

Rt Hon Ed Miliband MP
Member of Parliament for Doncaster North



HOUSE OF COMMONS

LONDON SW1A 0AA

Rt Hon Karen Bradley MP
Secretary of State
Department for Digital, Culture, Media and Sport
100 Parliament Street
London
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7th August 2017

Dear Karen,

You said that parties aware of new evidence relevant to your decision on whether to refer the bid for Sky to the CMA on grounds of broadcasting standards should bring that evidence to your attention.

A lawsuit filed last Tuesday about a story broadcast on Fox News on 16th May 2017 provides such new evidence. It shows concrete evidence of a lack of commitment to broadcasting standards, a failure to take wrongdoing seriously and what is more, the lawsuit alleges coordination with the Trump White House to deliberately use a false news story to deflect media and public attention from the Russian interference in the 2016 Presidential election.

The original story first published on May 16 2017 on foxnews.com and later broadcast on Fox News Channel, including in the UK, on the same day, as well as on May 18th and May 19th, suggested that a Democratic National Committee staff member Seth Rich who was found dead was the source of leaked emails from the Democratic National Committee. This was highly significant because the story was then used by Fox News anchors to suggest that allegations that the Russian government were the source were false. The story was given big prominence on a number of Fox programmes, including by star presenter Sean Hannity and for days afterwards on the network.

The following is uncontested: the story was false, and Fox admitted this a week later on May 23rd by deciding to retract the story. We know that more than two months have passed since the investigation by Fox into why this happened but they have made no statement about why it happened and taken no disciplinary action against the reporter, Malia Zimmerman, or Sean Hannity or against the Fox News executives who presumably signed off the story. We note that Malia Zimmerman continues to report for Fox News. No apology has been made to the family of Seth Rich for these false allegations that he was a traitor to his employer and his country.

We now also know that longtime Fox News contributor Rod Wheeler alleges in a lawsuit against Fox that the original story contained fabricated quotes from him implicating Seth Rich in the leaks, that Fox News colluded with the Trump administration to broadcast this story and gave the President



advance copy of the story. We also know that he alleges that he described his concerns to Fox News head of legal affairs Dianne Brandi in June but no action was subsequently taken.

You will recall that Ofcom found in their report on broadcasting standards that there was no compliance code for Fox News broadcasts in the UK. But they were persuaded that "Fox has put in place a new compliance process for Fox News with effect from 15 May 2017"(paragraph 1.2, public interest report). Yet we now know that just one day after this compliance code supposedly took effect, Fox News ran a wholly false and highly significant story, including to UK audiences. This shows the compliance system credulously accepted by Ofcom failed dismally and is a clear breach of the broadcasting code commitment to standards of accuracy and impartiality and indeed the special impartiality requirements relating to matters of political controversy as laid out in Section 320 of the Communications Act.

The extremely serious allegations of collusion with the Trump White House to generate propaganda and false news for explicit political ends go far beyond mere breaches of the broadcasting code and suggest a brazen disregard for the ethics of journalism.

To remind you, Rupert Murdoch is currently the acting CEO of Fox News. James and Lachlan Murdoch have widely let it be known that following the harassment scandal at Fox News, they are now taking control of its ethical standards. None of them can on this occasion claim ignorance of the story, its retraction, its implications or the failure, two months on, to provide any apology or take action against the individuals concerned. So these events have happened clearly on the direct watch of all three Murdochs, the people who want 100% control of Sky.

If ever there was an episode which showed that there are grounds for referral of the merger to the CMA on broadcasting standards grounds, it is this. It suggests a cavalier approach to standards at a Fox News, a compliance code which failed the day after it took effect and a refusal to apologise or take action once a falsehood is discovered.

We believe this episode reinforces the argument we made to you in our letter of July 10th 2017. It is reasonable to believe this transaction may operate or may be expected to operate against the public interest in regard to broadcasting standards. We believe the right way forward is therefore to refer to the CMA on these grounds, as well as the risk to plurality.

Yours sincerely

Rt Hon Ed Miliband MP

Rt Hon Sir Vince Cable MP

Rt Hon Kenneth Clarke MP

Rt Hon Lord Falconer of Thoroton