the missing ones, please.

[Redacted]

DCMS
2-4 Cockspur Street
London SW1Y 5DH

W: [Redacted]
M: [Redacted]

[Redacted]

From: SMITH, Adam
Sent: 24 January 2011 10:05
To: ZEFF JON; KILGARRIFF PATRICK; [Redacted]
Cc: [Redacted] BEEBY, Sue
Subject: WMS
Attachments: WRITTEN STATEMENT.docx

Following conversation with Jeremy below is a revised statement for consideration. This will obviously need fact checking on timelines and sections of Enterprise Act that I have put in but this is essentially a version of he would like the statement to say based on our discussion this morning.

Adam

[Redacted]

From: SMITH, Adam
Sent: 24 January 2011 18:54
To: [Redacted] BEEBY, Sue; [Redacted]
Cc: ZEFF JON; [Redacted]
Subject: RE: Q's on merger announcement

Can we also make sure the WMS and press statements reflect the changes below, particularly the one that says "mitigate or prevent". That wording sounds better to me and if that's what we're saying in the Q&A we should also say it in the statement itself.

From: [Redacted]
Sent: 24 January 2011 18:51
To: BEEBY, Sue; [Redacted]
Cc: ZEFF JON; SMITH, Adam; [Redacted]
Subject: RE: Q's on merger announcement

ie,
I've made some amendments in bold and strikethrough below. I've bracketed information about the meeting with Sky; up to you guys if you want to include it, but I think it probably sends the right message to say that we offered to meet with them as well.

As a clarification, the legislation does not oblige Jeremy to consider the UILs, but general public law duties of fairness do.

[Redacted]

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

From: BEEBY, Sue
Sent: 24 January 2011 18:42
To: [Redacted]
Cc: [Redacted] ZEFF JON; SMITH, Adam; [Redacted]
Subject: RE: Q's on merger announcement

All
Have extended both Qs and As. Please can you check you are happy from a legal/policy point of view.
Thanks
Sue

Why are you publishing this report now?
The Secretary of State always said he would publish the Ofcom report when he had made a decision about whether to refer the bid to the Competition Commission. After considering the report and submissions from both News Corporation and Sky, in line with **his obligations to consult the merging parties under**

Section 104 of the Act, the SOS has concluded that the merger should be referred to the Competition Commission, subject to discussions on Undertaking in lieu (UIL).

What does the Ofcom report say?

The Ofcom report recommends that the merger is referred to the Competition Commission on plurality grounds.

Why has it taken so long to come to a decision?

Under the relevant legislation, the Secretary of State is obliged to consult with "adversely affected parties" before making a decision to refer. That process takes time and that is why we are only in a position to publish our decision today.

Doesn't this just demonstrate that Jeremy Hunt is biased in favour of News Corporation?

No. The SOS has been clear that he is minded to refer the bid as it currently stands to the Competition Commission. Only if News Corporation proposes remedies that address Ofcom's plurality concerns will the SOS consider not referring the bid and only then after a 15 day public consultation.

What was discussed at the meetings he had with News Corporation? Will you publish the minutes of these meetings?

All meetings took place in an official capacity with departmental officials presents and minutes taken. However, it is not appropriate to publish minutes of the meetings while the process is still underway.

Why did he meet Ofcom after telling News Corporation he was minded to refer the transaction to the Competition Commission? Shouldn't he have sought clarification from Ofcom first?

The SOS wanted to be clear on all points raised in the Ofcom report before receiving submissions from News Corporation and Sky.

Did the Prime Minister discuss the transaction when he met James Murdoch?

Any meetings the PM may or may not have had are inconsequential to this decision because the SOS is making the decision on his own, in a quasi-judicial role, and therefore wouldn't consult cabinet colleagues.

Did Jeremy Hunt discuss his decision with the Prime Minister?

The SOS is making the decision on his own, in a quasi-judicial role, and therefore hasn't consulted cabinet colleagues.

Are you publishing in response to pressure from x, y, z?

No. The SOS has been clear that he wanted to follow due process so any decision he makes is legally robust. The publication of the report is just the next step of that process.

Why have you removed some information from the Ofcom report?

Because it is commercially sensitive and/or confidential.

Who has the SoS met from News Corp and BSkyB during this process?

The SOS has met representatives of News Corp and Ofcom as part of this process. **(The SOS also offered meetings to BSKyB, but has not in fact met them)**

Has he had any separate conversations with X, Y, Z during this process?

All meetings took place in an official capacity had officials present and were minuted. All meetings are set out in the press statement.

What are the proposed undertakings? Will you publish them?

If the SOS concludes that the UILs will **mitigate or** prevent the merger from having effects adverse to the public interest, he will publish them for a formal 15 day consultation period during which time all interested parties will be able to express their views.

Are you consulting with representatives of the opposing parties? If not, why not?

See above

Why weren't representatives from opposing parties consulted before you agreed to look at remedies?

The Enterprise Act states that the SOS only has to consult **the parties who are subject to the possible reference to the Competition Commission** "~~adversely affected parties~~". Throughout this process the SOS ~~has been minded to refer the decision to the Competition Commission and so the "adversely affected parties" have been News Corp and BSKyB.~~ However, if he concludes that the UILs will prevent the merger from having effects adverse to the public interest, he will publish them for a formal 15 day consultation period during which time all interested parties will be able to express their views.

This is just stitching up a deal in private – surely you should refer to the CC now and only talk about remedies once they've looked at the case?

~~As set out in the legislation~~ The SOS is looking at any undertakings in lieu to see if they would **mitigate or** prevent the merger from having effects adverse to the public interest before making a decision about whether to refer the merger to the Competition Commission. The SOS has asked both Ofcom and the OFT to be involved in ensuring the UIL are robust and meet the plurality concerns set out in the Ofcom report.

Why don't you publish the proposed remedies? I thought you wanted to be transparent?

The SOS will publish the UILs for consultation if he thinks they will prevent the merger from having effects adverse to the public interest **and therefore proposes to accept them.**

As Jeremy has always said his main concern is that he reaches his decision in a fair and even-handed way which is transparent and ensures that all concerns are properly considered.

From:

Sent: 24 January 2011 16:48

To:

Cc: ZEFF JON; BEEBY, Sue; SMITH, Adam;

Subject: RE: Q's on merger announcement

Here are some draft As for the Qs below.

can you prove the names of the News Corp delegations (see below)?

From:
Sent: 24 January 2011 12:11
To:
Subject: RE: Q's on merger announcement

We've put together a few of the likely questions we'll be asked. Are you able to help with some As please?

Also, have you agreed on a title / time for laying the title of the WMS this pm? We will also need an answer to the question 'what is that about'!

Will add more as we think of them.

Thanks,

From:
Sent: 21 January 2011 17:46
To:
Subject: Q's on merger announcement

Why are you publishing this report now?

Because I have concluded that the merger should be referred to the Competition Commission, subject to discussions on Undertaking in lieu (UIL).

Are you publishing in response to pressure from x, y, z?

No.

Why have you removed some information from the Ofcom report?

Because it is commercial sensitive and/or confidential.

Who has the SoS met from News Corp and B SkyB during this process?

I met

Has he had any separate conversations with X, Y, Z during this process?

I have also met Ofcom. All relevant meetings to date are referred to in the statement.

What are the proposed undertakings? Will you publish them?

If I conclude that the UILs will prevent the merger from having effects adverse to the public interest, I will publish them for a formal 15 day consultation period during which time all interested parties will be able to express their views.

Are you consulting with representatives of the opposing parties? If not, why not?

See above

This is just stitching up a deal in private – surely you should refer to the CC now and only talk about remedies once they've looked at the case?

The legislation allows me to look at undertakings in lieu before referring the merger to the Competition Commission if I believe that they would prevent the merger from having effects adverse to the public interest.

Why don't you publish the proposed remedies? I thought you wanted to be transparent?

I will publish the UILs for consultation if I think they will prevent the merger from having effects adverse to the public interest. That is why I am asking Ofcom and the OFT to look at them.

My main concern is that I reach my decision in a fair and even-handed way which is transparent and ensures that all concerns are properly considered.

Why have you taken so long? Ofcom advice was absolutely clear that you should refer.

Under the relevant legislation, I can look at undertakings in lieu before referring the merger to the Competition Commission. That is why I am asking Ofcom and the OFT to look at them.

Department for Culture, Media & Sport

Telephone:

Website: www.dcms.gov.uk

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.

[Redacted]

From: SMITH, Adam
Sent: 26 January 2011 10:49
To: [Redacted]
Cc: [Redacted]
Subject: RE: Outstanding PQ on News Corp/BSkyB

Yes thanks

From: [Redacted]
Sent: 26 January 2011 10:48
To: SMITH, Adam
Cc: [Redacted]
Subject: FW: Outstanding PQ on News Corp/BSkyB

Hi Adam,

[Redacted] absence, are you content with this PQ answer as amended by Sue. If so I'll get it moving.

Thanks

[Redacted]

From: BEEBY, Sue
Sent: 25 January 2011 16:59
To: [Redacted] SMITH, Adam
Cc: [Redacted]
Subject: RE: Outstanding PQ on News Corp/BSkyB

Hi

Suggested change...

"All relevant correspondence up until 24th January 2010 has been published in the written statement of 25th January 2010. Any correspondence after this date will be published at the time I reach my decision."

Thanks
Sue

From: [Redacted]
Sent: 25 January 2011 16:55
To: BEEBY, Sue; SMITH, Adam
Cc: [Redacted]
Subject: RE: Outstanding PQ on News Corp/BSkyB

Adam, Sue,

Please see the PQ below. There has been no such correspondence but, to avoid being boxed in, I suggest we say:

"All relevant correspondence up until 24th January 2010 has been published in the written statement of 25th January 2010. Any correspondence after this date will be published at the time I reach my decision."

Any comments?

From:

Sent: 25 January 2011 10:55

To:

Subject: Outstanding PQ on News Corp/BSkyB

Hi

We have a PQ asking for details of correspondence between the SoS and Rupert Murdoch about the takeover. I have referred to the statement for the answer, but this doesn't really answer the question. Happy to discuss.

Regards

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

[Redacted]

From: SMITH, Adam
Sent: 26 January 2011 16:11
To: [Redacted]
Cc: [Redacted] KILGARRIFF PATRICK; GEIST-DIVVER CAROLA; ZEFF JON; BEEBY, Sue; [Redacted]
Subject: RE: IMMEDIATE: NEWS CORP BSKYB PROPOSED MERGER - NEXT STEPS

Thanks [Redacted] I'm happy for this to go to Jeremy straight away as I think he might be around to sign it off.

Thanks again.

Adam

From: [Redacted]
Sent: 26 January 2011 16:01
To: SMITH, Adam
Cc: [Redacted] KILGARRIFF PATRICK; GEIST-DIVVER CAROLA; ZEFF JON; BEEBY, Sue; PATEL RITA
Subject: RE: IMMEDIATE: NEWS CORP BSKYB PROPOSED MERGER - NEXT STEPS

Hi Adam,

We spoke.

I would be grateful if you could take a further look of the complete submission before it goes forward to the SoS.

Regards

[Redacted]

From: SMITH, Adam
Sent: 26 January 2011 15:45
To: [Redacted] KILGARRIFF PATRICK; GEIST-DIVVER CAROLA; ZEFF JON; BEEBY, Sue; PATEL RITA
Cc: [Redacted]
Subject: RE: IMMEDIATE: NEWS CORP BSKYB PROPOSED MERGER - NEXT STEPS

Thanks [Redacted] I'm not sure that the second reference back to Ofcom is what Jeremy had in mind. If we've had their initial thoughts on the plurality issue and they've been involved in the OFT work I'm not we need to go back to them again. This would presumably reduce the timetable by a few days.

From: [Redacted]
Sent: 26 January 2011 14:43
To: SMITH, Adam; [Redacted] KILGARRIFF PATRICK; GEIST-DIVVER CAROLA; ZEFF JON; BEEBY, Sue; PATEL RITA
Cc: [Redacted]
Subject: RE: IMMEDIATE: NEWS CORP BSKYB PROPOSED MERGER - NEXT STEPS

Adam

Please see attached an indicative time frame, giving the timings we discussed earlier. I noted that at the end of the time we hadn't built in time for, if suggestions were made which might lead to modifications of the

undertakings, a further period of consultation. I don't think that's awfully likely, but I thought it worth mentioning.



Legal Advisers to the Department for Culture, Media and Sport

Email: [Redacted]

From: SMITH, Adam

Sent: 26 January 2011 11:26

To: [Redacted] KILGARRIFF PATRICK; GEIST-DIVVER CAROLA; ZEFF JON; BEEBY, Sue; PATEL RITA

Cc: [Redacted]

Subject: RE: IMMEDIATE: NEWS CORP BSKYB PROPOSED MERGER - NEXT STEPS

That would be great thanks [Redacted]

From: [Redacted]

Sent: 26 January 2011 11:16

To: SMITH, Adam; [Redacted] KILGARRIFF PATRICK; GEIST-DIVVER CAROLA; ZEFF JON; BEEBY, Sue; PATEL RITA

Cc: [Redacted]

Subject: RE: IMMEDIATE: NEWS CORP BSKYB PROPOSED MERGER - NEXT STEPS

Adam,

A couple of suggestions (in red) below. I've included the practical viability of the undertakings, as the OFT will consider that as well as the financial viability (this could be, for example, whether it would be possible to monitor compliance with the undertakings).

I've also copied in [Redacted], who, in [Redacted] absence, may be asked to draft the letter to the OFT (and copied him in on the submission). Do you want the timeline adjusted in the submission to reflect our discussions?



Legal Advisers to the Department for Culture, Media and Sport

Email: [Redacted]

From: SMITH, Adam

Sent: 26 January 2011 10:59

To: [Redacted] KILGARRIFF PATRICK; GEIST-DIVVER CAROLA; ZEFF JON; [Redacted] BEEBY, Sue; PATEL RITA

Subject: RE: IMMEDIATE: NEWS CORP BSKYB PROPOSED MERGER - NEXT STEPS

I have amended [Redacted] draft letter to Ofcom (below) to reflect the discussion we had this morning but would be grateful if others could check they are happy with it.

We also discussed sending the section 93 letter to the OFT today as well. Is it therefore possible please Jon for someone to draft this so that we can put it to Jeremy at the same time as this advice? We talked about a 2 week deadline for the OFT's work on the understanding that if they needed more we could give it at a later date but it

would be good if that could be confirmed too. Finally, we discussed News Corporation's involvement and agreed that it seemed best to get them and the OFT together at some point soon.

Rita – is Jeremy around later to approve/discuss this once it's all done?

Thanks,

Adam

NEWS CORP/BSKYB PROPOSED MERGER: NEXT STEPS

I announced on Tuesday that I intend to refer the above merge to the Competition Commission but, before doing so, will consider undertakings in lieu offered by News Corporation which could have the potential to prevent or otherwise mitigate the potential threats to media plurality identified in the Ofcom report.

In accordance with section 106B of the Enterprise Act, I am therefore writing to ask you for advice on the extent to which you think that the News Corp undertakings in lieu (enclosed) address the potential impact on media plurality identified in Ofcom's report. I would be grateful if you could provide me with your assessment within a week of receipt of this letter.

I would like your advice to focus on the issue of media plurality rather than on the practical and financial viability of the undertakings as I have today also written to the OFT, ~~as the expert regulator on these issues~~, under Section 93 of the Enterprise Act asking them for their views on this aspect. I have also asked them to negotiate undertakings in lieu on my behalf with News Corporation and would anticipate that should they require Ofcom's assistance with this you will be able to help.

[My officials are obviously on hand to provide any clarification or assistance you may need throughout this process]

From: [redacted]

Sent: 25 January 2011 16:53

To: ZEFF JON; [redacted] SMITH, Adam; BEEBY, Sue

Cc: STEPHENS JONATHAN; [redacted] KILGARRIFF PATRICK; GEIST-DIVVER CAROLA; MARTIN LINDA;

Subject: IMMEDIATE: NEWS CORP BSKYB PROPOSED MERGER - NEXT STEPS

Importance: High

Dear all,

Please see a draft submission on next steps.

OFT have suggested an early tri-partite meeting referred to in the attached but I am coming to the view that this would make more sense after we have the Ofcom report. It also helpfully differentiates the respective roles of the two organisations.

Presumably we have to ask News Corp and Sky formally for permission to release their confidential representations to the OFT, though I can't see how they can refuse.

Comments asap – would like this tonight if possible.

DCMS
2-4 Cockspur Street
London SW1Y 5DH

W:
M:

[Redacted]

From: SMITH, Adam
Sent: 26 January 2011 18:13
To: [Redacted]
Cc: [Redacted] BEEBY, Sue
Subject: RE: Further PQ

Can we change the final line to be "It would not being appropriate to do so whilst the process was ongoing but that I will publish all relevant documentation, including minutes of meetings, as soon as I am able."

Sue will double check it first thing tomorrow too.

From: [Redacted]
Sent: 26 January 2011 13:56
To: SMITH, Adam
Cc: [Redacted]
Subject: RE: Further PQ

Hi Adam,

I wonder if you could confirm whether you are happy, or have any comments about the draft answer to the latest PQ on News Corp/BSkyB.

Q. \$25012011|88|W|27012011|John McDonnell|Hayes and Harlington|To ask the Secretary of State for Culture, Olympics, Media and Sport, if he will place in the Library copies of the minutes of his meetings with News Corporation on 7 and 20 January 2011.|37026 Peru – Media ORDINARY WRITTEN PQ DUE BACK WITH PB BY 12 NOON FRIDAY 28TH JANUARY

A. I wish to continue to be as open as possible whilst respecting confidential and commercial interests. I will publish all relevant documentation, including minutes of meetings, as fully as I am able at the appropriate time.

Many thanks

[Redacted]

From: [Redacted]
Sent: 26 January 2011 13:18
To: [Redacted]
Cc: [Redacted]
Subject: RE: Further PQ

Some amendments below. I don't like "subject to Freedom of Information Act criteria". Should we run this past Adam?

[Redacted]

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

From: [redacted]
Sent: 26 January 2011 12:43
To: [redacted]
Cc: [redacted]
Subject: Further PQ

[redacted]

Further to the FOI meeting, I have put together a draft answer for the latest PQ.

Q. \$25012011|88|W|27012011|John McDonnell|Hayes and Harlington|To ask the Secretary of State for Culture, Olympics, Media and Sport, if he will place in the Library copies of the minutes of his meetings with News Corporation on 7 and 20 January 2011.|37026 Peru – Media ORDINARY WRITTEN PQ DUE BACK WITH PB BY 12 NOON FRIDAY 28TH JANUARY

A. I wish to continue to be as open as possible whilst respecting confidential and commercial interests. I will publish all relevant documentation, including minutes of meetings, as fully as I am able ~~subject to Freedom of Information Act criteria~~, at the appropriate time.

Grateful for your comments please by 3pm tomorrow ([redacted] - let us know if you need the answer sooner).

Regards

[redacted]

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

[redacted]

[Redacted]

From: SMITH, Adam
Sent: 27 January 2011 08:51
To: [Redacted] ZEFF JON; [Redacted] GEIST-DIVVER CAROLA
Cc: [Redacted] KILGARRIFF PATRICK; [Redacted]
Subject: RE: URGENT: ACTION BEFORE BSKYB LETTERS ARE SENT

Jon and I just discussed this. Very happy with the drafting changes as below and think a quick sharing of the letters is fine. It may also be worth giving them a ring to book in the tripartite meeting early next week too. One thing Jeremy doesn't want to change at this stage though is the timing so please keep that as it is. And we do also need to make sure they get the letters at some point today.

Many thanks.

Adam

From: [Redacted]
Sent: 27 January 2011 08:43
To: ZEFF JON; [Redacted] GEIST-DIVVER CAROLA
Cc: [Redacted] KILGARRIFF PATRICK; [Redacted] SMITH, Adam; [Redacted]
Subject: RE: URGENT: ACTION BEFORE BSKYB LETTERS ARE SENT

Jon,

I certainly have no issues with the Ofcom letter being changed to align with the OFT letter. Apologies for not picking this up, but I think it was a last minute change to the OFT letter.

Also no issues with sharing the letters in draft with Ofcom and the OFT.

[Redacted]

Legal Advisers to the Department for Culture, Media and Sport

Email: [Redacted]

From: ZEFF JON
Sent: 26 January 2011 19:52
To: [Redacted] GEIST-DIVVER CAROLA
Cc: [Redacted] KILGARRIFF PATRICK; [Redacted] SMITH, Adam; [Redacted]
Subject: URGENT: ACTION BEFORE BSKYB LETTERS ARE SENT
Importance: High

Two points, as just discussed with Carola

- a) Re. the Ofcom draft, it doesn't feel quite right to say SofS is asking OFT "to negotiate UIIs on my behalf with News Corporation" – and it's not consistent with the OFT letter, which feel more accurate to me? Could we substitute language much closer to the OFT draft?
- b) If not done already, I think we must share the letters in draft with Ofcom/OFT before they are sent. Ed Richards left me a very concerned-sounding voicemail earlier on – I note Adam has since had a reassuring

conversation with him, but it's really important to make sure we've flushed out any concerns they may have about the process before Jeremy writes.

Not in the office tomorrow/Friday but contactable by mobile/blackberry

Jon

From: [redacted]
Sent: 26 January 2011 18:00
To: GEIST-DIVVER CAROLA
Cc: [redacted] KILGARRIFF PATRICK; ZEFF JON; [redacted] SMITH, Adam; [redacted]
Subject: RE: FW: IMMEDIATE: NEWS CORP BSKYB PROPOSED MERGER - NEXT STEPS

Many thanks, Carola. We're happy with these changes.

We're going to send the letters by courier first thing tomorrow morning.

[redacted] please can you confirm which documents need to be sent out with these letters?

[redacted] please can we get these letters typed up?

Many thanks,

[redacted]

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

Tel: [redacted]

From: GEIST-DIVVER CAROLA
Sent: 26 January 2011 17:47
To: [redacted]
Cc: [redacted] KILGARRIFF PATRICK; ZEFF JON; [redacted]
Subject: RE: FW: IMMEDIATE: NEWS CORP BSKYB PROPOSED MERGER - NEXT STEPS

[redacted]

[redacted] I think we ought to make two small changes, which I've tracked and explained in the comments boxes.

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]

From: [redacted]
Sent: 26 January 2011 17:21
To: GEIST-DIVVER CAROLA
Cc: [redacted] KILGARRIFF PATRICK; ZEFF JON
Subject: FW: FW: IMMEDIATE: NEWS CORP BSKYB PROPOSED MERGER - NEXT STEPS
Importance: High

Hi Carola,

We spoke – please see the attached letters which the SoS has amended slightly. I am content with the changes, but I would be grateful if you could cast your lawyers eye over them, just to be sure.

Can you reply direct to

Thanks

From:
Sent: 26 January 2011 17:02
To:
Subject: FW: FW: IMMEDIATE: NEWS CORP BSKYB PROPOSED MERGER - NEXT STEPS
Importance: High

Hi

The SoS has amended the letters – please see below. Are you content?

Would you mind putting these back into a Word document again? I can then get them typed up. JH has played round with the format, and I want to get this absolutely right!

Many thanks,

Private Secretary to the Secretary of State
Department for Culture, Media and Sport
Tel:

From: Jeremy Hunt
Sent: 26 January 2011 16:44
To:
Subject: Re: FW: IMMEDIATE: NEWS CORP BSKYB PROPOSED MERGER - NEXT STEPS

Hi

Have amended the letters below. Think we should give Ofcom two weeks as well otherwise people will ask why we are giving them less time than the OFT.

To: Jeremy Hunt

From:
Team: media
Tel:
Date: 26/01/2011

NEWS CORP BSKYB PROPOSED MERGER: NEXT STEPS

Issue

Next steps on proposed News Corp/BSkyB merger.

Recommendation

That you agree:

- To write immediately to Ofcom and the OFT sending them a copy of the more developed version of the UILs received today from News Corp. The letter to Ofcom asks them for a report on the extent to which the UILs have the potential to prevent or otherwise mitigate the merger from having effects adverse to the public interest (draft at Annex A). The letter to the OFT asks them to consult with both merging parties with a view to discovering whether those undertakings would, in terms of practical and financial viability, be acceptable to you.
- That Officials meet with OFT as soon as possible to discuss process and timetable.

Timing

Immediate.

Advice

A very provisional timeline is attached which suggests that the process could take around two months, and probably bit longer (as it makes no allowances for weekends). Moreover this assumes that Ofcom can produce a report within a week, although Ofcom officials have indicated to me that their best guess at this stage is that this work will take "weeks rather than days". Furthermore, the letter to the OFT asks for a report within 2 weeks, however officials at the OFT have reservations about meeting this deadline, their main concern being that they have not seen the full Ofcom report, nor been privy to the undertakings in lieu. The letter to the OFT acknowledges the tight deadline and recommends a meeting with officials as soon as possible at which time the OFT can flag up any serious doubts they have with the timetable.

You will also want to consider when in this process would be the best time to have a meeting with News Corp.

Clearance

This has been cleared by Jon Zeff

- cc.
Jonathan Stephens
Jon Zeff
Patrick Kilgarriff
Linda Martin
Carola Geist-Divver



Ed Richards
Chief Executive,
Ofcom
Riverside House
Southwick Bridge Road

NEWS CORP/BSKYB PROPOSED MERGER: NEXT STEPS

I announced on Tuesday that I intend to refer the above merger to the Competition Commission but, before doing so, will consider undertakings in lieu offered by News Corporation which could have the potential to prevent or otherwise mitigate the potential threats to media plurality identified in the Ofcom report.

In accordance with section 106B of the Enterprise Act, I am therefore writing to ask you for advice on the extent to which you think that the enclosed News Corp undertakings in lieu (UILs) address the potential impact on media plurality identified in Ofcom's report. I would be grateful if you could provide me with your assessment within two weeks of receipt of this letter.

I would like your advice to focus on whether the UILs address the potential impact on media plurality that you raised in your report delivered on 31 December 2010. Separately I have written to the OFT under Section 93 of the Enterprise Act asking them for their views on the practical and financial viability of any proposals made. I have also asked them to negotiate UILs on my behalf with News Corporation and would anticipate that should they require Ofcom's assistance with this you will be able to help.

[My officials are obviously on hand to provide any clarification or assistance you may need throughout this process]

Jeremy Hunt

**John Fingleton
Chief Executive
Office of Fair Trading
2 – 6 Salisbury Court
London**

NEWS CORP/BSKYB PROPOSED MERGER: NEXT STEPS

I announced on Tuesday that I intend to refer the above merger to the Competition Commission but, before doing so, will consider undertakings in lieu (UILs) offered by News Corporation which could have the potential to prevent or otherwise mitigate the potential threats to media plurality identified in the Ofcom report.

In accordance with Section 93 of the Enterprise Act, I am therefore writing to ask you to consult with both merging parties with a view to discovering whether those undertakings are in your view practically and financially viable. I would like you to let me know your view on this within 2 weeks, but I suggest my officials to meet with you or your officials at the earliest opportunity to discuss an appropriate timetable.

I have also written today to Ofcom to ask them for their advice on the potential impact of the UILs on the concerns they raised about media plurality in their report delivered to me on 31 December 2010. I have also asked that Ofcom provide any assistance you might require in considering the UILs.

I enclose a confidential version of Ofcom's report in order that you are aware of the issues which this merger raises, together with a draft of the undertakings offered by News Corporation. Whilst Ofcom are considering plurality issues, I would be grateful if you could consider if there are any practical issues which could undermine the operation of the undertakings and whether they would be effective over the medium and long term. I understand that, of necessity, this will be a somewhat iterative process between the OFT, Ofcom, and my officials, as well as involving consultation with the merging parties who may agree to vary their undertakings to meet any specific concerns you raise.

Jeremy Hunt

(Very) Provisional Timeline

- Day 1** SoS writes to the OFT and Ofcom asking for advice on News Corp's undertakings in lieu.
- Day 3** meeting with the OFT, Ofcom and DCMS officials to discuss process
- Day 15** Ofcom give advice to SoS on News Corp's undertakings in lieu
- Day 15** OFT advise on efficacy of UILs
- Day 17** SoS decide whether to refer or consult on the UILs
- Day 18** If he decides to consult, start of consultation period
- Day 33** Deadline for comments on consultation
- Day 38** Final decision on referral (unless acceptable modifications suggested, in which case a further 7 day consultation period)

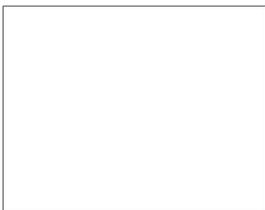
On 26 January 2011 16:30, wrote:

Hi Jeremy

Please find attached letters to Ofcom and the OFT regarding the News Corp/BSkyB merger.

Officials are v keen to get these out this evening. If you're content with the text, we'll send them out using your electronic signature.

Thanks v much



Private Secretary to the Secretary of State

Department for Culture, Media and Sport

Tel:

From:

Sent: 26 January 2011 16:18

To: PATEL RITA; SECRETARY OF STATE'S OFFICE

Cc: KILGARRIFF PATRICK; GEIST-DIVVER CAROLA; ZEFF
ON; BEEBY, Sue; SMITH, Adam; SPECIAL ADVISERS; STEPHENS JONATHAN

Subject: IMMEDIATE: NEWS CORP BSKYB PROPOSED MERGER - NEXT STEPS

Importance: High

Please find attached a submission and 2 draft letters for the SoS to approve.

Please note there are confidential attachments to the letters, which I will obtain and have ready to send out when the letters are agreed.

Regards



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[Redacted]

From: SMITH, Adam
Sent: 27 January 2011 13:54
To: [Redacted]
Cc: ZEFF JON; BEEBY, Sue; [Redacted]
Subject: RE: Timetable

Looks fine to me. I'm happy with us being as open as we can. He has been pushing me quite hard as they want to see the OFT asap. I would outline the below and perhaps say we'll know more about when that will happen after the meeting on Monday.

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

From: [Redacted]
Sent: 27 January 2011 13:49
To: SMITH, Adam
Cc: ZEFF JON; BEEBY, Sue; [Redacted]
Subject: FW: Timetable
Importance: High

Adam,

Any views how much we can sensibly tell Fred? I would have thought we can say:

formally writing to OFT and Ofcom today;

meeting with both on Monday to discuss process and timetable;

meetings with News Corp will follow on from this.

everyone is keen to expedite this but impossible to talk about firm deadlines at this stage

Anything more feels like a hostage to fortune, especially any reference to the 2 weeks.

[Redacted]

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

From: Michel, Frederic [mailto:f[Redacted]]
Sent: 27 January 2011 11:02
To: ZEFF JON
Cc: SMITH, Adam; [Redacted]
Subject: Timetable

Dear Jon,

Do you have further details on the next stages? Are we meeting OFT this week?

Warm regards

Fred

Sent from my iPhone

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[Redacted]

From: SMITH, Adam
Sent: 01 February 2011 10:35
To: [Redacted] ZEFF JON
Cc: GEIST-DIVVER CAROLA; KILGARRIFF PATRICK
Subject: RE: Newscorp/BSkyB merger

I'm happy.

From: [Redacted]
Sent: 01 February 2011 10:24
To: [Redacted] ZEFF JON; SMITH, Adam
Cc: GEIST-DIVVER CAROLA; KILGARRIFF PATRICK
Subject: RE: Newscorp/BSkyB merger

No need for SoS to see this. Pls send once Spads are happy.

Thanks

[Redacted]

From: [Redacted]
Sent: 01 February 2011 08:06
To: [Redacted] ZEFF JON; SMITH, Adam
Cc: GEIST-DIVVER CAROLA; KILGARRIFF PATRICK; [Redacted]
Subject: FW: Newscorp/BSkyB merger

All,

You'll see the comments made by [Redacted] below. I think his suggestions are sensible, and I'm happy to make the changes he suggests. An amended letter is attached.

The other issue which [Redacted] raised was whether we should mention the 2 week deadline in the letter. I incline to not doing so, given that we do not want to give the impression that we will certainly consult after that period, and there may be iterations with the OFT/Ofcom thereafter. However, it might be that what I have put in the letter looks a little curious if the deadline gets leaked. Moreover, section 93 makes clear that a deadline must be specified, and I think it would be difficult to avoid giving a direct answer to that deadline if we were asked (although, as I pointed out to [Redacted] in FOI request would be answerable some time in the future anyway). I think probably the best thing to do is to cross this bridge when we come to it, rather than addressing it head-on now, but I thought it appropriate to give you the opportunity to have alternative views!

I will want to send the letter this afternoon (not least because I am not in the office for the rest of the week). Adam, does Jeremy need to see this response, given that it's a response to a letter sent to him?

Thanks,

[Redacted]

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

From: [redacted]
Sent: 31 January 2011 16:40
To: [redacted]
Cc: [redacted]
Subject: RE: Newscorp/BSkyB merger

[redacted]

Many thanks for sending this on.

I would query whether 'he proposes to follow the statutory provisions laid out in Schedule 10' is appropriate, given that the Secretary of State is *required* to follow Schedule 10? Perhaps more that 'Such an approach is provided for by Schedule 10 ..., which he will follow'?

I think we agreed that it would be helpful for Ofcom and OFT to be copied on the response? If so, is it worth adding 'I note that you have written a similar letter to Ofcom and the OFT. I am copying them in this response.'?

Thanks

[redacted]
Assistant Director - Legal, Mergers | Office of Fair Trading
Fleetbank House | 2-6 Salisbury Square | London EC4Y 8JX | T: [redacted]

From: [redacted]
Sent: 31 January 2011 14:43
To: [redacted]
Cc: [redacted]
Subject: Newscorp/BSkyB merger

Dear All,

As discussed at this morning's meeting, please see attached draft letter which we propose to send to Slaughter and May. I think this covers all the points. I have not set out the timescales within which the SoS asked for a response from each of you, largely because there is the possibility of further requests for assistance. I understand that Stuart is confirming separately that we have decided not, at this stage, to publish our letters. I will amend the letter to confirm that I am copying to each of OFT and Ofcom, and aim to send this out first thing tomorrow morning. In the meantime, if you have any comments, please do let me know.

Regards,

[redacted]
Legal Advisers to the Department for Culture, Media and Sport
Treasury Solicitor's Department | 2-4 Cockspur Street | London | SW1Y 5DH
Email: [redacted] | www.culture.gov.uk

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[Redacted]

From: SMITH, Adam
Sent: 02 February 2011 11:11
To: [Redacted] ZEFF JON
Subject: RE: News Corporation/BskyB Merger

I'm concerned about doing so largely because it seems to me to fall outside of the current process. It dilutes our line that others can make representations during the public consultation. I can understand that it would help address any concerns by giving it to OFT now but isn't that the point of the consultation, if we indeed get there?

From: [Redacted]
Sent: 02 February 2011 10:03
To: SMITH, Adam; ZEFF JON
Subject: FW: News Corporation/BskyB Merger

Adam, Jon

Any views on whether we should release the S&M letter to Ofcoim and OFT?

[Redacted]

From: [Redacted]
Sent: 01 February 2011 13:27
To: [Redacted] ZEFF JON; GEIST-DIVVER CAROLA; SMITH, Adam
Cc: KILGARRIFF PATRICK
Subject: RE: News Corporation/BskyB Merger

[Redacted]

It is in our interest to make sure that OFT and Ofcom address the issue which we know are of concern, and S&M would surely prefer that the letter was passed on for the same reason. As [Redacted] says, can't we just tell both sides that we are doing this; that we are not requesting any further reps; and that everyone will have a chance to make their points during the formal consultation?

The Enders correspondence is about a further reference on the basis of commitment to broadcasting codes which we now know we cannot do, so there is no reason to pass that on.

[Redacted]

From: [Redacted]
Sent: 01 February 2011 11:34
To: [Redacted] ZEFF JON; GEIST-DIVVER CAROLA; SMITH, Adam
Cc: KILGARRIFF PATRICK
Subject: RE: News Corporation/BskyB Merger

[Redacted]

Firstly, apologies to all for the copy-list failure. It was, as you've spotted, unintentional.

I'm slightly concerned about this from a number of practical points of view. Firstly, we've also received representations from Enders (which I think you have a copy of; I'm pretty sure [Redacted] sent it to me, although I

think I have the original). If we are sending the S&M correspondence for OFT/Ofcom to factor in, then we also ought to send the Enders correspondence, and let them and Newscorp know about that.

It seems to me also that S&M could complain (with some force) that they had expressly asked us to allow them to make representations, and we have sent their letter to OFT/Ofcom and not allowed them to make the fuller representations they clearly indicate that they could do. It seems to me that it risks interfering in the statutory process to permit a sort-of consultation which pleases no-one at this stage, whereas we've clearly indicated that we will consult at the end of the process.

From a purely practical point of view also, we've asked the OFT and Ofcom to report in a very short period of time. We cannot stop people making representations on a daily basis. If we consult the OFT/Ofcom on one set, we probably ought to on the others, and there's a risk them of them being distracted, and the process lengthening accordingly.

It's not therefore *wrong* to give the information to the OFT and Ofcom now, but I am not sure it will ultimately help things, and could get us into difficulties.

[Redacted]

Legal Advisers to the Department for Culture, Media and Sport

Email: [Redacted]

From: [Redacted]
Sent: 01 February 2011 10:16
To: [Redacted] ZEFF JON; GEIST-DIVVER CAROLA; SMITH, Adam
Cc: KILGARRIFF PATRICK
Subject: RE: News Corporation/BskyB Merger

[Redacted]

I would prefer the OFT to have the letter now so that they (and Ofcom) can test their conclusions against the objections that are likely to be raised later.

Incidentally, did you mean to copy this to [Redacted] or Adam Smith? (I have copied to the latter anyway.)

[Redacted]

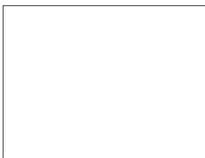
From: [Redacted]
Sent: 01 February 2011 09:23
To: [Redacted] ZEFF JON; [Redacted] GEIST-DIVVER CAROLA
Cc: KILGARRIFF PATRICK
Subject: FW: News Corporation/BskyB Merger

All,

PSBelow email from [Redacted] at OFT. I think she has a point about if we want OFT to take into account the information which Slaughter and May have sent already, we ought to be alerting them and the merging parties to that. In some ways it might be preferable to retain it for Jeremy's decision making process, and not let it into OFT's consideration at this stage. Moreover, if we do so, I think it would be difficult not to allow further representations on the exact undertakings themselves.

Unfortunately I've got to be out of the office for much of the morning, but I thought I should send this to you for views before leaving. I'll be back at 11.30 or so.

The letter of 20 January is attached.



Legal Advisers to the Department for Culture, Media and Sport

Email:

From:

Sent: 01 February 2011 09:11

To:

Cc:

Subject: News Corporation/BskyB Merger

Dear

I am writing regarding the letter from Slaughter and May to the Secretary of State dated 20 January 2011, a copy of which provided during our meeting yesterday morning. I have not as yet shared this with my colleagues or with Ofcom.

As you know, the letter sets out certain arguments on behalf of BT, Guardian Media Group, Associated Newspapers Limited, Trinity Mirror Plc, Northcliffe Media and Telegraph Media Group on what might be required to address the plurality issues identified in the Ofcom report, albeit that these were submitted prior to the Secretary of State's announcement that he would be considering proposed undertakings in lieu offered by News Corporation. In order to avoid any possible future suggestion that the OFT and Ofcom have been influenced by such arguments without the merging parties being given the opportunity to respond, it might be appropriate for DCMS to inform Slaughter and May and the merging parties that this has been shared with us. This would of course need to be on the basis that no further submissions from third parties are expected at this stage and that the time for interested parties to express their views would be during the consultation period following publication of the proposed undertakings in lieu, in accordance with the Secretary of State's announcement.

Kind regards,



General Counsel's Office|Office of Fair Trading

Fleetbank House, 2-6 Salisbury Square, London, EC4Y 8JX 



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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.offt.gov.uk>

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

[Redacted]

From: SMITH, Adam
Sent: 14 February 2011 12:15
To: [Redacted] BEEBY, Sue
Subject: RE: NEWS CORP/BSKYB MERGER: NEXT STEPS

I'm happy. Thanks [Redacted]

From: [Redacted]
Sent: 14 February 2011 12:00
To: [Redacted] BEEBY, Sue; SMITH, Adam
Subject: NEWS CORP/BSKYB MERGER: NEXT STEPS

Dear all,

Any quick comments on attached draft sub to JH?

[Redacted]

DCMS
2-4 Cockspur Street
London SW1Y 5DH

W: [Redacted]
M: [Redacted]

[Redacted]

From: SMITH, Adam
Sent: 15 February 2011 15:23
To: [Redacted]
Subject: RE: NEWS CORP/BSKYB MERGER

9.13 page 29-30 says more detail is needed.

We also need to double check's there's nothing else in there.

From: [Redacted]
Sent: 15 February 2011 15:20
To: SMITH, Adam; [Redacted]
Subject: RE: NEWS CORP/BSKYB MERGER

[Redacted] Adam

I have now spoken to Ofcom who confirmed that the conversation which has already taken place between Ed and JH has sufficed, so no further action.

Also, does Adam have to hand the specific references on expertise and asset transfer? No matter if not, I will look them out.

[Redacted]

From: [Redacted]
Sent: 15 February 2011 14:26
To: [Redacted]
Subject: RE: NEWS CORP/BSKYB MERGER

Jon (and [Redacted] are tied up with something. I could do it, but better coming from Adam maybe?

[Redacted]

From: [Redacted]
Sent: 15 February 2011 14:24
To: [Redacted]
Subject: RE: NEWS CORP/BSKYB MERGER

Ok – but can't he talk to Jon in that case? SoS is out of the office all afternoon and a call will be difficult.

From: [Redacted]
Sent: 15 February 2011 14:23
To: [Redacted]
Subject: RE: NEWS CORP/BSKYB MERGER

No – I have calls out to [Redacted] and [Redacted] but so far no luck. All I do know is that it is not about the principle of releasing the report; it may be he simply wants a heads-up.

[Redacted]

From: [redacted]
Sent: 15 February 2011 14:20
To: [redacted]
Subject: RE: NEWS CORP/BSKYB MERGER

Do we know why ?

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: 14 February 2011 12:55
To: [redacted]

Cc: STEPHENS JONATHAN; ZEFF JON; KILGARRIFF PATRICK; GEIST-DIVVER CAROLA;
Subject: NEWS CORP/BSKYB MERGER

Note for this afternoon's discussion attached.

DCMS
2-4 Cockspur Street
London SW1Y 5DH

W:
M:

[Redacted]

From: SMITH, Adam
Sent: 16 February 2011 20:43
To: [Redacted] ZEFF JON
Cc: [Redacted]
Subject: Re:

My view would be when we announce the decision. We aren't giving anyone else advance notice are we?

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

From: [Redacted]
To: ZEFF JON; SMITH, Adam
Cc: [Redacted]
Sent: Wed Feb 16 20:29:24 2011
Subject:

Jon, Adam,

Jonathan keen to give early thought to how/when we make Vince C aware of any newscorp decision.

Apols if already part of planning but I'd be grateful for your thoughts on approach.

Through spads? Or SofS phone call?

Thanks,

[Redacted]

[Redacted]

From: SMITH, Adam
Sent: 18 February 2011 09:00
To: [Redacted] KILGARRIFF PATRICK; GEIST-DIVVER CAROLA; ZEFF JON
Cc: [Redacted]
Subject: RE: News/Sky - Strictly Private and Confidential (0012561-0000367)

Very happy to have a quick meeting on potential steps going forward at some point today.

From: [Redacted]
Sent: 17 February 2011 19:37
To: [Redacted] KILGARRIFF PATRICK; GEIST-DIVVER CAROLA; ZEFF JON
Cc: [Redacted] SMITH, Adam
Subject: FW: News/Sky - Strictly Private and Confidential (0012561-0000367)

All,
Apologies for not having forwarded this earlier. Can we have a brief chat tomorrow? Given that NewsCorp have moved so far on undertakings, we probably need to think about handling if the SoS decides to accept them once the OFT and Ofcom have advised and he has had a chance to consider.

Patrick and I had a chat earlier about keeping the consultation decision (the decision that the undertakings would be acceptable) relatively low-key. We will need to publish the undertakings themselves, so that the consultees have something at which to direct their comments. I think it would be a good idea to prepare ourselves for consultation now in case that is where we end up; obviously it might be wasted work, but some of the reasoning would also apply in connection with a reference to the CC, of course.

It might be worth having a quick chat with the OFT about what sort of decision they publish when they consult, and I can have a chat with [Redacted]



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

From: [Redacted]
Sent: 17 February 2011 15:22
To: [Redacted]
Cc: [Redacted]
Subject: News/Sky - Strictly Private and Confidential (0012561-0000367)

Dear [Redacted]

Please find attached a letter from [Redacted]

Kind Regards

[Redacted]

[Redacted]

Allen & Overy LLP
www.allenoverly.com/antitrust
One Bishops Square
London
E1 6AD
Tel: + 44(0) 20 3088 0000
DDI: + [Redacted]
Fax: + 44(0) 20 3088 0088

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[Redacted]

From: SMITH, Adam
Sent: 18 February 2011 11:11
To: [Redacted] KILGARRIFF PATRICK; GEIST-DIVVER CAROLA;
ZEFF JON
Cc: [Redacted]
Subject: RE: News/Sky - Strictly Private and Confidential (0012561-0000367)

I could do anytime now if that's any good?

From: [Redacted]
Sent: 18 February 2011 10:55
To: [Redacted] SMITH, Adam; KILGARRIFF PATRICK; GEIST-DIVVER CAROLA; ZEFF JON
Cc: [Redacted]
Subject: RE: News/Sky - Strictly Private and Confidential (0012561-0000367)

I have a meeting between 3 and 4, but am otherwise free.

[Redacted]

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

From: [Redacted]
Sent: 18 February 2011 10:35
To: SMITH, Adam; [Redacted] KILGARRIFF PATRICK; GEIST-DIVVER CAROLA; ZEFF JON
Cc: [Redacted]
Subject: RE: News/Sky - Strictly Private and Confidential (0012561-0000367)

Me too though I am at a meeting 12-1.

[Redacted]

From: SMITH, Adam
Sent: 18 February 2011 09:00
To: [Redacted] KILGARRIFF PATRICK; GEIST-DIVVER CAROLA; ZEFF JON
Cc: [Redacted]
Subject: RE: News/Sky - Strictly Private and Confidential (0012561-0000367)

Very happy to have a quick meeting on potential steps going forward at some point today.

From: [Redacted]
Sent: 17 February 2011 19:37
To: [Redacted] KILGARRIFF PATRICK; GEIST-DIVVER CAROLA; ZEFF JON
Cc: [Redacted] SMITH, Adam
Subject: FW: News/Sky - Strictly Private and Confidential (0012561-0000367)

All,

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It might be worth having a quick chat with the OFT about what sort of decision they publish when they consult, and I can have a chat with Daniel.



Legal Advisers to the Department for Culture, Media and Sport

mail:

From:

Sent: 17 February 2011 15:22

To:

Cc:

Subject: News/Sky - Strictly Private and Confidential (0012561-0000367)

Dear

Please find attached a letter from

Kind Regards



Allen & Overy LLP
www.allenoverly.com/antitrust
One Bishops Square
London
E1 6AD
Tel: + 44(0) 20 3088 0000
DDI:
Fax: + 44(0) 20 3088 0088

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[Redacted]

From: SMITH, Adam
Sent: 02 March 2011 20:57
To: [Redacted] KILGARRIFF PATRICK; ZEFF JON
Cc: STEPHENS JONATHAN; BEEBY, Sue; MARTIN LINDA
Subject: RE: Draft Statement
Attachments: Oral Statment News Corp.docx

I have redrafted it and made it shorter and punchier. This does not include all the chronology and background detail as I think this should already have been published in whatever documents we put out earlier in the morning. This is a summary that I think covers everything but will need checking by lawyers please.

From: [Redacted]
Sent: 02 March 2011 20:48
To: [Redacted] KILGARRIFF PATRICK; ZEFF JON
Cc: STEPHENS JONATHAN; SMITH, Adam; BEEBY, Sue; MARTIN LINDA; [Redacted]
Subject: RE: Draft Statement

Sorry all....could you add me on to cc list?

Ta

[Redacted]

Private Secretary to Jonathan Stephens
Department for Culture, Media and Sport

[Redacted]

From: [Redacted]
Sent: 02 March 2011 20:36
To: [Redacted] KILGARRIFF PATRICK; ZEFF JON
Cc: STEPHENS JONATHAN; SMITH, Adam; BEEBY, Sue; MARTIN LINDA
Subject: RE: Draft Statement

Amendment on the 10 year's point, as discussed with Jon to record that OFT really left the point for the SoS and Ofcom... Views welcome!

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

From: [Redacted]
Sent: 02 March 2011 20:23
To: [Redacted] KILGARRIFF PATRICK; ZEFF JON
Cc: STEPHENS JONATHAN; SMITH, Adam; BEEBY, Sue; MARTIN LINDA
Subject: RE: Draft Statement

[Redacted] and I have discussed the point around the 10 years. I'd done some other drafting, as below. I think there's an issue as to whether we leave this fairly bland for consultation, or make more points around it:

“Ofcom have considered the impact of a 10 year carriage agreement in the context of this industry. There have been enormous changes in the course of the last 10 years, such as the

development of Google, and it is Ofcom's view that a carriage agreement of 10 years, in this environment is a long-term measure. I agree that, in this particular market, it is extremely difficult to predict with any certainty how the market will develop over the longer term. Under the circumstances, it seems to me that 10 years is a realistic timeframe in which to take a view about plurality and I therefore conclude that the provision of a 10 year carriage agreement and a 7 year brand licensing agreement with the option to extend for a further 7 years are of sufficient length to remedy, or significantly mitigate the concerns in relation to media plurality.

OFT have said that the UILs are likely to be practically and financially viable in the short and medium term. I note that the OFT expressed concerns about whether the undertakings in lieu would be viable over the longer term, but **recognised that the appropriate time-frame in this market was for the SoS to decide, with Ofcom's advice** ~~consider 10 years is realistic time-frame and Ofcom's advice in this regard is reasonable.~~ I will of course only reach final conclusions on this and other aspects of the undertakings in lieu after consultation."

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

From: [redacted]
Sent: 02 March 2011 20:12
To: [redacted] KILGARRIFF PATRICK; ZEFF JON
Cc: STEPHENS JONATHAN; SMITH, Adam; BEEBY, Sue; MARTIN LINDA
Subject: RE: Draft Statement

"...that belief is supported by the advice of OFT and Ofcom" might be better as OFT may say this overstates their position.

[redacted]
From: [redacted]
Sent: 02 March 2011 19:44
To: KILGARRIFF PATRICK; [redacted] ZEFF JON
Cc: STEPHENS JONATHAN; SMITH, Adam; BEEBY, Sue; MARTIN LINDA
Subject: Draft Statement

[redacted] has had a go the draft statement, as attached in clean and draft version. I will have a look through, and have said to him that we may well have a punchier oral statement, but a longer and more tedious condoc. I suspect the words will be largely the same though.

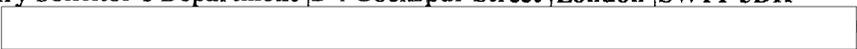
I'd had a go at drafting a final paragraph for the oral statement (well, I'd typed out my notes of what the SoS said) as below:

"Mr Speaker, although I am announcing my view today, I will of course take into account consultation responses. I am very well aware when it comes to dealings between politicians and media barons people are wary of the motives of both. This is why I have sought independent

advice. It is not just me who believes that the undertakings offered address the concerns on plurality; that belief is shared by the OFT and Ofcom. Furthermore, I believe that the concessions made by these undertakings will strengthen the editorial independence of Sky News, not just in relation to this transaction, but above the current position.”



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

Email:  www.culture.gov.uk

[Redacted]

From: SMITH, Adam
Sent: 02 March 2011 23:00
To: MARTIN LINDA; [Redacted] KILGARRIFF PATRICK; BEEBY, Sue;
STEPHENS JONATHAN; ZEFF JON
Cc: [Redacted]
Subject: RE: B SkyB - draft press notice

Looks good. Only comment is that could we beef up the section on independence –

The undertakings that News Corporation have offered would involve Sky News being 'spun-off' as an independent public limited company. The shares in that company would be distributed amongst the existing shareholders of B SkyB in line with their existing shareholdings - News Corporation would therefore retain a 39.1 per cent stake in the new company. To ensure editorial independence and integrity in news reporting, the company would have a board made up of a majority of independent directors, including an independent chair, and a corporate governance and editorial committee made up of independent directors (who would have no other News Corporation interests).

From: MARTIN LINDA
Sent: 02 March 2011 22:44
To: [Redacted] SMITH, Adam; [Redacted] KILGARRIFF PATRICK; BEEBY, Sue; STEPHENS JONATHAN; ZEFF JON
Cc: [Redacted]
Subject: B SkyB - draft press notice

Based on the version of the statement that has gone to the sos. We will need to amend it in the light of comments from the sos on the statement, but its probably worth people looking at this now for any obvious issues.

Thanks v much.

[Redacted] Linda

[Redacted]

From: SMITH, Adam
Sent: 03 March 2011 01:10
To: [Redacted] ZEFF JON
Cc: [Redacted] KILGARRIFF PATRICK; GEIST-DIVVER CAROLA
Subject: RE: Condoc
Attachments: Condoc (final).doc

One typo on page 5 which I've tracked changes on.

From: [Redacted]
Sent: 03 March 2011 00:36
To: [Redacted] ZEFF JON
Cc: SMITH, Adam [Redacted] KILGARRIFF PATRICK; GEIST-DIVVER CAROLA
Subject: Condoc

Here's the final version of the condoc. I don't have details of the email address to which representations should be sent, and I guess it should be signed off in official style (probably at least with our address).

[Redacted]

Legal Advisers to the Department for Culture, Media and Sport
Treasury Solicitor's Department | 2-4 Cockspur Street | London | SW1Y 5DH
Email: [Redacted] www.culture.gov.uk

[Redacted]

From: SMITH, Adam
Sent: 03 March 2011 10:22
To: [Redacted]
Subject: RE: Restricted - Commercial BskyB Merger

Think its essentially been done so don't worry.

[Redacted] n Parly has now taken over from me.

From: [Redacted]
Sent: 03 March 2011 10:00
To: [Redacted]
Cc: SMITH, Adam
Subject: RE: Restricted - Commercial BskyB Merger

[Redacted] Adam

Will you need [Redacted] and me for the Baroness Rawlings briefing?

[Redacted]

From: [Redacted]
Sent: 02 March 2011 20:13
To: [Redacted]
Cc: STEPHENS JONATHAN; KILGARRIFF PATRICK; [Redacted] SMITH, Adam; BEEBY, Sue; ZEFF JON;
[Redacted] MARTIN LINDA
Subject: Restricted - Commercial BskyB 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])
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])

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:)

Many thanks

[redacted]

From: SMITH, Adam
Sent: 09 March 2011 12:21
To: [redacted] BEEBY, Sue
Cc: KILGARRIFF PATRICK
Subject: RE: News Corp letter
Attachments: Dear Colleague - News Corp.doc

I've accepted most of these changes. JH wants to include the points about Labour (hence I've drafted it and its going to just Coalition MPs rather than a departmental one) so I've kept these in. Can I double check that legally the letter as currently stands is ok?

Thanks,

Adam

From: [redacted]
Sent: 09 March 2011 11:45
To: [redacted] BEEBY, Sue
Cc: KILGARRIFF PATRICK; SMITH, Adam
Subject: RE: News Corp letter

Sue,

Please see amendments. I've tried to provide comments so that you can see the nature of the amendments, which might be of assistance. I've also copied Patrick in, given my patchy availability this afternoon.

[redacted]

Legal Advisers to the Department for Culture, Media and Sport

Email: [redacted]

From: [redacted]
Sent: 09 March 2011 11:25
To: BEEBY, Sue
Cc: [redacted]
Subject: FW: News Corp letter

Sue,

Looks fine from my point of view. I have suggested a few changes including a reference to the SoS's quasi-judicial role which you may want to consider, though I would be grateful if [redacted] could confirm that I have accurately described the position.

[redacted]

From: BEEBY, Sue
Sent: 09 March 2011 10:20
To: [redacted]
Subject: News Corp letter

Hi

Jeremy has written a Dear Colleague letter about News Corp to go to MPs. Could you possibly cast an eye over it and see if it looks OK.

Thanks

Sue

Sue Beeby

Special Adviser to the Secretary of State

DCMS

[REDACTED]

From: SMITH, Adam
Sent: 09 March 2011 16:39
To: [REDACTED]
Cc: KILGARRIFF PATRICK
Subject: RE: BSkyB-News Corporation Consultation

The problem here is that lots of MPs have got constituents emailing asking them about it. I was about to send the following template to MPs to send as simply saying see the DCMS website won't cut it with MPs on a constituency basis. They need to reply in detail I'm afraid so I'm not sure I'm going to be able to stop them. In fact on the contrary I'd rather be helpful.

Thank you for contacting me about the proposed acquisition of British Sky Broadcasting (BSkyB) by News Corporation (NewsCorp).

The Culture Secretary, Jeremy Hunt is bound by a process set down in law by the previous Government and has followed this assiduously. Following advice from Ofcom and the Office of Fair Trading (OFT), he has announced that he intends to accept undertakings from News Corporation on their proposed merger with BSkyB in lieu of a referral to the Competition Commission. A notice of consultation on the undertakings was launched on 3 March and expires on 21 March.

Competition issues have already been dealt with at European level but the Secretary of State is required to look at the specific issue of media plurality related to the merger. Issues of plurality focus on the provision of news. The undertakings that News Corporation has offered would involve Sky News being 'spun-off' as an independent public limited company. The shares in that company would be distributed amongst the existing shareholders of BSkyB in line with their shareholdings. News Corporation would therefore retain only a 39.1 per cent minority stake in the new company.

To ensure editorial independence and integrity in news reporting, should this company be formed, it would have a board made up of a majority of independent directors, including an independent chair, and a corporate governance and editorial committee made up of independent directors, who would have no other News Corporation interests. For ten years, News Corporation would not be allowed to increase its shareholding in the new company without permission from the Secretary of State. The company would have a ten year carriage agreement and a seven year renewable brand licensing agreement to ensure its financial viability – measures considered by the regulators to be long term in the rapidly-changing media sector.

Informed by advice from the regulators and the DCMS, I believe that the undertakings proposed by News Corporation would address concerns about media plurality should the proposed News Corporation/BSkyB merger go ahead. The undertakings offered would ensure that shareholdings in Sky News would remain unchanged, and offer it more independence from News Corporation than it currently has.

Once the Secretary of State has considered responses to the consultation, he will reach a decision on whether he still believes that the undertakings of lieu should be accepted.

I remain very aware of controversy surrounding this merger. Please let me assure you that a free and independent press, for which this country is famous, is hugely important to me. I know the Secretary of State has sought and published independent advice at every step of the way and I shall continue to follow developments carefully. Thank you again for taking the time to contact me.

From: [redacted]
Sent: 09 March 2011 15:45
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Subject: FW: BSKyB-News Corporation Consultation

Adam,

[redacted] was trying to contact you before she had to rush off to say that she is concerned that Nick Clegg's office is replying in detail to critics of the merger rather than simply referring them to our website (see below). I think the problem is that this could give the impression that this is a collective, Government decision. I also think it overstates the case to say that the regulators "stated that there was no justification for a referral to the Competition Commission."

Can you perhaps use the SpAds network to get this message across?

[redacted]

From: [redacted]
Sent: 09 March 2011 14:17
To: BSKYB; nick.clegg [redacted]
Subject: BSKyB-News Corporation Consultation

Dear Nick, [redacted]

I'm sad to say that I don't think you realise what you're dealing with. This trailer might help:
<http://www.wikio.co.uk/video/jaws-trailer-1975-83200>

All the best

[redacted]

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

Subject: RE: Your email on BSKyB

Date: Wed, 9 Mar 2011 11:56:10 +0000

From: CLEGG, Nick <nick.clegg@[redacted]>

Dear Sir/Madam,

Many thanks for contacting Nick Clegg MP. I'm replying to letters and emails on his behalf.

Please rest assured that the Liberal Democrats were concerned about the proposal by News Corporation to take over the remaining approximately 60% of the shares in BSKyB that it did not already own, and the greater influence and control over news and current affairs they would have.

Ofcom's initial report, released on 31st December, recommended that there were enough concerns for this deal to be sent to the Competition Commission. The Secretary of State, on the regulator's advice (and as the law permits) then gave News Corps the opportunity to offer concessions that would remove the regulator's concerns.

The subsequent concessions negotiated with Ofcom and the Office of Fair Trading were very substantial.

Crucially, the deal – if implemented – will mean that Sky News is separated from the rest of BSKyB, that News Corp is not allowed to increase its shareholding in Sky News and that there will be legally binding agreements that mean, in effect, News Corporation will have no control over the editorial content of Sky News nor will it be able to hire and fire senior staff. The board of the newly independent Sky News will have a majority of independent directors and the chairman of the board will also be independent.

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Clearly there will still be many concerns about the proposals. That's why there will be a further period of public consultation and all the paperwork – including copies of all letters, minutes of all meetings and full details of the concessions that were negotiated – has been made available on the DCMS website for everyone to see. Please feel free to engage with this consultation process by emailing or writing to either address below by 21st March 2011:

bskyb-newscorp.consultation@culture.gsi.gov.uk

BSkyB-News Corporation Consultation Media Team,

Department for Culture, Media and Sport,

2-4 Cockspur Street,

London,

SW1Y 5DH.

Thank you again for contacting Nick on this important issue.

Best wishes,

[Redacted signature box]

Office of Nick Clegg MP

[Redacted signature box]

Multimedia Services Development Officer
EDINA
The University of Edinburgh
Causewayside House
158-162 Causewayside
Edinburgh EH9 1PR

Tel: +44 [Redacted]

Fax: +44 [Redacted]

Email: [Redacted]

<http://edina.ac.uk>

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[REDACTED]

From: SMITH, Adam
Sent: 09 March 2011 16:40
To: [REDACTED]
Cc: [REDACTED] KILGARRIFF PATRICK
Subject: RE: B-SkyB-News Corporation Consultation

Should have said that any comments on this one gratefully received too!

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To: [REDACTED]
Cc: [REDACTED] KILGARRIFF PATRICK
Subject: RE: B-SkyB-News Corporation Consultation

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All the best
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Date: Wed, 9 Mar 2011 11:56:10 +0000
From: CLEGG, Nick <nick.clegg> [redacted]

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Please rest assured that the Liberal Democrats were concerned about the proposal by News Corporation to take over the remaining approximately 60% of the shares in BSKyB that it did not already own, and the greater influence and control over news and current affairs they would have.

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Best wishes,

Office of Nick Clegg MP

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[redacted]

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All the best
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[Redacted]

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Are there any further views or can I send this on?

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From: SMITH, Adam
Sent: 09 March 2011 18:38
To: KILGARRIFF PATRICK; [Redacted]
Cc: [Redacted]
Subject: RE: B-SkyB-News Corporation Consultation

Many thanks!

From: KILGARRIFF PATRICK
Sent: 09 March 2011 18:31
To: SMITH, Adam; [Redacted]
Cc: [Redacted]
Subject: Re: B-SkyB-News Corporation Consultation

Adam
on my understanding of what this is intended for - content
Patrick

Sent from my BlackBerry Wireless Handheld

From: SMITH, Adam
To: [Redacted]
Cc: [Redacted] KILGARRIFF PATRICK
Sent: Wed Mar 09 17:55:08 2011
Subject: RE: B-SkyB-News Corporation Consultation
Are there any further views or can I send this on?

From: SMITH, Adam
Sent: 09 March 2011 16:49
To: [Redacted]
Cc: [Redacted] KILGARRIFF PATRICK
Subject: RE: B-SkyB-News Corporation Consultation

Very happy with that. If everyone else is. And sorry for creating more work on this.

From: [Redacted]
Sent: 09 March 2011 16:47
To: SMITH, Adam
Cc: [Redacted] KILGARRIFF PATRICK
Subject: RE: B-SkyB-News Corporation Consultation

Adam,

Looks OK from my perspective though it seems odd for an MP to say that he has been advised by the regulators and DCMS. Perhaps better to say something along the lines below.

[Redacted]

From: SMITH, Adam
Sent: 09 March 2011 16:39
To: [Redacted]

Cc: [REDACTED] KILGARRIFF PATRICK
Subject: RE: BSKyB-News Corporation Consultation

The problem here is that lots of MPs have got constituents emailing asking them about it. I was about to send the following template to MPs to send as simply saying see the DCMS website won't cut it with MPs on a constituency basis. They need to reply in detail I'm afraid so I'm not sure I'm going to be able to stop them. In fact on the contrary I'd rather be helpful.

Thank you for contacting me about the proposed acquisition of British Sky Broadcasting (BSkyB) by News Corporation (NewsCorp).

The Culture Secretary, Jeremy Hunt is bound by a process set down in law by the previous Government and has followed this assiduously. Following advice from Ofcom and the Office of Fair Trading (OFT), he has announced that he intends to accept undertakings from News Corporation on their proposed merger with BSKyB in lieu of a referral to the Competition Commission. A notice of consultation on the undertakings was launched on 3 March and expires on 21 March.

Competition issues have already been dealt with at European level but the Secretary of State is required to look at the specific issue of media plurality related to the merger. Issues of plurality focus on the provision of news. The undertakings that News Corporation has offered would involve Sky News being 'spun-off' as an independent public limited company. The shares in that company would be distributed amongst the existing shareholders of BSKyB in line with their shareholdings. News Corporation would therefore retain only a 39.1 per cent minority stake in the new company.

To ensure editorial independence and integrity in news reporting, should this company be formed, it would have a board made up of a majority of independent directors, including an independent chair, and a corporate governance and editorial committee made up of independent directors, who would have no other News Corporation interests. For ten years, News Corporation would not be allowed to increase its shareholding in the new company without permission from the Secretary of State. The company would have a ten year carriage agreement and a seven year renewable brand licensing agreement to ensure its financial viability – measures considered by the regulators to be long term in the rapidly-changing media sector.

My own view is that ~~informed by advice from the regulators and the DCMS, I believe that~~ the undertakings proposed by News Corporation would address concerns about media plurality should the proposed News Corporation/BSkyB merger go ahead. The undertakings offered would ensure that shareholdings in Sky News would remain unchanged, and offer it more independence from News Corporation than it currently has.

This is, of course, a decision for the Secretary of State. Once has considered responses to the consultation, he will reach a decision on whether he still believes that the undertakings of lieu should be accepted.

I remain very aware of controversy surrounding this merger. Please let me assure you that a free and independent press, for which this country is famous, is hugely important to me. I know the Secretary of State has sought and published independent advice at every step of the way and I shall continue to follow developments carefully. Thank you again for taking the time to contact me.

From: [REDACTED]
Sent: 09 March 2011 15:45
To: SMITH, Adam
Cc: [REDACTED] KILGARRIFF PATRICK
Subject: FW: BSKyB-News Corporation Consultation

Adam,

[redacted] was trying to contact you before she had to rush off to say that she is concerned that Nick Clegg's office is replying in detail to critics of the merger rather than simply referring them to our website (see below). I think the problem is that this could give the impression that this is a collective, Government decision. I also think it is overstates the case to say that the regulators "stated that there was no justification for a referral to the Competition Commission."

Can you perhaps use the SpAds network to get this message across?

[redacted]

From: [redacted]
Sent: 09 March 2011 14:17
To: BSKYB; nick.clegg [redacted]
Subject: BSKYB-News Corporation Consultation

Dear Nick [redacted]

I'm sad to say that I don't think you realise what you're dealing with. This trailer might help:
<http://www.wikio.co.uk/video/jaws-trailer-1975-83200>

All the best
[redacted]

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

Subject: RE: Your email on BSKYB
Date: Wed, 9 Mar 2011 11:56:10 +0000
From: CLEGG, Nick <nick.clegg> [redacted]

Dear Sir/Madam,

Many thanks for contacting Nick Clegg MP. I'm replying to letters and emails on his behalf.

Please rest assured that the Liberal Democrats were concerned about the proposal by News Corporation to take over the remaining approximately 60% of the shares in BSKYB that it did not already own, and the greater influence and control over news and current affairs they would have.

Ofcom's initial report, released on 31st December, recommended that there were enough concerns for this deal to be sent to the Competition Commission. The Secretary of State, on the regulator's advice (and as the law permits) then gave News Corps the opportunity to offer concessions that would remove the regulator's concerns.

The subsequent concessions negotiated with Ofcom and the Office of Fair Trading were very substantial.

Crucially, the deal – if implemented – will mean that Sky News is separated from the rest of BSKYB, that News Corp is not allowed to increase its shareholding in Sky News and that there will be legally binding agreements that mean, in effect, News Corporation will have no control over the editorial content of Sky News nor will it be able to hire and fire senior staff. The board of the newly independent Sky News will have a majority of independent directors and the chairman of the board will also be independent.

Additionally, and unlike at present, a Corporate Governance and Editorial Committee will be created to ensure compliance with the principles of editorial independence and integrity in news reporting, and for the first time the requirement for the company to adhere to Ofcom's Broadcasting Code would be enshrined in the new company's articles of association. This means that Sky News would be better protected in terms of editorial independence than it is now – and far better protected than what would have happened if News Corp had made a full take-over.

Both the Office of Fair Trading and Ofcom have clearly stated that with these, and related, measures in place, the initial concerns they had would be resolved. They stated that there was no justification for a referral to the Competition Commission.

Given these details and the legally binding nature of the proposed deal, if it goes ahead it means that Rupert Murdoch and News Corp will have less influence and control over news and current affairs than they do at present. This is something that Nick and the Liberal Democrats very much welcome.

Clearly there will still be many concerns about the proposals. That's why there will be a further period of public consultation and all the paperwork – including copies of all letters, minutes of all meetings and full details of the concessions that were negotiated – has been made available on the DCMS website for everyone to see. Please feel free to engage with this consultation process by emailing or writing to either address below by 21st March 2011:

bskyb-newscorp.consultation@culture.gsi.gov.uk

BSkyB-News Corporation Consultation Media Team,

Department for Culture, Media and Sport,

2-4 Cockspur Street,

London,

SW1Y 5DH.

Thank you again for contacting Nick on this important issue.

Best wishes,

[Redacted signature box]

Office of Nick Clegg MP

[Redacted signature box]

Multimedia Services Development Officer
EDINA
The University of Edinburgh
Causewayside House
158-162 Causewayside
Edinburgh EH9 1PR

Tel:

Fax:

Email

[Redacted contact information box]

<http://edina.ac.uk>

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[REDACTED]

From: SMITH, Adam
Sent: 10 March 2011 09:11
To: [REDACTED] KILGARRIFF PATRICK [REDACTED]
Subject: RE: BskyB-News Corporation Consultation

Good point. Thanks. I've accepted the changes you made below and included the link to the section on our website rather than just the email address. On the other letter that Jeremy wants to send to MPs we need to tell them how to respond to the criticisms we are facing about the process (hence the bit about the enterprise act 2002). These are obviously sometime politically motivated criticisms so I don't see how us telling colleagues how to respond to these criticisms suggests we are politicising the process. Or am I misunderstanding things?

News Corp/BskyB Proposed Merger

I have no doubt that many of your constituents will have been in touch about my announcement last week about the NewsCorp/Sky deal. I thought it would be helpful if I outlined my reasoning behind the decision to assist you in responding to any constituents who have concerns about the potential merger.

Firstly I want to reiterate that this is a decision I must take acting in a quasi-judicial capacity. I must not take into account political considerations but reach a decision on the merits of the case. By proposing to accept these undertakings I have decided to accept and follow the advice from two independent expert regulators. Both Ofcom and the OFT said, in letters that I have published, that they believed these undertakings would address the plurality concerns that could result from this merger. I considered this advice very carefully, and it was a very important reason for me taking this decision. Opponents of the merger urged me to listen to the advice of the regulators and this is exactly what I have done. Labour has tried to criticise the process (which they actually set up in the 2002 Enterprise Act) but refused to say if they support the decision I took. Until they come off the fence their criticisms are simply not credible.

The process. In all of my considerations regarding this merger I have followed the process established in the 2002 Enterprise Act. Accepting undertakings in lieu of a referral is a common practice in merger cases and indeed both the Office for Fair Trading and previous Secretaries of State have done so. However, I appreciate the particular sensitiveness of this merger and so in order to attempt to address these I have published all reports, advice and correspondence related to this case. This is a first in cases like this. Even though I realise many won't agree with my final decision our constituents will at least be able to see that at all times I sought, followed, and published independent advice.

Independent advice. It is worth pointing out exactly what the independent regulators make of the undertakings that I am currently minded to accept.

- Ofcom stated that these undertakings "would address the plurality concerns identified in our report of 31 December 2010".
- The Office for Fair Trading stated that these undertakings "are likely to be practically and financially viable in the short and medium term (that is, no more than 10 years)".

Media plurality and competition issues. My remit did not include competition issues such as cross-promotion, bundling, and distorting the advertising market with cross-platform deals. These were dealt with by the European Commission in their verdict of 21 December 2010. Nor did my remit include any type of judgement about the personalities involved. These considerations, whilst highly relevant to commercial competitors and many individuals who hold strong views about News Corporation, were not legally allowed to form part of this decision. I was, in fact, only allowed to make a judgement about whether the merger would have a negative impact on the number of different voices in the media market and about what remedies could be imposed that would mitigate against this impact.

The undertakings. The basic outline of these undertakings means that Sky News will be spun off as an independent public limited company. The shares would be distributed amongst the existing shareholders of Sky in line with their shareholdings in BSkyB. This means that News Corp would maintain a 39.1% shareholding in Sky News. In simple terms this means that Sky News will remain as an independent media outlet. As such the number of different voices in the media market would remain as it currently is. There would therefore be no reduction in the level of plurality.

Crucially the undertakings in lieu contain a number of further provisions which I believe would secure the new Sky News' editorial independence from News Corp. These include -

- **Independent Directors.** The Board of the new company will have a majority of independent directors who have no other News Corp, or News Corp-associated, interest.
- **Editorial and journalistic experience.** The Board, including the independent non-executive directors, will have the appropriate balance of skills, experience, independence and knowledge, and at least one must have senior editorial and/or journalistic experience.
- **Independent Chairman.** The Chairman will be an independent director.
- **Editorial independence and integrity.** Sky News' services will abide by the principle of editorial independence and integrity in news reporting.
- **Corporate Governance and Editorial Committee.** The Board will have a Corporate Governance and Editorial Committee to ensure compliance with the principles of editorial independence and integrity in news reporting.
- **Financial security.** The new Sky News will have a 10 year carriage agreement with News Corporation together with a 7 year brand licensing arrangement that has the potential to be extended for a further 10 years in total.
- **Non-reacquisition.** News Corporation cannot buy any further shares in the New Sky News for ten years without the express permission of the Secretary of State. This provision operates independently of any acquisition which would trigger further merger investigations.

The result of these undertakings is that, if this deal goes ahead, Sky News will be able to continue its high quality output with greater protections for its operational and editorial independence than exist today. For those who have concerns about plurality of news provision I hope this will be a welcome step forward.

I have yet to agree the final versions of the carriage arrangement and brand licensing contracts that will be in place if these undertakings are accepted. By their nature these contracts are likely to contain commercially sensitive information such that it would not be reasonable to publish them in full. However, the principles behind these arrangements have been analysed by both the OFT and Ofcom and they are content that such undertakings would mean Sky News is a financially viable business in its own right. More importantly I must agree these arrangements before the merger goes ahead and once again I will of course seek advice from the independent regulators before doing so.

Finally you may wish to remind constituents that this is not the end of the process. Although I am minded to accept these undertakings for the reasons I have set out above, I have launched a full public consultation during which everyone can submit their views on the undertakings. I will consider such representations carefully before making a final decision. This consultation is running until 21 March 2011 and more details can be found on my department's website at <http://www.culture.gov.uk/consultations/7887.aspx>

Best wishes,

Jeremy Hunt

From: [redacted]
Sent: 10 March 2011 09:03
To: SMITH, Adam; KILGARRIFF PATRICK; [redacted]
Subject: RE: B-SkyB-News Corporation Consultation

Adam,

A last comment, which may be too late, could MPs refer, not only to the email address to which consultation responses should be sent, but also to the consultation documents on our website. There are a couple of the Nick Clegg respondees who don't appear clear about that, and his email only refers to the email address, rather than where the suite of documents can be found.

I made a couple of tiny amendments to the below text (in red) also. One is an omitted word, but the point about Ofcom's consideration of 10 years is important, because, of course, OFT did not take this view, and left it to Ofcom and Jeremy to make the decision.

[redacted]

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

From: SMITH, Adam
Sent: 09 March 2011 18:38
To: KILGARRIFF PATRICK; [redacted]
Cc: [redacted]
Subject: RE: B-SkyB-News Corporation Consultation

Many thanks!

From: KILGARRIFF PATRICK
Sent: 09 March 2011 18:31
To: SMITH, Adam; [redacted]
Cc: [redacted]
Subject: Re: B-SkyB-News Corporation Consultation

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On my understanding of what this is intended for - content
Patrick

Sent from my BlackBerry Wireless Handheld

From: SMITH, Adam
To: [redacted]
Cc: [redacted] KILGARRIFF PATRICK
Sent: Wed Mar 09 17:55:08 2011
Subject: RE: B-SkyB-News Corporation Consultation
Are there any further views or can I send this on?

From: SMITH, Adam
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Cc: [redacted] KILGARRIFF PATRICK
Subject: RE: B-SkyB-News Corporation Consultation

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Cc: [redacted] KILGARRIFF PATRICK
Subject: RE: B-SkyB-News Corporation Consultation

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[redacted]

From: SMITH, Adam
Sent: 09 March 2011 16:39
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Cc: [redacted] KILGARRIFF PATRICK
Subject: RE: B-SkyB-News Corporation Consultation

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merger go ahead. The undertakings offered would ensure that shareholdings in Sky News would remain unchanged, and offer it more independence from News Corporation than it currently has.

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From: [redacted]
Sent: 09 March 2011 15:45
To: SMITH, Adam
Cc: [redacted] KILGARRIFF PATRICK
Subject: FW: BSKyB-News Corporation Consultation

Adam,

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Can you perhaps use the SpAds network to get this message across?

[redacted]

From: [redacted]
Sent: 09 March 2011 14:17
To: BSKYB; nick.clegg.[redacted]
Subject: BSKyB-News Corporation Consultation

Dear Nick, [redacted]

I'm sad to say that I don't think you realise what you're dealing with. This trailer might help:
<http://www.wikio.co.uk/video/jaws-trailer-1975-83200>

All the best
[redacted]

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

Subject: RE: Your email on BSKyB
Date: Wed, 9 Mar 2011 11:56:10 +0000
From: CLEGG, Nick <nick.clegg> [redacted]

Dear Sir/Madam,

Many thanks for contacting Nick Clegg MP. I'm replying to letters and emails on his behalf.

Please rest assured that the Liberal Democrats were concerned about the proposal by News Corporation to take over the remaining approximately 60% of the shares in BSkyB that it did not already own, and the greater influence and control over news and current affairs they would have.

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Crucially, the deal – if implemented – will mean that Sky News is separated from the rest of BSkyB, that News Corp is not allowed to increase its shareholding in Sky News and that there will be legally binding agreements that mean, in effect, News Corporation will have no control over the editorial content of Sky News nor will it be able to hire and fire senior staff. The board of the newly independent Sky News will have a majority of independent directors and the chairman of the board will also be independent.

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Given these details and the legally binding nature of the proposed deal, if it goes ahead it means that Rupert Murdoch and News Corp will have less influence and control over news and current affairs than they do at present. This is something that Nick and the Liberal Democrats very much welcome.

Clearly there will still be many concerns about the proposals. That's why there will be a further period of public consultation and all the paperwork – including copies of all letters, minutes of all meetings and full details of the concessions that were negotiated – has been made available on the DCMS website for everyone to see. Please feel free to engage with this consultation process by emailing or writing to either address below by 21st March 2011:

bskyb-newscorp.consultation@culture.gsi.gov.uk

BSkyB-News Corporation Consultation Media Team,

Department for Culture, Media and Sport,

2-4 Cockspur Street,

London,

SW1Y 5DH.

Thank you again for contacting Nick on this important issue.

Best wishes,

Office of Nick Clegg MP

Multimedia Services Development Officer
EDINA
The University of Edinburgh
Causewayside House

158-162 Causewayside
Edinburgh EH9 1PR

Tel:
Fax:
Email:

<http://edina.ac.uk>

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[Redacted]

From: SMITH, Adam
Sent: 10 March 2011 11:12
To: [Redacted] KILGARRIFF PATRICK; [Redacted]
Subject: RE: B-SkyB-News Corporation Consultation

On the second section this is lifted from JH's oral statement basically word for word. I will double check with him on the other section and obviously share your concerns with him. will let you know the final version he is happy with.

Thanks for all the help.

From: [Redacted]
Sent: 10 March 2011 09:22
To: SMITH, Adam; KILGARRIFF PATRICK; [Redacted]
Subject: RE: B-SkyB-News Corporation Consultation

Adam,

I think the particular parts I'd rather were not in there are highlighted below. I quite accept that critics of Jeremy and the decision will make politically motivated criticisms. However, given the nature of the decision which Jeremy's made, I think it important for him not to respond in kind (however one might do so normally). There are already critics of the decision as being made for party political reasons, citing visits made by David Cameron over the Christmas period. If there is a challenge to a decision to accept UILs ultimately, I don't think it will assist, and it could possibly damage any defence for Jeremy to be making similar politically motivated criticisms as part of a defence of his decision.

I took out the second highlighted section when I amended because I'm not sure that it adds anything, and it comes a little uncomfortably close to defending the decision. I think that's probably unhelpful, and might be viewed as seeking to persuade people that Jeremy is right, rather than simply setting out the facts. It's a fine judgment call though, and it's probably fair to say I feel less strongly about this than I do about the above.

These are perception of bias points, but in any challenge they would simply be something which would stack up in favour of an applicant. I don't think, individually, it would have much weight (and a challenge wouldn't be successful on this alone), but it wouldn't be helpful.

Happy to discuss though if you would like.

[Redacted]

Legal Advisers to the Department for Culture, Media and Sport

Email: [Redacted]

From: SMITH, Adam
Sent: 10 March 2011 09:11
To: [Redacted] KILGARRIFF PATRICK; [Redacted]
Subject: RE: B-SkyB-News Corporation Consultation

Good point. Thanks. I've accepted the changes you made below and included the link to the section on our website rather than just the email address. On the other letter that Jeremy wants to send to MPs we need to tell them how to respond to the criticisms we are facing about the process (hence the bit about the enterprise act 2002). These are

obviously sometime politically motivated criticisms so I don't see how us telling colleagues how to respond to these criticisms suggests we are politicising the process. Or am I misunderstanding things?

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The process. In all of my considerations regarding this merger I have followed the process established in the 2002 Enterprise Act. Accepting undertakings in lieu of a referral is a common practice in merger cases and indeed both the Office for Fair Trading and previous Secretaries of State have done so. However, I appreciate the particular sensitiveness of this merger and so in order to attempt to address these I have published all reports, advice and correspondence related to this case. This is a first in cases like this. Even though I realise many won't agree with my final decision our constituents will at least be able to see that at all times I sought, followed, and published independent advice.

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Crucially the undertakings in lieu contain a number of further provisions which I believe would secure the new Sky News' editorial independence from News Corp. These include -

- **Independent Directors.** The Board of the new company will have a majority of independent directors who have no other News Corp, or News Corp-associated, interest.

- **Editorial and journalistic experience.** The Board, including the independent non-executive directors, will have the appropriate balance of skills, experience, independence and knowledge, and at least one must have senior editorial and/or journalistic experience.
- **Independent Chairman.** The Chairman will be an independent director.
- **Editorial independence and integrity.** Sky News' services will abide by the principle of editorial independence and integrity in news reporting.
- **Corporate Governance and Editorial Committee.** The Board will have a Corporate Governance and Editorial Committee to ensure compliance with the principles of editorial independence and integrity in news reporting.
- **Financial security.** The new Sky News will have a 10 year carriage agreement with News Corporation together with a 7 year brand licensing arrangement that has the potential to be extended for a further 10 years in total.
- **Non-reacquisition.** News Corporation cannot buy any further shares in the New Sky News for ten years without the express permission of the Secretary of State. This provision operates independently of any acquisition which would trigger further merger investigations.

The result of these undertakings is that, if this deal goes ahead, Sky News will be able to continue its high quality output with greater protections for its operational and editorial independence than exist today. For those who have concerns about plurality of news provision I hope this will be a welcome step forward.

I have yet to agree the final versions of the carriage arrangement and brand licensing contracts that will be in place if these undertakings are accepted. By their nature these contracts are likely to contain commercially sensitive information such that it would not be reasonable to publish them in full. However, the principles behind these arrangements have been analysed by both the OFT and Ofcom and they are content that such undertakings would mean Sky News is a financially viable business in its own right. More importantly I must agree these arrangements before the merger goes ahead and once again I will of course seek advice from the independent regulators before doing so.

Finally you may wish to remind constituents that this is not the end of the process. Although I am minded to accept these undertakings for the reasons I have set out above, I have launched a full public consultation during which everyone can submit their views on the undertakings. I will consider such representations carefully before making a final decision. This consultation is running until 21 March 2011 and more details can be found on my department's website at <http://www.culture.gov.uk/consultations/7887.aspx>

Best wishes,

Jeremy Hunt

From:
Sent: 10 March 2011 09:03
To: SMITH, Adam; KILGARRIFF PATRICK;
Subject: RE: B-SkyB-News Corporation Consultation

Adam,

A last comment, which may be too late, could MPs refer, not only to the email address to which consultation responses should be sent, but also to the consultation documents on our website. There are a

couple of the Nick Clegg respondees who don't appear clear about that, and his email only refers to the email address, rather than where the suite of documents can be found.

I made a couple of tiny amendments to the below text (in red) also. One is an omitted word, but the point about Ofcom's consideration of 10 years is important, because, of course, OFT did not take this view, and left it to Ofcom and Jeremy to make the decision.



Legal Advisers to the Department for Culture, Media and Sport

Email:

From: SMITH, Adam
Sent: 09 March 2011 18:38
To: KILGARRIFF PATRICK;
Cc:
Subject: RE: B-SkyB-News Corporation Consultation

Many thanks!

From: KILGARRIFF PATRICK
Sent: 09 March 2011 18:31
To: SMITH, Adam;
Cc:
Subject: Re: B-SkyB-News Corporation Consultation

Adam
On my understanding of what this is intended for - content
Patrick

Sent from my BlackBerry Wireless Handheld

From: SMITH, Adam
To:
Cc: , KILGARRIFF PATRICK
Sent: Wed Mar 09 17:55:08 2011
Subject: RE: B-SkyB-News Corporation Consultation
Are there any further views or can I send this on?

From: SMITH, Adam
Sent: 09 March 2011 16:49
To:
Cc: , KILGARRIFF PATRICK
Subject: RE: B-SkyB-News Corporation Consultation

Very happy with that. If everyone else is. And sorry for creating more work on this.

From:
Sent: 09 March 2011 16:47
To: SMITH, Adam
Cc: , KILGARRIFF PATRICK
Subject: RE: B-SkyB-News Corporation Consultation

Adam,

Looks OK from my perspective though it seems odd for an MP to say that he has been advised by the regulators and DCMS. Perhaps better to say something along the lines below.

[Redacted]

From: SMITH, Adam
Sent: 09 March 2011 16:39
To: [Redacted]
Cc: [Redacted] KILGARRIFF PATRICK
Subject: RE: BSkyB-News Corporation Consultation

The problem here is that lots of MPs have got constituents emailing asking them about it. I was about to send the following template to MPs to send as simply saying see the DCMS website won't cut it with MPs on a constituency basis. They need to reply in detail I'm afraid so I'm not sure I'm going to be able to stop them. In fact on the contrary I'd rather be helpful.

Thank you for contacting me about the proposed acquisition of British Sky Broadcasting (BSkyB) by News Corporation (NewsCorp).

The Culture Secretary, Jeremy Hunt is bound by a process set down in law by the previous Government and has followed this assiduously. Following advice from Ofcom and the Office of Fair Trading (OFT), he has announced that he intends to accept undertakings from News Corporation on their proposed merger with BSkyB in lieu of a referral to the Competition Commission. A notice of consultation on the undertakings was launched on 3 March and expires on 21 March.

Competition issues have already been dealt with at European level but the Secretary of State is required to look at the specific issue of media plurality related to the merger. Issues of plurality focus on the provision of news. The undertakings that News Corporation has offered would involve Sky News being 'spun-off' as an independent public limited company. The shares in that company would be distributed amongst the existing shareholders of BSkyB in line with their shareholdings. News Corporation would therefore retain only a 39.1 per cent minority stake in the new company.

To ensure editorial independence and integrity in news reporting, should this company be formed, it would have a board made up of a majority of independent directors, including an independent chair, and a corporate governance and editorial committee made up of independent directors, who would have no other News Corporation interests. For ten years, News Corporation would not be allowed to increase its shareholding in the new company without permission from the Secretary of State. The company would have a ten year carriage agreement and a seven year renewable brand licensing agreement to ensure its financial viability – measures considered by Ofcom the specialist media regulators to be long term in the rapidly-changing media sector.

My own view is that ~~informed by advice from the regulators and the DCMS, I believe that~~ the undertakings proposed by News Corporation would address concerns about media plurality should the proposed News Corporation/BSkyB merger go ahead. The undertakings offered would ensure that shareholdings in Sky News would remain unchanged, and offer it more independence from News Corporation than it currently has.

This is, of course, a decision for the Secretary of State. Once he has considered responses to the consultation, he will reach a decision on whether he still believes that the undertakings of lieu should be accepted.

I remain very aware of controversy surrounding this merger. Please let me assure you that a free and independent press, for which this country is famous, is hugely important to me. I know the Secretary of State has sought and published independent advice at every step of the way and I shall continue to follow developments carefully. Thank you again for taking the time to contact me.

From: [redacted]
Sent: 09 March 2011 15:45
To: SMITH, Adam
Cc: [redacted] KILGARRIFF PATRICK
Subject: FW: BSKyB-News Corporation Consultation

Adam,

[redacted] was trying to contact you before she had to rush off to say that she is concerned that Nick Clegg's office is replying in detail to critics of the merger rather than simply referring them to our website (see below). I think the problem is that this could give the impression that this is a collective, Government decision. I also think it is overstates the case to say that the regulators "stated that there was no justification for a referral to the Competition Commission."

Can you perhaps use the SpAds network to get this message across?

[redacted]
From: [redacted]
Sent: 09 March 2011 14:17
To: BSKYB; nick.clegg.mp@parliament.uk
Subject: BSKyB-News Corporation Consultation

Dear Nick, [redacted]

I'm sad to say that I don't think you realise what you're dealing with. This trailer might help:
<http://www.wikio.co.uk/video/jaws-trailer-1975-83200>

All the best
[redacted]

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

Subject: RE: Your email on BSKyB

Date: Wed, 9 Mar 2011 11:56:10 +0000

From: CLEGG, Nick <nick.clegg.[redacted]>

Dear Sir/Madam,

Many thanks for contacting Nick Clegg MP. I'm replying to letters and emails on his behalf.

Please rest assured that the Liberal Democrats were concerned about the proposal by News Corporation to take over the remaining approximately 60% of the shares in BSKyB that it did not already own, and the greater influence and control over news and current affairs they would have.

Ofcom's initial report, released on 31st December, recommended that there were enough concerns for this deal to be sent to the Competition Commission. The Secretary of State, on the regulator's advice (and as the law permits) then gave News Corps the opportunity to offer concessions that would remove the regulator's concerns.

The subsequent concessions negotiated with Ofcom and the Office of Fair Trading were very substantial.

Crucially, the deal – if implemented – will mean that Sky News is separated from the rest of BSKyB, that News Corp is not allowed to increase its shareholding in Sky News and that there will be legally binding agreements that mean, in effect, News Corporation will have no control over the editorial content of Sky News nor will it be able to hire and fire

senior staff. The board of the newly independent Sky News will have a majority of independent directors and the chairman of the board will also be independent.

Additionally, and unlike at present, a Corporate Governance and Editorial Committee will be created to ensure compliance with the principles of editorial independence and integrity in news reporting, and for the first time the requirement for the company to adhere to Ofcom's Broadcasting Code would be enshrined in the new company's articles of association. This means that Sky News would be better protected in terms of editorial independence than it is now – and far better protected than what would have happened if News Corp had made a full take-over.

Both the Office of Fair Trading and Ofcom have clearly stated that with these, and related, measures in place, the initial concerns they had would be resolved. They stated that there was no justification for a referral to the Competition Commission.

Given these details and the legally binding nature of the proposed deal, if it goes ahead it means that Rupert Murdoch and News Corp will have less influence and control over news and current affairs than they do at present. This is something that Nick and the Liberal Democrats very much welcome.

Clearly there will still be many concerns about the proposals. That's why there will be a further period of public consultation and all the paperwork – including copies of all letters, minutes of all meetings and full details of the concessions that were negotiated – has been made available on the DCMS website for everyone to see. Please feel free to engage with this consultation process by emailing or writing to either address below by 21st March 2011:

bskyb-newscorp.consultation@culture.gsi.gov.uk

BSkyB-News Corporation Consultation Media Team,

Department for Culture, Media and Sport,

2-4 Cockspur Street,

London,

SW1Y 5DH.

Thank you again for contacting Nick on this important issue.

Best wishes,

[Redacted signature]

Office of Nick Clegg MP

--

[Redacted name]

Multimedia Services Development Officer
EDINA
The University of Edinburgh
Causewayside House
158-162 Causewayside
Edinburgh EH9 1PR

Tel: [Redacted]
Fax: [Redacted]
Email: [Redacted]

<http://edina.ac.uk>

This email was received from the INTERNET and scanned by the Government Secure Intranet anti-virus service supplied by Cable&Wireless Worldwide in partnership with MessageLabs. (CCTM Certificate

Number 2009/09/0052.) In case of problems, please call your organisation's IT Helpdesk.
Communications via the GSi may be automatically logged, monitored and/or recorded for legal purposes.

[Redacted]

From: SMITH, Adam
Sent: 13 May 2011 15:32
To: [Redacted]
Cc: STEPHENS JONATHAN; ZEFF JON; GEIST-DIVVER CAROLA; [Redacted] MARTIN LINDA; [Redacted] BEEBY, Sue; [Redacted]
Subject: RE: NEWS CORP/BSKYB MERGER

Is it worth giving Jeremy advice on the UIL earlier than the 2-3 week timeline? If there has been agreement reached on this aspect of the process now shouldn't he look at it? It seems to me if he was minded to do so we could even consult on any changes we needed to make to it whilst still working on the carriage arrangements and brand licensing agreement.

From: [Redacted]
Sent: 13 May 2011 11:03
To: [Redacted]
Cc: STEPHENS JONATHAN; ZEFF JON; GEIST-DIVVER CAROLA; [Redacted] MARTIN LINDA; [Redacted] [Redacted]; SMITH, Adam; BEEBY, Sue; PATEL RITA
Subject: NEWS CORP/BSKYB MERGER

Hi [Redacted]

Please find attached an update for the SoS.

[Redacted]

DCMS
2-4 Cockspur Street
London SW1Y 5DH

W: [Redacted]
M: [Redacted]

[Redacted]

From: SMITH, Adam
Sent: 20 June 2011 18:28
To: [Redacted]
Cc: [Redacted]
Subject: RE: Newscorp

If I'm around then I'd definitely like to come please.

From: [Redacted]
Sent: 17 June 2011 13:49
To: SMITH, Adam
Subject: Newscorp

Adam,

We've arranged a consultation with [Redacted] for next Thursday to go through responses to the consultation, and outstanding matters in readiness for preparing a submission to the SoS when he's back. I don't know if you're interested in attending or not? If so, it's at Monckton Chambers at 3pm. By that time I'd anticipate we should also have the OFT and Ofcom reports, and can run over those with Daniel as well.

If you could let me know if you do plan to attend, so that I can confirm numbers, that would be excellent.

Thanks,

[Redacted]

Legal Advisers to the Department for Culture, Media and Sport
Treasury Solicitor's Department | 2-4 Cockspar Street | London | SW1Y 5DH
Email: [Redacted] www.culture.gov.uk

[Redacted]

From: SMITH, Adam
Sent: 27 June 2011 14:37
To: [Redacted]
Cc: BEEBY, Sue; [Redacted] FRENCH, Rita
Subject: RE: Immediate - News Corp condoc
Attachments: SB 11 06 27 Newscorp condoc- vers 3.docx

I've beefed up the summary to try and show how it can clearly set out the reasons we've made some changes. I've not included the detail though.

Then on phone hacking. I still think we need to separate these out from the monitoring trustee but realise I'm in the minority on that one. Also can we not include the line we've used publicly before about how it isn't material – think these included reasons. Maybe better to chat this through with Jeremy.

From: [Redacted]
Sent: 27 June 2011 14:04
To: SMITH, Adam
Cc: BEEBY, Sue; [Redacted] PATEL RITA
Subject: Immediate - News Corp condoc
Importance: High

Adam,

Here is a revised con doc which I hope address the points you raised. Feel free to make any changes.

I will start to bring the statement into line with this.

Also attached is the complete list of issues which we considered.

[Redacted]

DCMS
2-4 Cockspur Street
London SW1Y 5DH

W: [Redacted]
M: [Redacted]

[Redacted]

From: SMITH, Adam
Sent: 28 June 2011 11:16
To: [Redacted]
Subject: RE: News Corp/BSkyB merger
Attachments: Newscorp condoc- update.docx; draft statement - short version update.docx

Some thoughts from Sue and I. Having a look at the long statement now.

From: [Redacted]
Sent: 27 June 2011 19:01
To: BEEBY, Sue; SMITH, Adam; [Redacted] PATEL RITA
Cc: MARTIN LINDA; ZEFF JON; STEPHENS JONATHAN; GEIST-DIVVER CAROLA; [Redacted]
Subject: News Corp/BSkyB merger
Importance: High

Dear all,

Attached is a long-form written statement as discussed this afternoon. Main changes are in red. (Sorry this has taken so long, but Livelink crashed on me..)

Also attached is a shorter version of the written statement (should we decide to go down that route) and a revised condoc.

Grateful for any comments by midday please so that we can get the documents to [Redacted] in the afternoon.

[Redacted]

DCMS
2-4 Cockspur Street
London SW1Y 5DH

W: [Redacted]
M: [Redacted]

[Redacted]

From: SMITH, Adam
Sent: 28 June 2011 11:32
To: [Redacted]
Subject: RE: News Corp/BSkyB merger
Attachments: draft statement - long update.docx

And some thoughts on this one too

From: SMITH, Adam
Sent: 28 June 2011 11:16
To: [Redacted]
Subject: RE: News Corp/BSkyB merger

Some thoughts from Sue and I. Having a look at the long statement now.

From: BRAND STUART
Sent: 27 June 2011 19:01
To: BEEBY, Sue; SMITH, Adam; [Redacted] PATEL RITA
Cc: MARTIN LINDA; ZEFF JON; STEPHENS JONATHAN; GEIST-DIVVER CAROLA; [Redacted]
Subject: News Corp/BSkyB merger
Importance: High

Dear all,

Attached is a long-form written statement as discussed this afternoon. Main changes are in red. (Sorry this has taken so long, but Livelink crashed on me..)

Also attached is a shorter version of the written statement (should we decide to go down that route) and a revised condoc.

Grateful for any comments by midday please so that we can get the documents to [Redacted] in the afternoon.

[Redacted]

DCMS
2-4 Cockspur Street
London SW1Y 5DH

W: [Redacted]
M: [Redacted]

[Redacted]

From: SMITH, Adam
Sent: 28 June 2011 15:30
To: [Redacted]
Subject: RE: News Corp/BSkyB merger
Attachments: SB 11 06 27 Newscorp condoc- vers 5.docx

Found a couple of typos. Also should we try and be consistent when referring to "News/BSkyB merger". I've tried to be in this version but you might want to double check.

From: [Redacted]
Sent: 28 June 2011 13:41
To: [Redacted] BEEBY, Sue; SMITH, Adam; PATEL RITA
Cc: MARTIN LINDA; ZEFF JON; STEPHENS JONATHAN; GEIST-DIVVER CAROLA; [Redacted]
Subject: RE: News Corp/BSkyB merger
Importance: High

Dear all,

Here is further revise of the condoc taking on comments so far.

At Jon's suggestion, I have included an alternative cut-down section on phone hacking (in red on p12-13). I think the shorter version is better and propose to include that unless anyone objects.

[Redacted] I suggest you send this version to [Redacted] in case he has any views on the phone-hacking variants.

[Redacted]

DCMS
2-4 Cockspur Street
London SW1Y 5DH

W: [Redacted]
M: [Redacted]

From: [Redacted]
Sent: 28 June 2011 11:46
To: [Redacted] BEEBY, Sue; SMITH, Adam; PATEL RITA
Cc: MARTIN LINDA; ZEFF JON; STEPHENS JONATHAN; GEIST-DIVVER CAROLA; [Redacted]
Subject: RE: News Corp/BSkyB merger

All,

Some amendments, as attached.

In relation to the timing of the ending of the consultation period, the legislation does provide that the seven days starts on the date on which the notice is issued. Even so, I would recommend that we close the consultation on the Friday. That gives people a little extra time, as recommended by [Redacted] but it wouldn't, of course, mean that we cannot start looking at consultation responses which come in before that date. In

practice, as I recall in relation to the last period of consultation, there was not a huge number of late consultation responses anyway.



Legal Advisers to the Department for Culture, Media and Sport

Email: 

From: 

Sent: 27 June 2011 19:01

To: BEEBY, Sue; SMITH, Adam;  PATEL RITA

Cc: MARTIN LINDA; ZEFF JON; STEPHENS JONATHAN; GEIST-DIVVER CAROLA; 

Subject: News Corp/BSkyB merger

Importance: High

Dear all,

Attached is a long-form written statement as discussed this afternoon. Main changes are in red. (Sorry this has taken so long, but Livelink crashed on me..)

Also attached is a shorter version of the written statement (should we decide to go down that route) and a revised condoc.

Grateful for any comments by **midday** please so that we can get the documents to  in the afternoon.



2-4 Cockspur Street
London SW1Y 5DH

W: 
M: 

[Redacted]

From: SMITH, Adam
Sent: 28 June 2011 15:34
To: [Redacted]
Subject: RE: News Corp/BSkyB merger

I agree with you – short one is better.

From: [Redacted]
Sent: 28 June 2011 15:32
To: SMITH, Adam
Subject: RE: News Corp/BSkyB merger

Thanks, Adam – I agree that we should aim for consistency.

Any preference for the long or short version of the phone hacking section?

[Redacted]

DCMS
2-4 Cockspur Street
London SW1Y 5DH

W [Redacted]
M: [Redacted]

From: SMITH, Adam
Sent: 28 June 2011 15:30
To: [Redacted]
Subject: RE: News Corp/BSkyB merger

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From: [Redacted]
Sent: 28 June 2011 13:41
To: [Redacted]; BEEBY, Sue; SMITH, Adam; PATEL RITA
Cc: MARTIN LINDA; ZEFF JON; STEPHENS JONATHAN; GEIST-DIVVER CAROLA; [Redacted]
Subject: RE: News Corp/BSkyB merger
Importance: High

Dear all,

Here is further revise of the condoc taking on comments so far.

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[Redacted] I suggest you send this version to [Redacted] in case he has any views on the phone-hacking variants.

[Redacted]

DCMS
2-4 Cockspur Street
London SW1Y 5DH

W: [Redacted]
M: [Redacted]

From: [Redacted]

Sent: 28 June 2011 11:46

To: [Redacted] BEEBY, Sue; SMITH, Adam; PATEL RITA

Cc: MARTIN LINDA; ZEFF JON; STEPHENS JONATHAN; GEIST-DIVVER CAROLA; [Redacted]

Subject: RE: News Corp/BSkyB merger

All,

Some amendments, as attached.

In relation to the timing of the ending of the consultation period, the legislation does provide that the seven days starts on the date on which the notice is issued. Even so, I would recommend that we close the consultation on the Friday. That gives people a little extra time, as recommended by [Redacted] but it wouldn't, of course, mean that we cannot start looking at consultation responses which come in before that date. In practice, as I recall in relation to the last period of consultation, there was not a huge number of late consultation responses anyway.

[Redacted]

Legal Advisers to the Department for Culture, Media and Sport

Email: [Redacted]

From: [Redacted]

Sent: 27 June 2011 19:01

To: BEEBY, Sue; SMITH, Adam; [Redacted]; PATEL RITA

Cc: MARTIN LINDA; ZEFF JON; STEPHENS JONATHAN; GEIST-DIVVER CAROLA; [Redacted]

Subject: News Corp/BSkyB merger

Importance: High

Dear all,

Attached is a long-form written statement as discussed this afternoon. Main changes are in red. (Sorry this has taken so long, but Livelink crashed on me..)

Also attached is a shorter version of the written statement (should we decide to go down that route) and a revised condoc.

Grateful for any comments by **midday** please so that we can get the documents to [Redacted] in the afternoon.

Stuart

[Redacted]

DCMS
2-4 Cockspur Street
London SW1Y 5DH

W
M:

[Redacted]

From: SMITH, Adam
Sent: 28 June 2011 15:44
To: E [Redacted]
Subject: RE: News Corp/BSkyB merger

Don't really mind which to be honest. Maybe stick with News Corp in both statement and con doc just to be more formal

From: [Redacted]
Sent: 28 June 2011 15:40
To: SMITH, Adam
Subject: RE: News Corp/BSkyB merger

On the consistency point, I used "News Corp" in the statement and elsewhere because that is more readily intelligible to people but "News" in the condoc because that is what is used in the undertakings. For what it is worth, I also think "News" sounds like we are a bit too close to them. Would you like "News" throughout?

[Redacted]

DCMS
2-4 Cockspur Street
London SW1Y 5DH

W: [Redacted]
M: [Redacted]

From: SMITH, Adam
Sent: 28 June 2011 15:34
To: [Redacted]
Subject: RE: News Corp/BSkyB merger

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[Redacted]

DCMS
2-4 Cockspur Street

London SW1Y 5DH

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M: [redacted]

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Sent: 28 June 2011 15:30
To: [redacted]
Subject: RE: News Corp/BSkyB merger

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Sent: 28 June 2011 13:41
To: [redacted] BEEBY, Sue; SMITH, Adam; PATEL RITA
Cc: MARTIN LINDA; ZEFF JON; STEPHENS JONATHAN; GEIST-DIVVER CAROLA; [redacted]
Subject: RE: News Corp/BSkyB merger
Importance: High

Dear all,

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[redacted] I suggest you send this version to [redacted] in case he has any views on the phone-hacking variants.

[redacted]

DCMS
2-4 Cockspur Street
London SW1Y 5DH

W: [redacted]
M: [redacted]

From: [redacted]
Sent: 28 June 2011 11:46
To: [redacted] BEEBY, Sue; SMITH, Adam; PATEL RITA
Cc: MARTIN LINDA; ZEFF JON; STEPHENS JONATHAN; GEIST-DIVVER CAROLA; [redacted]
Subject: RE: News Corp/BSkyB merger

All,

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practice, as I recall in relation to the last period of consultation, there was not a huge number of late consultation responses anyway.

[Redacted]

Legal Advisers to the Department for Culture, Media and Sport

Email: [Redacted]

From: [Redacted]

Sent: 27 June 2011 19:01

To: BEEBY, Sue; SMITH, Adam; [Redacted] PATEL RITA

Cc: MARTIN LINDA; ZEFF JON; STEPHENS JONATHAN; GEIST-DIVVER CAROLA; [Redacted]

Subject: News Corp/BSkyB merger

Importance: High

Dear all,

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[Redacted]

DCMS
2-4 Cockspur Street
London SW1Y 5DH

W: [Redacted]
M: [Redacted]

[Redacted]

From: SMITH, Adam
Sent: 28 June 2011 19:12
To: [Redacted]
Subject: Re: News Corp/BSkyB merger

Good point. We should get here in sometime tomorrow for us to brief her.

From: [Redacted]
To: SMITH, Adam
Sent: Tue Jun 28 19:07:39 2011
Subject: RE: News Corp/BSkyB merger

Adam,

Do we need to tee up Baroness Rawlings in the event of UQ in the Lords or something similar?

[Redacted]

DCMS
2-4 Cockspur Street
London SW1Y 5DH

W: [Redacted]
M: [Redacted]

From: SMITH, Adam
Sent: 28 June 2011 15:44
To: [Redacted]
Subject: RE: News Corp/BSkyB merger

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Sent: 28 June 2011 15:40
To: SMITH, Adam
Subject: RE: News Corp/BSkyB merger

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[Redacted]

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London SW1Y 5DH

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To:
Subject: RE: News Corp/BSkyB merger

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Sent: 28 June 2011 15:32
To: SMITH, Adam
Subject: RE: News Corp/BSkyB merger

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DCMS
2-4 Cockspur Street
London SW1Y 5DH

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From: SMITH, Adam
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To:
Subject: RE: News Corp/BSkyB merger

Found a couple of typos. Also should we try and be consistent when referring to “News/BSkyB merger”. I’ve tried to be in this version but you might want to double check.

From:
Sent: 28 June 2011 13:41
To: BEEBY, Sue; SMITH, Adam; PATEL RITA
Cc: MARTIN LINDA; ZEFF JON; STEPHENS JONATHAN; GEIST-DIVVER CAROLA;
Subject: RE: News Corp/BSkyB merger
Importance: High

Dear all,

Here is further revise of the condoc taking on comments so far.

At Jon’s suggestion, I have included an alternative cut-down section on phone hacking (in red on p12-13). I think the shorter version is better and propose to include that unless anyone objects.

I suggest you send this version to in case he has any views on the phone-hacking variants.



DCMS
2-4 Cockspur Street
London SW1Y 5DH

W:
M:

From:

Sent: 28 June 2011 11:46

To: BEEBY, Sue; SMITH, Adam; PATEL RITA

Cc: MARTIN LINDA; ZEFF JON; STEPHENS JONATHAN; GEIST-DIVVER CAROLA;

Subject: RE: News Corp/BSkyB merger

All,

Some amendments, as attached.

In relation to the timing of the ending of the consultation period, the legislation does provide that the seven days starts on the date on which the notice is issued. Even so, I would recommend that we close the consultation on the Friday. That gives people a little extra time, as recommended by but it wouldn't, of course, mean that we cannot start looking at consultation responses which come in before that date. In practice, as I recall in relation to the last period of consultation, there was not a huge number of late consultation responses anyway.



Legal Advisers to the Department for Culture, Media and Sport

Email:

From:

Sent: 27 June 2011 19:01

To: BEEBY, Sue; SMITH, Adam; PATEL RITA

Cc: MARTIN LINDA; ZEFF JON; STEPHENS JONATHAN; GEIST-DIVVER CAROLA;

Subject: News Corp/BSkyB merger

Importance: High

Dear all,

Attached is a long-form written statement as discussed this afternoon. Main changes are in red. (Sorry this has taken so long, but Livelink crashed on me..)

Also attached is a shorter version of the written statement (should we decide to go down that route) and a revised condoc.

Grateful for any comments by **midday** please so that we can get the documents to in the afternoon.



DCMS
2-4 Cockspur Street
London SW1Y 5DH

W:

M: