

News Corporation

K.R. Murdoch

First Statement

"KRM18"

12 April 2012

**IN THE MATTER OF THE LEVESON INQUIRY INTO THE CULTURE, PRACTICES AND ETHICS  
OF THE PRESS**

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**EXHIBIT "KRM18"**

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This is the exhibit marked "KRM18" referred to in the witness statement of Keith Rupert Murdoch dated the 12<sup>th</sup> day of April 2012.

## Exhibit KRM18

This exhibit contains copies of emails from electronic searches undertaken by Linklaters in the limited time available of the emails of Frederic Michel. Mr Michel, Senior Vice President, Government Affairs and Public Policy, Europe, News Corporation was News Corporation's Director of Public Affairs in Europe during the BSkyB proposal to make an offer. A search of his emails has been undertaken for this reason.

The emails evidence discussions with politicians and their advisers who were directly or indirectly involved with the government decision-making relating to the BSkyB proposal to make an offer. We have not included documents relating to prospective meetings where it is not clear that the meeting in fact took place.

Mr Michel was centrally involved in discussions with Vince Cable's office and Jeremy Hunt's office.

**Mr Michel has explained to Linklaters that he did not have separate and direct conversations with Jeremy Hunt from 24 December 2010 until end of July 2011 relating to the BSkyB proposal to make an offer beyond formal meetings he attended with the News Corporation team. Mr Michel has explained that the "JH" or "he" in his emails are short hand for Jeremy Hunt's team: most of the direct contact being with Jeremy Hunt's advisors Adam Smith and John Zeff. In addition, Mr Michel has explained that references to Mr Clegg in the email in December 2010 are not based on direct contact with Mr Clegg but with Mr Clegg's chief of staff Jonathan Oates.**

It is possible that other employees of the News Corporation Group may have had discussions on the subject. It has not been possible in the time available to search comprehensively for all such contacts.

Mr Michel has informed Linklaters that he first got involved in the BSkyB proposal to make an offer around the time of its first announcement in or around July 2010. Initially, he would have been dealing with Vince Cable's office, in particular, Giles Wilkes, an aide to Mr Cable. In December 2010, when oversight of the bid moved from Mr Cable to Mr Hunt, Mr Michel then had dealings with Jeremy Hunt's advisors Adam Smith and John Zeff.

Linklaters LLP

12 April 2012

To: Anderson, Matthew [REDACTED] Palker,  
Jeff [REDACTED] Appella, Andrea [REDACTED]  
From: Michel, Frederic  
Sent: Tue 15/06/2010 8:42:31 AM  
Subject: Cable call

Vince Cable call went very well.

He did say he thought "there would not be policy issue in this case". We should have recorded him !

He didn't seem much on top of it. He had seen the newspapers but not the announcement.

JRM told him re-size of our group in the UK, jobs, growth. Cable appreciated.

JRM indicated we would get back to his team to debrief them on the details asap.

We discussed that it would not be necessary for him to see Cable too soon as we wouldn't want to raise too much interest on the case.

Cable said he was coming as planned tomorrow evening.

JRM is keen to go see Kroes and others in Brussels next month.

Fred.

Frederic Michel

Director, Public Affairs, Europe

News Corporation

Tel: [REDACTED]

Mob: [REDACTED]

[www.newscorp.com](http://www.newscorp.com)

**To:** JRM [REDACTED]  
**Cc:** Anderson, Matthew [REDACTED]  
**From:** Michel, Frederic  
**Sent:** Tue 15/06/2010 4:23:40 PM  
**Subject:** Hunt's adviser

Had a call from Hunt's adviser.

Said there shouldn't be media plurality issue and believed the UK Government would be supportive throughout the process [despite what the Standard for example is suggesting this evening].

Keen for Jeremy to hear your feedback on his speech when you meet.

Interesting : Jeremy/Vaizey are now preparing a second speech which would be geared towards the economic/growth contribution of the creative industries [employment, innovation...]. There is a recognition that the speech was much more driven on concrete outcomes [i.e. obsession with broadband and local media networks] rather than outlining how the UK media market should look like.

on broadband/NGA, we have to work on Jeremy and manage his expectations. there will be an announcement in mid-July and Sky is going to meet with him on it as well.

I will be working with Jeremy/Ed going forward to prepare it.

Fred.

Frederic Michel

Director, Public Affairs, Europe

News Corporation

Tel: [REDACTED]

Mob: [REDACTED]

[www.newscorp.com](http://www.newscorp.com)

To: Jacobs, Lawrence ( NewsCorp ), [REDACTED] Palker,  
Jeff [REDACTED], Appella, Andrea [REDACTED]  
From: Michel, Frederic  
Sent: Tue 15/06/2010 5:34:25 PM  
Subject: Jeremy Hunt/Financial Times tomorrow

Jeremy just called. He did an interview with the FT today, after his chat with JRM.

He was asked about Sky/NC .

Said it was a "matter for competition authorities but he didn't see any problems."

Fred

Frederic Michel

Director, Public Affairs, Europe

News Corporation

Tel: [REDACTED]

Mob: [REDACTED]

[www.newscorp.com](http://www.newscorp.com)

To: Anderson, Matthew [REDACTED] Palker,  
Jeff [REDACTED] Appella, Andrea [REDACTED]  
From: Michel, Frederic  
Sent: Wed 28/07/2010 9:34:29 AM  
Subject: Vince Cable - confidential

I had discussions this morning with people very close to VC.

In short:

- he is keen to be seen as the most pro-competition SoS and as we know he is very much anti-regulation
- on our particular issue, he strongly believes the deal doesn't change the market situation or would have any impact on media plurality.

F.

Frederic Michel  
Director, Public Affairs, Europe  
News Corporation

tel: [REDACTED]

mob: [REDACTED]

To: Anderson, Matthew, [REDACTED]: Macandrew,  
 Alice, [REDACTED] Appella, Andrea [REDACTED]  
 Cc: JRM [REDACTED] 'gavin.deane' [REDACTED]  
 From: Michel, Frederic  
 Sent: Wed 15/09/2010 5:29:46 PM  
 Subject: RE: Peston Blog - Read Fast: Being asked for Comment

Jeremy Hunt is not aware and thinks it's not credible at all. He is checking now.

Fred.

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From: Anderson, Matthew  
 Sent: 15 September 2010 17:59  
 To: Macandrew, Alice; Michel, Frederic; Appella, Andrea  
 Cc: JRM; 'gavin.deane' [REDACTED]  
 Subject: Peston Blog - Read Fast: Being asked for Comment

## Ofcom expected to review News Corp's bid for Sky

Robert Peston | 17:22 UK time, Wednesday, 15 September 2010

### Comments (1)

James Murdoch's hopes of keeping News Corporation's planned takeover of 100% of British Sky Broadcasting away from the scrutiny of the media regulator, Ofcom, look set to be dashed.

I have learned that the Business Secretary, Vince Cable, is likely to issue what's known as an interven

Attachments:  
 jmurdoch\_224pa.jpg (10804 Bytes)

To: JRM [REDACTED]; Anderson, Matthew [REDACTED] Palker,  
Jeff [REDACTED] Appella, Andrea [REDACTED]  
From: Michel, Frederic  
Sent: Mon 20/09/2010 9:21:59 AM  
Subject: Libdems / Rubicon

Had chat with Don Foster, DCMS spokesman for Libdems this morning.  
Very relaxed about the bid and can't see plurality review taking place.

Fred  
Frederic Michel  
Director, Public Affairs, Europe  
News Corporation  
tel: [REDACTED]  
mob: [REDACTED]



**To:** JRM [REDACTED]  
**Cc:** Anderson, Matthew [REDACTED]  
**From:** Michel, Frederic  
**Sent:** Wed 23/06/2010 11:25:11 AM  
**Subject:** Vince Cable

Vince has been advised by his team it would be better to meet with you once things have settled down on the Sky process in order to avoid any media questions on the purpose/content of the meeting.

Vince is keen to meet for a catch-up as you both discussed on the phone.

Let me know if that's ok with you.

Fred

Frederic Michel

Director, Public Affairs, Europe

News Corporation

Tel: [REDACTED]

Mob: [REDACTED]

[www.newscorp.com](http://www.newscorp.com)

To: JRM [redacted] Anderson, Matthew [redacted] Palker,  
Jeff [redacted]; Appella, Andrea [redacted] Macandrew,  
Alice [redacted]  
From: Michel, Frederic  
Sent: Mon 27/09/2010 9:12:50 AM  
Subject: Priviledged and confidential

Talked to Vince's main economic adviser, who sits in the Lords, over the week-end. He is leading on this for him.

At the moment:

- o he doesn't see any strong competition issue - feels it should be looked at by the EU - he knows where his officials stand on it and is aligned with Hunt's view.
  
- o he is thinking through the media plurality aspects of the transaction, influenced by three main issues which are coloring his judgement:
  - the way Sky News handled the General election coverage and the quality of news debate
  - NoW/Coulson ongoing saga, of which he is being reminded of on a daily basis by people like Simon Hugues and Huhne, as a proof of the need to provide safeguards
  - a very strong pure political pressure from Lib-Dems and Labour over the way the Murdoch press has treated his own party/policies and Labour over last 12 months.
  
- o he has been having constructive discussions with Clegg on it few weeks ago
- o one thing he mentionned: when Vince saw the FT Leader on Monday morning at Lib-Dem conference, he said it was very unhelpful as he didn't think they would join the bandwagon on it.
- o I received again reassurances that his speech last wednesday was in no way directed at NewsCorp/Sky deal
- o At present, i was told there is absolutely no reason to believe he would want a referral. We are keeping lines of communication open in coming weeks and I am sharing with him our arguments

Fred.

Frederic Michel

Director, Public Affairs, Europe

News Corporation

Tel: [redacted]

To: JRM, [REDACTED] Brooks, Rebekah [REDACTED] Palker,  
Jeff [REDACTED] Appella, Andrea [REDACTED]  
From: Michel, Frederic  
Sent: Tue 05/10/2010 12:58:53 AM  
Subject: Rubicon

On the day their start columnist featured a Dispatches against NI and NC, the Telegraph Group has also written to Cable to ask him to refer the bid to Ofcom. The Mail has now also done the same .  
Rebekah and I had a very useful meeting with Jeremy Hunt today on the bid which I will debrief each of you on.

Fred

Frederic Michel

Director, Public Affairs, Europe

News Corporation

tel: [REDACTED]

mob: [REDACTED]

To: Anderson, Matthew, [REDACTED] Palker,  
 Jeff [REDACTED] Appella, Andrea [REDACTED]  
 From: Michel, Frederic  
 Sent: Fri 08/10/2010 7:27:25 PM  
 Subject: Cable competition

Just saw an adviser to Cable's team on business issues. Quick headlines:

- at the moment, they are assuming Vince will refer because of the political pressure, the heavy media debate and the need for him to be seen as bringing scrutiny to a Murdoch transaction.
  - there is real unease in Libdem ranks over Coulson and the relationship to NI. Simon Hughes, deputy-leader, is on a mission to make this an NI issue. The more it is linked to NI/NoW, the more it will stay political and toxic.
  - Cable hasn't himself seen the arguments in details. They are starting to bring him up to date and are now getting to grip with the issues at political adviser level on both plurality and competition.
  - they are not paying much attention to the newspapers' and BBC's arguments: they didn't find the FT article today helpful for them as looking "very self-serving"
  - it was made clear to me that the good thing about VC is that he takes competition issues very seriously and will get some straight official advice.
  - he said it would be good to get some expert view on the competition debate around the transaction in the media to balance things out with the Hutton/Enders view of the UK
  - I would suggest we keep informing Cable's team/advisers on both plurality and competition and get them to realise that there is absolutely no ground for intervention.
  - the adviser was very clear that if we try to aggressively push Cable, it will have a negative impact. But changing the narrative in the main media would help him politically a lot and help him inside the Cabinet.
  - advised to brief all the key lib-dems in coming weeks and go through the impact of the transaction is the key since it was made clear that the media agenda has had a very negative influence on the decision-making process
  - Many people around Cable are from the left or Labour and are briefing against us. We need to engage with them behind the scenes even more.
  - Its the right timing as Parliament is back Monday.
- NB: the Coulson/NI issues are agitating Cable's political base in a major way and there is absolutely no upside in trying to use NI in any lobbying. I am seeing the Chief Exec of the LibDem tuesday on it.
- regarding items we could help Cable with: we should try to help him make his pro-business arguments, for example supporting his campaign to bring flexibility to migration cap and work with his team (I can get the people in the City who are helping him to come see us).
- Cable needs help in working with the City and we can have a two-way beneficial conversation with him.
- Fred.  
 Frederic Michel  
 Director, Public Affairs, Europe  
 News Corporation  
 tel: [REDACTED]  
 mob: [REDACTED]

To: 'adamsmith@ [REDACTED]  
From: Michel, Frederic  
Sent: Thur 07/10/2010 3:11:01 PM  
Subject: Confidential - URGENT

Adam

hope you're well  
As promised in Birmingham, attached briefing memo for Jeremy on the transaction, including Sky News audience shares.  
I hope it's helpful. Let me know if he needs more info.  
I will keep you aware re-timing.  
Warm regards  
Fred

Frederic Michel

Director, Public Affairs, Europe

News Corporation

Tel: [REDACTED]

Mob: [REDACTED]

[www.newscorp.com](http://www.newscorp.com)

Strictly Confidential

News Corporation - British Sky Broadcasting Plc

Briefing for the Right Hon Jeremy Hunt MP  
Secretary of State for Culture, the Olympics, Media & Sport

- **This transaction does not fall under the UK guidelines for intervention and is not exceptional.**
  - A merger between satellite TV and newspapers does not fall under the UK policy for intervention, which covers cross-media ownership mergers involving commercial free-to-air broadcasters (ITV, Channel 5) and/ or national radio and/ or national newspapers.
- **There will be no qualitative reduction of media voices.**
  - **News and Sky are already deemed to be a single media voice** due to the existing ownership links. This was confirmed by the recent detailed UK review of Sky/ ITV by Ofcom and the Competition Commission. In fact, News is bound by the same undertakings relating to ITV. This transaction does not change the status quo.
  - **There will remain many other significant players across all media** (including the BBC, ITV and seven major national newspaper groups) providing news to the UK audiences across all media. Even in the Sky/ ITV case, the Competition Commission and the UK Government concluded that any remedy required was needed to address competition issues and not plurality.
- **Regulations and a strong culture of editorial independence in TV news guarantee plurality.**
  - The regulatory mechanisms that impose standards on the quality of TV news will continue to prevent any prejudice to independence and diversity of views.
  - There is a strong commitment to "editorial independence across TV news broadcasting which would lead to editors resisting any intervention from shareholders to set the news agenda".
- **There has been speculation in the press about whether news and pay TV products might be sold together. This does not support intervention on plurality grounds.**
  - Complaints on this issue should be reviewed by the European Commission which is the appropriate body to review the transaction's effect on **competition**.
  - In any event, the concerns raised are too remote and too hypothetical to support a **plurality** claim that media voices will be reduced.
- **In any event, Sky News has very small shares of television viewing.**
  - Less than 5% of television news viewing and less than 1% of multi-channel homes.

## Annex

## 1. NEWS IS ALREADY DEEMED TO CONTROL SKY FOR THE PURPOSES OF PLURALITY

News and Sky are already deemed to be a single media voice for the purposes of plurality. The detailed and lengthy review of the Sky/ ITV transaction by the OFT, the Competition Commission, Ofcom and the Competition Appeal Tribunal shows that the UK authorities have assumed that News exercises "material influence" over Sky within the UK merger control framework and therefore considered News International and Sky as being both controlled by News for the purposes of plurality.

- The OFT stated that "[BSkyB's] largest shareholder is News Corporation (News Corp) with a 39.02 per cent stake, along with several directorships, which is sufficient to confer control over BSkyB."<sup>1</sup>
- The Competition Commission assumed that, for the purposes of its analysis of the impact of the ITV acquisition on plurality of news, "News Corporation had material influence over BSkyB."<sup>2</sup> On that basis, it assessed the impact of the acquisition on plurality of news including the links with News and concluded that plurality was not affected. This conclusion was endorsed by the UK Government.
- Ofcom took into account the links between News and Sky in its plurality assessment on the basis that it treated "all media enterprises under the same ownership or the same control as being controlled by one person".<sup>3</sup> It conducted an in-depth review of the Sky/ ITV transaction on the basis that it established an ownership link between ITV and News.
- The Competition Appeal Tribunal's judgment recites that Ofcom, in its initial report, "assumed that Sky is or may be controlled by News Corporation (39.1% shareholding held through a number of News Corporation subsidiaries)."<sup>4</sup>

## 2. EDITORIAL INDEPENDENCE

There is a strong culture of editorial independence within UK television news production, which will continue to be effective in preventing any prejudice to independence and diversity of views.

In assessing the Sky/ ITV transaction, the Competition Commission noted in relation to that transaction that the "evidence ... received suggested to [the Competition Commission] that there was a strong commitment to editorial independence across television news broadcasting which would lead to editors resisting any direct board intervention or intervention from shareholders to set the news agenda."<sup>5</sup>

In addition, the regulatory framework (the requirement of due impartiality in Ofcom's Broadcasting Code which includes a set of principles and rules to be followed by

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<sup>1</sup> Acquisition by British Sky Broadcasting Group plc of a 17.9 per cent stake in ITV plc, OFT Report to the Secretary of State for Trade and Industry, 27 April 2007, para. 25.

<sup>2</sup> Acquisition by British Sky Broadcasting Group Plc of 17.9% of the shares in ITV Plc, Report sent to Secretary of State (BERR), 14 December 2007, para. 5.64.

<sup>3</sup> Ofcom Report for the Secretary of State pursuant to Section 44A of the Enterprise Act 2002 of British Sky Broadcasting plc's acquisition of a 17.9% shareholding in ITV plc, 27 April 2007, paras. 4.4-4.7.

<sup>4</sup> *British Sky Broadcasting v Competition Commission and Secretary of State and Virgin Media Inc v Competition Commission and Secretary of State*, ([2008] CAT 25), judgment of 29 September 2008, para. 247.

<sup>5</sup> Acquisition by British Sky Broadcasting Group Plc of 17.9% of the shares in ITV Plc, Report sent to Secretary of State (BERR), 14 December 2007, para. 5.68.

broadcasters<sup>6</sup>) reduces the scope for influence over editorial content by owners of TV news channels.

3. **SKY NEWS HAS A VERY SMALL SHARE OF TV VIEWING**

**Share of TV news viewing, October 2006**

Broadcaster	BBC1	BBC2	BBC24	ITV1	C4	Five	Sky News	Others
<b>Share (%)</b>	50.6%	4.6%	5.2%	26.8%	4.5%	2.8%	4.9%	0.6%

Source: BARB/ TNS infosys, Magentum analysis, All Hours. Cited in New News, Future News, The challenges for digital news after Digital Switch-over, 26 June 2007 (Ofcom), Figure 3.2. The position is not materially different today.

**Share of multi-channel viewing, June to August 2010**

Broadcaster	Share of total viewing (%)		
	Jun 2010	Jul 2010	Aug 2010
<b>BBC1</b>	21.4	21.4	19.6
<b>BBC2</b>	6.8	7.3	6.9
<b>ITV1</b>	18.2	14.5	14.5
<b>Channel 4/S4C</b>	5.9	6.5	6.4
<b>Five</b>	4.4	4.4	4.5
<b>Sky News</b>	0.6	0.7	0.5
<b>BBC News</b>	1.0	1.0	0.9

Source: Extracted from BARB at: [http://www.barb.co.uk/report/monthlyViewing?\\_s=4](http://www.barb.co.uk/report/monthlyViewing?_s=4)

<sup>6</sup> See, further, Ofcom Broadcasting Code, September 2010, where section 5 deals with impartiality.



To: Michel, Frederic [REDACTED]  
From: Adam Smith  
Sent: Mon 11/10/2010 7:02:33 AM  
Subject: Re: Confidential - URGENT

Jeremys response to this - "persuasive".

On 7 Oct 2010, at 16:11, "Michel, Frederic" [REDACTED] wrote:

Adam

hope you're well  
As promised in Birmingham, attached briefing memo for Jeremy on the transaction, including Sky  
News audience shares.  
I hope it's helpful. Let me know if he needs more info.  
I will keep you aware re-timing.  
Warm regards  
Fred

Frederic Michel

Director, Public Affairs, Europe

News Corporation

Tel: [REDACTED]

Mob: [REDACTED]

<http://www.newscorp.com/www.newscorp.com>

<BRIEFING -

To: Anderson, Matthew [REDACTED] Brooks,  
Rebekah [REDACTED]  
From: Michel, Frederic  
Sent: Tue 12/10/2010 8:55:14 PM  
Subject: Update Cable - plse read

Just spoke to Vince's main adviser:

- they are completely "stuffed" with the CSR (which is not completed for BIS yet), Tuition fees and the rebellion...etc.

- they know we are liaising closely with the officials.

- he is aware of our desire to make sure Vince/JRM speak at the right time and also to get detailed update briefing from the team in coming weeks.

- he had one strong advice (as mentioned previously): the most influential person for Vince now is Lord Oashekott, who is a difficult character and hates lobbying (and doesn't like our empire either...) and who Vince talks to more than 10 times/day.

It was suggested that we should try a very soft approach with him; get him meet with James Harding to get his views on some of BIS key items, like migration cap, and get me to pop in at some stage to give him an update on the current battle we face and inform his views. It would be a much better setting than a direct lobbying conversation. Do we think it's ok?

- the referral decision will be a political one, especially if tuitions fees debate gets nasty in Vince's party and he need something to reassure his base...

- he also recommended to keep briefing senior lib-dems and key Cabinet members as we have started to do, to push things with Vince.

Fred  
Frederic Michel  
Director, Public Affairs, Europe  
News Corporation  
tel: [REDACTED]  
mob: [REDACTED]

To: Anderson, Matthew [REDACTED] Palker,  
Jeff [REDACTED] Appella, Andrea [REDACTED]  
From: Michel, Frederic  
Sent: Mon 18/10/2010 3:54:01 PM  
Subject: Cable- Rubicon

Quick update:

Very useful meeting with Lord Clement-Jones, Treasurer of LibDems and Culture/Media spokesman at Lords. He is also Chairman of DLA Piper.

As a lawyer, he takes a very clear view and strongly believes this is a competition issue which should be looked at by Brussels. Still doesn't think the referral is a done deal.

He believes UK newspapers' letter to Cable will be seen as commercially motivated.

His party is very keen to look at this as a political decision.

Confirmed it is impossible for us to make people-understand that this is a NewsCorp deal and not NI.

We had a good chat re-key influencers around Cable. He has a little set of people around him he will call to ask for opinion and many Lib-Dem, Labour MPs will be writing to him to apply further pressure.

Said that arch-ennemy now in the Coalition government, like Lord McNally, won't have the same ability to cause trouble...

It won't do any harm to explain our case to selected individuals who Cable is likely to call:

Lord Newby - I will meet

Lord Oakeshot- said he would be VERY receptive to a message from Patience on this: Matthew can we discuss asap?

Lord Razzal- I will meet

Chairman of Business Committee, Adrian Bailey - will meet

Fred.

Frederic Michel

Director, Public Affairs, Europe

News Corporation

tel: [REDACTED]

mob: [REDACTED]

To: JRM [REDACTED]  
Cc: Anderson, Matthew [REDACTED] Palker,  
Jeff [REDACTED]  
From: Michel, Frederic  
Sent: Mon 01/11/2010 6:10:18 PM  
Subject: Scotland - confidential

Mission accomplished.

- Libdem MP, former Sky employee, with major Sky customer centres in his constituency and around, will contact Vince Cable to ask him to bear in mind the economic/ investment point of view rather than getting influenced by political games, especially in times of austerity and very difficult economic environment for those areas. He will also emphasise the opportunity for Cable to show the maturity of the Libdems as coalition partners, working for the long-term, and will draw from the Coalition government experience libdems have had in Scotland. He agrees with the need for this to be looked at by Brussels rather than scrutinised again on plurality ground in the UK

-Alex Salmond is very keen to also put these issues across to Cable and have a call with you tomorrow or Wednesday. His team will also brief the Scottish press on the economic importance of News Corp for Scotland.

F.

Frederic Michel  
Director, Public Affairs, Europe  
News Corporation

Tel: [REDACTED]  
Mob: [REDACTED]

To: Anderson, Matthew [REDACTED]; Palker,  
Jeff [REDACTED]; Appella, Andrea [REDACTED]  
From: Michel, Frederic  
Sent: Mon 01/11/2010 6:33:35 PM  
Subject: Cable - confidential

His adviser has just suggested I send him all the relevant docs for him to read on wednesday and he will probably want to meet up later this week or Monday. He asked me when we were going to file. I said "very shortly".

Fred  
Frederic Michel  
Director, Public Affairs, Europe  
News Corporation  
tel: [REDACTED]  
mob: [REDACTED]

To: Palker, Jeff, [REDACTED] Appella, Andrea [REDACTED]  
Anderson, Matthew, [REDACTED]  
From: Michel, Frederic  
Sent: Tue 02/11/2010 6:42:55 PM  
Subject: CABLE - confidential

Just spoke to Baroness Rawlings, the Government spokesperson for DCMS at the Lords, who will be speaking at the debate on Thursday scheduled by Lord Putnam.

I am briefing her ahead of the debate.

She mentioned she believed Cable was preparing to make a decision within few days of our filing becoming public.

Fred.

To: Anderson, Matthew, [REDACTED] Palker,  
Jeff, [REDACTED] Appella, Andrea [REDACTED]  
From: Michel, Frederic  
Sent: Tue 02/11/2010 7:44:40 PM  
Subject: Cable adviser - CONFIDENTIAL - feedback

Vince's adviser just called me, unprompted.

We discussed the state of the process.

He promised to make sure he has read the BIS submissions by Thursday afternoon. He will then schedule a face-face chat.

Fred

**To:** Anderson, Matthew, [REDACTED] Palker,  
Jeff [REDACTED] Appella, Andrea [REDACTED]  
**From:** Michel, Frederic  
**Sent:** Thur 04/11/2010 8:18:47 AM  
**Subject:** Cable's adviser

Cable's adviser just texted me to say we "put a v strong case which will stand you in good stead on this"



To: JRM, [REDACTED]  
Cc: Anderson, Matthew [REDACTED]; Palker,  
Jeff [REDACTED]; Appella, Andrea [REDACTED]  
From: Michel, Frederic  
Sent: Mon 08/11/2010 6:44:31 PM  
Subject: Vince Cable

Just had a private call with Vince's main adviser.

He said he believed there were huge risks for me to meet with him to talk about anything that has to do with the "OfCom business", which he rules out completely.

Too much scrutiny. They also want to be able to say they took an independent view. Asked me to be in touch regularly in coming weeks, if only to provide him with any evidence/materials we would like Vince/him to read.

He will get back to me re-meeting with Vince and how this could maybe take place.

I also have a follow-up calls scheduled with David Laws and Clegg on this.

Fred

To: JRM, [REDACTED]  
Cc: Anderson, Matthew, [REDACTED]  
From: Michel, Frederic  
Sent: Tue 09/11/2010 8:52:02 AM  
Subject: HM Treasury meeting

Meeting with Rupert Harrison who works with George yesterday

- Confirmed tensions in the Coalition around Vince Cable and his current policy positions
- Vince made a political decision, probably without even reading the legal advice, as confirmed also to us by Vicky Price and David Laws yesterday
- I underlined the impact such regulatory process has for us financially; the signals it sends to major global potential investors. Ruper said the case would be made to BIS
- He was very much taken by our commitment to Scotland and Alex Salmond's desire to support us. He thought it was a strong ally to put forward, very contrarian/unexpected. Same for Scottish lib-dems.
- Discussed the way the Government can look at the creative industry and its economic contribution; how we can make sure the upcoming roundtable Vince is setting up functions effectively
- Gave a strong feedback on David's comments praising Google and US fair-use for the IP Review. Gave detailed feedback on the pitfalls to avoid in the IP review process.
- Rupert and I will have an ongoing dialogue in weeks to come

Fred.

**To:** Anderson, Matthew, [REDACTED]  
**From:** Michel, Frederic  
**Sent:** Mon 15/11/2010 11:23:18 AM  
**Subject:** Hunt is calling JRM re-tonight - problem

Frederic Michel  
Director, Public Affairs, Europe  
News Corporation  
tel: [REDACTED]  
mob: [REDACTED]

**To:** JRM, [REDACTED]  
**Cc:** Anderson, Matthew [REDACTED]  
**From:** Michel, Frederic  
**Sent:** Mon 15/11/2010 11:32:42 AM  
**Subject:** Hunt meeting - urgent

Jeremy tried to call you. He has received very strong legal advice not to meet us today as the current process is treated as a judicial one (not a policy one) and any meeting could be referred to and jeopardize the entire process. Jeremy is very frustrated about it but the Permanent Secretary has now also been involved.

My advice would be not to meet him today as it would be counter-productive for everyone, but you could have a chat with him on his mobile which is completely fine, and I will liaise with his team privately as well. Let's discuss

Fred  
Fred  
Frederic Michel  
Director, Public Affairs, Europe  
News Corporation  
tel: [REDACTED]  
mob: [REDACTED]

To: giles,wilkes [REDACTED]  
From: Michel, Frederic  
Sent: Mon 15/11/2010 7:03:13 PM  
Subject: Re: Privileged and Confidential

Hi Giles,

Thanks a lot. Appreciated

I completely understand and I was only being cheeky in a friendly way. I didn't not mean to make any assumption at all about your conduct.

As you know, I'm keen to make sure things are done properly from my side as well and only wanted to engage beyond the transaction process, as I know there are many issues we could work on together well.

I sincerely hope the opportunity will come and in the meantime, I will make sure I can keep you informed.

Warm regards

Fred  
Frederic Michel  
Director, Public Affairs, Europe  
News Corporation  
tel: [REDACTED]  
mob: [REDACTED]

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

From: Wilkes, Giles [REDACTED]  
Sent: Monday, November 15, 2010 06:54 PM  
To: Michel, Frederic [REDACTED]  
Subject: RE: Privileged and Confidential

Hi Frederic

As it happens, I don't think I've talked about this issue with any of them. Of course, in briefing at Conference, I had to wander into a room full of media people, and people from the media contact me on other matters. And I know someone senior at Sky in a personal capacity, but we have studiously avoided discussing this since it became such a hot issue.

I'm sure we're both equally interested in staying within the bounds of proper conduct - forgive my caution

Best wishes

G

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

From: Michel, Frederic [REDACTED]  
Sent: 15 November 2010 18:34  
To: Wilkes, Giles [REDACTED]  
Subject: RE: Privileged and Confidential

So that means no other possible interested parties in the transaction have met with you at all since June [Telegraph, FT, Associated, BT, BBC...etc.]?

NB: It's News Corporation by the way :-)

Fred

-----Original Message-----  
From: Wilkes Giles [REDACTED]  
Sent: 15 November 2010 18:30  
To: Michel, Frederic  
Subject: RE: Privileged and Confidential

Let us assume it is when a google of "Vince Cable", "News International" and "Sky" doesn't turn anything up!

Best wishes

Giles

-----Original Message-----  
From: Michel, Frederic [REDACTED]  
Sent: 15 November 2010 18:19  
To: Wilkes Giles [REDACTED]  
Subject: RE: Privileged and Confidential

When would be good for you?

Hope all is well

Fred

-----Original Message-----  
From: Wilkes Giles [REDACTED]  
Sent: 09 November 2010 09:48  
To: Michel, Frederic  
Subject: RE: Privileged and Confidential

I quite agree: we should schedule a time when this has all blown over

G

-----Original Message-----  
From: Michel, Frederic [REDACTED]  
Sent: 08 November 2010 20:02  
To: Wilkes Giles [REDACTED]  
Subject: Re: Privileged and Confidential

I completely understand the Ofcom business dimension of course.

It would just be good for me to have a meeting given we are a major UK corporation and leading innovator and have many areas relevant to BIS: creative industry, skills..etc and I want to establish ongoing dialogue at our level.  
I thought it could be mutually beneficial.

Best

Fred

Frédéric Michel  
Director, Public Affairs, Europe  
News Corporation  
tel: [REDACTED]  
mob: [REDACTED]

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

From: Wilkes Giles [REDACTED]  
Sent: Monday, November 08, 2010 06:35 PM  
To: Michel, Frédéric  
Subject: RE: Privileged and Confidential

What did you have in mind as an agenda? Obviously, there are huge risks to talking about anything whatsoever to do with the OfCom business, which I would rule out; but I imagine that you chaps can think of little else right now, which leaves me puzzled

Best regards

Giles

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

From: Michel, Frédéric [REDACTED]  
Sent: 08 November 2010 18:31  
To: Wilkes Giles [REDACTED]  
Subject: RE: Privileged and Confidential

Hi Giles,

I hope you're well.

Would you have some time to meet in the coming days?

Warm regards

Fred

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

From: Wilkes Giles [REDACTED]  
Sent: 02 November 2010 19:29  
To: Michel, Frédéric  
Subject: RE: Privileged and Confidential

Thanks Frédéric - hope to read in the next 48 hours.

best

G

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

From: Michel, Frédéric [REDACTED]  
Sent: 02 November 2010 19:08

To: Wilkes Giles [REDACTED]  
Subject: Privileged and Confidential  
Importance: High

Dear Giles,

As promised, please find attached the different documents we shared with the BIS team regarding the Sky transaction.

Moreover, I am attaching a rebuttal memo regarding the recent third party submission made by commercial complainants which contained many misleading views; and two memos on the plurality and competition aspects of the transaction.

I hope you find it helpful. I would welcome the opportunity to meet in the coming days to discuss it in greater details;

Thank you very much indeed,

Warm regards,

Frederic,

Frederic Michel  
Director, Public Affairs, Europe  
News Corporation  
tel: [REDACTED]  
mob: [REDACTED]

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To: JRM [REDACTED] Anderson, Matthew [REDACTED] Palker,  
Jeff [REDACTED] Appella, Andrea [REDACTED]  
From: Michel, Frederic  
Sent: Mon 15/11/2010 7:13:13 PM  
Subject: Cable - confidential

Just had a conversation with Vince's main adviser regarding meetings they might have had with the complainants to the transaction, given rumours we hear. He said that as it happens, he doesn't think he has talked about this issue with any of the complainants (we mentioned BBC, FT, Telegraph, AssociatedN BT...). Of course, in briefing at Party Conference, he said he had to wander into a room full of media people, and people from the media contacted him on other matters. And he also said he knew Andrew at Sky in a personal capacity, but they have studiously avoided discussing this since it became such a hot issue, as agreed when I first discussed it with him. He said he was keen for me to keep our agreement that we are both equally interested in staying within the bounds of proper conduct during the process, keep each other closely informed and forgive his caution but Vince is "very disciplined" about this. I told him I was happy to take his words but we were hearing otherwise.

Fred  
Frederic Michel  
Director, Public Affairs, Europe  
News Corporation  
tel: [REDACTED]  
mob: [REDACTED]

**To:** JRM [REDACTED]  
**Cc:** Anderson, Matthew [REDACTED]  
**From:** Michel, Frederic  
**Sent:** Fri 19/11/2010 9:51:09 AM  
**Subject:** Lord Oakeshott

Was told today by Cable's adviser to approach any meeting with Lord Oakeshott as a proxy for Vince Cable, an intro. discussion on the substance of Rubicon and possible way forward. Again, given his position of Chair of Cable's business advisory council, he is the most influential person on any decision Vince will make.

Fred  
Frederic Michel  
Director, Public Affairs, Europe  
News Corporation  
tel: [REDACTED]  
mob: [REDACTED]

To: JRM [REDACTED]  
Cc: Anderson, Matthew [REDACTED]  
From: Michel, Frederic  
Sent: Tue 23/11/2010 1:59:04 PM  
Subject: Jeremy Hunt

I will have a session with Hunt's adviser next Wednesday to update on Ofcom process and next steps.

Jeremy has also asked me to send him relevant documents privately.

Also next week, meeting at No10 with Cameron's and Clegg's adviser on creative industries.

Fred

To: fmichel [REDACTED]  
From: Paul Marshall  
Sent: Tue 30/11/2010 2:43:02 PM  
Subject: For the attention of James Murdoch

Dear James,

I realize you came to see me earlier this month in my capacity as a Lib Dem, but I wanted to respond to you on a broader front, and in particular, more as a fellow entrepreneur battling regulatory minefields than as a politico.

I have relayed the substance of our conversation to Vince's office, but as you know, Vince is highly independent-minded so I can make no promises as to his greater willingness to hold a meeting. However I did want to make a few points of my own which are entirely independent observations. I shall be fairly blunt, as I am not sure how many people in your immediate circle are able to be blunt with you!

1. You have a PR problem. There is a yawning gap between your own perception of the culture and values of NewsCorp/Sky and the wider perception "out there", whether it be in relation to your investment in content, the level of editorial independence or your wider contribution to the community. Although you will always have to deal with consequences of envy of your position in UK media, the "perception gap" is much wider than it needs to be. This has an economic cost, as you are now discovering, and I therefore believe you need to invest much more specifically in your own PR strategy and execution.

2. Although you expressed a lot of reserve about hiring a PR firm, I do believe that the "best" (and I would put Alan Parker in this category) can bring a level of wisdom and objectivity which it is hard, although not impossible, to get from direct employees.

3. Although I am not an expert, I did come away from the meeting thinking that there must be an "easy win" for you in terms of providing an additional level of editorial independence (or the appearance thereof), whether at Sky News or at the papers, which will appease the critics. Given what is at stake economically this must be the easiest avenue to pursue. It may be little more than cosmetic.

I wish you luck. You have built a great business and it must be very frustrating to be penalised for your success.

On a different matter, I am sure there will be much common ground between your education projects and Ark. It would be very good to hook up with Joel Klein when he is next in London and to arrange a meeting with Lucy Heller, the Ceo of Ark Schools.

With best regards,  
Paul

PS. I had been planning to go to the Wheatcoft dinner but have to cry off with a slipped disc. Hope it goes well.

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To: JRM, [REDACTED]  
Cc: Anderson, Matthew [REDACTED]  
From: Michel, Frederic  
Sent: Thur 02/12/2010 5:26:24 PM  
Subject: No10 meetings today

Some quick feedback from my conversations in No10 today separately with both Clegg's and DC's advisers

Nick's adviser

- Presentation of News Corp and businesses
- detailed debrief on the current Ofcom process
- Debrief on the state of plurality in the UK: strong amazement of the small audience share of Sky News and the 4/1000 consumer impact
- Honest discussion on the importance for us of getting Labour on board/comfortable with the transaction as it will influence Cable a lot
- he will insist on the need for Vince to meet with us once Ofcom report published
- need to support Nick when he makes announcement on copyright which goes against his election promise – timing end January – will be very tough for him with youth voters again

David's adviser

- Very frank exchange on the recent speech which praised Google and fair-use – took him through the Stationers' speech
- Outline of the aims of the IP review to be led by Hargreaves and our intention to be very pro-active on it
- Proposition by Steve Hilton to help them campaign on the different elements of their Big Society Programme [ Sky programming team very involved already] . Will debrief separately on this item
- On Sky transaction: recognised need to look at it only from a plurality point of view

Proposition for NewsCorp to attend a Ministerial Climate Change meeting with Chris Huhne and No10 to present our strategy so far.

To: Brooks, Rebekah [REDACTED] JRM [REDACTED]  
 Cc: Anderson, Matthew [REDACTED] Palker, [REDACTED]  
 Jeff [REDACTED] Appella, Andrea [REDACTED]  
 From: Michel, Frederic  
 Sent: Tue 14/12/2010 11:59:54 AM  
 Subject: Re: Hunt - confidential

Just saw Don Foster, MP, Libdems DCMS spokesman and close to Cable for a broad update. Some important feedback.  
 Will debrief

Frederic Michel  
 Director, Public Affairs, Europe  
 News Corporation  
 tel: [REDACTED]  
 mob: [REDACTED]

-----Original Message-----  
 From: Brooks, Rebekah  
 Sent: Tuesday, December 14, 2010 10:44 AM  
 To: Michel, Frederic; JRM  
 Cc: Anderson, Matthew; Palker, Jeff; Appella, Andrea  
 Subject: RE: Hunt - confidential

Same from GO - total bafflement at response.

-----Original Message-----  
 From: Michel, Frederic  
 Sent: 14 December 2010 10:41  
 To: JRM  
 Cc: Anderson, Matthew; Palker, Jeff; Appella, Andrea; Brooks, Rebekah  
 Subject: Hunt - confidential

Very good debrief with Hunt on the Issues letter. He is pretty amazed by its findings, methodology and clear bias.

He very much shares our views on it.  
 We are going to try to find a way for you to meet with him one/one before Xmas.

Fred  
 Frederic Michel  
 Director, Public Affairs, Europe  
 News Corporation  
 tel: [REDACTED]  
 mob: [REDACTED]



**To:** JRM, [REDACTED] Anderson, Matthew, [REDACTED] Palker,  
Jeff [REDACTED] Appella, Andrea [REDACTED]  
**From:** Michel, Frederic  
**Sent:** Tue 14/12/2010 9:17:38 PM  
**Subject:** Cable - confidential

Just spoke to Vince's main adviser.  
Neither date I put forward for a meeting with Vince (7th or 10 th Jan) is likely to work. Vince is out of the country at that time, on current plans.  
I was told that he has yet to get "his full views on the advisability of a meeting - he is very keen to observe all the correct form and may therefore regard the possibility with an element of concern until extremely thoroughly briefed on all possible consequences."  
I think meeting, if it happens, will be in mid-January. Let's see.  
Fred  
Frederic Michel  
Director, Public Affairs, Europe  
News Corporation  
tel: [REDACTED]  
mob: [REDACTED]

To: JRM [REDACTED]  
Cc: Anderson, Matthew [REDACTED], Palker,  
Jeff [REDACTED], Appella, Andrea [REDACTED]  
From: Michel, Frederic  
Sent: Sun 19/12/2010 1:12:50 PM  
Subject: CLEGG \_ CONFIDENTIAL

Just had a private chat with Clegg's chief of staff regarding the ongoing process.

He was very surprised when I pointed out to him that Cable will be tempted to take a decision with a lot of political influence.

For him, the referral is not a matter for 'lib-dems', it is a matter for the Secretary of State in accordance with his statutory obligations.

Said he was unclear therefore why News Corp is seeking out the views of people who have no locus in the decision making process and thinking that their views indicate that the decision will be 'political'.

For him, senior lib-dems who are going around giving us advice/recommendations are not representative of Vince's mindset and way of making decisions. This is similar to what Vince's adviser told me on Friday night: until the end, Vince will be keen to make up his own mind and not be influenced by anyone.

I told him it was hard to believe given all the feedback we are getting.

Contrary to my assertion, he said the Secretary of State will take the decision on its merits in accordance with his statutory obligations. If we have concerns, we should express them directly with BIS or Ofcom.

Fred.

Frederic Michel  
Director, Public Affairs, Europe  
News Corporation

[REDACTED]  
[REDACTED]

To: JRM [REDACTED], Anderson, Matthew [REDACTED]; Palker,  
Jeff [REDACTED]; Appella, Andrea [REDACTED]  
From: Michel, Frederic  
Sent: Tue 21/12/2010 6:15:05 PM  
Subject: Clegg confidential

Just spoke. He is absolutely furious. Said Cable's comments unacceptable  
I ran through role of Telegraph, Cable about to be blackmailed, demands made by Oakeshott and co,  
need to question the integrity of the entire process. There are other reasons for Cable to be kept in...

Frederic Michel  
Director, Public Affairs, Europe  
News Corporation

[REDACTED]  
[REDACTED]

To: JRM, [REDACTED]; Anderson, Matthew, [REDACTED]; Palker,  
Jeff, [REDACTED]; Appella, Andrea, [REDACTED]  
From: Michel, Frederic  
Sent: Fri 24/12/2010 5:25:13 PM  
Subject: Hunt - confidential

Just spoke to JH.

Said he was very happy for me to be the point of contact with him/Adam on behalf of JRM going forward. Very important to avoid giving the "anti" any opportunity to attack the fairness of the process and fine to liaise at that political level, while also DCMS/NWS legal teams are in touch.

Importantly, Jeremy is now away til the 5th January and won't see the Ofcom report til then.

Fred

Frederic Michel  
Director, Public Affairs, Europe  
News Corporation  
[REDACTED]  
[REDACTED]

**To:** Macandrew, Alice [REDACTED]  
**Cc:** Palker, Jeff [REDACTED]; Appella, Andrea [REDACTED];  
JRM [REDACTED]; Anderson, Matthew [REDACTED]; Higham,  
Miranda [REDACTED]; Eng, Philippa [REDACTED]; Everett, Teri (NewsCorp) [REDACTED]  
**From:** Michel, Frederic  
**Sent:** Fri 31/12/2010 11:35:07 AM  
**Subject:** Re: Ofcom

Jeremy Hunt and his team have not received it yet. Will let you know if they do today. We already know privately Jeremy will not look at it before next Wednesday. Not to be repeated.

Ofcom committed to keep us informed through their case team as to when the report will be sent and how quickly we can ourselves get a copy.

Fred

Frederic Michel  
Director, Public Affairs, Europe  
News Corporation

[REDACTED]  
[REDACTED]

On 31 Dec 2010, at 11:16, "Macandrew, Alice" <[REDACTED]> wrote:

They seem to have suggested to some that have called them this morning that they will put out some sort of statement but that it is now possible that they won't make the deadline of today. Perhaps you could let me know if you hear any more yourselves?

If they do put a statement out, we should do something. I've copied below what we have. Let me know if you have any comments. Am in the office if you wish to discuss.

alic

**Response to Statement by Ofcom**

*London, [31] December, 2010* – News Corporation notes today's announcement by Ofcom regarding the completion of its public interest investigation into News Corporation's proposed acquisition of the outstanding shares in BSkyB that it does not already own. News Corporation remains confident that its proposed investment will not adversely affect media plurality in the United Kingdom and is committed to continuing to engage with the regulatory process.

Alice Macandrew

Director, Corporate Communications, Europe and Asia, News Corporation

\_\_\_\_\_

\_\_\_\_\_

**To:** JRM, [REDACTED], Palker, Jeff [REDACTED]; Anderson, Matthew [REDACTED]  
**From:** Michel, Frederic  
**Sent:** Mon 10/01/2011 7:31:44 PM  
**Subject:** Spoke to Hunt

will debrief  
Frederic Michel  
Director, Public Affairs, Europe  
News Corporation

[REDACTED]

**To:** Palker, Jeff [REDACTED]; JRM [REDACTED]; Anderson, Matthew  
**From:** Michel, Frederic  
**Sent:** Mon 10/01/2011 8:24:15 PM  
**Subject:** Re: Spoke to Hunt

Basically:

He is relax re-Guardian/FT piece tomorrow. Amazed by Watson sending the confidential email to Guardian and Reuters and hopes Whittingdale will launch enquiry into it. He said Webber Shandwick were still doing the session with CMS Committee Thursday and we should tell everyone... His press team is telling everyone report will be published, that DCMS won't do running commentary on the process.

Said he can't suggest he will take representations as he will be inundated.

He said he would not be influenced by the negative media coverage but would welcomed other opeds like Littlewood or Elstein in coming days

He understands the cost of a CC referral and the potential damage for the bid: asked me if we could mention it again in our doc. But he repeated again his belief that it will be very difficult not to go to the CC if he is not equipped with both relevant remedies and arguments against Ofcom narrative.

He saw Ed Richards today:

- he challenged Ed on the "may be" rationale. Ed was adamant that the threshold was very low and referral was the only option
- he also challenged him on "sufficiency of plurality"
- ed repeated the same concerns which are in the report
- he didn't raise remedies with Ed

He made again a plea to try to find as many legal errors as we can in the Ofcom report and propose some strong and "impactful" remedies.

He is keen to meet next Tuesday or Wednesday to discuss our submission.

Frederic Michel  
Director, Public Affairs, Europe  
News Corporation  
[REDACTED]



To: JRM [REDACTED]; Anderson, Matthew [REDACTED] Palker,  
Jeff [REDACTED]  
From: Michel, Frederic  
Sent: Tue 11/01/2011 10:27:26 PM  
Subject: Confidential

Just had a call with JH concerning several political/Parliament issues which will arise this week around Rubicon process, and on which he has asked for my help to prepare him.

Will debrief.

Fred  
Frederic Michel  
Director, Public Affairs, Europe  
News Corporation  
[REDACTED]

**To:** 'Adam Smith' [REDACTED]  
**From:** Michel, Frederic  
**Sent:** Fri 14/01/2011 6:18:35 PM  
**Subject:** RE: As discussed

Thanks Adam.

**From:** Adam Smith [REDACTED]  
**Sent:** 14 January 2011 17:55  
**To:** Frederic Michel  
**Subject:** As discussed

Thank you for getting in touch about the News Corp/BskyB transaction. I thought it would be helpful if I clarified the process that Jeremy Hunt 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. The Secretary of State 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 Secretary of State's quasi-judicial role 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.

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To: 'aappella [REDACTED]  
'irm [REDACTED]  
Cc: 'manderson [REDACTED]; Palker, Jeffrey  
(Newscorp), [REDACTED] 'ajhingan [REDACTED]  
From: Michel, Frederic  
Sent: Mon 17/01/2011 7:19:15 PM  
Subject: Re: Project Rubicon - Undertaking in Lieu proposal (0012561-0000352)

Just spoke to JH. Will report separately

Frederic Michel  
Director, Public Affairs, Europe  
News Corporation  
[REDACTED]  
[REDACTED]

To: Anderson, Matthew [REDACTED]; Palker, Jeffrey ( Newscorp )[];  
Appella, Andrea [REDACTED]  
From: Michel, Frederic  
Sent: Sun 23/01/2011 8:59:44 AM  
Subject: update - confidential

He still wants to stick to the following plan:

- Monday: Receive further details on UIL - but no need to meet at this stage
- Tuesday: Publication of Ofcom report; our submission and announcement that he has received UIL proposal and is looking into it
- Ask OFT to work with us on the UIL
- Put the UIL to Ofcom for advice. He said he would be able to send it to them with a specific question to limit their ability to challenge it [ i.e., " your report demonstrates that Sky News is the core concern; I would like you to consider the following UIL which addresses all of these issues]. He said Ofcom would not be able to create major obstacles in that way.
- Then in 2 weeks time, he announces he is minded to refer but has received a very substantial UIL and would like to consult publicly
- He predicts it should all be done by mid-Feb.

His view is that once he announces publicly he has a strong UIL, it's almost game over for the opposition.

He understands fully our concerns/fears regarding the publication of the report and the consultation of Ofcom in the process; but he wants us to take the heat, with him, in the next 2 weeks.

He very specifically said that he was keen to get to the same outcome and wanted JRM to understand he needs to build some political cover on the process.

If he were to follow our Option 1 and not provide any details on the Ofcom report, he would be accused of putting a deal together with us behind closed doors and it would get in a much more difficult place. The more this gets out now, the better it will be as the opposition will lose arguments. This week's events do not give him much choice.

He said we would get there at the end and he shared our objectives.

Finally, he asked us to stick with him in the coming weeks, plan the upcoming Tuesday's publication and the debate which will unfold.

Fred.

Frederic Michel  
Director, Public Affairs, Europe  
News Corporation

[REDACTED]

To: James Murdoch[]  
Cc: Anderson, Matthew, [REDACTED]; Appella,  
Andrea, [REDACTED]; Palker, Jeff, [REDACTED]  
From: Michel, Frederic  
Sent: Sun 23/01/2011 8:30:07 PM  
Subject: CONFIDENTIAL - UPDATE - CONFIDENTIAL

I had a very constructive conversation with JH tonight. Please read all the below.

He is keen to look at the UIL tomorrow/tuesday and confirmed we would have a meeting on the business plan later in the week. Tomorrow is not the right time for him as he will be preparing the statement and wants to get his head around the UIL. The docs we are proposing tomorrow will be good.

He will, as he confirmed yesterday, go ahead Tuesday with publication of the Ofcom report, our submission and announce he is looking at UIL. He will not say that he is minded to accept in the statement.

The announcement will be scheduled late tomorrow and he will make his statement around 9.30am/10am Tuesday.

He is keen to see our legal letter on process early tomorrow morning. I have ran him through it and he recognises the strength of our arguments, especially on consulting Ofcom and the Ofcom report publication.

Nevertheless, he thinks that the publication of Ofcom report, although a departure from the Sky/ITV process, does help him to buy some time politically and provide some content to the public debate, while signalling that a strong UIL is being considered [ If he were to wait and not do anything until consultation, he feels the accusation of bias or back-room deals would be unsustainable at this stage].

He is keen for me to work with his team on the statement during the course of tomorrow and offer some possible language. That's really good news.

#### KEY INFOS

He made clear that in his mind, the advice of the OFT does not have any "power of veto" on the UIL. He knows he is not required to consult them but is "able to". He said he won't be led by their recommendation and sees their role as providing advice on knocking UIL-into shape for the consultation process.

Similarly for Ofcom, he is keen to ask them to look at the very specific relevance of the UIL, which in his mind answers most of their concerns.

For the statement Tuesday: he agrees with the idea of making clear that he has received a very strong UIL which is "worthy of consideration" or "strong enough to be looked at very seriously". We will work on the language to provide some positive traction in the debate.

Re-Ofcom report: he agrees with the idea that we need him to be able to at least qualify the findings of the Ofcom report in his statement to neutralise as much as possible the onslaught which will follow in the public debate. He is going to think about it over night. He could for example mention that Ofcom did not form a view on sufficiency of plurality or mention the two "may".

His view is that once he makes a statement on Tuesday and mention he is looking at a strong UIL, with the consultation of OFT and Ofcom, it will already signal that he is not being led by Ofcom's views and is looking at a serious solution.

Fred.

COPY 1

Frederic Michel  
Director, Public Affairs, Europe  
News Corporation

[REDACTED]  
[REDACTED]

To: JRM, [REDACTED]  
Cc: Anderson, Matthew, [REDACTED], Palker,  
Jeff, [REDACTED], Appella, Andrea, [REDACTED], Macandrew,  
Alice, [REDACTED]  
From: Michel, Frederic  
Sent: Mon 24/01/2011 6:00:58 PM  
Subject: RE: CONFIDENTIAL - JH STATEMENT

More details on the statement:

At the end, JH will indicate that if "it produces a UIL which I believe will prevent the merger from doing adverse effects and which I propose to accept, then I will start the formal consultation which will last 15 days"

From: Michel, Frederic  
Sent: 24 January 2011 15:21  
To: JRM  
Cc: Anderson, Matthew; Palker, Jeff; Appella, Andrea; Macandrew, Alice  
Subject: CONFIDENTIAL - JH STATEMENT

Managed to get some infos on the plans for tomorrow [ although absolutely illegal..>!]

- Press statement at 7.30am and Parliament statement at 9.30am [ identical]
- Lots of legal issues around the statement so he has tried to get a version which helps us by qualifying the threats identified by Ofcom
- He will thus confirm that Ofcom recommended him to refer.
- JH will announce that "he is minded that maybe the case that a merger may operate against the public interest and it's in his own right that *he wishes to look at*



*any undertaking that have the potential to prevent the potential threats of media plurality identified in the Ofcom report"*

- He will then say that News Corp wished for him to consider a UIL and he has asked Ofcom and OFT to assist him in that process
- He will also say that once the UIL is satisfactory [ not final language], he will call for a public consultation which will run for 15 days
- He won't give a deadline for Ofcom and OFT consultation but wants it to be done very fast
- He is keen to see JRM on Wednesday or Thursday to finalise the viability side of the UIL
- The documents will be posted on the DCMS website when the Parliament statement is published
- He said that the key for us tomorrow was to be able to sustain the heat around Ofcom recommending a referral and making sure we put our arguments from the submissions out.

COPY 1

To: JRM [REDACTED] Anderson, Matthew [REDACTED]; Appella,  
André [REDACTED]; Palke, Jeff [REDACTED]  
From: Michel, Frederic  
Sent: Mon 24/01/2011 7:02:30 PM  
Subject:

I had a chat with him re-timing between tomorrow's statement and the consultation launch. They will ask OFT for advice asap tomorrow and hope to have a speedy feedback. He believes he can do it more quickly and understands the damages a long period can have. He just needed to have some "space" between the two stages. Hopefully it could be just a week.

Frederic Michel  
Director, Public Affairs, Europe  
News Corporation  
[REDACTED]  
[REDACTED]

To: Anderson, Matthew [redacted]; Macandrew,  
Alice, [redacted]; Palker, Jeff [redacted]; Appella,  
Andrea [redacted]; 'RM [redacted]  
From: Michel, Frederic  
Sent: Tue 25/01/2011 7:27:42 AM  
Subject: Fw: B SkyB press statement

See attached  
Frederic Michel  
Director, Public Affairs, Europe  
News Corporation  
tel: 020 7782 6596  
mob: 07801138249

From: [redacted] mailto:[redacted]  
Sent: Tuesday, January 25, 2011 07:25 AM  
To: Michel, Frederic <[redacted]>; McWilliam, Graham  
<[redacted]>  
Subject: FW: B SkyB press statement

Press statement. Ministerial statement will be substantially the same.

[redacted]

[redacted]

Head of Digital TV Team

DCMS

[redacted]  
[redacted]

W: [redacted]

M: [redacted]

\*\*\*\*\*

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25 January 2011

### NEWS CORP/BSKYB MERGER

Today the Secretary of State for Culture, Olympics, Media and Sport will give an update on the timeline and process that he has followed in his considerations of the relevant public interest in this proposed merger, and is publishing the following documents:

- Ofcom's report on the public interest issues relating to News Corporation's proposed acquisition of BSkyB that was sent to the Secretary of State on 31 December 2010 (redacted for confidentiality).
- The Office of Fair Trading's report on jurisdiction that was sent to the Secretary of State on 30 December.
- The Secretary of State's letters to News Corporation and BSkyB of 7 January 2011.
- BSkyB's response of 13 January 2011 with confidential information redacted.
- News Corporation's response of 14 January 2011 with confidential information redacted.

Secretary of State for Culture, Olympics, Media and Sport Jeremy Hunt said:

"After careful consideration of the Ofcom Report, which recommends referral to the Competition Commission, and as provided by in Section 104 of the Enterprise Act 2002 that sets out my duty to consult adversely affected parties, I met with News Corporation on 6 January to set out the process that I would follow and briefly explain Ofcom's conclusions. Having informed them of the process I then wrote to News Corporation and BSkyB on 7 January enclosing a copy of Ofcom's Report. In

this letter I explained that I was minded to refer the case to the Competition Commission but that I would receive written, and if necessary oral, representations from them if they wanted to challenge my thinking.

“On 10 January I met with Ofcom to seek clarification on a number of aspects of their report.

“In response to my letter of 7 January BSKyB and News Corporation provided written representations challenging elements of Ofcom’s report on 13 and 14 January respectively. These documents have today been published. After considering these responses and consistent with section 104 of the Enterprise Act 2002 I therefore met again with News Corporation on 20 January to hear representations on the issues they highlighted.

“As a result of these meetings and my consideration of the Ofcom report and subsequent submissions from the parties involved I still intend to refer the merger to the Competition Commission. On the evidence available, I consider that it may be the case that the merger may operate against the public interest in media plurality.

“However, before doing so it is right that I consider any undertakings in lieu offered by any merging party which have the potential to prevent or otherwise mitigate the potential threats to media plurality identified in the Ofcom report.

“News Corporation says that it wishes me to consider undertakings in lieu which it contends could sufficiently alleviate the concerns I have such that I should accept the undertakings instead of making a reference. It is appropriate for me to consider such undertakings. In considering whether to accept undertakings in lieu, I will ask the Office of Fair Trading, under section 93 of the Enterprise Act 2002 as an expert public body with experience in negotiating undertakings in lieu, to be involved in the process from this stage. I will also ask Ofcom under section 106B for advice whether undertakings in lieu address the potential impact on media plurality.

“If this process produces undertakings in lieu which I believe will prevent or otherwise mitigate the merger from having effects adverse to the public interest, and

which I propose to accept, I will then publish the undertakings in lieu and (as required under the Act) begin a formal 15 day consultation period during which time all interested parties will be able to express their views.

"It is in the nature of this process that I cannot give clear dates for each step as we move forward. My main concern is not to work to an arbitrary timetable but to ensure that I reach my decision in a fair and even-handed way which is transparent and ensures that all concerns are properly considered."

#### **NOTES TO EDITORS**

On 3 November 2010 News Corporation notified the European Commission of its intention to acquire the shares in BSkyB that it does not already own. On 4 November 2010 the Secretary of State for Business, Innovation and Skills issued a European intervention notice in relation to the proposed acquisition. He asked Ofcom to investigate and report back to him by 31 December 2010 providing advice and recommendations on the public interest consideration in section 58 of the Enterprise Act 2002. This public interest consideration concerns the sufficiency of plurality of persons with control of media enterprises.

On 21 December 2010 the European Commission cleared the proposed acquisition of BSkyB by News Corporation. The Commission concluded that the transaction would not significantly impede effective competition in the European Economic Area or any substantial part of it. The Commission made it clear that its decision did not prejudice my jurisdiction in relation to the merger's impact on the separate question of sufficiency of plurality in the media.

**To:** Palker, Jeff [REDACTED]; Anderson, Matthew [REDACTED]; Macandrew, Alice [REDACTED]; Appella, Andrea [REDACTED]; JRM [REDACTED]  
**From:** Michel, Frederic  
**Sent:** Tue 25/01/2011 7:51:32 AM  
**Subject:** Re: B SkyB press statement

JH said he did keep the narrative on "potential to ...potential threats from ofcom...", which is good.

Frederic Michel  
Director, Public Affairs, Europe  
News Corporation  
tel: [REDACTED]  
mob: [REDACTED]



**To:** JRM [REDACTED]  
**Cc:** Matthew Anderson [REDACTED]; MaAndrew, Alice, [REDACTED]; Appella, Andrea, [REDACTED]  
**From:** Michel, Frederic  
**Sent:** Tue 25/01/2011 8:11:02 AM  
**Subject:** Confidential- JH

JH just said there was plenty of support for the remedy in the statement - "potential to mitigate problems"...he can't say they are too brilliant otherwise people will call for them to be published.

Sent from my iPhone

To: JRM [REDACTED]  
Cc: Anderson, Matthew [REDACTED]; Palker,  
Jeff [REDACTED]; Macandrew, Alice [REDACTED]; Appella,  
Andrea [REDACTED]  
From: Michel, Frederic  
Sent: Tue 25/01/2011 10:06:31 AM  
Subject: CONFIDENTIAL

Just had a chat with JH re-statement before he went to Parliament, to get further reasons why not stronger support of the remedy.

He said he had no legal wriggle room in a statement to Parliament; that it's all exactly as he said yesterday and he only needs some space to prevent any accusation of deal-making at this stage.

Fred

To: JRM| [REDACTED]  
Cc: Anderson, Matthew [REDACTED]; Appella,  
Andrea [REDACTED]; Palker, Jeff [REDACTED]  
From: Michel, Frédéric  
Sent: Tue 25/01/2011 5:43:26 PM  
Subject: CONFIDENTIAL - JH UPDATE

Latest:

- JH is getting advice from Jon Zeff on the process going forward as we speak.
- He has now asked Zeff to present him tomorrow with the terms of reference for OFT, Ofcom and likely timeline
- He actually shares our view that it would be good to have a first meeting with him and the OFT for JRM to present the business plan
- He is meeting Zeff tomorrow morning and will let me know then when a meeting could be scheduled
- Given OFT's ways of working, it's unlikely a meeting will take place this week. He will try to get it scheduled for Monday.

To: James Murdoch [REDACTED]  
Cc: Matthew Anderson [REDACTED]; Palker, Jeffrey  
(Newscorp) [REDACTED]; Alice Macandrew [REDACTED]  
From: Michel, Frederic  
Sent: Tue 25/01/2011 10:50:09 PM  
Subject: JH

Just had an update on today's events with JH.  
We seem to have been able to weaken most of the arguments of the complainants and Labour and expose Ofcom's very political/biased approach towards the bid and its rationale.  
Undertakings mentioned include independent Board and complete sale of Sky News, which is not unhelpful. Given the opposition has very few arguments on the impact on media plurality, they decided to focus on the process and political bias.  
Today's statement makes things clearer and transparent.  
Lots of confusion and misunderstandings of the SoS's power and ability to lead this process and look carefully at UILs with the OFT.  
JH believes we are in a good place tonight. Let's see what the morning's coverage brings.

Fred.

Frederic Michel  
Director, Public Affairs, Europe  
News Corporation

Tel: [REDACTED]  
Mob: [REDACTED]

**To:** JRM [REDACTED]  
**Cc:** Palker, Jeff [REDACTED]; Appella, Andrea [REDACTED]  
Anderson, Matthew [REDACTED]  
**From:** Michel, Frederic  
**Sent:** Mon 31/01/2011 1:05:41 PM  
**Subject:** Debrief from DCMS on OFT/Oftcom meeting

Got a debrief from DCMS on their short meeting with OFT and Oftcom this morning.

The details of the remedy were not discussed. OFT mentioned to JH they were meeting us this afternoon.

The conversation was solely on how they can set a process and timetable; but also on whether they can both work together [!].

JH asked them to adhere to the timing set out in the terms of reference, i.e. 2 weeks.

Fred.

To: JRM [REDACTED] : Palker, Jeff [REDACTED] : Appella,  
Andrea [REDACTED]  
From: Michel, Frederic  
Sent: Mon 31/01/2011 6:08:50 PM  
Subject: Feedback DCMS-confidential

- OFT is in the driving seat for the process in next 2 weeks. They can ask Ofcom for further details if they want to but no obligation
- OFT is looking at sustainability/viability
- OFCOM has only been asked to opine on plurality concerns, not effectiveness (that's actually for the OFT). JH was clear in his letter to them
- 2 weeks deadline- friday next week- for both. No delay possible
- Steve Hunger is leading Ofcom team- they might not contact us but we could signal we are available for any query
- JH asked I share the OFT letter when we have it. Said it might be useful for him to see business plan privately

Frederic Michel  
Director, Public Affairs, Europe  
News Corporation  
tel: [REDACTED]  
mob: [REDACTED]

**To:** Appella, Andrea [REDACTED]; 'irm([REDACTED])  
**Cc:** Anderson, Matthew [REDACTED]; Palker,  
Jeff [REDACTED]  
**From:** Michel, Frederic  
**Sent:** Tue 01/02/2011 10:15:09 PM  
**Subject:** Re: OFT update - Privileged & Confidential

I spoke to JH tonight. He doesn't have strong views either way on this but understand our worry vis-a-vis Ofcom's remit and the potential negatives.

He will check with his officials in the morning and let me know.

Fred

Frederic Michel

Director, Public Affairs, Europe

News Corporation

tel: [REDACTED]

mob: [REDACTED]

**To:** Appella, Andrea [REDACTED]; jrm [REDACTED]  
**Cc:** Anderson, Matthew [REDACTED]; Palker,  
Jeff [REDACTED]  
**From:** Michel, Frederic  
**Sent:** Wed 02/02/2011 12:16:35 PM  
**Subject:** RE: OFT update - Privileged & Confidential

Just got news from JH. He confirmed that for him OFT was leading but that if they ask for Ofcom's help, they will provide it.

He thinks it's helpful to share with Ofcom if they have been asked by Ofi to assist.



To: JRM [REDACTED]  
Cc: Anderson, Matthew [REDACTED] Palker,  
Jeff [REDACTED] Appella, Andrea [REDACTED] Jhingan,  
Anil [REDACTED]  
From: Michel, Frederic  
Sent: Fri 04/02/2011 5:37:00 PM  
Subject: CONFIDENTIAL - JH - PLEASE READ

**Latest from JH this evening:**

- Feels overall the process is in a good place and the media attention on the remedy has disappeared.
- DCMS officials have been very clear with OFT and OFCOM today that OFCOM has to respect its remit and cannot make judgement on the economic/viability issues
- He is fully aware of the 9 questions we have worries on and completely agree with our fears, given the toxic relationship and mistrust of Ofcom.
- He has received enormous pressure from Enders and Slaughter/May to take into consideration their evidence into the OFT process. They both wrote documents against every possible remedy. They are looking mainly at independent editorial board and divestment of Sky News. They don't have our proposed UIL
- I am trying to get the docs but it might be difficult....
- JH wants to have a very quick public consultation process and is thinking of launching it as soon as he gets OFT report [ if of course they recommend positively].
- If there is a need for a meeting with us, he will do it but otherwise he thinks it will look very good to trigger the consultation straight away

· He feels the heat will be absolutely massive from the Mail, Guardian, Independent, Telegraph once the UIL is known and is ready to take the flak for it if the UIL is strong enough.

· He asked if we can start thinking about our we will handle the public debate and find allies in the media/commentators to come in favour

**To:** JRM| [REDACTED]  
**Cc:** Anderson, Matthew| [REDACTED] Palker,  
Jeff| [REDACTED] : Appella, Andrea| [REDACTED]  
**From:** Michel, Frederic  
**Sent:** Tue 08/02/2011 10:26:42 AM  
**Subject:** JH - CONFIDENTIAL

Just had very insightful feedback from JH on OFT/OFCOM views today. Will feedback to Jeff and Andrea and we can discuss at lunchtime

Fred

**To:** Appella, Andrea [REDACTED]  
**Cc:** JRM [REDACTED] Palker, Jeff [REDACTED]; Anderson, Matthew [REDACTED]  
**From:** Michel, Frederic  
**Sent:** Tue 08/02/2011 9:15:03 PM  
**Subject:** Re: Response to OFT request for information

I had further feedback tonight. It seems that Ofcom concerns would have been included in the OFT questionnaire at JH's request. So hopefully, nothing more should be sent. He is fully aware of our Governance responses and understand our approach. He asked we remain available in the next 48hours as he will be getting feedback from the OFT and might need to discuss remaining issues with us.  
Fred

Frederic Michel  
Director, Public Affairs, Europe  
News Corporation

Tel: [REDACTED]  
Mob: [REDACTED]

**To:** JRM[REDACTED]  
**Cc:** Parker, Jeff[REDACTED] Anderson, Matthew[REDACTED]; Appella, Andrea[REDACTED]  
**From:** Michel, Frederic  
**Sent:** Wed 09/02/2011 2:26:44 PM  
**Subject:** JH CONFIDENTIAL

JH is trying to get further update by end of today on process, and hopefully also on OFT's feedback.

To: JRM [REDACTED]  
Cc: Palker, Jeffrey (NewsCorp) [REDACTED]; Appella, [REDACTED]  
Andrea [REDACTED]; Matthew Anderson [REDACTED]  
From: Michel, Frederic  
Sent: Wed 09/02/2011 7:24:52 PM  
Subject: CONFIDENTIAL - JH - CONFIDENTIAL

as agreed on the call, I have managed to get JH quickly before he went in to see Swan Lake....and have further chat:

- he really feels this Ofcom letter is the ultimate weapon for them to block the deal. it's the last throw of the dice for Ed. he agreed re-my earlier comment to him that this was something Colette and Ed were floating already in september and their ultimate trophy.
- he understands this is a deal stopper for us and shares our frustration - " we all know what Ofcom's intentions are and have been from the start on this". He said that in truth, this was a very bureaucratic layer to be added and that even though on principles we were not at all on board with it, it might be a price worth paying for the deal to get a green light in 2 weeks.
- he can't instruct his officials to get back to Ofcom as he is not supposed to be aware that we have received the letter and its content....so we have to be very careful on this.
- he feels that we should take a contrarian view and despite being rightly outraged by Ofcom's suggestions, we should look at the longer-term view
- no one would expect us to accept such an undertaking with the structural remedy we have proposed: us accepting this or a middle-way would absolutely kill the public debate
- he asked whether we would be prepared to negotiate at all. he mentioned that if needed, there is still another week potentially to be added to the timetable for further negotiations with OFT and Ofcom
- he wants to think it overnight and get back first thing tomorrow morning. he doesn't want us to jump to conclusions too fast
- I told him he had to stand for something ultimately and this was his chance to dismiss Ofcom's views and show he had some backbone. he said he couldn't ignore Ofcom, he had brought them into this OFT process to get some cover and in public debate, he would get absolutely killed if he did such a thing.

Frederic Michel  
Director, Public Affairs, Europe  
News Corporation

Tel: [REDACTED]  
Mob: [REDACTED]

COPY 1

Cc: JRM [REDACTED]; Anderson, Matthew [REDACTED]; Palko,  
Jeff [REDACTED]  
To: Appella, Andrea [REDACTED]  
From: Michel, Frederic  
Sent: Thur 10/02/2011 11:46:50 AM  
Subject: Re: Media Guardian on JH

Just had strong and long exchange with him again now  
Will debrief

Frederic Michel  
Director, Public Affairs Europe  
News Corporation

To: JRM [REDACTED]  
Cc: Anderson, Matthew [REDACTED]  
From: Michel, Frederic  
Sent: Fri 11/02/2011 1:16:53 PM  
Subject: Sky News/ Scotland

I met with Alex Salmond's adviser today.

He will call Hunt whenever we need him to.

1- He noticed a major change in the Sun's coverage recently. The Daily Record is running a very personal campaign against him

2- He believes the time has come to organise a First Ministerial debate between him and Ian Gray [labour leader], who are the two only possible FM candidates.

He would be very keen for Sky News to organise it with Adam. There is a timing issue as it would have to be organised before dissolution on 22nd March.



To: jrm [REDACTED]  
Cc: Palker, Jeff [REDACTED] Appella, Andrea [REDACTED]  
Matthew Anderson [REDACTED]  
From: Michel, Frederic  
Sent: Fri 11/02/2011 6:47:58 PM  
Subject: CONFIDENTIAL - URGENT - CONFIDENTIAL - URGENT

JH called:

- he now knows what OFCOM and OFT will send him tonight: both will recommend he refers to CC

OFCOM: concern on non-exec Chairman  
OFT: concern on acquisition of shares

JH doesn't want this to go to the CC. He also said his officials don't want this to go further as JH believes it would kill the deal. He also knows that Ofcom is taking a very subjective and non-legal approach on the Chairman issue and understands the very serious/personal nature of it for us.

I know that JH will not go to public consultation unless both concerns are met.

He will get the advice tonight. Then he will let me know the details tonight and give us the weekend to think it through. Then Monday he will ask us formally whether we would like to make further suggestions.

He was clear that he would not like to have to meet you with two negative advice still pending.

He would also of course rather we finalise things on Monday for both OFT and OFCOM.

If we were to solve OFT issue, then he would meet you with the knowledge that you want to finalise things with him face-face. If things are solved, he would still need an exchange of letter with Ofcom to opine on it. Then public consultation.

I discussed this with Jeff now and we are both comfortable to await the details tonight and then make decisions over the week-end as to how we want to approach both concerns.  
Let me know if that's ok with you.

Fred.

**To:** Appella, Andrea [redacted] 'irm [redacted]  
**Cc:** 'manderson [redacted] Palker, Jeffrey  
(Newscorp) [redacted]  
**From:** Michel, Frederic  
**Sent:** Tue 15/02/2011 10:35:21 PM  
**Subject:** Re: Confidential: Letter from Jeremy Hunt to James Murdoch

On 10 years term, after an exchange with Jeff, I asked JH tonight. He confirmed it was not an issue but was happy to clarify in the morning to make sure there was no hesitation.

Re-Ofcom report: he strongly believes publishing it will provide ammunition to the UIL and demonstrate it meets all their plurality concerns which ultimately are the important ones.

Frederic Michel  
Director, Public Affairs, Europe  
News Corporation  
tel: [redacted]  
mob: [redacted]

**To:** Appella, Andrea [REDACTED] 'jrm' [REDACTED]  
**Cc:** 'manderson' [REDACTED] Palker, Jeffrey  
(Newscorp) [REDACTED]  
**From:** Michel, Frederic  
**Sent:** Wed 16/02/2011 8:38:44 AM  
**Subject:** Re: Confidential: Letter from Jeremy Hunt to James Murdoch

Just spoke to JH.

What you outlined for the letter is perfect + mark-up of UIL.

No need to mention or try to justify 10-year as it's not an issue for JH at all.

Let me know when letter is ready and will get it to JH directly at lunchtime.

Re-publication of Ofcom and Oft reports at the time of consultation: he is happy to go through our key issues and see how a redacted version can be done asap. Let's discuss the details asap.

Fred

Frederic Michel

Director, Public Affairs, Europe

News Corporation

tel: [REDACTED]

mob: [REDACTED]

COPY 1

To: JRM [REDACTED]  
From: Michel, Frédéric  
Sent: Wed 16/02/2011 10:49:27 AM  
Subject: JH on 10 year carriage

JH was clear this morning that he was happy to stand by our 10 year agreement for the carriage and we should be reassured this won't be an issue for him.

To: JRM [REDACTED]  
Cc: Palker, Jeff [REDACTED]; Anderson, [REDACTED]  
Matthew [REDACTED]; Appella, Andrea [REDACTED]  
From: Michel, Frederic  
Sent: Wed 16/02/2011 7:34:32 PM  
Subject: Feedback JH- confidential

JH read and very impressed by our rapid turn-around and quality of UIL mark-up.

He is looking forward to defend this in Parliament/media and feels it will have strong impact in the consultation.

He has a draft and will write to OFT tomorrow morning with UIL draft and ask them to finalise directly with us.

He will make clear in his letter to OFT that he is happy with the 10-year commitment.

Once OFT has finalised with us, he will ask Ofcom and OFT to opine on the final UIL version and confirm green light.

This won't be done probably realistically before mid-next week.

Then it will go to consultation.

It looks like now that he will wait for the w/c 28th Feb (when Parliament is back) to launch consultation as he is very keen to make a statement in Parliament and defend it.

He foresees Labour to attack the UIL only maybe on the 10-year commitment: he is very happy to stand by it and does not want to come back to us at the end to ask for anything more.

We agreed it was crucial to prepare carefully the Comms for the launch and the version of OfT report to be published.

Fred  
Frederic Michel  
Director, Public Affairs, Europe  
News Corporation  
tel: [REDACTED]  
mob: [REDACTED]

To: 'amacandrew, [redacted]  
 'jrm, [redacted] Palker, Jeffrey [redacted]  
 'manderson, [redacted]  
 'aappella, [redacted]  
 'mhigham, [redacted]  
 From: Michel, Frederic  
 Sent: Thur 17/02/2011 10:53:05 AM  
 Subject: Re: Chris Goodall from Enders on The Media Show

Thanks a lot.  
 Just shared with JH. He thinks it's more evidence that we need to be strong and confident when we go to public consultation.

Frederic Michel  
 Director, Public Affairs, Europe  
 News Corporation  
 tel: [redacted]  
 mob: [redacted]

From: Macandrew, Alice [redacted]  
 Sent: Thursday, February 17, 2011 10:24 AM  
 To: JRM <[redacted]>; 'fmichel, [redacted]; Palker, Jeffrey ( Newscorp  
 ); manderson [redacted]; Appella, Andrea [redacted]  
 Miranda Higham [redacted]  
 Subject: Chris Goodall from Enders on The Media Show

Worth noting that David Elstein and Chris Goodall were on BBC Radio 4's The Media Show yesterday discussing where the regulatory process on the deal was at. They were all speculating at what the perceived delay was since Hunt's last announcement and suggesting that there must have been engagement between NWS and OFT/Ofcom in the past few weeks.  
 A couple of things that Chris Goodall said that are worth repetition. One was that "there is a strong probability that the Competition Commission will find there isn't a problem with the transaction" and if the deal does go to the CC it will be a 'deliberate choice' on the part of NWS because there is a high probability they can get it through CC without remedies. This was an argument that Elstein also supported.  
 When asked if there was a remedy that he believed would address Ofcom's concerns on the reduction of plurality, Goodall said: "Yes. Absolutely. If they take Sky News and put it into a properly-endowed foundation that is entirely separate, that would resolve all the plurality issues, forever."

Alice Macandrew  
 Director Corporate Communications, Europe and Asia, News Corporation  
 tel: [redacted]  
 mobile: [redacted]

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**To:** 'adamsmithih. [REDACTED]  
**From:** Michel, Frederic  
**Sent:** Thur 17/02/2011 11:05:39 AM  
**Subject:** Re: Chris Goodall from Enders on The Media Show

I need to speak to you this morning

Frederic Michel  
Director, Public Affairs, Europe  
News Corporation  
tel: [REDACTED]  
mob: [REDACTED]

**From:** Adam Smith [REDACTED]  
**Sent:** Thursday, February 17, 2011 10:36 AM  
**To:** Michel, Frederic [REDACTED]  
**Subject:** Re: Chris Goodall from Enders on The Media Show

Interesting. More evidence that we need to be strong and confident when we go to public consultation.

On 17 Feb 2011, at 10:31, "Michel, Frederic" [REDACTED] wrote:

Worth noting that David Elstein and Chris Goodall were on BBC Radio 4's The Media Show yesterday discussing where the regulatory process on the deal was at. They were all speculating at what the perceived delay was since Hunt's last announcement and suggesting that there must have been engagement between NWS and OFT/Ofcom in the past few weeks. A couple of things that Chris Goodall said that are worth repetition. One was that "there is a strong probability that the Competition Commission will find there isn't a problem with the transaction" and if the deal does go to the CC it will be a 'deliberate choice' on the part of NWS because there is a high probability they can get it through CC without remedies. This was an argument that Elstein also supported. When asked if there was a remedy that he believed would address Ofcom's concerns on the reduction of plurality, Goodall said: "Yes. Absolutely. If they take Sky News and put it into a properly-endowed foundation that is entirely separate, that would resolve all the plurality issues, forever."

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COPY 1

To: JRM' [REDACTED] Palker, Jeff [REDACTED] Appella,  
Andrea [REDACTED] 'manderson [REDACTED]  
From: Michel, Frederic  
Sent: Fri 18/02/2011 7:35:25 PM  
Subject: Confidential - JH

JH will instruct Jon Zeff to call OFT. Jon will ask them to ignore the 10-year carriage item and focus on with clearing the UIL mark-up asap.

We also discussed the approach to the consultation and helpful discussions to have around it.

Fred  
Frederic Michel  
Director, Public Affairs, Europe  
News Corporation  
tel: [REDACTED]  
mob: [REDACTED]

**To:** Appella, Andrea [REDACTED] JRM, [REDACTED] Anderson,  
Matthew [REDACTED] ; Holmes, Karl [REDACTED]  
**Cc:** Palker, Jeff [REDACTED] Jhingan, Anil [REDACTED]  
**From:** Michel, Frederic  
**Sent:** Tue 22/02/2011 11:17:15 AM  
**Subject:** Re: UIL: OFT and OFCOM

I've alerted JH to the content of both letters.  
He has suggested I debrief him in details on our responses later today when ready.  
Fred.

**To:** Palker, Jeff [REDACTED] Appella, Andrea [REDACTED]  
**JRM,** [REDACTED] Anderson, Matthew [REDACTED] Holmes,  
**Karl** [REDACTED]  
**Cc:** Jhingan, Anil [REDACTED]  
**From:** Michel, Frederic  
**Sent:** Tue 22/02/2011 12:16:50 PM  
**Subject:** Re: UIL: OFT and OFCOM

Jeff – just had feedback from JH that Ofcom is basically preparing its final draft and as you said, there are very much drafting points. Nothing which should alarm us.

**To:** Palker, Jeff [REDACTED] JRM [REDACTED]  
**Cc:** Anderson, Matthew [REDACTED] Appella,  
Andrea [REDACTED] Jhingan, Anil [REDACTED]  
**From:** Michel, Frederic  
**Sent:** Wed 23/02/2011 5:38:22 PM  
**Subject:** Re: Important

Jeff: just debriefed JH. He is not impressed. He is going to speak to Jon Zeff and see both why Ofcom is intruding in the process in that way and how OFT can be influenced by it at this stage. He also said they were not on a firm deadline and he told them many times they could have few more days if needed.

Fred  
Frederic Michel  
Director, Public Affairs, Europe  
News Corporation  
tel: [REDACTED]  
mob: [REDACTED]

**To:** Palker, Jeff [REDACTED]; JRM [REDACTED]  
**Cc:** Anderson, Matthew [REDACTED], Appella,  
Andrea [REDACTED], Jhingan, Anil [REDACTED]  
**From:** Michel, Frederic  
**Sent:** Wed 23/02/2011 8:42:36 PM  
**Subject:** JH confidential

Debriefed JH.

His team talked to Ofcom tonight and is having a call with OFT in the morning.  
The feedback he got tonight is that all was going well and it was only discussion on details....  
He is making it clear to both that deadline can be extended and that he refers to the letter we sent him  
which conceded on all the issues raised and was very strong. We are speaking in the morning.  
Fred

Frederic Michel  
Director, Public Affairs, Europe  
News Corporation  
tel: [REDACTED]  
mob: [REDACTED]

**To:** JRM, [REDACTED]; Palker, Jeff [REDACTED] Anderson,  
Matthew [REDACTED]  
**From:** Michel, Frederic  
**Sent:** Thur 24/02/2011 9:21:53 AM  
**Subject:** JH confidential

Just observed that Ofcom in their letter to him said our proposal was a promising basis from which to work but not quite complete acceptances. Hence why they're looking for confirmation on some things before giving final advice and whether we can go ahead without a full editorial committee. He is looking into how stringent the latest substantial issues are for Ofcom and will call back later this morning.

Fred  
Frederic Michel  
Director, Public Affairs, Europe  
News Corporation  
tel: [REDACTED]  
mob: [REDACTED]

**To:** JRM/ [REDACTED]  
**Cc:** Palker, Jeff [REDACTED] ; Anderson, Matthew [REDACTED] ; Appella, Andrea [REDACTED]  
**From:** Michel, Frederic  
**Sent:** Thur 24/02/2011 10:50:08 AM  
**Subject:** Re: JH confidential

JH just texted that he can't interfere with the process but can give us more time to sort things out. He can't engage with substance whilst Ofcom is working with us. He can only use his officials to put pressure at this stage.

Frederic Michel  
Director, Public Affairs, Europe  
News Corporation  
tel: [REDACTED]  
mob: [REDACTED]



To: JRM [REDACTED]  
 Cc: Palker, Jeff [REDACTED]; Anderson, Matthew [REDACTED]; Appella, Andrea [REDACTED]  
 From: Michel, Frederic  
 Sent: Thur 24/02/2011 2:02:13 PM  
 Subject: Re: JH confidential

JH has spoken to Ofcom.  
 Jeff: will call you now asap

Frederic Michel  
 Director, Public Affairs Europe  
 News Corporation

> On 24 Feb 2011, at 11:25, "Michel, Frederic" [REDACTED] wrote:

>  
 >> JH just said, after a long talk, he will still go with what Ofcom recommends...  
 >>  
 >> Frederic Michel  
 >> Director, Public Affairs, Europe  
 >> News Corporation  
 >> tel: [REDACTED]  
 >> mob: [REDACTED]  
 >>  
 >>

> ----- Original Message -----  
 >> From: Michel, Frederic  
 >> Sent: Thursday, February 24, 2011 10:12 AM  
 >> To: Palker, Jeff; JRM; Anderson, Matthew; Appella, Andrea  
 >> Subject: Re: JH confidential  
 >>  
 >> Jeff  
 >> Just ran JH through this again.  
 >> Fred  
 >> Frederic Michel  
 >> Director, Public Affairs, Europe  
 >> News Corporation  
 >> tel: [REDACTED]  
 >> mob: [REDACTED]  
 >>

**To:** JRMI [REDACTED]  
**Cc:** Palker, Jeff [REDACTED]; Anderson, [REDACTED]  
Matthew [REDACTED]; Appella, Andrea [REDACTED]  
ajhingar [REDACTED]  
**From:** Michel, Frederic  
**Sent:** Thur 24/02/2011 3:01:38 PM  
**Subject:** Re: JH confidential

Thanks Jeff.glad we're getting there. The name was always going to be an issue for them. As discussed, JH said after his call to Ofcom they wanted the committee to have "visibility" but would be ready to give up on items like the chairman and recommend to consultation tonight

Frederic Michel  
Director, Public Affairs Europe  
News Corporation

**To:** JRM [REDACTED]  
**Cc:** Palker, Jeff [REDACTED]; Anderson, Matthew [REDACTED]; Appella, Andrea [REDACTED]  
ajhingan [REDACTED]  
**From:** Michel, Frederic  
**Sent:** Thur 24/02/2011 3:18:25 PM  
**Subject:** Re: JH confidential

Once Ofcom has written to JH tomorrow, we need to keep it as much as possible confidential til consultation.  
JH just suggested we plan quickly the redacted versions to publish and the messaging/ strategy for the launch

Frederic Michel  
Director, Public Affairs Europe  
News Corporation

**To:** 'adamsmithih' [REDACTED]  
**From:** Michel, Frederic  
**Sent:** Thur 24/02/2011 8:41:56 PM  
**Subject:** Re: Publication of OFT report - URGENT

Thanks! Just texted you, sorry  
Frederic Michel  
Director, Public Affairs, Europe  
News Corporation  
tel: [REDACTED]  
mob: [REDACTED]

**From:** Adam Smith [REDACTED]  
**Sent:** Thursday, February 24, 2011 08:41 PM  
**To:** Michel, Frederic <[REDACTED]>  
**Subject:** Re: Publication of OFT report - URGENT

Let me have a think and talk to officials and I will let you know in the morning.

On 24 Feb 2011, at 20:22, "Michel, Frederic" <[REDACTED]> wrote:

Also, there are practical difficulties of having two reports and potential for confusion of publishing advice on an interim stage.

I think that OFT would be receptive if they are directed to draft on the basis of a single "full and final" report keeping at the back of their mind issues of confidentiality.

Fred

**From:** Microsoft Office User <Frederic.michel@[REDACTED]>  
**Date:** Thu, 24 Feb 2011 20:23:33 +0000  
**To:** "adamsmithih" [REDACTED]  
**Subject:** Publication of OFT report - URGENT

Adam,

We spoke to OFT about publication of their report. They are most likely to delay delivery to DCMS until tomorrow. Ofcom is also waiting for internal sign off which is causing delay. We have sent out the cleaned up version of the Draft UIL.

I asked them about nature of the final report. They have not been instructed to draft a "composite" report for publication. Their understanding is that both would be published (and my sense is that the final one was designed to be much more succinct). They did caveat that - if they got the wrong end of the stick - we could clarify with DCMS.

I said that publication of the interim report has 3 major problems. There is a (i) vast

amount of confidential information to be redacted; (ii) some aspects need to be corrected (in particular Sky has picked up issues in this respect; (iii) News might have an issue with publication of interim reports as it gives away how the discussions in relation to ULL have unfolded which in itself would be highly confidential.

Nick Scola expressed sympathy for this and said that he could see how a "composite" final report which is drafted bearing in mind confidentiality concerns would facilitate publication. **They have not however been instructed to proceed on this basis.**

**This is a point I need to raise with you as a matter of urgency.** I can of course raise it with [redacted] explicitly but I fear that as they are inexperienced on these matters they would need input from above.

Given that there is delay in any event we should use the window to push for a composite report which only opines on the ULL to be put to consultation not on previous versions (which would create confusion). Same for OFCOM report. Let me know. Fred.

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To: jrm [REDACTED]; Anderson,  
Cc: Iles, Tracey [REDACTED];  
Matthew [REDACTED]  
From: Michel, Frederic  
Sent: Wed 02/03/2011 4:04:44 PM  
Subject: ALEX SALMOND - PLEASE READ

Alex Salmond called. He had a very good dinner with the Editor of the Sun in Scotland yesterday.

The Sun is now keen to back the SNP at the election. The Editor will make his pitch to the Editorial team tomorrow.

Alex wanted to see whether we could help smooth the way for the process.

Moreover, we have a very good detailed chat on EU Fisheries policy.

He would be very keen to welcome Fred and Kathryn in Edinburgh with his Minister.

Alex has been a MP for fisheries communities for 20 years and is absolutely on board with our campaign.

He also asked whether we could go for dinner at Bute House before the election campaign kicks off on the 22<sup>nd</sup> March.

On the Sky bid, he will make himself available to support the debate if consultation is launched.

Fred

To: JRM[REDACTED]; Anderson, Matthew[REDACTED]; Palker,  
Jeff[REDACTED] Appella, Andrea[REDACTED];  
'Antonio.Bavasso[REDACTED]  
From: Michel, Frederic  
Sent: Thur 03/03/2011 1:32:23 AM  
Subject: Latest

JH wants to see if OFT will agree with our last proposal ( he agreed that some of the elements were too sensitive to publish.) He will call me around 2am to discuss further where we're at then if OFT has got back to him and we will discuss process for the morning. He has his statements ready to go tomorrow morning.

We went through the current state of play and risks attached. His team is worried about the start of the consultation being skewed if all the docs are not published in the same time. He knows we are now only dealing with an Annex.

But he also acknowledged that it was up to him to make the final call.

His point was that the Annex is not an evidence for the decision but does inform that decision.

F

Fred

Frederic Michel

Director, Public Affairs, Europe

News Corporation

tel: [REDACTED]

mob: [REDACTED]

**To:** Palker, Jeff, [REDACTED]; JRM [REDACTED]; Anderson, Matthew [REDACTED]; Appella, Andrea [REDACTED]; Antonio Bavasso [REDACTED]  
**From:** Michel, Frederic  
**Sent:** Thur 03/03/2011 3:02:34 AM  
**Subject:** Re: Latest

JH taking me through process for tomorrow now.

Frederic Michel  
Director, Public Affairs, Europe  
News Corporation  
tel: [REDACTED]  
mob: [REDACTED]



To: Palker, Jeff [redacted] JRM [redacted]; Anderson, Matthew [redacted] Appella, Andrea [redacted] Antonio.Bavasso [redacted]  
 From: Michel, Frederic  
 Sent: Thur 03/03/2011 3:25:32 AM  
 Subject: Urgent - JH decision

Decision made by JH: he is minded to accept in lieu and will release around 7.30am to the market  
 Expiry date for consultation will be Monday 21st March (15 working days).  
 Release will describe the UIL:

- Spin-off
  - Shares
  - Independent directors
  - 10 year carriage and 7 year brand licence agreement
- Quote from JH: "I am consulting. It addresses all media plurality concerns".  
 He will have to put a line that he will consider all the responses to the consultation before making a final consultation.

A note to Editors will explain background.  
 Attached will be 8 page consultation doc- legal notice (chronology, description of UIL, process, basis of the decision)  
 DCMS will send us a version of the press statement/consultation doc 1 hour before it's published in the morning.  
 Speaker of the House will be asked if oral statement to the House needed as there is DCMS oral questions scheduled already. We will know around 9am. JH statement to Parliament will say that it's a very strong UIL,  
 that we are retaining an interest and are incentivising to make it work. JH will start briefing media as soon a released is out around 7.30am.

Frederic Michel  
 Director, Public Affairs, Europe  
 News Corporation  
 tel: [redacted]  
 mob: [redacted]

To: jrm [REDACTED]  
Cc: Anderson, Matthew [REDACTED] Macandrew,  
Alice [REDACTED]  
From: Michel, Frederic  
Sent: Thur 03/03/2011 10:49:11 AM  
Subject: Quick update JH and co

Formal statement by JH is scheduled for 15:00. Just been confirmed.

Tory backbenchers have now been lined up to ask JH questions which will allow him to reinforce safeguards and strength of UIL. DCMS oral questions starting now with Ivan Lewis and JH

Lord Fowler has put an urgent question in the Lords to challenge the decision. Baroness Rawlings fully briefed to respond

Don Foster is supporting the remedy and is writing memo to Clegg to welcome it

JH has done a clip for BBC News at 1

JH will take a call from Salmond today.

JH confirmed he took a call from Enders who was very supportive of it. He is very surprised by the tone of the coalition's release



Best,

Fred

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To: JRM [REDACTED]; Anderson, Matthew [REDACTED]; Palker, Jeff [REDACTED]; Appella, Andrea [REDACTED]  
 From: Michel, Frederic  
 Sent: Thur 10/03/2011 3:14:57 PM  
 Subject: JH-confidential

Had 1 hour catch-up today.

Overall, he believes the debate is extremely quiet and lacks arguments. Feels Journe's are moving into pricing debates which is good for regulatory clearance.

He called all the key Editors last Thursday to explain his decision. Paul Deere was clear that their campaign was purely motivated for commercial reasons and fears around bundling. JH told him it was not his remit and EC has already approved.

JR: he doesn't see any rationale for a successful one and it won't affect the consultation process. It does not see how they can attack the process as he has been so painfully rigid and careful.

He is glad we are debriefing Labour as they still have to work out their position and need to be taken through the details.

He is writing to all the Coalition's MPs to give them arguments to defend the UIL and decision with their constituents

Enders and their criticisms: he doesn't think they have any credibility and their positions are not very neutral, especially raising bundling again and criticising OFT process. JH suggested we should point out that for the second round of consultations, he didn't give OFT any statutory deadline and they were free to take as much as they wanted.

On commercial viability, he believes he has both OFT and Ofcom's opinions and that should be enough for assessing it at this stage and defend his decision.

Consultation process:

On 21st March, his team will look at all the submissions. It should take 3/4 days. Lots will be pure anti-Murdoch ones and he doesn't expect any groundbreaking issue. If there is one, he will then he will probably first talk to us and if needed OFT. If a change has to be made to UIL, then he still has to put the new version up for comments for a week.

If no change is made and he decides to clear it, decision should be made beginning of w/c 28th March. He is writing to coalition MPs explaining the UIL and give their arguments to defend it with the constituents. He will send me the draft.

Lib-Dem Spring conference starts tomorrow in Sheffield and there will be motions on Sky deal. I am briefing Clegg and Foster today.

I will have another catch-up with Jff tomorrow.

Fred

Frederic Michel  
 Director, Public Affairs, Europe  
 News Corporation  
 tel: [REDACTED]  
 mob: [REDACTED]

To: JRM [redacted]  
 Cc: Anderson, Matthew [redacted]; Palker,  
 Jeff [redacted]  
 From: Michel, Frederic  
 Sent: Wed 16/03/2011 9:53:48 AM  
 Subject: Confidential

I am now really picking up a complete lack of interest among constituents for the Sky issue. Both the DPM, JH and senior libdem MPs have given me updates this morning on feedback and their overall assessment is that it's a non-issue in Westminster and the coalition lacks credible arguments. Let's hope it stays that way.

No news on potential JR yet.

Fred  
 Frederic Michel  
 Director, Public Affairs, Europe  
 News Corporation  
 tel: [redacted]  
 mob: [redacted]

To: JRM, [REDACTED] Anderson, Matthew [REDACTED] Palker,  
Jeff [REDACTED]; Appella, Andrea [REDACTED]  
From: Michel, Frederic  
Sent: Wed 23/03/2011 8:47:30 PM  
Subject: JH - confidential

JH will be meeting media coalition tomorrow. I ran him through our key arguments this evening and we will do another briefing in the morning.

Fred  
Frederic Michel  
Director, Public Affairs, Europe  
News Corporation  
tel: [REDACTED]  
mob: [REDACTED]

To: jrm [REDACTED]  
Cc: Palker, Jeffrey (NewsCorp); [REDACTED]; Anderson, Matthew  
[REDACTED] Appella,  
Andrea [REDACTED], Jhingan, Anil [REDACTED]  
From: Michel, Frederic  
Sent: Wed 23/03/2011 8:55:47 AM  
Subject: Re: JH - CONFIDENTIAL - PLEASE READ

JH would welcome our critical views on the slaughter/may submission to help him forge his arguments.  
Let's discuss  
Fred

Frederic Michel  
Director, Public Affairs Europe  
News Corporation

On 22 Mar 2011, at 18:35, "Michel, Frederic" <[REDACTED]> wrote:

Very long call as there is Budget tomorrow and lots happening around the Creative Industry agenda.

Update on Rubicon:

- 40,000 submissions – 200 relevant
- BT submitted its own document separately from media coalition. JH said “why does BT have a view on plurality!”
- He is not impressed by Slaughter and May and does not see anything new. His lawyers are going through it all now
- He will give the media coalition a meeting for them to explain their position – being very careful on process...etc
- In short: he strongly believes there are enough commitments on editorial independence, structural separation and does not buy the financial leverage/plurality argument at all.
- He said he will stand by and defend the 10 year period



· He does not see any new issues emerging after this consultation process.  
Let's wait for the lawyers' opinion

· The carriage and brand licensing deal will have to be sent to OFT. We can expect being asked for conversations with them to discuss it in further details. He didn't mention Ofcom.

· He will ask them to do this speedily

· Issue: the local elections are on the 5<sup>th</sup> May and the Government can't make any statement 15 days prior – so it needs to be done by 15<sup>th</sup> April or it runs the risk of being delayed til second week of May

To: Appella, Andrea [REDACTED]; JRM; [REDACTED]; Anderson, Matthew; [REDACTED]; Palker, Jeff; [REDACTED]  
From: Michel, Frederic  
Sent: Thur 24/03/2011 8:46:36 AM  
Subject: RE: JH - confidential

Thank you. Just ran JH through it before today's oral questions in Parliament and this afternoon's meeting with the media coalition.

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

From: Michel, Frederic  
Sent: Wed 3/23/2011 8:47 PM  
To: JRM; Anderson, Matthew; Palker, Jeff; Appella, Andrea  
Subject: JH - confidential

JH will be meeting media coalition tomorrow. I ran him through our key arguments this evening and we will do another briefing in the morning.

Fred  
Frederic Michel  
Director, Public Affairs, Europe  
News Corporation  
tel: [REDACTED]  
mob: [REDACTED]

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To: James Murdoch [REDACTED]  
Cc: Paker, Jeffrey (NewsCorp) [REDACTED]; Anderson, Matthew  
[REDACTED]; Appella,  
Andrea [REDACTED]  
From: Michel, Frederic  
Sent: Wed 30/03/2011 3:27:37 PM  
Subject: JH - CONFIDENTIAL

Just spoke to JH. He confirmed that the process will not be finalised before mid-April given the demands for details from OFT and Ofcom.

He said it was "weeks away".

To: 'James Murdoch' [REDACTED]  
Cc: Anderson, Matthew [REDACTED] Appella,  
Andrea [REDACTED] Palker, Jeffrey (NewsCorp) [REDACTED]  
From: Michel, Frederic  
Sent: Thur 31/03/2011 3:02:20 PM  
Subject: JH - UPDATE - CONFIDENTIAL

Just spoke to JH.

He is absolutely open to the possibility of getting things done before mid-April if we can work things out with OFT speedily.

There are absolutely no issues of substance in the submissions and he is now looking at clearing it asap.

He has asked me to keep him informed on daily basis re-our discussions with OFT so he can push them if needed and let him know

any key issues they might have.

He debriefed on his meeting with the media coalition. In a nutshell: they looked miserable, were making competition arguments and know they have lost the battle.

F.

To: Adam Smith [REDACTED]  
From: Michel, Frederic  
Sent: Tue 05/04/2011 5:48:37 PM  
Subject: Re: QUESTION

Our lawyers will send a letter to [REDACTED] that effect so that it's in progress

Frederic Michel  
Director, Public Affairs Europe  
News Corporation

On 5 Apr 2011, at 18:15, "Adam Smith" <[REDACTED]> wrote:

Can't confirm that yet as still waiting on advice from officials.

On 5 Apr 2011, at 18:03, "Michel, Frederic" <[REDACTED]> wrote:

I simply wanted to check if you could give me confirmation that, following the consultation, no changes are required to the UILs and therefore no need for further consultation - to avoid last minute surprises and confirm we are now focusing on the agreements as the only outstanding issues with OFT/Ofcom.

It would be very helpful.

Thanks

Fred.

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**To:** Adam Smith [REDACTED]  
**From:** Michel, Frederic  
**Sent:** Wed 13/04/2011 10:00:57 AM  
**Subject:** Re: Re:

Thank you

Frederic Michel  
Director, Public Affairs Europe  
News Corporation

On 13 Apr 2011, at 10:57, "Adam Smith" [REDACTED] wrote:

> Most probably yes.

>

> On 13 Apr 2011, at 08:12, "Michel, Frederic" [REDACTED] wrote:

>

>> i will send you our latest docs for OFT.

>>

>> what's your view on timing? are we looking post-local elections?

>>

>> Fred

>>

>> Frederic Michel

>> Director, Public Affairs, Europe

>> News Corporation

>>

>> Tel: [REDACTED]

>> Mob: [REDACTED]

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Cc: Parker, Jeffrey (NewsCorp); [REDACTED]; Andrea Appella (NewsCorp)  
[REDACTED]; Matthew Anderson; [REDACTED]  
To: Jmi [REDACTED]  
From: Michel, Frederic  
Sent: Tue 19/04/2011 9:41:21 AM  
Subject: JH confidential

Following our numerous discussions over last few days, JH is now meeting officials specifically on the timetable this afternoon to push ahead quicker. Will let you know how they get on.  
Fred

Frederic Michel  
Director, Public Affairs Europe  
News Corporation

To: Palker, Jeffrey (NewsCorp); [REDACTED]  
Cc: jrm; [REDACTED]; Matthew Anderson; [REDACTED]  
Andrea Appella (NewsCorp); [REDACTED]  
From: Michel, Frederic  
Sent: Thur 21/04/2011 5:39:06 PM  
Subject: JH

Had detailed chat, ran him through it all. He basically disagrees with us on this.

Said, like yesterday, that OFT has been working on the "complicated" carriage arrangements and brand licensing agreement.

We need to answer all their questions quickly to allow them to give Jeremy final advice after our meeting begg. may. The only delay will be if they have to keep going back to us again if they don't get satisfactory answers.

He thinks we can get this done by end May/ first week of June including a 7 day consultation if there were to be substantial changes to the UIL.

Fred

Frederic Michel  
Director, Public Affairs, Europe  
News Corporation

Tel: [REDACTED]  
Mob: [REDACTED]

---

From: Adam Smith <[REDACTED]>  
Sent: 21 April 2011 18:01  
To: Michel, Frederic  
Subject: Re: Confidential - the latest questions and our views

I disagree. They have been working on the complicated carriage arrangements and brand licensing agreement. You need to answer all their questions quickly to allow them to give Jeremy advice. The only delay will be if they have to keep going back to you again if they don't get satisfactory answers.

Enjoy the weekend and let's catch up next week.

On 21 Apr 2011, at 17:53, "Michel, Frederic" <[REDACTED]> wrote:

Adam,

- o Although the public consultation on our draft UIL closed on 21 March 2011 it took almost a month, until 19 April 2011 for the OFT/Oftcom to put questions to News. More generally, the OFT/Oftcom have not been as prompt as we would have hoped for in providing feedback on the commercial agreements and in making progress in relation to the response to the consultation. News has responded promptly to all questions put by the regulators.
- o The questions contain various points which are not "new" points raised by the consultation but are points of which OFT/Oftcom were very conscious from the outset and which had been discussed in detail and agreed between News and the regulators prior to publication of the draft UIL, e.g.
  - the possibility for the Secretary of State to approve commercial agreements in addition to those already agreed to require pre-approval;
  - the possibility for the Secretary of State to approve the Articles of Association of Newco and
  - the point at which approval will be required.
- o The possible need for a Monitoring Trustee has also been raised again even though this wasn't pursued by the OFT in the previous round and draft UIL were agreed on that basis.
- o Our feeling is that some of the OFT/Oftcom points are of commercial nature and have no link with plurality or financial viability.
- o Because they do not feel under timing pressure, our sense is that the regulators are using the time to re-open second-order points which were not sufficiently important for them to have pursued when advising the Secretary of State in relation to the draft UIL in February/March. We do not believe this to be a reasonable use of the administrative process.
- o News will respond to this last round of questions from the regulators but will encourage them on this basis to finalise their advice as we need to bring the process to a close.

Please let me know when we can discuss. Happy Easter!!!!

Best

Fred

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**To:** Appella, Andrea [REDACTED]; JRM [REDACTED]  
**Cc:** Palker, Jeffrey (Newscorp) [REDACTED]; Jhingan, [REDACTED]  
**Anil** [REDACTED]; Anderson, Matthew [REDACTED]; Holmes, Karl [REDACTED]  
**From:** Michel, Frederic  
**Sent:** Thur 05/05/2011 8:18:24 AM  
**Subject:** RE: OFT/Ofcom meeting tomorrow: issues list

Just took JH through the agenda for today's meeting and remaining issues.

He has asked me to debrief him tomorrow morning on it.

He is keen to get some speedy resolution and said this week was crucial to get some real progress.

Fred.

To: Murdoch, James[]  
Cc: Anderson, Matthew [REDACTED] Palko, Jeffrey  
(Newscorp) [REDACTED] Andrea Appella (Newscorp) [REDACTED]  
From: Michel, Frederic  
Sent: Fri 06/05/2011 11:47:46 AM  
Subject: JH - CONFIDENTIAL

Debriefed JH. Very encouraged by yesterday's OFT/Ofcom meeting and grateful for concessions made, especially on Monitoring Trustee [OFT was very insistent on it].

He will look at whether Monitoring Trustee does need a 7 day consultation period. If it does trigger a specific change in the UUL, he will need to consult.

Keen to make sure we can close negotiations with OFT as quickly as possible in the next few days

Asked me to inform him later today of any remaining obstacles in our conversations with OFT.

Fred.



[REDACTED]

**To:** Macandrew, Alice [REDACTED]  
**Cc:** JRM [REDACTED]; manderson [REDACTED]; Palker, Jeffrey  
'fmiche [REDACTED]  
(NewsCorp) [REDACTED] Higham, Miranda  
[REDACTED]  
**From:** Michel, Frederic  
**Sent:** Tue 10/05/2011 5:33:43 PM  
**Subject:** Re: Hunt at lobby lunch today

Just saw JH to finalise the IP Review ( very good news overall) and Rubicon: we might be able to get it done before Parliament recess which is 26th may- 5th June

Frederic Michel  
Director, Public Affairs Europe  
News Corporation

To: 'Adam Smith'  
From: Michel, Frederic  
Sent: Mon 16/05/2011 9:00:30 AM  
Subject: RE: comms letter

Thanks. Will keep confidential and go through it now.

We should catch-up on IP Review. Ian mentioned he would sent it to me tomorrow evening. Is there a way for me only to see it today so I can plan all our positioning?

Sky deal: can you please let me know when you have update re-timing for Sky?

As you know, there is a lot of fear here that the new legal adviser being brought on board will mean a massive delay in JH's decision

We have now send the Agreements final to OFT and we are finalising the UILs as well. OFT should be able to recommend to JH very soon.

Do you think recess will be a problem?

Hope you had a nice week-end

Fred

From: Adam Smith  
Sent: 16 May 2011 09:22  
To: Michel, Frederic  
Subject: comms letter

Not published until later/tomorrow so keep it to yourself for now.

A. Communications Review for the Digital Age

Open letter to all those who work in fixed or mobile communications, television, radio, online publishing, video games, and other digital and creative content industries. We would also welcome the views of bodies representing the interests of consumers, citizens and businesses that trade online.

The Government is embarking on a wide-ranging review of the regulatory regime for the UK communications sector, to ensure the regulatory framework in place is fit for the digital age. Our ambition is to establish UK communications and media markets as amongst the most dynamic and successful in the world, with the review process culminating in a new communications framework by 2015, to support the sector for the next 10 years and beyond. To help realise this ambition, we would like to begin the review by opening a dialogue with all those interested in the issues involved, and gather views on some specific questions posed in this letter.

As we are only in the initial phase of this work, we have designed our approach so it is not overly prescriptive, and this is reflected by the type of questions we are asking. At this stage our intention is to keep an open mind about potential outcomes and also about the mechanisms we should use to deliver these outcomes. A new Bill is the end point of whole process, but we are willing to take action sooner where primary legislation is not required.

This is a significant agenda and is at the heart of the Government's wider policy set out in the recently published Plan for Growth. The aim is to put the UK on the path to sustainable, long-term economic growth. With your help, we can ensure that a balanced and proportionate system is put in place, which supports growth not only in the communications sector, but in the economy as a whole.

A regulatory framework suitable for the digital age and properly oriented towards growth is required in order to take account of the rapid pace of change in new communications technologies in the last few years. The UK is already a world leader in the broadband and telecommunications market, ahead of Germany, Japan and the US in terms of broadband penetration (at 70% of households), and the availability of an enhanced 3-G service for mobile data transfer at 87% of the total UK population. We want to ensure we have the framework in place to enable further success and promote healthy competition and growth in this innovative sector.

We need to adopt a flexible solution to this challenge. A deregulatory approach that deals with these developments to the benefit of both consumers and citizens, and also industry, is the aim. Though the focus in this letter is on the growth aspect of the review, the wider public interest will always underpin our approach to how any issues are addressed. We remain committed to the principle of independent regulation and will ensure that Ofcom has the right powers and duties to work in a way that gives businesses confidence in the regulatory system.

The questions we are asking today will assist us in gathering ideas and evidence to help frame the Government's initial approach to (de)regulation and maximise the communications industry's contribution to economic growth. Many of the questions posed will be familiar to you, but I hope that looking at these issues through the lens of economic growth will enable us to arrive at solutions that work for the communications industry, consumers, citizens and UK plc more generally.

We are exploring the issues under three key themes, though we recognise there is significant overlap between the issues that relate to each. These themes are:

- Growth, innovation and deregulation
- A communications infrastructure that provides the foundations for growth.
- Creating the right environment for the content industry to thrive

#### Growth, innovation and deregulation

Competition in communications markets can be the basis of choice, innovation and value to consumers. Our aim is to make the UK communications and media markets more competitive globally and, applying the Government's recently published Principles for Economic Regulation, we would like to examine how this can be delivered for the digital age to take account of rapidly changing business models and to help foster innovation.

Reviewing the existing regulatory regime to ascertain if it is as effective as it can be in supporting our policy objectives on areas such as media plurality and the advertising market is an aspect of this work. We will focus on such matters, together with emerging considerations, in greater detail as this review develops, but at this stage we would like to begin with establishing your views on the broader principles set out in the questions below.

*Q1. What could a healthier communications market look like? How can the right balance be achieved between investment, competition and services in a changing technological environment?*

*Q2. What action can be taken to facilitate greater innovation and growth across the wider competition regime, and how can deregulation help achieve this?*

*Q3. Is regulatory convergence across different platforms desirable and, if so, what are the potential issues to implementation?*

*Q4. What barriers can be removed to facilitate greater exports and inward investment and make the UK more globally competitive in digital communications?*

A communications infrastructure that provides the foundations for growth

In an increasingly digital world, we rely on mobile and fixed line phone services, e-mail and the internet. Efficient management of both the spectrum and broadband infrastructure supporting the effective delivery of these services underpins growth in the communications market.

The Electronic Communications Framework is the European-wide regulatory framework that covers all transmission networks and services (including access) for electronic communications. The Framework was originally agreed in 2002 and revised in December 2009. The Government is currently implementing those revisions. The intention is to enhance competition in the communications sector, in part through further liberalising spectrum markets, and to reduce the regulatory burden to help create the conditions for growth and innovation.

We are also aiming to have the best superfast broadband network in Europe by 2015. Our approach is a combination of targeted financial support with £530 million available up to 2015 to support broadband rollout and regulatory and policy interventions aimed at reducing barriers to private investment in superfast broadband networks. These were set out in "Britain's Superfast Broadband Future" published on 6 December 2010.

Outside of the scope of the Framework and separately from the work taking place on the superfast broadband network, we are looking to test the objectives of spectrum policy. This work recognises that

the rapid increase in demand for data-rich services means there are competing and varying demands for its availability. How spectrum is regulated is therefore fundamental not just to the communications sector, but to the wider economy. The questions below are intended to provoke discussion and frame our developing work on spectrum management issues.

*Q5. What further market and regulatory developments would lead to widespread take-up of superfast broadband? What regulatory action would government need to take to make superfast broadband more readily available in a) urban areas; and, b) rural areas?*

*Q6. What are the competing demands for spectrum, how is the market changing and how can a regulatory framework best accommodate any rapidly changing demands on spectrum and market development?*

*Q7. How should spectrum be managed to deliver our growth objectives whilst also meeting our policy objectives of furthering the interests of citizens and consumers in relation to communications matters?*

*Q8. How should the UK engage on an EU/International level in relation to spectrum?*

*Q9. Is the current mix of regulation, competition and Government intervention right to stimulate investment in communications networks?*

#### Creating the right environment for the content industry to thrive

People can currently access a wide range of quality content and services through a growing variety of, increasingly, digital platforms. Our aim is to drive the growth of UK content production across all platforms.

We want to ensure that, as the market changes, we are best placed to lead the world in generating new and innovative content which is valued by UK citizens and accessible to all. The Hargreaves Review of Intellectual Property and Growth, to be published shortly, will set out proposals aimed at stimulating economic growth across the economy, including content creators and distributors, through the IP system. The response that the Government will make to the Hargreaves Review will set out our overall policy for IP, which can then form the foundation for any reference to IP issues by the Communications Review.

The public policy challenge is to apply a coherent set of principles to the continuing convergence of content provision, deregulating where necessary in order to achieve the right balance between appropriate protection for the public while enabling rapid innovation, better services and sustaining freedom of expression. The questions below provide a broad context for our approach and we would appreciate as much detail and verifiable data as possible included in any responses.

*Q10. Are there disproportionate regulatory barriers to investment in content? If so, what are they and how can increased investment in UK content production be encouraged?*

*Q11. Should the core focus of public service broadcasting be on original UK content?*

*Q12. What barriers are there to innovation in new digital media sectors, including video games, telemedicine, local television and education?*

*Q13. Where has self- and co-regulation worked successfully and what can be learnt from specific approaches? Where specific approaches haven't worked, how can the framework of content regulation be made sufficiently coherent and not create barriers to growth, but at the same time protect citizens and enable consumer confidence?*

Your replies

I would welcome responses to this letter by 30 June 2011 and look forward to your ideas and positive suggestions for improvement. Arguments or proposals for changing the current system of regulation should be accompanied by strong and persuasive evidence. We would also welcome verifiable data relevant to your arguments giving examples of current models of regulation or self-regulation that either

work well or are as not as effective as they should be. Evidence should be concise, with submissions no longer than 4-5 pages long if possible.

In addition, if you are aware of existing policy papers or relevant research that would contribute to our thinking then please send them to us. For example, you may wish to draw on evidence that you have offered to the Digital and Creative Industries or Intellectual Property Growth review, or any analysis of future market trends and international sector comparison data with which you are familiar. We would also like to hear about how the relationship between the three themes affects their development and how this will change over time as platforms and services continue to develop.

Evidence collected will be used to inform the development of a Green Paper and, following publication, there will then be a long period of consultation with a view to producing a White Paper and Draft Bill by April 2013.

In addition to this call for evidence, at the start of July Government will also be inviting comments on specific pieces of regulation as part of the Government's flagship Red Tape Challenge. As part of this exercise businesses will be able to comment on the regulation which affects their particular industry as well as rules, around things like equality and employment that cut across all sectors. Where appropriate we will make the links between these pieces of work.

I look forward to hearing your views and hope this will be part of an ongoing dialogue with you on these key issues.

Jeremy Hunt

Secretary of State for Culture, Olympics, Media and Sport



*Contact Information*

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

[communications.review@culture.gsi.gov.uk](mailto:communications.review@culture.gsi.gov.uk)

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To: Jim [REDACTED]  
Cc: Palko, Jeffrey (NewsCorp) [REDACTED]; Anderson, Matthew  
[REDACTED]  
From: Michel, Frederic  
Sent: Tue 17/05/2011 7:01:48 PM  
Subject: JH confidential

Further to his call with him one hour ago, JH just called back.

He said he might give you a call in the coming days. He understands our frustration on the process.

Fred

To: Murdoch, James [REDACTED]  
From: Michel, Frederic  
Sent: Fri 20/05/2011 8:43:53 AM  
Subject: FW: JH - confidential

From: Michel, Frederic  
Sent: 20 May 2011 09:25  
To: Palker, Jeffrey (NewsCorp); Anderson, Matthew [REDACTED]  
Subject: JH - confidential

JH told me this morning that his remarks to journalists [ it wasn't a speech] last night should not surprise us and he has to say that it will take as long as needed.

I challenged him on the timetable and he said again that he thought it would be done by 24<sup>th</sup> June, but it's not something he could tell journalists.

I think that once we have Pinsent issues letter, we might want to use a call from JRM to JH to put further pressure or raise some alarm bells.

Let's see.

Fred.

To: Adam Smith [REDACTED]  
From: Michel, Frederic  
Sent: Sun 29/05/2011 10:12:09 AM  
Subject: CONFIDENTIAL

Adam,

Hope you're well.

Update for you :

We are getting some feedback from OFT and MPs that Ed Richards is very much in driving seat on the agreements discussion and meeting JH regularly to update him...?

OFT has also mentioned that they hadn't see JH for a while and they were fine with everything on their side.

It would be good to understand the state of play as it does seem the timetable you outlined to me is slipping away massively and we might want to consider our options at this stage.

A decision before the 24th June is in everyone's interest and the idea that the 7-day consultation could be only starting on the w/c 13th or 20th June is not good news at all.

Pinsent is also querying commercial items that should not be in its remit and have been dealt with months ago by OFT, or are asking for new commitments... They are not going to get back to us before next Thursday...!!

Can you possibly give me some info on where do you think we are? From where we sit, seems that Ed Richards has been given very much a free-ride on this and is doing his best to delay.

Thanks for your help

Have a great week-end

Fred

Cc: Matthew Anderson [REDACTED] Palko, Jeffrey  
(Newscorp) [REDACTED] Andrea Appella (Newscorp) [REDACTED]  
To: jrm [REDACTED]  
From: Michel, Frederic  
Sent: Thur 02/06/2011 1:41:34 PM  
Subject: JH confidential

JH just called. He said that over the last few days he has been causing a lot of chaos and moaning from people at DCMS on our behalf. I should have an update later today.  
Fred

Fredric Michel  
Director, Public Affairs Europe  
News Corporation

To: [redacted]  
 Cc: Falter, Jeffrey (NewsCorp); [redacted]; Andrea Appella (NewsCorp); [redacted]; Matthew Anderson [redacted]  
 From: Michel, Frederic  
 Sent: Fri, 03/06/2011 1:13:50 PM  
 Subject: JH: confidential

Had conversations with him today.

Overall there is a clear blame-game going on regarding the delay between lawyers, us and Ofcom. Everyone is getting very heated and his own legal team is not in the best of mood as JH has been pushing them hard this week and become quite impatient at the way they are handling these last stages.

I went through the process with JH since mid-March. Overall, here is his update:

- 1- He has not met or discussed with Ed Richards directly. He didn't sound like someone who was in Ed's pocket at all.
- 2- He puts Ofc and Ofcom in the same bag when it comes to blaming each other and delaying the process as much as possible. He is not impressed by the OFT team either.
- 3- He is politically very keen to get this done as quickly as possible and understands the potential impact this will have on the share price. He also asked me whether there were any other news which could conflict with the process in the coming weeks and asked me to keep him informed as much as possible privately [i.e. NI].
- 4- I have painted to him what could happen in the public debate if things were to get delayed and what it would mean for him and his Department to be openly accused of not providing us process, etc.. He told me he wanted to "move on" as quickly as possible.
- 5- So:
- 5- He has now summoned Ed and his on Monday to update him on their final advice
- 6- He is expecting Pinsent's final advice either this afternoon or Monday latest [that's good!]
- 7- He believes there will be an overall green light given by everyone by end of next week.
- 8- There is general agreement among his lawyers and OFT/Ofcom a second consultation will be needed on the Monitoring Trustee - he did say there might be other issues but unlikely.
- 9- Consultation should start at the latest beginning w/c 13th June
- 10- he will not wait to make his decision. Once the consultation is over, he will announce his decision within days.
- 11- Final decision is still being planned for w/c 20th June. For him the timing given by the FT this morning is too long.
- 12- At the end, he said that for him, being able to obtain a full green light on everything from Ed Richards/Ofcom in the coming days was the easiest way to clear the process and then make a swift decision without facing any credible legal challenge.
- 13- We are due to speak again Monday afternoon after he has seen Ofcom and received Pinsent's advice.

14- He has then entered a discussion on our work for the New Comms Act and his desire to engage very closely during the Summer as he prepared his Green Paper.

Fred.

Frederic Michel  
Director, Public Affairs, Europe  
News Corporation

Tel: [REDACTED]  
Mob: [REDACTED]

To: jrm [REDACTED]  
Cc: Matthew Anderson [REDACTED]; Andrea [REDACTED]; Parker, Jeffrey (NewsCorp) [REDACTED]  
From: Michel, Frederic  
Sent: Mon, 06/06/2011 8:55:53 PM  
Subject: JH - confidential

As discussed, I just had a very strong conversation with JH and explained we had now no intention of engaging further in anymore commercial negotiations with OFT or OFCOM and had reached a very delicate stage. I also insisted he needed to get a grip on Ofcom/Ed 's influence over the Pinsent's review and the timetable for the weeks ahead. I also floated the threat that if this were to go on for more weeks, we could decide at any moment to withdraw. He listened, said he understood those concerns which I had expressed already last week but that a threat to withdraw would not influence his views or judgement. JH repeated he was definitely keen to see this through as quickly as possible and was having conversations with his lawyers today/tomorrow and also Ofcom. I will get an update tomorrow.  
Fred.



**To:** 'Adam Smith'  
**From:** Michel, Frederic  
**Sent:** Tue 07/06/2011 4:32:28 PM  
**Subject:** RE: Ed Vaizey

I tend to think that he could see us on very specific policy items. We're still involved in the media agenda even during the Sky deal.

It's a very punitive decision....I feel victimised J

For example, I am working on our response for the open letter and it would have been great to discuss it with you before finalising it at some stage before end of June. Possible?

By the way, does that mean you and Jeremy will not be coming to Take That on the 4<sup>th</sup> July?

Fred.

**From:** Adam Smith [REDACTED]  
**Sent:** 07 June 2011 17:29  
**To:** Michel, Frederic  
**Subject:** Re: Ed Vaizey

you cannot seriously think that Ed meeting with News Corp whilst the deal is going on wouldn't be an issue.

On Tue, Jun 7, 2011 at 5:27 PM, Michel, Frederic [REDACTED] > wrote:

It's not obvious. He is not in charge at all of the Sky deal . That can't be the reason

I can see why Jeremy is not coming to the summer party....

**From:** Adam Smith [REDACTED]  
**Sent:** 07 June 2011 17:24  
**To:** Michel, Frederic  
**Subject:** Re: Ed Vaizey

I would think its obvious why he hasn't met News Corp. The same reason Jeremy isn't coming to the summer party.

On Tue, Jun 7, 2011 at 5:20 PM, Michel, Frederic [REDACTED] wrote:

You should know I have now asked his office [ Craig] why News Corp. has been unable to meet with Ed since the general election.

Prior to the election ,Ed met with us many times...

Given the amount of issues we are working on and contributing to [ from IP review to the Open Letter to Local TV to DEA to...etc], we can't understand a

valid reason for him to refuse any meeting...

I would recommend, before things get a little tricky internally, that he sees me for 30 minutes in the coming weeks so that at least there has been some engagement....

Fred

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To: Jhingan, Anil [REDACTED]; Palker,  
Cc: JRM [REDACTED]; Anderson, Matthew [REDACTED];  
Jeffrey (News Corp [REDACTED]); Appella, Andrea [REDACTED]  
From: Michel, Frédéric  
Sent: Wed 08/06/2011 7:35:01 PM  
Subject: Re: Rubicon - DCMS/Pinsent review

Thanks Anil.

I have just updated JH on substance. Still on track for a consultation to be triggered sometime next week if we move forward rapidly with DCMS.

Fred

Fredéric Michel  
Director, Public Affairs Europe  
News Corporation

**To:** 'Adam Smith'  
**From:** Michel, Frederic  
**Sent:** Wed 15/06/2011 10:35:04 AM  
**Subject:** RE: date?

How do we get things moving? We are available to complete things but DCMS very slow...

**From:** Adam Smith [REDACTED]  
**Sent:** 15 June 2011 11:34  
**To:** Michel, Frederic  
**Subject:** Re: date?

we haven't set them a date.

On Wed, Jun 15, 2011 at 11:22 AM, Michel, Frederic [REDACTED] wrote:

I spoke again to the OFT. I gather that DCMS has now given them a date by when they would like the report.

They would not tell me when that is but he said that DCMS might...so??

Both OFT and Ofcom are working to meet that target date.

I have suggested to the OFT that they raise with DCMS the possibility of sending us the report for redactions promptly (ideally as soon as they send it to DCMS) so that we do not waste time on that.

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To: Michel, Frederic [REDACTED]  
From: Adam Smith  
Sent: Wed 15/06/2011 12:24:29 PM  
Subject: Re: OFT dates

there's no inconsistency. she says she can't share an indicative target with you. that's because there isn't one!

On Wed, Jun 15, 2011 at 11:48 AM, Michel, Frederic [REDACTED] wrote:

Adam,

There is some inconsistency there. Below is the exchange I have just had with [REDACTED] L [REDACTED] She says that she is not able to share it with us. Not that there is not one.

I do not like the reference to dealing "with the consultation responses as well at this end"; it seems to plant the seed for the next excuse... Surely the changes to the UIL were designed to deal with those. Views?

I fear I am not in a position to share an indicative target date with you, but I do know that all of us are working towards being in a position to move forward with the matter as soon as we're able. Obviously at this end, we've also got to deal with consultation responses as well, which do take a little time.

Regards,

[REDACTED] L [REDACTED]

[REDACTED] L [REDACTED]

Legal Advisers to the Department for Culture, Media and Sport

Email: [REDACTED]

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To: Adam Smith [REDACTED]  
From: Michel, Frederic  
Sent: Thur 23/06/2011 5:13:42 PM  
Subject: Re: Question

It would be great if the text of the consultation could be focused on the specific change which strengthens the UIL and is a positive improvement. all the Internet petition online are not valid and don't represent real submissions...

Frederic Michel  
Director, Public Affairs Europe  
News Corporation

On 23 Jun 2011, at 15:31, "Adam Smith" [REDACTED] > wrote:

It will be only on the changes but I'm sure everyone will comment on it all again.

You should be getting docs to redact today.

On 23 Jun 2011, at 15:10, "Michel, Frederic" [REDACTED] wrote:

Quick question: will the consultation ask the public to provide comments only on the change made to the UIL or can it be also another invitation to comment on everything again?

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**To:** Adam Smith [REDACTED]  
**From:** Michel, Frederic  
**Sent:** Mon 27/06/2011 8:43:11 AM  
**Subject:** Re: <no subject>

Perfect

Frederic Michel  
Director, Public Affairs Europe  
News Corporation

On 27 Jun 2011, at 09:41, "Adam Smith" [REDACTED] > wrote:

No more details on timings just yet. Main thing is to get redactions sorted out.  
Shall we speak around lunchtime as i'll know more then?

On Mon, Jun 27, 2011 at 8:06 AM, Michel, Frederic [REDACTED] wrote:

Hi

Hope you're well.

Do let me know if you have a more detailed idea of timetable for next few days.

We can turn things around quickly to help the consultation off the ground this week.

Fred

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To: jma [REDACTED]  
Cc: Matthew Anderson [REDACTED] Palkar, Jeffrey  
(Newscorp) [REDACTED]  
From: Michel, Frederic  
Sent: Thur 30/06/2011 9:00:43 PM  
Subject: JH debrief

Had a debrief with JH and his team tonight at 7pm before he left to his constituency.  
He is very happy with the way today went and especially with the absolutely idiotic debates led by Watson and Prescott.  
Moreover Labour's Ivan Lewis made very helpful statements throughout and the strength of the UIL has been widely endorsed.  
Key now for him is to find a way to weaken Awaaz campaign's arguments.

To: JRM; [REDACTED]  
Cc: Anderson, Matthew; [REDACTED]; Palker, Jeffrey  
(Newscorp); [REDACTED]; Andrea Appella( Newscorp )  
[REDACTED]; Jhingan, Anil; [REDACTED]  
amacandrew  
From: Michel, Frederic  
Sent: Thur 30/06/2011 12:05:31 PM  
Subject: JH\_confidential

JH just told me that he was very keen to make the final decision before the 18<sup>th</sup> July.

If needed his clearance CAN be made during recess but he is very keen to make it before that.

Frcd

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To: 'Macandrew, Alice'; James Murdoch [REDACTED]; Parker, Jeffrey-  
(Newscorp) [REDACTED]; Andrej Appella [REDACTED] Matthew  
Anderson [REDACTED]  
From: Michel, Frédéric  
Sent: Thur 07/07/2011 12:11:20 PM  
Subject: RE: ben fenton

Spoke to JH. Very important to keep same briefing lines as discussed and insist on the plurality issue.  
They are going very strong with journals today on the strength of UIL and approval by Ofcom/OR

To: James Murdoch [REDACTED]; Paiker, Jeffrey (NewsCorp) [REDACTED]  
Anderson, Matthew [REDACTED]  
ama@andrew [REDACTED]  
From: Michel, Frederic  
Sent: Thur 07/07/2011 1:01:23 PM  
Subject: JH - CONFIDENTIAL

Nothing is official. JH is not putting a timetable on it. He is just saying they will consider the responses to the consultation and make a decision when they've done so. nothing more than that.

**To:** 'Adam Smith'  
**From:** Michel, Frederic  
**Sent:** Thur 07/07/2011 1:10:50 PM  
**Subject:** RE: FW: ben fenton

Ok. Thanks. Let's hope things can move over the summer.

**From:** Adam Smith [REDACTED]  
**Sent:** 07 July 2011 14:04  
**To:** Michel, Frederic  
**Subject:** Re: FW: ben fenton

neither. there's no timetable. we will make a decision when we've gone through the responses. like always.

On Thu, Jul 7, 2011 at 2:02 PM, Michel, Frederic [REDACTED] wrote:

So true or not?

**From:** Adam Smith [REDACTED]  
**Sent:** 07 July 2011 13:49  
**To:** Michel, Frederic  
**Subject:** Re: FW: ben fenton

not official. we're not putting a timetable on it. we're just saying we'll consider the responses to the consultation and make a decision when we've done so. nothing more than that.

On Thu, Jul 7, 2011 at 1:45 PM, Michel, Frederic [REDACTED] > wrote:

**BSkyB verdict delayed until September**

By George Parker and Ben Fenton

Jeremy Hunt, culture secretary, is expected to delay until September his verdict on whether to allow Rupert Murdoch to proceed in his bid to take full control of British Sky Broadcasting, after a deluge of last-minute submissions on the deal.

The deadline for the submissions is on Friday July 8, but the controversy over phone hacking at the News of the World - Mr Murdoch's Sunday tabloid - has seen submissions rise from an estimated 60,000 to over 100,000 today.

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To: James Murdoch [REDACTED]  
Cc: Anderson, Matthew [REDACTED]  
From: Michel, Frederic  
Sent: Thur 07/07/2011 4:00:29 PM  
Subject: Clegg - confidential

Impressed. Reassured me that he is not trying to block anything and believes decision on Sky deal is in Hunt's hand only...

To: James Murdoch[]  
Cc: amacandrew [REDACTED] Anderson, Matthew [REDACTED] []; Palker, Jeffrey (NewsCorp) [REDACTED] Andrea Appella (NewsCorp) [REDACTED]  
From: Michel, Frederic  
Sent: Thur 07/07/2011 6:01:44 PM  
Subject: JH - CONFIDENTIAL - please read

Latest on Rubicon:

- Was not discussed at the No10 meeting that Hunt had with the PM – was discussing the two enquiries [“police” one led by a judge; and “media practices” one not with a judge and led by DCMS]
- Some of the submissions are from the US and a lot are petitions – the law forces DCMS staff to read each of them
- Given there are 100,000, it will take longer than it took for 40,000 but not 3 months.
- Doesn't believe there will be
- Important to dispel idea that he might send it to CoCo or put a pause in the process: it would be irrelevant as CoCo would run the same media plurality test as Ofcom – key message
- The closure of NoW does not affect JH decision and if anything help the media plurality issue by weakening our voice
- The Cabinet divisions reported in the press are much more to do with the hacking saga rather than the deal itself
- Feels that both BBC and Guardian have been extremely helpful in reporting accurately that he has no room in his decision





To: Murdoch, James (NewsCorp) [REDACTED]; Anderson, Matthew  
[REDACTED]; Palke, Jeffrey  
(NewsCorp), [REDACTED]  
From: Michel, Frédéric  
Sent: Mon 11/07/2011 11:00:32 AM  
Subject: Hunt on JRM

1110 BST: Jeremy Hunt, the Culture Secretary, explains why is writing to Ofcom and the OFT asking for more advice. "Things have changed in the last week. In the last week we have had some horrific revelations that I think have shocked everyone, so what I am doing is writing to them to ask if they still stand by their advice or whether some new facts have emerged that have caused them to change their advice," he tells Sky News. He points to new information that James Murdoch had authorised out of court settlements for phone hacking cases several years ago as an example of a new fact that had come to light that might affect the credibility of the News Corp bid. "I don't want to make a judgment about whether they are relevant to this very important media merger before I take independent advice. So today I have written to Ofcom and the OFT saying that now you know these things, does that cause you to reconsider the advice you gave previously?" Mr Hunt adds that he has no legal obligation to ask for fresh advice, but that he felt he should do so "so that people can see the basis of these decisions that I'm going to make". He adds his own

I spoke to Hunt and I can predict that he will send the bid to the Competition Commission once he has received Ofcom's advice.

I also believe his letter to Ofcom and JRM was very much written in consultation with Ofcom.

We discussed the need to make sure the next 24 hours are used to find the right way of announcing our decision [whatever it is] and that we

are seen as helping the Government find a solution and take the heat of the Commons vote. Ed Miliband just indicated the vote needed to go ahead now and he hadn't made a decision yet.

Fred.

To: Murdoch, James ( NewsCorp ) [REDACTED] Anderson, Matthew  
( NewsCorp ) [REDACTED] Palker, Jeffrey  
; Antonio.Bavasso [REDACTED]  
Cc: Andrea Appella( NewsCorp ) [REDACTED]  
amacandrew [REDACTED]  
From: Michel, Frederic  
Sent: Mon 11/07/2014 2:25:21 PM  
Subject: HUnt statement at 4.15 - infos

Just spoke to JH. He won't add anything news in his statement from this morning's letters:

He will expose the politicisation by Labour of a regulatory/legal process.

We can also expect some Labour MPs to use the opportunity to make further revelations regarding NI.

Fred.