

G D Morgan
5 July 2012
2nd
Exhibit: "GDM2"

IN THE MATTER OF THE LEVESON INQUIRY

SECOND WITNESS STATEMENT OF GARETH DYLAN MORGAN

I, **GARETH DYLAN MORGAN**, of Express Newspapers, Northern & Shell Building, Number 10 Lower Thames Street, London, EC3R 6EN, **WILL SAY AS FOLLOWS:**

- A. I am the editor of The Daily Star Sunday Newspaper ("the Newspaper"). I make this, my second statement, in response to a request of the Leveson Inquiry ("the Inquiry") pursuant to a letter dated 2 July 2012. A copy of this letter can be found at pages 1-3 of Exhibit "GDM2".
- B. I confirm that all matters in this statement are true and, unless I specify to the contrary, are based upon my own knowledge and a review of the relevant documents. Where matters are not within my own knowledge, I state the source and believe the same to be true.
- C. There is now produced and shown to me a paginated bundle of documents marked as Exhibit "GDM2". References to documents in this witness statement are references to documents in that exhibit.
- D. For convenience, I have reproduced as subheadings the questions asked of me in the 2 July letter.

Question 1: Who you are and what is your current job title?

1. I am currently the Editor of the Newspaper, a role I have held since December 2003.

Question 2: To what extent were you personally involved in drawing up this proposal for a new system of self-regulation based on contractual obligations, as now set out by Lord Black ["the Proposals"]?

2. On 15 December 2011, I attended a meeting at the offices of The Daily Telegraph Newspaper in London. The meeting was led by Lord Black and Lord Hunt and was also attended by the editors of various national and regional newspapers.

3. At that meeting, the broad idea of a contractually based system of regulation was raised and during a brief Q&A session following presentations by Lord Black and Lord Hung, I expressed the following concerns:
 - 3.1. My belief that the contractual system did not address the disillusion with the current system which was felt by both publishers and consumers of newspapers; and
 - 3.2. That there was nothing new to help ordinary complainants get satisfaction from the system while there was plenty of scope for the more wealthy complainant to use the system as a stalking horse for civil action.

For both these reasons, I felt we had a long way to go to develop a new system of self regulation.

4. I have attended some internal meetings with the editors of The Daily Express, The Daily Star and The Sunday Express, Paul Ashford, the Editorial Director and Martin Ellice, the Group Managing Director to discuss the proposed contractual obligations. Lord Hunt also attended two of these internal meetings and I again raised my concerns as detailed above.
5. On 20 March 2012 and 18 May 2012 respectively, Mr Ellice wrote to the Secretary of PresBof setting out Northern & Shell's submissions of the proposals as they then were. Mr Ellice consulted the editors of the Company's newspapers before drafting the submissions. I have had no other personal involvement in the drawing up of Lord Black's proposals.

Question 3: How far would you personally, in your capacity as editor, expect to be involved in the final decision as to whether your publication signed up to the contractual obligations envisaged by this system? Please explain in full how that decision would be taken.

6. To date, the Group's approach to the future structure of the regulatory regime has been devised and led at director level, and more specifically, by Mr Ashford and Mr Ellice.
7. I would expect that the views and opinions of the editors of the Group's newspaper and magazine titles would be sought by the Group's Board of Directors ("the Board") in respect of the Proposals, and indeed any other proposals of a similar nature, and that our views will be key in the Board's final decision.
8. That said, the final decision will be that of the Board alone.

Question 4: In so far as you are able to do so, please indicate whether your publication is at present fully ready and committed to enter into these contractual obligations. If it is not at present fully ready and committed, please explain why, and detail any changes that would need to be made to the proposal, any further development to proposal required, or any preparatory steps that would need to be taken at your publication, in order to put it in the position of being fully ready and committed to enter into these obligations. If there are no circumstances in which it would be prepared to enter into obligations of this nature, please explain why not.

9. At present, and with the Proposals in their current form, I would not be able to recommend to the Board that The Daily Star Sunday sign up to these contractual obligations contained in the Proposal for, among others, the following reasons:

9.1. The Proposals appear to take a 'one size fits all' approach to the contractual obligations to which we would be expected to adhere. I do not think that this would be in the best interests of the Group titles, other national and regional newspaper titles and the public. Indeed, I would go so far as to say that I consider the Proposals as drafted do not appear to represent equally the interests of those in the industry;

9.2. The proposed contract and its associated penalties are too draconian. The contract could damage the commercial prospects and the very future of many titles that are bound by it. For example there is no redress if a publisher believes the regulator is behaving in an inappropriate manner.

9.3. The Proposals do not appear to address any potential wrongdoing for which there is not already adequate protection in place under the law;

9.4. The Proposals includes provision for the regulator to decide to carry out an investigation and impose a sanction even after civil and/or criminal proceedings have taken place, irrespective of whether any such proceedings result in the Newspaper being found liable and/or guilty.

10. This list is illustrative of my concerns and is not to be considered exhaustive.

Question 5: What specific differences would membership of the system of the kind set out by Lord Black, underpinned by contractual obligations, make to the culture, practices and ethics of your publication?

11. On a day to day basis little if anything would change as, despite our withdrawal from the PCC, we still operate a system whereby all checks and balances are in place to

ensure that our journalists adhere to the Editors' Code of Practice and to the law. The PCC also still send us warning notices when they consider it appropriate and we distribute these warning notices as required.

Question 6: Is there any other comment you wish to make on the proposal put forward by Lord Black, or on the proposals put forward by others, that are now published on the Inquiry website

12. I can confirm that I have no further comments on the Proposals at this time.

STATEMENT OF TRUTH

I believe that the facts stated in this Witness Statement are true.


GARETH DYLAN MORGAN
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**SECOND WITNESS STATEMENT OF
GARETH DYLAN MORGAN**

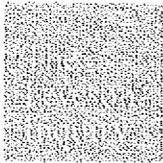
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EXHIBIT "GDM2"

This is the exhibit marked "GDM2" referred to in the Second Witness Statement of
Gareth Dylan Morgan
dated this 5th July 2012



culture, practices and
ethics of the press

Royal Courts of Justice
Strand, London
WC2A 2LL

Solicitor to the Inquiry
Tel: 020 7947 7361

Solicitors.team@levesoninquiry.gsi.gov.uk
www.levesoninquiry.org.uk

Mr Gareth Morgan
The Daily Star Sunday

By email only c/o:

2 July 2012

Dear Mr Morgan

Leveson Inquiry into the culture, practices and ethics of the press

The Inquiry is grateful to you for the time and thought that you have already given to the Inquiry by providing evidence.

There are a number of further issues on which your assistance would be appreciated. Lord Justice Leveson's expectation is that witnesses will be willing to assist his Inquiry by providing both a statement and documents voluntarily and in the public interest. However, given the timescales within which the Inquiry is operating, and the desirability of ensuring, with very limited exceptions, consistency of approach to potential witnesses, Lord Justice Leveson has decided to proceed in a formal manner using the powers conferred upon him by statute in relation to these issues. No discourtesy is of course intended by this.

Notice under section 21(2) of the Inquiries Act 2005

Under section 21(2) of the Inquiries Act 2005¹, read in conjunction with the Inquiry Rules 2006 (S.I. 2006 No 1838)², Lord Justice Leveson, as Chairman of the Inquiry, has power to require a person, within such period as appears to him to be reasonable, to provide evidence to the Inquiry panel in the form of a written statement, and/or to provide any documents in his custody or under his control that relate to a matter in question at the Inquiry.

Lord Justice Leveson has determined that it is appropriate, in view of his Terms of Reference and his investigatory obligations, that you should at this stage be required to provide evidence to the Inquiry Panel in the form of a witness statement as more specified below.

It is not the Inquiry's current expectation that you will be invited to amplify your response by giving oral evidence. It should be understood that your statement will enter the public domain

¹ <http://www.legislation.gov.uk/ukpga/2005/12/contents>

² <http://www.legislation.gov.uk/uksi/2006/1838/contents/made>

in the form in which you provide it to the Inquiry, subject to redaction of your personal details, and it should therefore be prepared with that in mind.

Please respond to this notice in writing by 4.30pm on 9th July 2012.

Your witness statement should cover at least the following matters or issues:-

(1) Who you are and your current job title.

Proposal for Self Regulation

Lord Black has submitted to the Inquiry a proposal for "a New and Effective System of Self-Regulation"³. In his submission Lord Black states:

"Responses to the industry consultation from within an extremely diverse set of businesses have inevitably been varied. Parts of the industry – particularly the regional and periodical press – have been understandably anxious about such substantial change, especially when the current system works well for them (as the Inquiry has heard) and above all for their readers. They have rightly been worried about the potential increase in costs and bureaucracy of a new system. But at the other end of the spectrum, some national publishers have argued for even tougher controls. At the end of the day, therefore, this proposal seeks so far as is possible to balance these views. But there is no doubt to me that the vast majority of the industry sees them as credible, likely to prove effective and that they will take part. Northern and Shell has indicated that it is willing to participate, subject to detailed contract terms."

(2) To what extent were you personally involved in drawing up this proposal for a new system of self-regulation based on contractual obligations, as now set out by Lord Black?

(3) How far would you personally, in your capacity as editor, expect to be involved in the final decision as to whether your publication signed up to the contractual obligations envisaged by this system? Please explain in full how that decision would be taken.

(4) In so far as you are able to do so, please indicate whether your publication is at present fully ready and committed to enter into these contractual obligations. If it is not at present fully ready and committed, please explain why, and detail any changes that would need to be made to the proposal, any further development to proposal required, or any preparatory steps that would need to be taken at your publication, in order to put it in the position of being fully ready and committed to enter into these obligations. If there are no circumstances in which it would be prepared to enter into obligations of this nature, please explain why not.

(5) What specific differences would membership of a system of the kind set out by Lord Black, underpinned by contractual obligations, make to the culture, practices and ethics of your publication?

(6) Is there any other comment you wish to make on the proposal put forward by Lord Black, or on the proposals put forward by others, that are now published on the Inquiry website at <http://www.levesoninquiry.org.uk/about/module-4-submissions-on-the-future-regime-for-the-press/>

³ <http://www.levesoninquiry.org.uk/wp-content/uploads/2012/06/Submission-by-Lord-Black-of-Brentwood1.pdf>

Lord Justice Leveson is directed by law to explain to you the consequences of failing to comply with this notice. He therefore draws to your attention the provisions of section 35(1) of the Inquiries Act 2005 which make it a criminal offence to fail without reasonable excuse to do anything which is required by a notice under section 21. He wishes to make it clear that all recipients of section 21 notices are having their attention drawn to this provision, since it is a formal legal requirement.

He is also directed by law to indicate to you what you should do if you wish to make a claim under sub-section (4) of section 21, namely a claim that you are either unable to comply with this notice at all, or cannot reasonably comply with this notice within the period specified or otherwise. You are invited to consider the full text of section 21, including for these purposes sub-sections (3)-(5), if necessary with the benefit of legal advice. Lord Justice Leveson invites you to make any such claim in writing and as soon as possible, addressed to the Solicitor to the Leveson Inquiry into the Culture, Practices and Ethics of the Press, c/o Royal Courts of Justice, Strand, London, WC2A 2LL.

Furthermore, Lord Justice Leveson has power under section 19(2)(b) of the Act to impose restrictions in relation, amongst other things, to the disclosure or publication of any evidence of documents given, produced or provided to the Inquiry, including evidence produced under section 21. Lord Justice Leveson will be considering the exercise of his powers under section 19 in any event, but if you seek to invite him to exercise those powers in respect of your evidence, including documentary evidence, or any part of it, you should set out your position in writing as soon as possible.

Finally, Lord Justice Leveson draws to your attention the provisions of section 22 of the Act which state that you may not under section 21 be required to give, produce or provide any evidence or document if you could not be required to do so if the proceedings of the Inquiry were civil proceedings in a court in the relevant part of the United Kingdom, or the requirement would be incompatible with a Community obligation. No doubt you will take legal advice as to the effect of this provision, but, in the spirit of openness and with the wish to ensure that all possible aspects of his Terms of Reference are fully considered, he invites you nonetheless to waive privilege in relation to any such document or evidence. Please therefore state in your response to this notice whether you are prepared to do so.

Yours sincerely

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Kim Brudenell
Solicitor to the Inquiry