



Department
for Transport

Vehicle Technology and Aviation Bill

Committee Members

From the Minister of State
The Rt. Hon. John Hayes MP

Great Minster House
33 Horseferry Road
London
SW1P 4DR

Tel: 020 7944 3295

Fax: 020 7944 4873

E-Mail:

john.hayes@dft.gsi.gov.uk

22 March

Web site: www.gov.uk/dft

Dear Committee Member,

Vehicle Technology and Aviation Bill

Thank you for the informative and helpful comments you made at yesterday's Committee Sessions.

As promised I now write to follow up on issues raised during these sessions:

Details on consultation on the Electric Vehicle measure

We have already consulted in drafting this legislation with a wide range of stakeholders including National Grid, Distribution Network Operators, and energy suppliers.

More broadly, my officials have regular dialogue with all relevant stakeholders through the EV Network Group to make sure we are prepared for the impacts of electric vehicle roll-out on our electricity system. This dialogue will continue, but I am also happy to reiterate that we will conduct further formal public consultation before bringing regulations to the House.

Our action on this agenda is not however limited to regulation. With stakeholder input, Government is developing a plan to make our whole electricity system "smarter" – ensuring that we have the right structures and price signals in place to promote efficient balancing of electricity supply and demand. We expect to provide further detail of these plans later this Spring.

Whether an affirmative resolution is appropriate for smart powers under clause 12

In regard to having regulations made under clause 12 on smart charge points approved negative procedure, I can understand the concerns expressed by some Members of the Committee. I would reiterate the point that I made to the Committee that these Regulations would be technical in nature, not a policy change, and would be developed in consultation with industry.

I am pleased that through the passage of this Bill we are having a full consideration of the policy that sits behind these planned technical regulations. The market is developing so quickly that using the negative procedure would allow us to amend the technical standards if rapid innovation meant that we inadvertently excluded new technologies. However, I have heard the concerns expressed, and we will further consider our approach to the level of scrutiny before the Report stage.

Information on the Secretary of State's power to prescribe which airports are eligible to launch an appeal against a licence condition modification

The Government's intention is to use this power to grant appeal rights to airport operators falling within the 'London Approach Service', as provided by the en-route licence holder.

Currently, there are five airports that fall within this service – Heathrow, Gatwick, London City, Luton and Stansted. Whilst typically approach services are provided through a competitive market, the particularly complex airspace in the South-East means that approach services for the five airports are provided by NATS as part of its duties under the licence. It is therefore appropriate that these airports can bring appeals against licence modifications affecting them, in the same way as airlines.

It is these five airports that Government will specify in the regulations which it will make under new section 19A (contained in Schedule 1 to the Bill). If additional airports fall within the London Approach Service, the Government would use the same regulation making power to confer appeal rights to the operators of such airports. By the same token, airport operators could be removed if the airport in question were to fall outside the London Approach Service.

More generally, all appeals will be subject to a requirement that the entity bringing the appeal is 'materially affected' by the licence modification decision. On an application for permission to appeal to the Competition and Markets Authority (CMA), it would apply the 'materially affected' test to filter out, for example, any vexatious or trivial appeals.

This test sits most appropriately with the CMA, as this body has the experience, expertise and independence to make the determination most effectively.

Confirmation to consult before the use of power set out in Clause 19

This power would allow the Government to set up separate Trust arrangements within the Air Travel Trust model. This will ensure that the ATOL architecture is able to adapt more flexibly to reflect changes to business practices or the risks that it covers.

I strongly believe that good policy making should be underpinned by consultation, scrutiny and review. Our track record speaks for itself on this matter. In recent years we have consulted several times on ATOL reform, including on proposals to implement the Package Travel Directive. These consultation exercises have always been supported by an impact assessment.

I am therefore very happy to give my assurance that there would be a thorough impact assessment and consultation on proposals before we use this power. Indeed, there is already a duty in section 71B of the Civil Aviation Act 1982, which places a requirement on Government and the Civil Aviation Authority to consult if we do wish to introduce regulations under section 71A.

Reassurance on the standard of vehicle testing

The standards for roadworthiness tests are set out in Directive 2009/40 EC as amended by Directive 2010/48 EU. This will be further amended in 2018 by Directive 2014/45/EU.

The Directives set out the minimum requirements concerning the contents and recommended methods of testing, facilities and test equipment. DVSA conducts goods vehicle roadworthiness tests in accordance with those requirements and the provisions in the Bill will not alter these standards.

Engagement details on Cyber Security issues on Automated and Electric Vehicles

We have been work closely and will continue to do so with the security agencies, including CPNI, GCHQ and the NCSC. Through a regular steering group, we are ensuring government activities on automotive cyber are coordinated and effective.

The key strategic aims for our cyber programme are; ensuring industry has the capability to achieve better cyber and protective security outcomes, and

ensuring industry is aware of and can use the expertise of government organisations such as the NCSC, particularly in relation to managing risks and incident response. Developing the cyber security principles and surveying industry's views about them has furthered the first of those aims.

We have initiated an automotive information exchange, jointly hosted by CPNI and the NCSC, which aims to facilitate threat, vulnerability and tactical intelligence sharing among industry. It also forges a strong link between the automotive industry and the government security agencies in a secure forum to facilitate frank and open discussion.

Our powers for smart charge points already allow us to intervene on cyber security, and my officials are working closely with the smart meters team within the Department for Business Energy and Industrial Strategy, to learn lessons from their experiences in building cyber secure systems.

Cyber security in an international context

The principles are a product of our strategic aim of building capability among industry and raising the profile of the full range of security considerations, from cyber to protective security, both in terms of product and organisational issues.

The principles are an agile response to the issue, which serve the aim of building capability and beginning to address quick wins without constraining innovation.

A key factor in developing a response to automotive cyber security is the international nature of the industry. Products are developed for the global market and the UK cannot act unilaterally on matters of regulation. The appropriate forums include the international standards bodies, the EU and the UNECE. The UK already chairs several key working groups at Working Party 29 of the UNECE – the World Forum for the Harmonisation of Vehicle Standards. In December 2016, we set up and took on chairmanship of a new technical task force within WP.29, on cyber security and over-the-air updates. Several meetings of this group have already been held and we are pressing for the development of globally harmonised guidance or requirements on cyber security. In the longer term, these could translate into binding regulations, and this would be the appropriate forum to achieve that aim. However, agreeing a global view of what constitutes good practice and the aims industry should achieve is the first step, and the UK is leading the debate.

Schedule 5 – Limitation period clarification

The Committee will have noted that this provision could trigger two existing and conflicting limitation regimes: those for product liability and personal

injury, and asked if schedule 5 had resolved this dilemma in favour of the existing personal injury limitation period.

In this schedule, we have chosen neither personal injury limitation periods nor consumer product liability limitation periods. Instead, we have created a clear new limitation regime for automated vehicles, which sets a time limit of 3 years from the date of the accident, which mirrors the 3 year time limit for personal injury actions under both:

- the Limitation Act 1980, under the conditions set out in s. 11, and
- Scotland's Prescription and Limitation Act under the conditions set out under s. 17.

To be clear, these rights of action and limitation periods do not affect the continuing right of victims of automated vehicle accidents to pursue instead an action under existing legislation and time limits, if they so choose.

As ever, I am happy to discuss any further questions you may have.

I am copying this letter to members of the Public Bill Committee and placing a copy in the House Library.

Yours Sincerely

THE RT. HON. JOHN HAYES