MR JAY: Your approach generally to media ownership, you cover these in paragraphs 3 and 4 of your statement at 05597. Is there anything you wish to add to that?

A. No.

Q. You helpfully explain your reserve functions under the relevant legislation in relation to media plurality. This is paragraphs 8 to 14. Dr Cable gave us a similar explanation, and there are no specific points which arise. You draw attention to the relevant guidance and the public interest test, which is under section 58 of the Act. When did you first become acquainted with that, Mr Hunt?

A. I think I only really became acquainted with it when the powers were transferred to me from the Department of Business on 21 December.

Q. Thank you. Can I deal with your period in opposition, first of all. Your personal website said at one stage: “Like all good Conservatives, Hunt is a cheerleader for Rupert Murdoch’s contribution to the health of British television.” There were other things that I disagree with. He talked about the broadcasting market was too heavily regulated, of news provision, and I completely agree with that. There were some things that he talked about which I thought were very important. He talked about the importance of having independent commercially viable media operators as a very important element of plurality of news provision, and I was unable to excite much interest in him in those two areas.

A. I think, apart from sort of generally expressing a view that the broadcasting market was too heavily regulated, I don't think we got into much more substantive discussions than that.

Q. Had you read by that stage his MacTaggart lecture, which was delivered on 28 August 2009?

A. Yes, I had.

Q. Did you share the views and opinions expressed in that lecture?

A. There were some things that he talked about which I thought were very important. He talked about the importance of having independent commercially viable media operators as a very important element of plurality of news provision, and I completely agree with that. There were other things that I disagree with. I disagree with the general thrust of his views on the BBC, in particular his description of the BBC as state-sponsored journalism, and the suggestion that the BBC is an arm of the state, whereas my experience of the BBC is an arm of the state, whereas my experience of the state-sponsored journalism, and the suggestion that the BBC is an arm of the state, whereas my experience of the

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Q. Okay. We know from material which Mr Rupert Murdoch provided to us -- this is his exhibit KRM 40, it's in the PROOF file at page 01962 -- that you had two meetings with Mr James Murdoch in opposition, on 12 October 2009 and 12 February 2010. Hopefully that will come up on your screen. It's not available in the various files you have.

One of the agenda items, according to Mr James Murdoch, was reform of Ofcom. Can you remember what, if at all, was discussed on that occasion?

A. Not particularly. I think James Murdoch has a general hostility to Ofcom and the BBC, and he may have said that the burden of regulation from Ofcom was too onerous, that sort of general tenor. My focus in both those meetings were my two policy priorities, which were superfast broadband and local TV, and I was unable to excite much interest in him in those two areas.

Q. But did he try and excite interest in you on the issue of reform of Ofcom?

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1. **BBC has always been and is that it operates very effectively at arm's length from the government, even though its funding mechanism comes through my department.**

2. Q. Did you share his views as to the licence fee, in particular at one stage I think it may have been Conservative Party policy to top slice the licence fee?

3. A. Generally speaking, I didn't share his view on the licence fee. I think James Murdoch thinks the licence fee is wrong full stop. He describes it as an intervention in the market, whereas I believe that the BBC is a benchmark for quality in broadcasting in this country and indeed all over the world, and the licence fee is a critical part in making that possible.

4. With respect to top slicing, that's the sort of principle that other broadcasters should be able to bid for a share of the licence fee, that was a policy option that we floated in opposition. I think I floated it as a particular option in the spring of 2008, but we never adopted it as a policy.

5. A. I believe it was September 2009, but yes, and I didn't travel to New York to see executives of News Corporation. I went to New York because I wanted to do some research into local television and America has the most developed local television market in the world, but I was offered to meet executives at News Corporation, and I thought that was a good thing to do while I was there.

6. Q. Did those include Mr James Murdoch or not, can you recall?

7. A. No, they didn't.

8. Q. We know he was working in London at the time. Can I ask you this, though: did you discuss anything else, other than local television?

9. A. We had more general discussions about broadcasting.

10. News Corporation have never been particularly interested in local television in the UK, so they weren't particularly interested in talking about that to me, although they were happy to talk about their experience of local television in the US. That was my primary purpose. They talked about -- I think one of the things we talked about was the impartiality rules, which we have here under the Broadcasting Code, which they don't have in the US, so we had some discussion about that.

11. Q. Okay. In May 2010 there was another meeting -- it's more accurately described, I think, as you say in annex B, 05624, as an evening reception and dinner, James Murdoch and others from News Corporation.

12. Rupert Murdoch was also present for part of the event. Can you remember the date?

13. A. I can't remember the date off the top of my head, but I think it was after I'd become Culture Secretary.

14. Q. I think that was the occasion where it was said you were hiding behind a tree to avoid being spotted by a Wall Street journalist. Is that correct or not?

15. A. No. What actually happened was I went to a dinner which I think was hosted by the master of UCL, it wasn't a private dinner with James Murdoch, and on my way to the dinner, I spotted a large group of media journalists and I thought this is not the time to have an impromptu interview, so I moved to a different part of the quadrangle.

16. Q. There may or may not have been trees; is that right?

17. A. There may or may not have been trees.

18. LORD JUSTICE LEVESON: All right, I think we've moved on.

19. MR JAY: Yes, I am.

20. 15 June 2010, which was the day the bid was announced, Mr Hunt. When did you first learn that the bid was in the offing, as it were?

21. A. I don't think I knew about the bid until getting a call from Mr Murdoch on the day that it was announced.

22. Q. You don't think so or you're sure you didn't know about the bid before?
I remember my rather unsuccessful attempts to excite him about superfast broadband and local TV, which continued to be unsuccessful.

Q. There was another meeting at the Conservative Party conference in that year in October 2010. We see that from annex B again at 05626. This time it was Rebekah Brooks and Frederic Michel. Can you recall whether the BSkyB bid was discussed on that occasion?

A. Yes, it was.

Q. Was Mr Smith present on that occasion?

A. I believe he was.

Q. Can you remember anything about the content of the discussion which might assist us?

A. As I remember, I think they expressed some concern that they weren't getting a sympathetic hearing from Vince Cable, but not much more than that.

Q. What response if any did you give to that concern?

A. I would have said that my own view broadly speaking was that I didn't think there was a plurality issue, so I would have probably expressed some surprise that Vince Cable may have thought there was more of a problem.

Q. How well did you know Mr Michel by that point? Of course we're October 2010.

A. Well, I knew Mr -- I mean, I didn't know Mr Michel particularly well full stop. I'd, you know, probably had a few coffees with him in my time in opposition, as I would have met representatives from all media companies when I was Shadow Culture Secretary.

I got to know him a little bit better because of the fact that that year we both had children born coincidentally in the same hospital on pretty much the same night, and by chance we bumped into each other in the maternity ward, but our families never socialised together, we never socialised together.

Q. Thank you. If I can move forward now in time to October, we know that on 7 October 2010 -- this is page 07905, in the second of the supplementary bundles, under tab SS.Aa.

A. Which bundle is this, Mr Jay?

Q. Second supplementary bundle.

A. If I don't need to see it, I'm happy to carry on.

LORD JUSTICE LEVESON: I'd prefer that you had these documents in front of you, if you don't mind.

A. Right, I have supplementary folder 2. I think that's probably the one. That's it.

MR JAY: If it's tabbed in the same way, you'll find a tab SS.Aa. It's the first document under that tab, 07905.

A. No. Sorry, will it be on the screen now, Mr Jay?

Q. Yes.
A. Right, I can see it.

Q. We can see that you were sent -- in fact to know exactly what you were sent we have to turn over the page, but I'm sure you would accept what I say about this -- a briefing document, which was addressed to you, which relates, I think, to the plurality aspects of the bid.

Q. We know it was sent by Mr Michel to Mr Smith, and then Mr Smith forwarded it to you. That's demonstrated by 07905.

Mr Smith's observation was:

"Obviously strictly commercially confidential but very interesting."

And your comment appears to be:

"Very powerful actually."

So it follows that plainly you considered this document and were expressing a positive view about it.

Q. Did you know at the time that Mr Smith had obtained this document and were expressing a positive view about it?

A. This is on 2 November?

Q. It is, yes.

A. Yes. I don't think I can, actually. I'm not sure what their digital numbers would have been.

Q. Okay. On 9 November, the message is:

"Can you meet James tomorrow morning for a catch-up? Would be good. Even early morning."

And then there's an email which relates to the organisation of it, but on 12 November at 19.25, FM to JH:

"James and I will see you Monday at 6.45."

And you text back immediately:

"Great."
A. The advice I was asking was what was my locus to express an opinion that might be taken into consideration by Dr Cable in making his quasi-judicial decision, and the advice I got was that essentially I didn't have a locus of intervention and I shouldn't intervene, so I interpreted that advice to mean that I shouldn't have any contact with anyone if that was part of a process that was going to be making an intervention with Dr Cable, because that might threaten the judicial robustness of Dr Cable's solution. I didn't interpret it to mean that I couldn't be in touch with people in the industry that I was responsible for and understand the issues around a merger that was the biggest merger the media industry had ever seen and on which thousands of jobs depended. In fact, I thought it was my duty to understand the issues around that merger and to be well across them.

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Q. We'll come back to that second point fairly shortly. If you look at the second page of this note, 04249, you'll see that legal advisers have cleared the note and it was copied to the Minister of State and to the Permanent Secretary. It was also copied to the special advisers. Did you discuss its content with Mr Smith, do you think?

A. I don't recall a conversation, but it's quite possible.

Q. Did you indicate to him your frustration, if you had it, about the content of this note?

A. I think I had a concern about the situation where we had this very important, very significant merger in my sector where, as I had said, I didn't think there was a particular problem with it but the organisation concerned said that they did feel that they were encountering a number of obstacles, and so I wanted to be absolutely proper about the way I approached this because I recognised that it was another department's decision.

This was probably the first time that I heard the phrase quasi-judicial or had some kind of exposure to what the implications of quasi-judicial meant, and we had a meeting in the diary initially and I decided to cancel that meeting not because I thought it was wrong to have contact with News Corporation, but because I thought they were probably wanting to have the meeting with me that Vince Cable had refused to have with them, and that therefore to have that meeting would be to create a parallel process where another government department is getting involved in the process in a way that might not be seen to be appropriate.

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Q. Did you accept that advice?

A. No. First of all, I don't know and I didn't know whether Dr Cable was being advised whether or not he should meet Mr Murdoch. That would obviously be his judgment and his legal advice. My perspective as Secretary of State responsible for the media sector was that I thought I had an absolute duty to be across the most important issue in that industry.

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Q. You asked for the matter to be further considered, if I can put it in these terms, at 04250, which is the next page:

"SoS has noted the advice and asked to see the results of Jonathan's request to the legal advisers as soon as possible."

The legal advice came on 19 November. We've seen it before with Mr Stephens. It starts at 04254, and the conclusion at 04256 at paragraph 16 was:

"Whilst there is nothing legally which precludes the Secretary of State BIS from making representations to the Secretary of State BIS to inform the latter's decision as to whether to refer the public interest considerations in this merger to the Competition Commission, it would be unwise to do so."

Did you accept that advice?

A. Yes. I don't know if I saw this longer version of the advice or not, but I did accept it.

Q. On 7 --

LORD JUSTICE LEVESON: Just before you go on to the 7th, that advice contains within it a description of this concept of quasi-judicial decision:

"By this, we mean a decision which is not driven by policy concerns, and has to be taken on the facts before the decision maker. It is not a Cabinet decision, and no collective Cabinet responsibility applies. Similarly, a decision on a planning application, or an application for a harbour revision order will be characterised as quasi-judicial decisions."

Did you have that understanding by this stage of the exercise that Dr Cable was involved in?

A. I don't think I did. I don't actually recall seeing this longer version of the advice. I do recall the
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advice that I received on 12 November. Obviously I did become extremely familiar with what quasi-judicial meant.

MR JAY: The email which the legal director sent on 7 December at 04257 says: "Thanks, I appreciate that the advice is not what JS [that's obviously the Permanent Secretary] and possibly JH wanted to hear."

A. Is that a correct deduction?

A. I think it probably is a correct deduction in terms of myself. I don't know about the Permanent Secretary.

Q. The next stage is what happened on 15 November in relation to the meeting which had been organised with Mr Murdoch. You have referred to it, but we have separate evidence of it in the file KRM 18, which contains, as you know, various emails largely from Michel back up to his superiors. It's page PROP and then the last five numbers are 01667.

A. Yes.

Q. It's Mr Michel to Mr Murdoch:

"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 jeopardise the entire process."

Is that an accurate statement of what Mr Michel was told by someone?

A. I don't believe I spoke to Mr Michel, so I couldn't tell you if it was an accurate statement or not.

Q. I think the evidence was that it was Mr Smith who spoke to Mr Michel on this occasion, but it's whether Mr Smith has correctly understood what the very strong legal advice was, which was that the meeting in effect had to be called off because this was a judicial process, as he puts it. Is that broadly speaking correct in your view?

A. It may well have been the case that Mr Smith had seen the advice that I'd received on 12 November and we had decided – well, we did decide that the meeting shouldn't go ahead, so it's possible that there was a discussion between Mr Michel and Mr Smith, but that's obviously something that they would have to say whether it happened or not.

Q. Is Mr Smith correct when he says that you're very frustrated about it?

A. I may have been frustrated. I was worried about a bid in my sector that could potentially mean that thousands more jobs would be created, and the main protagonist was concerned about the process they were having to go through, so I may well have been worried.

Q. The next paragraph sets out what Mr Michel's advice was:

... 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."

We know that there was a telephone call between you and Mr Murdoch that day. Was it by mobile phone?

A. I believe it was, yes.

Q. Was it your view that that was appropriate?

A. Yes. As I mentioned earlier, it was always made clear to me by my officials that it was entirely appropriate and proper to have contact with stakeholders at which officials were present and minutes were taken, and contact at which officials weren't present and minutes weren't taken, that was at my discretion, and so I felt in this situation I didn't want to get involved in the quasi-judicial process and I thought that was the intention of the meeting that News Corp wanted, but I thought it was entirely appropriate to hear what a big player in my industry was saying about a particular situation. Indeed, I thought that was my duty to do so. I should perhaps say sort of in parentheses, if I may, Mr Jay, that I think having been through the BSkyB bid and the process that I've been through, I would take a different view about the presence of officials in conversations that a Culture Secretary has with media proprietors. I just wanted to be efficient and I thought it was really a question of whether you wanted someone present to take minutes, but given the massive number of conspiracy theories that abound, I think actually going forward I would always want to have officials present and taking notes.

Q. If a meeting is inappropriate, as this might tend to suggest, why is a telephone call appropriate?

A. Well, I didn't see the telephone call as a replacement for the meeting. My interpretation of the advice was that I should not involve myself in a quasi-judicial process that's being run by another Secretary of State, and that that was the purpose of the meeting that was requested by News Corp and that's why that wasn't appropriate. But I think it would have been perfectly appropriate to have had a meeting with News Corp with officials present taking notes setting out the ground rules. You know, "Jeremy Hunt cannot involve himself in Vince Cable's media plurality decision and we can't discuss the rights and wrongs of that, but he's Secretary of State for the media so he can hear if you've got other concerns or concerns about process or anything else you want to express, he can hear them, but he can't involve himself or make representations with respect to that decision."
Q. But what was discussed on the phone, then, Mr Hunt?

A. I just heard Mr Murdoch out, and basically heard what he had to say about what was on his mind at that time.

Q. But what you heard on the phone is exactly the same thing as you would have heard had there been a face-to-face meeting, isn't that right?

A. Well, it depends, because I think, as I say, if he had wanted to have a face-to-face meeting in which he expressed the arguments as to why he believed that there was no media plurality decision, that was something to be decided by Dr Cable, and I think if we'd had a face-to-face meeting, we'd have said, "Look, this is something that's being considered quasi-judicially by another Secretary of State and we can't involve ourselves in that".

Q. Did you say that to Mr Murdoch during the course of the call, do you think?

A. I think it's likely that we explained it, because we were -- you know, we'd cancelled the meeting, which we know from some of his evidence that he used some quite colourful language to express his frustration about.

Q. The only evidence we have as to what was discussed is in the file of text messages, which is supplementary bundle volume 2, tab TT, 01847. A text timed at 15.49 on the file of text messages, which is supplementary bundle.

A. 16 November. Mr Michel to you. Do you see that one?

Q. Can we be clear about the first draft, which is 07909. SS.Aa. The first draft, I think, is -- you can confirm this -- 07909. This is an email you send to Mr Smith timed at 13.14 hours on 19 November 2010.

A. Correct.

Q. Is that something you drafted, which you asked Mr Smith to look at, or is it a first draft Mr Smith prepared for you?

A. I generally draft my own notes to the Prime Minister, so I would imagine that I drafted this.

Q. You asked him to check it for typos and to format it nicely, but we'll see what if anything happened to it:

A. Well, I suppose it's rather like Mr Smith said in his memorandum which went through a couple of drafts. It's in this self-same file, the second supplementary bundle, SS.Aa. The first draft, I think, is -- you can confirm this -- 07909. This is an email you send to Mr Smith timed at 13.14 hours on 19 November 2010.

Q. Yes.

Q. "Thanks for the call with James today, greatly appreciated. Will work with Adam to make sure we can send you helpful arguments. Warm regards, Fred."

A. I think that was the second draft, not the final version.

Q. And your reply almost immediately is:

A. "Pleasure."

Q. We can see that?

A. Yes.

Q. So it's reasonable to suppose that the call was successful to the extent that some reassurance was given by you to Mr Murdoch insofar as you could give it. Is that fair?

A. Well, I wouldn't have given him any reassurance about the media plurality decision that Vince Cable was taking because that was not my -- that was not anything I could get involved with, and I would have made that clear to him, so I probably gave him a sympathetic hearing, but I wouldn't have said that I can get involved in that decision because I had taken and accepted the advice that I couldn't.

Q. The third sentence of the text:

A. "Will work with Adam to make sure we can send you helpful arguments."

Q. That indicates that you well knew that Mr Smith and Mr Michel were working quite closely by this stage as part of your point of contact with News Corporation, is that fair?

A. It's fair, but Mr Smith was my point of contact with pretty much every external state holder during my period in both opposition and as Culture Secretary.

Q. You also knew that News Corp would be intending to send you, in their words, "helpful arguments", didn't you?

A. Well, I suppose it's rather like Mr Smith said in his evidence: if someone offers you to send something -- send you something, you acknowledge it, but I don't believe I'd have asked for it.

Q. Okay. We move forward a few days to a private memorandum which went through a couple of drafts. It's in this self-same file, the second supplementary bundle, SS.Aa. The first draft, I think, is -- you can confirm this -- 07909. This is an email you send to Mr Smith timed at 13.14 hours on 19 November 2010.

A. I think I'd have asked for it.

Q. First of all, so we know where we are with this, Mr Hunt, if you go forward a couple of pages I think we see the second draft and then the final version is the same as the second draft but slightly differently formatted. Is that a correct deduction I've made, first of all?

A. I think so, probably, yes.

Q. Can we be clear about the first draft, which is 07909.

A. Well, I think I took that phrase out of the final draft, so the first point I'd make is that that wasn't my primary concern. But I would imagine that I was saying that, you know, we're a party that believes in the free market, in supporting enterprising companies, in government bureaucracy not getting in the way of companies that want to expand and backing people who...
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1. take risks, and I think that I felt that the approach
the government was taking felt inconsistent with that.

2. Q. Wasn't there also a question, though, that you would be
in confrontation, or might be, with News Corp, which
could place the Conservative Party at least in the wrong
place politically? Was that not an aspect of this?

3. A. I don't believe so. I didn't give it a huge amount of
thought, but I think that on a situation like this, you
know, the politics actually in the sense that you're
talking about are actually very complex, because you had
one Conservative-supporting newspaper group that was
very strongly in favour of the bid and you had two
Conservative-supporting newspaper groups that were very
strongly against the bid. I'm not sure -- I don't think
there's any political win in any possible outcome, as
far as a Conservative-led government is concerned.

4. Q. In terms of the media policy, which you then go on to
explain in this, it would be fair to say that you were
favouring the bid; is that correct?

5. A. As you can tell from the note, I could see -- I mean, my
perspective on the media industry is that I am a very,
very passionate supporter in having a free and vibrant
press, and I actually think we have one of the freest
and most vibrant media industries and press in the
world, and I think it's very good for our democracy, and
I think that probably suggests that I made the
changes; is that right?

6. A. Well, I think --

7. LORD JUSTICE LEVESON: It is an email from Mr Hunt to
Mr Smith.

8. A. Yes, I think it is, so I imagine it's me having
rethought it, is the answer, because he then replies at
16.30:

9. "Much happier with this version."

10. I think that probably suggests that I made the
changes.

11. MR JAY: The changes you made, you removed the reference to
"not just politically", you shortened it. Arguably you
beefed up the second paragraph where you say:

12. "...I think it would be totally wrong to cave in to
the ..." coalition, I paraphrase, as this "represents
a substantial change of control given that we all know
Sky is controlled by News Corp now anyway."

13. That statement of opinion is a clear opinion, isn't
it, in favour of the bid, would you agree?

14. A. Yes, I'm expressing my view, but I'm also recognising,
because I talk about due process, that this is not
a decision for either me or for the Prime Minister.

15. Q. The final paragraph is slightly changed. It's no longer
respecting due process, the language is "has to be
decided at arm's length", but the sense is fairly
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Q. You were aware generally what Mr Smith was doing on your behalf at this time, weren't you?
A. Mr Smith's job was to be a contact point with all outside industry stakeholders, so he spent a lot of time talking to people from many different companies.
Q. Okay. I move forward then to 21 December 2010 and some text messages, first of all. If you go to the TT part of this file, please, Mr Hunt, it's page 08155. We need to go through this quite carefully.
A. I don't think so.
Q. You don't think so or you're sure?
A. We'll see from other evidence the exact time, you had some sort of conversation. We'll see from other evidence the exact time, you had some sort of conversation.
Q. Did you know at the time that Mr Smith and Mr Michel had met at DCMS?
A. I don't think so.
Q. But you think at that point you were unaware of the Dr Cable furore, if I can so describe it?
A. I think we could probably find out as a matter of fact when the furore broke, but as I say, I don't believe it broke until the afternoon.
Q. We certainly know that by 12.57, a few minutes later, you were aware that DG in Brussels had, as it were, allowed the competition aspect of the bid to go through, because you send a text message to Mr Murdoch:
A. Well, you're asking me did I know at the time. I have no recollection of being told the meeting happened.
Q. We know from one document I didn't take Mr Smith to, it's in his diary, at 09203, that on 6 December it appears that he had a meeting with Mr Michel in the SpAds' room, which is room 202. First of all, are you able to assist us, is that the SpAds' room?
A. The SpAds' room I know, but I don't know what number it is.
Q. 08107, which is under tab SS.B, it's going to be page 08089.
A. Yes.
Q. Your other special adviser, Sue Beeby, sends you an email timed at 15.50 on 21 December.
A. I think that's likely, yes.
Q. Setting out what she describes as Vince's comments. I'm not sure whether this is the full transcript, it doesn't really matter. So certainly at the latest by 15.50 and possibly earlier you got to hear about the furore; is that correct?
A. Yes. I don't know when I opened that email, but I would imagine I usually do open my emails fairly promptly.
Q. So you believed that this memorandum was probably the similar, isn't it?
A. Yes.
Q. So you believed that this memorandum was probably the subject of private discussion between you and Mr Smith, is that correct?
A. Yes.
Q. So Mr Smith self-evidently knew your view on this critical issue, didn't he?
A. Yes.
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A. Yes.
Q. So Mr Smith self-evidently knew your view on this critical issue, didn't he?
A. Yes.
A. Probably an email because it says Gmail at the top.

Q. Sorry, you’re right. 16.10, so it’s after the call you had with Mr Murdoch on this afternoon, 21 December, to Mr Coulson:

"Could we chat about this? Am seriously worried Vince will do real damage to coalition with his comments..."

That speaks for itself, but the question is did you have a chat with Mr Coulson?

A. I don’t think I did talk to him, no.

LORD JUSTICE LEVESON: I’m sorry, could we just go back so that I understand. You chatted to Mr Murdoch at 4 o’clock. What was that conversation?

A. That was Mr Murdoch expressing his concern that there was bias in the process, the quasi-judicial process, because of what Dr Cable had said, and I think my email to Andy Coulson and text message to George Osborne were my response to Mr Murdoch’s call.

MR JAY: Yes.

LORD JUSTICE LEVESON: Do you remember what you said to Mr Murdoch in response?

A. I think I – I think we know it wasn’t a long conversation because the call was at 4 o’clock and within ten minutes I was already sending an email, but I think he was just saying he was totally horrified that within ten minutes I was already sending an email, but that were sympathetic to the bid and I wasn’t sure whether that would mean that I could handle the bid, so this seemed to show – well, I used the phrase I think in a text to Mr Osborne of "acute bias" and I suspect that was the phrase that he used to me.

MR JAY: The relevant texts to Mr Osborne are under the TT file at 08159. You sent him two texts timed at 16.08; is that right?

A. Yes.

Q. The first one says:

"Cld we chat about Murdoch Sky bid? I am seriously worried we are going to screw this up. Jeremy."

And then at the same time you sent another text:

"Just been called by James M. His lawyers are meeting now and saying it calls into question legitimacy of whole process from beginning", and then the phrase you have remembered, "acute bias."

The inference is that the call with Mr James Murdoch didn’t last very long; is that right?

A. Yes.

Q. Did you have any discussions after 16.08 with anybody else you can recall, Mr Hunt, about this issue?

A. I may well have talked about it internally to my officials and special advisers. I imagine it was a sort of hot breaking issue, so I probably talked about it to a few people internally.

Q. Do you think you had any conversation with Number 10 at this stage?

A. No.

Q. At 16.58, Mr Osborne texts you:

"I hope you like the solution!"

What was that a reference to?

A. Well, I think his -- well, first of all I think my text to him was saying basically I’m worried this process doesn’t look like it’s being run fairly, and his response was saying, "Well, we’ve got a solution", and I think in between me sending a text to him and me getting that response, at official level we had an inkling that Number 10 were thinking of transferring the responsibility to me as a way of dealing with the issue.

Q. Yes. But you were the solution, and that’s what you were being told at 16.58; is that correct?

A. Correct.

Q. Can I be clear, though, that when Mr Osborne says, "I hope you like the solution!", does that mean that you already knew what the solution was or was this the revelation of the solution?

A. Well, I think my -- I think I knew that it was in the offfing, but I was worried about that being the solution because I knew that I had publicly made some comments that were sympathetic to the bid and I wasn’t sure whether that would mean that I could handle the bid, so I think by that stage we were making sure Number 10 knew about those comments so that they didn’t go ahead and announce me and then -- not knowing about those comments, and then find out that actually I wouldn’t be able to do it as a result of those comments.

Q. I think it’s clear from that last answer that there were discussions internally involving the Permanent Secretary as to whether any of your public pronouncements might preclude you from acquiring responsibility under the Enterprise Act for this bid; is that correct?

A. Yes.

Q. Were you asked, though, about anything which was not in the public domain, but which might embarrass you should it enter the public domain?

A. No.

Q. Do you feel that such matters should have been volunteered by you?

A. Are you talking about my memo to the Prime Minister?

Q. Well, the memo to the Prime Minister, the conversation with Mr Murdoch and the text message we’ve looked at about the congratulations for Brussels, just Ofcom to go. It’s the accumulation of pieces of evidence. It’s that material, Mr Hunt, basically.

A. I think that all that material is entirely consistent with the overall position that I’d taken that I was...
sympathetic to the bid and I didn't think there was
a media plurality issue, I didn't think we should
second-guess the regulators and I thought that due
process should be followed.

Q. Isn't there a difference, though, between what was
stated publicly at interview with the Financial Times
and the sort of material we've been looking at? Do you
see there as being possibly any difference?

A. I don't think there's a substantive difference because
substantively my position in all those communications is
the same: I, broadly speaking, had the view that BSkyB
was already controlled by the Murdochs so I didn't think
there was a change in plurality, but I believed that due
process had to be respected, so I do not think there's
a particular difference.

Q. Would you have sent that text message of congratulations
after 16.58 that afternoon? This is the text:
"Great and congrats on Brussels, just Ofcom to go!

A. No, I don't think I would have sent that text. But
actually, I don't think that I had been appointed at
16.58. I think that they were still -- I think that it
was being mooted as a possible solution then, but
I don't think I had been there yet.

Q. When do you think the final decision was taken?

A. The Prime Minister got legal advice that it would
be okay for me to take responsibility for the
quasi-judicial process.

Q. Approximately when was it that evening, do you think?

A. An hour or so later.

Q. So if we move the time forward an hour, I think it's
clear you wouldn't have sent that text message to
Mr Murdoch after you had formally acquired
responsibility; is that correct?

A. Um, yes.

Q. But doesn't it follow from that answer that this is
something that you should have volunteered for
consideration by the lawyers as to whether you were the
right person?

A. I don't believe so, because I don't think there's
anything substantively different in my texts to
Mr Murdoch. It just shows that I was broadly
sympathetic to the bid and that was the issue that was
being considered by government lawyers.

Q. To put it bluntly, Mr Hunt, Dr Cable had just lost the
role through the appearance of bias in one direction.
 Doesn't it emerge from a fair reading of this text that
you shouldn't acquire the role for the equal and
opposite reason?

A. No, because, as I understand it, the point about
a quasi-judicial role is not that you acquire

a responsibility for a quasi-judicial decision with your
brain wiped clean. The point about a quasi-judicial
role is that you set aside any views that you have and
you decide objectively on the basis of, in this case,
media plurality and not on the policy considerations
that had been my preoccupation to that point.

Q. Your text message went beyond the wider policy
considerations. Arguably it went into the merits of the
issue. When one couples it with the memorandum you sent
to the Prime Minister, you were setting out a clear
position, I'm sure it was defeasible, but a clear
position as to where you stood in relation to this bid.

A. I wouldn't agree, no. I think I was expressing my
sympathy for the fact that I thought this bid could be
very important in terms of the UK media sector. I was
giving a view that I'd expressed publicly that I didn't
think that there was a plurality concern and I was also
talking about due process, but the moment that I was
given responsibility, I think my suitability in the
role, if I can put it this way, is demonstrated by the
actions I took when I did take responsibility for the
role, because I believe I did totally set aside all
those sympathies. Indeed, I set up a process explicitly
to make sure that I couldn't express any of those

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Q. It was consistent but it was additional in the sense that in quantitative terms there's more of it, and in qualitative terms we can see that you've expressed a view about the bid itself. Do you see that?

A. Well, I am not a lawyer, but I would say that I don't think there is a substantive difference. I think that it was widely known that I was broadly sympathetic to the bid and I'd said so, and I'd also talked about my belief that due process was extremely important and that was the substantive issue that had to be considered.

Q. Was it your view that adherence to due process and the taking of independent advice at all material times would, as it were, cure any perception of bias which might have arisen?

A. Well, the two are separate. Adherence to due process didn't require me to seek independent advice every time I had to make a critical decision. That was my choice to do that. One of the reasons I did that was precisely because I had expressed these public sympathies for the bid and so I wanted the public to know that I was approaching this completely even-handedly, and so I believe that the best discipline for that would be when there was a critical decision, that at the same time as I announced that decision, I would publish the independent advice that I had received. I wouldn't be bound by that independent advice, but if I wanted to differ from that independent advice, I would have to give a pretty good reason as to why I was differing from it, and I thought that was the best way of giving people confidence that I was approaching this decision totally impartially, which indeed I was.

Q. Because by approaching it in that way, you would also protect yourself and your department from judicial review proceedings, which is presumably what you were advised; is that right?

A. I certainly wanted it to be a legally robust decision, but I didn't have to seek independent advice, for example, on the suitability of the UILs in order to protect myself from judicial review. There's absolutely no legal requirement to seek that independent advice. But I think it was more about persuading the public that I was approaching the process fairly.

Q. Do you think that the decision to transfer to you was made over hastily without proper regard to whether you were truly the right person to undertake this sensitive and difficult task?

A. I don't believe so, no. The Prime Minister asked for legal advice, he got it from the government lawyers, and he made his decision accordingly.

Q. We know that the decision had been made in principle by 16.58, subject to any legal advice. The final decision was made within about an hour of that. The Cable comments as it were broke earlier that afternoon.

A. Well, I think the situation demanded the government acted quickly because it was a very important merger decision. There was a very serious issue created by Dr Cable's comments, which I'm sure he would acknowledge, so I think it was absolutely right the Prime Minister acted decisively.

Q. It's also right that there shouldn't be delay because the greater the delay, the greater the uncertainty, and the higher the risk that the bid might not go through. Is that correct?

A. That wasn't the preoccupation of any of us. Our concern was to make sure that there was a proper, fair process. That was the government's responsibility.

Q. But as an underlying or background consideration, a delay would create uncertainty, which might imperil the bid. Do you accept that as a proposition of common sense?

A. I mean, you know, obviously any delay might imperil the bid, but that wasn't the priority. I don't even think that was a consideration. As far as the Prime Minister...
his independence being compromised.

But there's no other explanation, is there, of what the quasi-judicial process entails, would you agree?

A. No. Just looking through it, I can't see anything else.

Q. Mr Stephens exhibited an email on 22 December which also recorded the advice, at least from the DCMS perspective. It's page 13583.

A. In the same file?

Q. No. I'm not sure you have it, unfortunately.

Mr Stephens when he gave his evidence referred us to it. It is quite short. It's going to come up on the screen.

A. It's on the screen, yes.

LORD JUSTICE LEVESON: It's on the screen.

MR JAY: It's timed at 17:44. We know the meeting was in the afternoon. The first bullet point: "BIS officials outlined the Secretary of State's role in the process and the various legal considerations."

So it looks as if that was a reference to the quasi-judicial aspect of the decision?

A. Correct.

Q. Do you think that term was used on that occasion?

A. I'm sure it was.

Q. Paragraph 37:

"Unlike a judge, whilst I needed to be careful, I was not incommunicado and continued to exercise my duties as Secretary of State ..."

And that obviously entailed appearing in Parliament.

The third full sentence of this paragraph: "They involved frequent interactions with many people both supporting and opposing the bid."

So you felt that your quasi-judicial role allowed you to undertake frequent interactions; is that correct?

A. No. What I felt was that in terms of the decision I took, the quasi-judicial role meant that I had to be fair to both sides. So we had to be very careful in terms of treating each side equally. That didn't mean the same amount of meetings with each side, because at certain moments in the bid process it was going to be necessary to have more meetings, principally because News Corp decided to go the UIL route and there was a period of negotiation of the contents of the UILs, but what I'm really saying in paragraph 37 is that because of my other duties as Secretary of State, I was going to be bumping into people who had views on the bid.

I think during that period I spoke at the Oxford Media Convention where the whole media world would be gathered and I gave a speech and answered questions and there would have been coffee afterwards, and so there would have been -- but they were brief interactions, and I interpreted that to mean there might be a casual comment about the bid, but they weren't part of my consultation process.

Q. So putting aside de minimis interactions, which you've just discussed, can we see if this works, that any communication you had would have to be transparent, preferably documented within the Parliament and if necessary placed in the public domain if need arose. Would you agree with that formulation?

A. I would agree with that formulation with respect to anything that was material to my decision.

Q. Or anything which was material to the process by which your decision was taken, would you agree with that?

A. No. I think what I interpreted -- my interpretation of quasi-judicial, I think, you know, obviously having completed this process, one learns lessons, and I'm not saying I would necessarily make exactly the same interpretation now, but my interpretation at the time was that what was important was that the decision was impartial, unbiased, and that I decided it on the basis of the evidence in front of me, and so that was where the transparency was important, but if there was something that was, you know, a trivial -- not trivial, that's the wrong word, but it wouldn't necessarily apply to every single matter of process.

Q. We can put to one side minimal interactions, certainly, but can I be clear, would such interactions have to be through official channels?

A. All the interactions which related to the decision that I was going to take would be through official channels, but as I explained there, if I bumped into someone in a lift or gave a courteous reply to a text message, but as I explained there, if I bumped into someone in a lift or gave a courteous reply to a text message, ...
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<td>I didn't think that was off limits.</td>
<td>that out from what he heard at meetings; is that correct?</td>
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<td>Q. Yes. Putting those to one side, we're talking about</td>
<td>A. Yes.</td>
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<td>matters of greater substance, but are we agreed that</td>
<td>Q. Did you give him any instructions as to what not to do?</td>
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<td>those interactions would have to be through official</td>
<td>A. No. As I say, he heard in the way that I heard all the</td>
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<td>channels?</td>
<td>things that we needed to be careful about.</td>
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<td>A. Any formal interactions with respect to my decision,</td>
<td>Q. His ordinary function as special adviser was to</td>
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<td>yes.</td>
<td>represent you and to communicate your view, is that not</td>
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<td>Q. And official channels included Mr Smith, didn't they?</td>
<td>A. That is one of the things that special advisers do, but</td>
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<td>A. Yes.</td>
<td>that isn’t -- that isn’t the only thing they do. A lot</td>
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<td>Q. And you were aware that he was, as it were, your channel</td>
<td>of the things that special advisers do is they are</td>
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<td>out to News Corp in the personification of Mr Michel; is</td>
<td>a contact point for industry stakeholders, they are</td>
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<td>that correct?</td>
<td>understanding policy issues, and giving me advice as to</td>
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<td>A. Well, I think it's important to be clear about what we</td>
<td>what policy I should have with respect to a particular</td>
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<td>mean by &quot;channel&quot;. I didn't see Mr Smith in this</td>
<td>issue that's bubbled to the surface, so they have</td>
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<td>process as being someone who would be telling me what</td>
<td>a number of different functions.</td>
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<td>News Corp thought or telling News Corp what I thought.</td>
<td>Q. Yes, but in their interactions with third parties, they</td>
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<td>I saw him as a point of contact, an official point of</td>
<td>are representing you, aren't they?</td>
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<td>contact in the process, so that News Corp had someone</td>
<td>A. I think they would be seen by third parties as someone</td>
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<td>that they could call if they had concerns about the</td>
<td>who had a good understanding of what I thought.</td>
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<td>process, and someone who was there to -- you know,</td>
<td>Q. But they would be expected to communicate your view and</td>
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<td>I mean the situation in which we inherited</td>
<td>no one else's, would you agree with that?</td>
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<td>responsibility for a bid was one in which News Corp felt</td>
<td>A. Well, I think they -- because they worked closely with</td>
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<td>they had not been fairly treated, and so I wanted to</td>
<td>ministers, and I doubt there's a minister who worked</td>
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<td>make sure that there was someone there who could answer</td>
<td>more closely with a special adviser than I worked with</td>
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<td>questions about how the process was going in a helpful</td>
<td>Adam Smith, I really did work very closely with him for</td>
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<td>way.</td>
<td>the best part of six years, I think it was a given that</td>
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<td>Q. Any communication between Mr Michel and Mr Smith would</td>
<td>he would know what I thought on different issues.</td>
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<td>be no different, would it, to communication between</td>
<td>I don't think that's quite the same as speaking for me,</td>
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<td>Mr Michel and you, because Mr Smith was your agent. Do</td>
<td>which is a different thing, but I think people would</td>
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<td>you agree with that?</td>
<td>have expected him to know my views.</td>
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<td>A. Not in this process. I think sometimes special advisers</td>
<td>Q. Yes, he knew your thinking on any significant issue.</td>
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<td>have a role which is about speaking for their boss, but</td>
<td>That was part of his job. He would acquire that through</td>
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<td>in this situation Mr Smith's role was a different one.</td>
<td>his familiarity with working with you. Would you agree</td>
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<td>He was a point of contact in a very complex process, and</td>
<td>that he's not just able, but also politically astute?</td>
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<td>there to advise News Corp about the questions they had</td>
<td>A. I think he's politically astute, but I wouldn't have</td>
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<td>about the process and I think also to reassure them that</td>
<td>said amongst the different type of characters that we</td>
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<td>the process was fair.</td>
<td>have at Westminster Adam was one of the more political</td>
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<td>Q. What express instructions, if any, was Mr Smith given as</td>
<td>ones. I would say he was politically fairly neutral.</td>
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<td>to what his special role was?</td>
<td>I mean, I -- for me, Adam's primary role -- I had</td>
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<td>A. Well, he was present at all the meetings where we had</td>
<td>certain policy priorities and, you know, superfast</td>
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<td>advice from lawyers and officials in the department, so</td>
<td>broadband is just by way of an example, and Adam knew</td>
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<td>he heard that advice, and it was understood that he</td>
<td>what I wanted to do and I only had the time to have one</td>
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<td>would be a point of contact for News Corp in the</td>
<td>meeting a week on superfast broadband, but I wanted</td>
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<td>process.</td>
<td>things to be happening every day, so Adam would be</td>
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<td>Q. But what express instructions was he given as to the</td>
<td>someone who could go to other meetings behind the scenes</td>
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<td>role he would undertake?</td>
<td>with officials and they knew that he would know what</td>
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<td>A. I don't think he was given any express instructions</td>
<td>I was thinking and they could get more details. I might</td>
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<td>other than how I've described it.</td>
<td>have said something in a meeting that was just one</td>
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<td>Q. So in terms of the discharge of the function which had</td>
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sentence and he might be able to elaborate on that because he knew me. That was, I think, his main role.

Q. You appreciated that your departmental lawyers were in contact with their opposite numbers, as it were in News Corp and BSkyB. You also appreciated that your officials were in contact, but Mr Smith's role specifically was to be the point of contact with Mr Michel. Is that agreed?

A. No, I don't think that was how it was decided. I think Mr Smith's role was to be a point of contact amongst a number of official points of contact, but I do not think we said, "Adam, you're going to look after Mr Michel." I don't think we had that kind of conversation.

Q. But in terms of who was going to look after Mr Michel in the ordinary course of things, that would be Mr Smith because that's what he'd been doing before 21 December, would you agree?

A. It's certainly true that Mr Smith would be the person that Mr Michel would naturally want to contact.

Q. And the text message which Mr Michel sent you on Christmas Eve under the TT file, page 08147, states -- you probably remember this one:

"Hi, James has asked me to be the point of contact"

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with you and Adam throughout the process on his behalf."

A. Yes.

Q. So that's making it clear what role Mr Smith might be attaining. And then your reply is:

"Thanks Fred. All contact with me now needs to be through official channels until decision made."

But in context that means that "for these purposes Mr Smith is my official channel", would you agree?

A. I wasn't specifying that it had to be Mr Smith. I was saying that all contact had to be through the official machinery of which Mr Smith was a part.

LORD JUSTICE LEVESON: Is that convenient?

Mr Hunt, we take a break to give the shorthand writer a rest, but just before we do, if I just ask one question: it was abundantly clear to you, wasn't it, that enormous care had to be exercised? One of the things in the note from BIS was a reference to the fact that the Secretary of State for BERR -- the decision to intervene in the Lloyds HBOS merger was judicially reviewed on the basis that his discretion had been fettered by comments by the Chancellor, so great sensitivity around all these decisions?

A. Absolutely right.

LORD JUSTICE LEVESON: Yes. All right, we'll just take a few minutes.
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<td>61</td>
<td>A. We didn't see any risks at the time. The reason that we didn't was because we didn't predict this barrage of contact from Mr Michel. We thought he was perhaps a little pushy, yes, I suppose we would have said that he was at that end of the spectrum, but we weren't expecting 542 text messages to Mr Smith, including, I think -- to my total astonishment, I think it was 35 text messages in just two days at one point in the process, and however many, 140 or so, phone calls. I think when you do the analysis, and it's slightly back of the envelope analysis, Mr Michel looks like he was trying to contact Mr Smith about five times every working day, which is an extraordinary amount of contact, and we didn't anticipate that at all. Q. Was Mr Smith given equivalent instructions to be the point of contact with lobbyists, public relations experts, whoever, for the coalition? A. He would have fulfilled that role as being a point of contact for the department, but for large parts of the process it was only appropriate to have contact with News Corporation, and so the vast majority of his contact would have been with News Corporation. Q. Do you accept that Mr Smith interpreted his role, at the very least, to reassure News Corp during the process? A. Yes. I think they had felt that they had not been fairly treated by the government, and we all wanted to reassure them that they were going to get no favours, but they were going to be fairly treated. Q. What other value then was Mr Smith adding? A. Well, he was adding immense value to me as a special adviser in lots of other policy areas. I mean, we were doing lots of other things at the same time as this bid was happening, but for the bid process this was what he was doing. Q. But his role was to keep News Corp reassured, some would say happy, during a process which became increasingly protracted and difficult. Is that not fair? A. Well, it was certainly to keep them on board with the fairness of the process, yes. Q. Why not to keep them on board overall, since you had a concern that the wheels might fall off if there were excessive delay? A. I didn't have that concern. I was responsible for a quasi-judicial process. I had put aside my policy priorities in this area. I'd actually put them aside willingly because of course it's important that the media industry is successful, but media plurality is a much, much higher order decision. It's about the health of the democracy and it's about making sure that many generations of Brits go on to be able to choose their own destiny. It was a very, very important</td>
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<td>Page 66</td>
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<td><strong>decision so that was my priority.</strong></td>
<td><strong>say here is factually correct, so we're not going to</strong></td>
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<td><strong>Q. Do you feel, looking back on this, that Mr Smith</strong></td>
<td><strong>look at underlying material.</strong></td>
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<td><strong>reasonably drew the inference that you would wish him to</strong></td>
<td><strong>30 December 2010, you received advice from the OFT,</strong></td>
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<td><strong>communicate to your private view to Mr Michel?</strong></td>
<td><strong>which was to the effect that you had jurisdiction to</strong></td>
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<td><strong>A. I don't believe he did communicate any private views to</strong></td>
<td><strong>make a reference to the CC. That was a limited decision</strong></td>
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<td><strong>Mr Michel. I think the views of mine that he will have</strong></td>
<td><strong>under the 2002 order.</strong></td>
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<td><strong>communicated to Mr Michel were views that I had</strong></td>
<td><strong>7 Then the following day, more importantly, you</strong></td>
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<td><strong>expressed in meetings with News Corp, and anyway, my</strong></td>
<td><strong>8 received advice from Ofcom on the plurality issue, and</strong></td>
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<td><strong>private view was the same as my public view: I needed to</strong></td>
<td><strong>9 their advice was -- this is paragraph 1.57 at 04385 --</strong></td>
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<td><strong>make a decision about plurality. That was the decision</strong></td>
<td><strong>10 that there was a need for a fuller review by the</strong></td>
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<td><strong>and it needed to be done objectively and impartially and</strong></td>
<td><strong>11 Competition Commission. Is that correct?</strong></td>
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<td><strong>that was what I did.</strong></td>
<td><strong>A. Correct.</strong></td>
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<tr>
<td><strong>Q. In that sense, you had two private views. You had the</strong></td>
<td><strong>Q. There are two documents we should look at. There was</strong></td>
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<td><strong>private view that you needed to undertake the process</strong></td>
<td><strong>a meeting on 6 January 2011 with representatives of</strong></td>
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<td><strong>according to law, but at the same time you had a private</strong></td>
<td><strong>News Corp.</strong></td>
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<tr>
<td><strong>view, see the memorandum to the Prime Minister of</strong></td>
<td><strong>A. Yes.</strong></td>
</tr>
<tr>
<td><strong>19 November, which was favourable to this particular</strong></td>
<td><strong>Q. That is in the bundle of primary materials under tab 18.</strong></td>
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<tr>
<td><strong>view. It's that private view to which I'm referring.</strong></td>
<td><strong>The Inquiry has seen this document before. It's</strong></td>
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<tr>
<td><strong>Do you see that, Mr Hunt?</strong></td>
<td><strong>19 page 04536. May we note in relation to this meeting,</strong></td>
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<td><strong>A. But I set that private view aside, I knew that</strong></td>
<td><strong>20 once you've found it in the bundle, who was present?</strong></td>
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<tr>
<td><strong>I couldn't make this decision on the basis of that</strong></td>
<td><strong>21 A. Well --</strong></td>
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<tr>
<td><strong>private view, and I had a view that I felt more</strong></td>
<td><strong>22 Q. We can see who was present. Mr Smith was there, amongst</strong></td>
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<tr>
<td><strong>passionately the more I thought about the decision about</strong></td>
<td><strong>23 others on your side, and Mr Michel was there on behalf</strong></td>
</tr>
<tr>
<td><strong>plurality that actually a decision about plurality is</strong></td>
<td><strong>24 of News Corp.</strong></td>
</tr>
<tr>
<td><strong>a public interest decision. It's an absolutely</strong></td>
<td><strong>25 A. Yes.</strong></td>
</tr>
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1. fundamental and important decision. Far, far more important than even something as important as the commercial viability of the UK media industry, and that was my focus.

Q. Okay, we may come back to that issue, but can we deal now fairly economically, Mr Hunt, with the way the bid was handled in terms of process after 22 December? You set out a general narrative in your witness statement in paragraph 39 and following.

The key messages we can read are that you took expert advice at all material times, you went further than the statute strictly speaking required although you had power under the statute to obtain advice from Ofcom and the OFT on the UILs, which is what you did. When the UILs were put out for consultation first on 3 March, then consideration was given subsequently to revision, following advice from Ofcom. Then finally, at the end of June the second version of the UILs were put out for short consultation, a period closing on 8 July. That's the broad message. But the detail is to be found in annex A, which is under tab 2.

May we spend just a little time looking at the highlights because I'm sure you would wish to bring the points out, but I've been able to cross-reference this with three lever-arch files of detail and everything you say here is factually correct, so we're not going to look at underlying material.

30 December 2010, you received advice from the OFT, which was to the effect that you had jurisdiction to make a reference to the CC. That was a limited decision under the 2002 order.

Then the following day, more importantly, you received advice from Ofcom on the plurality issue, and their advice was -- this is paragraph 1.57 at 04385 -- that there was a need for a fuller review by the Competition Commission. Is that correct?

A. Correct.

Q. There are two documents we should look at. There was a meeting on 6 January 2011 with representatives of News Corp.

A. Yes.

Q. That is in the bundle of primary materials under tab 18.

The Inquiry has seen this document before. It's page 04536. May we note in relation to this meeting, once you've found it in the bundle, who was present?

A. Well --

Q. We can see who was present. Mr Smith was there, amongst others on your side, and Mr Michel was there on behalf of News Corp.

A. Yes.

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17 (Pages 65 to 68)
I was going to refer it to the Competition Commission.
The process was that we sent them a letter saying that we were minded to refer it to the Competition Commission because they are an adversely affected party. They then had the opportunity to make representations back, and so that was what I told them. I don't think they had seen the Ofcom report at that point so we let them see the Ofcom report and make representations back, but they knew that I basically planned to refer it to the Competition Commission.

Q. We know that the first version of the UILs were sent to you as early as 18 January, but before then I should make reference to a meeting you had with Mr Ed Richards of Ofcom on 10 January which is under tab 24.

LORD JUSTICE LEVESON: Just before we do, if we just go through because I think it may be important to see the sense of this. You opened this meeting on 6 January, and you spoke about a fair and legally robust process, that you were minded to send to the Competition Commission. You identified the timeframe for them to respond. Then they came back to say they had concerns about the analysis and they wanted to explore remedies. And then you said there were areas where you wanted to seek clarification of the Ofcom report; is that right?

A. Yes.

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...form, but they may have been the final form that News Corp wanted, but really that was just to give us an indication of what the undertakings were, and they were a pretty big offer. I mean, they were basically saying -- this was a decision I had about news plurality, and they were saying that they would exclude the one news organisation that's part of BSkyB from the whole deal.

So prima facie, it seemed to be an offer that News Corp in their submission objecting to the Ofcom report said that I did have the option to -- not to refer it to the Competition Commission and I would have to do that by challenging certain assumptions that were made in the Ofcom report that they thought were not fair, and I rejected that.
1. advice.
2. Then the second thing, which doesn't come out in the
3. minutes because civil servants --
4. LORD JUSTICE LEVESON: It's not advice, you rejected the
5. submission.
6. A. I rejected the submission; correct. I rejected their
7. legal view that that was a way that I could proceed.
8. And then the second significant thing that happened
9. at that meeting, so we got into a situation where they
10. had put in this very substantial undertaking, which is
11. to remove the one news organisation that's part of BSkyB
12. from the whole bid, so I thought, you know, this does
13. merit serious consideration, this could potentially
14. address plurality concerns because they're just going to
15. leave Sky News exactly as it was, that was the sort of
16. gist of it.
17. But then I decided to do something else, which
18. I wasn't required to do, which Mr Murdoch was very cross
19. about. In fact, I would describe that meeting as you,
20. know, a very difficult meeting in terms of the tone of
21. the meeting, because I said I will consider these
22. undertakings, but I'm going to get independent advice
23. not just from one regulator, but two. The
24. Enterprise Act allows me, if I want to, to get advice
25. from the Office of Fair Trading and I said I was going

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1. to exercise that right. It says nothing about going to
2. Ofcom, but I said I was going to ask for Ofcom's
3. independent advice as well.
4. This was not welcome to Mr Murdoch, because, as
5. you'll see from some of his exchanges, he considered
6. Ofcom to be an organisation that was hostile to the
7. interests of News Corp, and I thought it was very
8. important to do so because it was Ofcom who had said in
9. their report delivered on 31 December that they had
10. plurality concerns, and they listed in a lot of detail
11. in a very thorough report -- I didn't agree with every
12. word, but they listed in a lot of detail what their
13. plurality concerns were, and I thought it was very
14. important to test these UILs against the experts who had
15. told me that they did have plurality concerns with the
16. original shape of the deal.
17. Now, from Mr Murdoch's point of view, he considered
18. that was tantamount to wanting to kill the deal, because
19. he believed that Ofcom would use every mechanism at
20. their disposal -- you see a sense of this from some of
21. Mr Michel's comments about Ofcom. So that was the first
22. thing.
23. Then the second thing which was very important
24. was -- and this was a concern that was regularly raised
25. by opponents of the bid, even at this early stage.

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1. because we got lots of letters from Slaughter & May
2. acting for the media coalition -- was that they should
3. be financially viable, because it was all very well to
4. spin off Sky News, but if in fact in practical terms it
5. was totally dependent on News Corp for its single
6. biggest contract and its revenue, then in practical
7. terms it wouldn't be independent of News Corp, they
8. might be able to exercise some editorial control.
9. So I thought financial and commercial viability was
10. incredibly important, and plurality considerations were
11. very important, and that was, I think, the moment when
12. I put in place two processes to make sure that every
13. decision I had was in possession of expert advice and
14. was going to be able to decide it on a totally impartial
15. and unbiased basis.
16. MR JAY: Yes. The final version of the UILs came through on
17. 24 January. OFT and Ofcom were commissioned to provide
18. advice the following day. The advice came back on
19. 11 February, as annex A demonstrates, and they had
20. concerns, Ofcom in particular, in four key areas, which
21. you identify on page 05619, the entry there for
22. 15 February.
23. Some of those areas you've mentioned, but one
24. important one was that the board of the new company
25. would need to be independently chaired.

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James Murdoch with all the outstanding areas of disagreement between himself, Ofcom and the OFT, and I gave him 24 hours to back down on every single one of them. So I said, you know, I support Ofcom, I support the OFT, and if we're going to accept these UILs, we're going to consider them and start the consultation, I need to know that you will back down. I think I sent that on 15 February.

Q. You did, and within your 24-hour deadline on 16 February they came back with further revisions to the UILs which met the four concerns, or which at least purported to. You sought further advice from Ofcom and OFT on that. The advice came back on 1 March and that advice was generally speaking that the plurality concerns were now met. Is that fair?

A. Yes. In fact, I think I had legal advice as early as 14 February that in principle I could accept the UILs if I wanted to and allow the deal to go through, but Ofcom and the OFT still had these concerns, and I said I want to get to the bottom of these concerns and I want them to be addressed, and so we didn't get the final advice from Ofcom until just before 3 March.

Q. After overnight work on 2 and 3 March, which we know about from material in KRM 18 when the UILs were tweaked and more importantly redactions were made to them on 27 March.

A. I think 21 March.

Q. 21 March, pardon me, that's correct. We know what the fruits of that consultation were. There were 40,000 responses. Most of them were hostile to the UILs; is that right?

A. That's correct.

Q. 24 March there was also a meeting with the coalition. You asked Ofcom and the OFT to provide further advice on the carriage and brand licence agreements, but that took a period of time before it arrived. Indeed, it didn't arrive, I think, until 22 June, so there was a period of apparent delay, without seeking to apportion any blame for it, between March and June. Is that the picture?

A. Yes. The reason for that principally was the 40,000 responses that we had. I mean, we had a lot of responses, it was a genuine consultation. We were looking through those responses to see whether there were relevant comments. A lot of the responses were about competition issues, which I wasn't allowed to consider, because I could only look at media plurality, but it takes time to go through all those responses and that's what my officials were doing. Then they were discussing with Ofcom and the OFT whether they felt there was substance to any of the points that were raised, and then when they did find there was substance to some of them, they then went back to News Corporation to ask for further safeguards.

One of the original – in the original UILs, one of the safeguards in terms of editorial independence was the Broadcasting Code, which includes political impartiality, and there was a big worry about political impartiality being preserved at Sky News if News Corporation owned 100 per cent of it, so the Broadcasting Code was going to be written into the Articles of Association. That was a very significant point.

But in the consultation responses, people suggested we should go further than this and so we decided that we would suggest that the Secretary of State had to approve the Articles of Association for the new company. We made the point that there had to be a monitoring trustee who would check that in the process of being spun off the spirit of the undertakings was being observed, and we also insisted on some kind of protection for the new company because we recognised that Sky News gets a lot of cross-marketing on other Sky channels and we wanted to make sure that that continued under the new arrangement.

So it was a further strengthening of these UILs in a way that made Sky News massively more independent of James Murdoch than it was then or indeed is now.

Q. Thank you. The advice came back from OFT and Ofcom on 22 June. By 24 June, you'd given some preliminary consideration to it. There's one email I'd like you, Mr Hunt, to look at, please. It's in the file of primary documents under tab 120, page number 05121. I'm afraid it's in the second volume.

A. Is it on the screen, because I can perhaps have a look at it there, because I can't find it --

Q. Yes, it's come up. This is from your PPS, isn't it?

A. Yes.

Q. So expressing your view. Your two special advisers are copied in. It gives us some flavour of where you are at this time because it may be relevant to one of the KRM 18 documents:

"Sorry for keeping you hanging on earlier. SoS has read the covering letters and advice from OFT and Ofcom, but not the amended documents in full yet -- which he is keen to do Monday so I've scheduled him some time for that."
"SoS talked to Jon ..."
That's Jon Zeff, of course, who is the lead policy adviser on this, isn't he?

A. Yes.

Q. "... and I briefly on his way out of the building. In principle SoS would like to aim for an announcement on Thursday next week ..."
So this is an announcement which would be to Parliament, would it?

A. Yes.

Q. "... subject to giving further thought to Ofcom and OFT's advice and studying the docs in more detail on Monday. He understands the challenges with that -- specifically in agreeing redacted docs -- but thinks we should push News Corp to have redactions done for Tues night. He's also not minded to give more than the statutory 7 days for further consultation."
These are your preliminary views, which as it happened did not depart much from your final views, once we see what happened on 30 June.
The last paragraph has been either cut off or redacted off, it's not altogether clear:
"I think you were going to take up with colleague and News the viability of this. If there are any show stoppers [again I can't read what follows] ... it might

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be good to discuss at/in the margins of the Monday morning coms meeting."
Was the idea that Mr Smith would speak to News about the viability of this?

A. I don't think it was particularly that Mr Smith should, but I think the sense of that is that someone should.

Q. Thank you. On 30 June you make your announcement to Parliament. Because we were only now looking at amended UILs and there had already been a consultation on the first version, the statutory consultation period could be very short, and you indicated that it could close, as it did, on 8 July; is that correct?

A. That's correct, yes.

Q. And you received in that short period of time 156,000 responses. Virtually all were, again, anti, weren't they?

A. Yes.

Q. What happened thereafter is well known, but we're going to have to look at underlying documents as well. On 11 July you wrote to OFT and Ofcom asking them whether the responses to the second consultation led them to reconsider any part of their advice, but on that self-same day, News Corp withdrew the UILs --

A. Mm.

Q. -- probably with the intention but certainly with the consequence that you then indicated you would refer to the CC and then on 13 July the bid was withdrawn.

A. Yes.

Q. In the circumstances of which we're all aware.

A. Yes.

Q. That is the formal process. We've taken it quite quickly, in about 20 minutes, but can I give you this opportunity. Is there any aspect, Mr Hunt, that you would like to draw out particularly from this formal process which we haven't, you feel, properly covered?

A. Well, I think the bit that we haven't touched on, which I think is relevant to these considerations, is the way the phone hacking issue was developing, sort of in parallel to decisions about this bid.
I sort of think the phone hacking happened, as far as I was concerned, in three stages. The first stage was on 26 January, when Operation Weeting started, so we had a moment there where we were having a proper, full police investigation into these issues and there had been lots of discussion prior to that as to whether this had been investigated properly or not, and Assistant Commissioner Sue Akers was starting that very rigorous process.

So my perspective at this point is: this is a police matter.

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Then, I think, on -- if I remember rightly, on 8 April, News International announced that phone hacking had gone much more widely than was suggested in the Clive Goodman case and that potentially thousands of people had been affected by it, and what I wanted to know at that stage was: should that impact on my consideration of media plurality?

We sought legal advice I think the same day, actually we didn't get it for about ten days, but we sought legal advice about whether phone hacking was relevant. The general advice we'd been getting was: just as I shouldn't allow policy issues to impinge on my decision-making on media plurality, so phone hacking shouldn't impinge on it either. This was an extraneous matter.

But the advice we got on 18 April did say that the one way that phone hacking could impinge was if they thought there was an issue of trust, so that accepting undertakings basically meant that you had to be confident that you could trust the people that you were doing a deal with over those undertakings.
So at that stage it was a matter about News International. It wasn't a matter that there was any evidence at all that it affected News Corporation executives that we were dealing with. We thought they

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21 (Pages 81 to 84)
had a problem with a company that was part of News Corporation group, but there was no evidence, and we didn't think we'd have any legally robust basis to suggest at that stage there was an issue of trust.

Then -- I'm sorry to be a bit lengthy, but I just think it's important to understand why I wrote the final letter that I wrote to Ofcom, because it is -- you know, I think it's an important indication of the way we approached the bid.

Then we had the horrific Milly Dowler revelations on 4 July, which I don't think anyone could not have been touched by, and then a couple of days later News Corporation announced that they were closing the News of the World.

That, for me, was a very, very significant moment because then I began to wonder whether there could be a management issue that spread beyond News International to News Corp, and even if it wasn't an issue of trust, even if I accepted that the people that we were negotiating the UILs with, we were doing so in good faith, I asked myself, if they found it necessary to close down a whole newspaper -- this is a big, big deal for a company like News Corporation -- is there a corporate governance issue here? Is this a company that actually doesn't have control of what's going on in its own company, even if the management don't know about what's happening?

So it was really that and, of course, the fact that there was a plurality issue with a big newspaper being closed down and the fact that Ofcom had been asked to investigate whether BSkyB was a fit and proper licence holder for a broadcasting licence, those came together.

So a week after the Milly Dowler revelations I wrote to both Ofcom and the OFT to ask them whether they still stood by the advice they'd given me at the end of June that plurality considerations had been addressed by the UILs as they did then.

Q. Yes.

LORD JUSTICE LEVESON: Is that advice available? The advice as to the impact of phone hacking?

MR JAY: It's referred to in some of the documents we're going to look at fairly shortly.

LORD JUSTICE LEVESON: Very good.

MR JAY: As a matter of law, Mr Hunt, what you've said is correct on my understanding, that the intervention notice which Dr Cable promulgated on 4 November 2010 was on one ground only under the Enterprise Act and therefore it could not be appropriate to take into account an extraneous consideration, which is the phone hacking issue. It only could become relevant contingently when the UILs were being considered in the context of whether you could trust the company to be loyal to the UILs.

Your view was in April there was insufficient evidence, but your view changed in July, that there might be sufficient evidence. That's really the nub of it, isn't it?

A. Yes. And then I followed the procedure that I'd followed consistently, which was to seek an independent view about that before I took a decision.

But just to answer Lord Justice Leveson's point, we didn't get that advice back from Ofcom and the OFT, because in the event the bid was withdrawn just a couple of days after we sent the letter asking Ofcom for that advice.

Q. Mr Hunt, we've looked at the formal process and it's all documented. There is also a process within the department which is evidenced by a range of emails which you've disclosed and there are also some text messages. I'm going to deal with it chronologically, but I have to take it in sections otherwise we're going to be darting around too much material. We're going to look first of all at what the emails might demonstrate and then we're going to look at the text messages, but the emails will be looked at chronologically. The first one is in the second supplementary file under tab IND at page 07747.
D. We will give you the following undertaking -- or make the following promises to cope with your concerns, and in that way avoid the complexity, complication, time, all the rest of it, of a referral to the Competition Commission, because if we can make promises that satisfy your concerns, then there won't be a necessity to do it."

That's what you were doing, talking about UILs. They were then making promises to you as to how they would organise their affairs, to see whether that coped with the concerns which had been expressed to you through the OFT and Ofcom, and therefore by April your question becomes: well, they're making these promises, but is there a question about whether I should be accepting promises in the light of what is being revealed in another subsidiary of News Corp?

A. That's right.

LORD JUSTICE LEVESON: And that's the concern that gets greater throughout July.

A. That's correct.

LORD JUSTICE LEVESON: Have I correctly understood it?

A. Absolutely.

LORD JUSTICE LEVESON: I thought I had, but just in case it wasn't, that was the point.

MR JAY: Thank you. The next document we're going to look at is under tab SS.Aa at page 07931. Mr Smith forwards to you, if you have it, an email on behalf of Ed Miliband's director of strategy, who is Tom Baldwin. Are you with me on that?

A. Yes.

Q. 07931. It was to the effect that Labour spokespeople should "... avoid linking hacking with the BSkyB bid, to accept ministerial assurances that meetings with Rupert Murdoch are not influencing that process and to ensure that complaints about tapping are made in a personal, not shadow ministerial capacity."

And then you emailed back Mr Smith:

"Classic!! Something for the dispatch box or to use any time we are accused of being pro-Murdoch."

That's a sort of private joke, I suppose, between you and Mr Smith, is it?

A. I don't think it was particularly a private joke. We saw great irony in the fact that first of all we had a process where we weren't being pro-Murdoch, we were actually doing things that James Murdoch was very cross about. At that stage on 2 February, we had said that even though we didn't have to, we were going to go back to Ofcom to ask what they thought about the UILs, and he was pretty furious about that, but at the same time -- so we're getting these accusations that we were being pro-Murdoch and at the same time the Labour Director of Communications was contacting all Labour front benchers with, you know, the line that you shouldn't link phone hacking and -- which was obviously something that the Murdochs would welcome.

Q. Wasn't the irony possibly this, that both you and Mr Smith appreciated that privately you were pro-Murdoch, although of course you had to follow a proper legal process which had the appearances of being anti-Murdoch?

A. No. Because we weren't following a process for appearances sake. I mean, I did not know what the independent advice I would get back from Ofcom and the OFT was. If Ofcom had said that the undertakings were not financially viable, I would have taken that very seriously -- sorry, if OFT had said they weren't financially viable, I would have taken that very seriously. If Ofcom had said that the undertakings didn't meet plurality concerns, I would have taken that very seriously.

So we pushed the boat off the pier, but we didn't know where the boat was going to end up, so that was a very -- it was a very different process to the way I think you've described it, if I may say.

Q. Okay. Under tab SS.B, further forward in the same file, page 08096, now you're communicating with your other special adviser, Sue Beeby, do you see that?

A. Mm-hm.

Q. You say: "Both our favourite journalists, Andy Porter and Patrick Foster ..."

Who do they work for?

A. I think one worked for the Telegraph and the other for the Times.

Q. "... have texted me asking for an exclusive on ..."

That bit has been redacted out, I'm not exactly sure why.

"Could we think of something exclusive we can give each of them either on that or perhaps something around News Corp. Let's chat tomorrow."

And then: "Your special adviser has spoken to Mr Foster. I have spoken to Patrick and given him ... I'm not sure what that is, "exclusive.""

A. Yes.

MR JAY: "This is on the proviso that he writes a bit about Rupert Murdoch are not influencing that process and to accept ministerial assurances that meetings with Rupert Murdoch are not influencing that process and to ensure that complaints about tapping are made in a personal, not shadow ministerial capacity."

"Your special adviser has spoken to Mr Foster. I have spoken to Patrick and given him ... I'm not sure what that is, "exclusive.""

A. Yes.
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<td>Q. A meeting which you chaired. This is in advance of the announcement you're going to make to the markets first thing in the morning, that's going to be about at 7.30 in the morning, and then later to Parliament. The relevant part of this is the next page. You can help us with this, please, because it may assist us. Do you see the third line: &quot;I would have thought that we could send them [that's the letters to OFT and Ofcom] to News Corp at the same time as we communicate our decision, but grateful for views. They would also like to see a copy of the PN ...&quot; That's the Parliamentary announcement, is it?</td>
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<td>A. That's the press notice.</td>
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<td>Q. &quot;Could we show them that at the same time (assuming that it is ready by then)?&quot; Does one draw the inference that authorisation was being sought and given to the News Corp advance notice of the announcement which was going to be made by press notice at 7.30 am on 3 March?</td>
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<td>A. I believe that it is standard practice when you make an announcement to Parliament about a particular company that they do have notice of that in advance, and I think that was all that was talking about.</td>
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<td>A. No, I think I was just -- they are two people that I -- we knew them both quite well and so I was just -- I knew them better than I knew many journalists. That was all I was really saying.</td>
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<td>Q. Okay. I'll leave that one and go forward in time but backward in the bundle to the 2 March 2011, page 07787, which is under tab IND. The evening of 2 March.</td>
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like, we had this lock on the process that in the end we
were going to get advice from the OFT and Ofcom about
the UILs before I made my decision, and it was going to
have a lot of impact on that decision.

Q. Okay. May we move forward in time to April 2011 and
back to the second supplementary file, tab IND,
page 07805.

A. Sorry, just give me a moment. What was the tab again,
Mr Jay?

Q. IND.

LORD JUSTICE LEVESON: D?

MR JAY: D, pardon me.

A. Yes.

Q. I'm sorry to dart around, but I wanted to bring this out
cronologically. Page 07805. Look at the bottom of the
page once you've found it.

A. Yes.

Q. You'll see an email of 18 April. The second bullet
point meshes in with what you've told us half an hour
ago, namely that you were giving some consideration to
the fit and proper person issue in relation to the
News Corp/Sky merger, do you see that?

A. Yes.

LORD JUSTICE LEVESON: PI, is that public interest?

A. Yes, it is.
MR JAY: 12 May now. First volume of the supplementary bundle, tab EX.P, page 07696. This is an email from Mr Michel to Mr Smith. Has it come up? This is further thoughts from Mr Michel to Mr Smith. It's not forwarded to you at the time. What we see at the top of the page refers to the disclosure exercise for this Inquiry.

A. Correct.

MR JAY: If that's your interpretation, Mr Hunt, presumably that's the interpretation Mr Smith received from this at the time from Mr Michel. Are we in agreement?

A. No, because this is not my -- this is not -- this is saying that's what my interpretation is now, now I know what was happening with phone hacking. Neither myself nor Mr Smith knew the picture that was about to emerge for phone hacking.

Q. What's rather odd is that Mr Michel is expressing a private thought of some sensitivity to Mr Smith. He's saying rather Delphically: unless it's done by a certain date, it will be catastrophic for many important reasons. One inference might be that Mr Smith will either know what that was or will find out. But wasn't that notion communicated to you, Mr Hunt?

A. It certainly wasn't, and I'd be very surprised if Mr Smith had any idea whatsoever as to what those Delphic reasons might be. I think that News Corp are a very determined company and they're always putting everyone under pressure to do things quickly. I wanted to do things briskly but properly, so I think he would just look at that and say this is just another example of News Corp trying to pile on the pressure.

Q. But didn't you get the general message from Mr Smith that's precisely what News Corp were doing through
Mr Michel, namely piling on the pressure?

A. No, I didn’t. I didn’t get that impression. You’ve spoken to Mr Smith. He’s a very uncomplaining, decent, hard-working person, and I think he said to you that he saw his job as being a buffer for me, so he saw his job to absorb that pressure. I was very determined as Secretary of State that responsibility for this bid should not derail all the other important things that I had to do in my department, so I think Mr Smith saw himself as being that buffer and that was why he wouldn’t have informed me of all these conversations. 

Q. One might see that as a buffer he wouldn’t inform you of all the conversations but given we are encountering here a period of delay with attendant pressure from News Corp as one might expect, did not the general gist of the message from Mr Michel be imparted to you by Mr Smith, namely they’re getting a bit uppity now or words to that effect?

A. It may well have been, and it wouldn’t have been any surprise. You know, as a company they want everything done at the speed of light, but I don’t remember it being raised with me, if I can put it this way, as a specific issue that I needed to address.

Q. It would just have been part of the background noise which was coming out at this stage, is that fair?

A. If Mr Smith said anything to me at all.

Q. Turn over the page to 07697. This is Mr Michel again to Mr Smith, 29 May.

A. Sorry, I don’t have it yet. There we are.

Q. It’s been redacted for some reason, the name, but we know from KRM 18 that this is a reference to Ed Richards, okay, so we might as well put his name straight back in. “Hiya. Those new UILs are pretty thorough...”

A. 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.”

Q. Okay. We can move forward in time, I think, to 28 June. I’m afraid we’re in the second volume of this supplementary bundle under SS.Aa at page 08008, which is an email from you to Mr Smith.

A. I haven’t quite got it on the screen.

Q. The UILs which are being referred to there -- LORD JUSTICE LEVESON: It’s not there yet. I’ll read it:

"Hiya. Those new UILs are pretty thorough..."

A. I have it now, sir.

LORD JUSTICE LEVESON: Very good.

MR JAY: ":... feels like the world doesn’t trust the Murdochs further than they can be thrown! What was the resolution on the issue of Murdoch family members buying shares in Newco? Thx."

Can you remember the context of that observation about the Murdochs?

A. I can’t remember the exact context. We’d had 40,000 objections to the UILs that Ofcom and the OFT had said satisfied their plurality concerns. I think it’s a fairly accurate description of the mood of the country at that time, actually, and, you know, in terms of the Murdoch family members buying shares in Newco, the concern had been expressed that if Sky News was spun off, that a Murdoch family member might buy -- you know, News Corporation was limited to holding 39 per cent of the shares of Sky News, but a Murdoch family member might purchase some of the other shares in order to, as
it were, help the Murdochs gain control of the spun-off
Sky News through the back door, and I wanted to be sure
that that wasn't going to be possible in terms of the
way the UILs were set up.
Q. So this is a remark which one reads entirely
straightforwardly, it's your interpretation of what the
world at large were saying, and you were reporting that
back without irony to Mr Smith; is that right?
A. Yes.
Q. Can we move forward to July? We are still in the second
supplementary bundle under tab IND, a series now of
e-mails which start at 07822. There are seven of them
we're going to look at, or seven pages worth.
LORD JUSTICE LEVESON: Can you do this in five minutes?
MR JAY: Probably best to do it with a clean start.
LORD JUSTICE LEVESON: Then let's break now and we'll resume
at 2 o'clock, if that's all right with you, Mr Hunt.
A. Yes.
LORD JUSTICE LEVESON: Thank you very much. 2 o'clock.
(12.58 pm)
(The luncheon adjournment)


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Leveson Inquiry

31 May 2012

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