Q357 Chair: Good afternoon. I call to order this meeting of the Digital, Culture, Media and Sport Select Committee. This is a special session of the Committee with the Secretary of State for Digital, Culture, Media and Sport to discuss the work of the Department. Secretary of State, welcome back to the Committee.

Jeremy Wright: Thank you.

Chair: The Committee has published now the Government response to the Committee’s report on disinformation and fake news. A lot of the responses to our recommendations were covered in the Online Harms White Paper. There is a pretty large area of agreement between the Committee’s report and the Department’s response. To start off us, could
you give us an idea of how you wish to take the White Paper forward? There is a timetable for the consultation, but beyond that how do you see this being delivered as legislation? Are you thinking this will be done in one Bill or multiple Bills, and over what period of time?

Jeremy Wright: Thank you and thank you for having me. As you say, Mr Chairman, the next phase is one of consultation, and that will take us up to 1 July. It is quite important, as I have said to the Committee before, that we have the chance to hear what people have to say before and after we publish the White Paper, and before we move on to legislation. But although I am conscious of the need to make sure that we take account of what everybody says—and I do want to hear not just what this Committee thinks about the White Paper but from those well beyond this Committee—none the less I want to get on with this and I think there is a sense of urgency to it. The intention, and I have bid for this, is that we should bring forward legislation in the next parliamentary session.

The legislation will need to do two things primarily: one is to legislate for a duty of care, and the other is to legislate for a regulator. Although, as I say, I am very keen to hear what people have to say in the course of the consultation period, I don’t think it is likely that we will be persuaded otherwise that it is sensible to have a duty of care and a regulator. Both those things require primary legislation, so we might as well bid for that and get on with it. That is what we are doing. It is up to the business managers, as you know, to decide whether that bid is accepted or not, but I believe it is a strong bid and I would hope very much that we will be able to bring forward that legislation in the next session.

Chair: I appreciate that some of the areas of the Committee’s report fall outside of DCMS, particularly with regard to electoral legislation, but do you have a sense of how that will be dealt with? Do you anticipate a separate piece of legislation from the Cabinet Office to reform electoral law?

Jeremy Wright: I can’t give you an authoritative answer to that. As you say, it is a matter for the Cabinet Office. The Cabinet Office has already indicated that it would wish to take action on digital imprints. I hope and expect that it will go further than that and there will be more proposals to come, but of course it is a matter for it exactly what legislative vehicle it makes use of. I will want to make sure that the legislation that we bring forward arising from the White Paper is comprehensive enough to deal with what the White Paper covers, but also not so ungainly that it makes it very difficult as a vehicle to manage successfully through the parliamentary process. There is a balance to be struck there, and that is the reason that I would not offer it up as a vehicle for everything related to harms on the internet, which is a very broad subject indeed.

As the Committee knows, and as we may go on to discuss, there are other pieces of work around competition, data protection and other things that may not fit neatly within the parameters of our particular Bill. That is
a matter for the Cabinet Office, and I know it will want to consider how best to take forward its proposals.

Q359 Chair: When would you expect to respond to the consultation results?

Jeremy Wright: The answer to that is, as ever, “As soon as I can”. It rather depends on the scale of response. Already we have had a considerable response, as perhaps you might expect. I welcome that. I have always been clear that I want people to come forward and tell us what they think. If they do that in volume and with seriousness, as I hope and expect that they will, it will take some time to make sure we have taken full account of what people have to say. I think it is worth restating—this is a conversation we have had before—that this is genuinely ground breaking. There is nothing in the world quite like it. That means for me that we should take extra care to make sure we have got it right and be particularly keen to hear what people have to say. If I take a little longer to consider the responses to the consultation than might otherwise be the case, I will. But as I say, the endpoint to this is legislation and I want to do that in the second session.

Q360 Chair: There will be people who are interested in how long this is going to take. It is potentially a very large and very complex piece of legislation with lots of interested parties. It is possible that the next session of Parliament could be two years long. We could easily be into 2021 and be rubbing up against the end of the Parliament before this is enacted. What degree of urgency do you think there needs to be to make sure we get this legislation through?

Jeremy Wright: I think the balance to be struck here is to make sure we have taken full account of what is said to us in the course of consultation, but as soon as we are in a position to have done that I would like to move on to legislation as soon as possible. My case to the business managers will be, “Give me enough time to make sure that I have got these proposals right and I can bring forward legislation in good order”, but as soon as I can do that—as you say, there are people who expect us to get on with this. The longer it takes, the longer it will be before these provisions are all given force of law. The whole premise here—which I think I am agreed on with the Committee—is that self-regulation is not adequate. There needs to be legislative intervention and we can do that only with primary legislation.

However, having said all of that, it is also important to say that I don’t expect that nothing will happen until we have legislative provisions and a regulator set up under force of primary law. That is for a couple of reasons. First of all, a number of codes of practice are already published, which I think should operate on the minds of online companies. Secondly, we will want to bring forward, as a Government, some draft codes of practice in the areas of child sexual exploitation and the promotion of terrorism, and the Home Office will take a particular interest in that. Again, sensible online companies will be able to address those issues well before a regulator is in place, and will have a clearer understanding of
what they ought to be doing. Finally, a sensible online company will recognise that with the advent of the regulator, it will want to be able to say not just that it is doing the right things on the day that regulator is created, but that it has been doing the right things for some time before. A sensible online company will make provision for the way the wind is blowing, and start to prepare for the advent of a regulator before it actually arrives.

There is then a subsidiary question, which is ventilated in the White Paper, about whether we should start with an existing regulator and extend its scope and powers, or whether we should create a new one. There are timescale implications to which of those choices we make, but that is something I have asked people to feed back on specifically in the consultation.

Q361 Chair: Should it be within the scope of the regulator to look at issues before its creation of whether companies were complying with the previous codes of practice?

Jeremy Wright: I think it would be reasonable for the regulator to assess the performance of a social media company against the parameters the regulator will be given—we might talk a bit more about that but those parameters are set out, I hope, in the White Paper—not just on the day that it starts work, but by looking at performance over time. That is why it is reasonable to expect that the online companies will think about their performance under those types of headings before the day on which the regulator begins its work. It seems to me that what we should expect anyway is increasing acceptance among the social media companies of their responsibilities in this area. We have seen some encouraging signs, but that is nowhere near enough—certainly not enough for me to stay my hand and say we don’t need to bother with legislation. But I think there is an increasing recognition that these are the kinds of responsibilities that social media companies need to take more seriously.

This Committee has played its part in that process, if I may say so, and others have too. I think it is important that that process continues, but we have made it clear that however good they are between now and the point that a regulator starts, it will not defray the need for a regulator because this is an ongoing and moving landscape.

Q362 Chair: Indeed. I think we certainly agree on that, but would your message to tech companies be that, “You can’t afford to wait until the regulator is created before you start to improve your act, and that failure to adhere to the codes of practice now could end up with you in trouble with the regulator in the future”?

Jeremy Wright: I do not think it is right to say to the online companies, “You can wait until the regulator is in business before you behave in the way in which a regulator will come to expect”. I hope that I have been very assiduous in making it clear that I will not expect under these
provisions anything unreasonable of social media companies. We expect them to behave reasonably. The word is very clearly written into the White Paper, and I hope it will be clearly written into the legislation too. We are asking them to behave in a reasonable way and I think we should ask them to do that as of now. We should expect them to build up that capacity to act reasonably in keeping their users as safe from online harms as they can.

No, I don’t believe that there is an arbitral moment where the regulator starts and everything before that is forgiven and everything after that is regulated, but of course it is true that the regulator can’t take action until it has the legal powers to do so. Even if it ends up being an existing regulator with extended powers, it has to be given the authority to act, which only primary legislation can give it. The penalties—we would want to hear views as to how extensive they should be, and how high up the scale we should go—that the regulator will have available to it will of course only be available to it when it starts business.

I think you are right. I don’t think we should say or suggest to online companies that there is a hard boundary between the point at which the regulator starts and everything that happened before it. We expect good behaviour now. I think we are right to expect good behaviour now, and we would expect that good behaviour to continue on through the point at which the regulator begins.

Q363 **Chair:** With regard to the regulator specifically, its power would seem to rest in the ability to levy large fines—I think you cited the example of the Information Commissioner’s fining powers under GDPR. Do you consider that this regulator would need to be able to fine up to the same sort of level that the ICO can, so up to 4% of global revenues?

**Jeremy Wright:** Yes, I do. I think those are the sorts of scales of fine that we envisage for precisely the reasons that we have given the ICO that kind of capacity. These are very large companies with significant global footprints. We need to be in a position to make them sit up and take notice of the provisions that we are enacting in law, and it requires penalties of that nature. Precisely where we end up on penalties will be determined by how we proceed through the consultation and beyond. Parliament will have to say something itself about the range of penalties that we would wish to implement, and it won’t just be fines. We are very keen to look at other types of penalty too, and you will see set out in the White Paper that we think it is worth considering also individual director liability and, at the top end of the scale, ISP blocking where it is necessary to do that.

But I think also we should look at the other ways in which the regulator can have an impact on the behaviour of social media companies. Something that we are starting to see is social media companies become more and more aware of the damage to their collective reputations in failure to act. Some of the transparency powers that we expect the regulator to be given so that it can identify what those companies are
doing, and of course by extension what they are not doing, and publicising that in a way that will draw attention to it among the customers of those social media companies, is helpful. I think it is a combination of penalties and the other powers we want the regulator to have to start to draw behaviour in the right direction.

Q364 Chair: If someone in this country has been exposed to harmful content and there has been a consequence of that, should the regulator have the power to investigate that if the company serving that data is based overseas but nevertheless the offence had taken place in the UK?

Jeremy Wright: My view is that the parameters of the regulator’s activity and the rules that we will set out in statute are there to cover and protect citizens of the UK, and that applies whether or not the company we are talking about is based in the UK. That is one of the reasons why, when we come to think about penalties, we must consider the practical difficulties of some of those penalties when dealing with a company that does not have a significant corporate presence in the UK. It is worth saying, though, that about 85% of the traffic that we are all concerned about passes through platforms that have a significant corporate presence in the UK.

As things stand, I think we would have purchase on most of those companies and, of course, the reason that I wanted to include ISP blocking in the list is that in the end when you are dealing with a company that has no corporate presence in the UK, that is your ultimate sanction. That would apply to a website—a platform based wherever it may be. I expect that we should give our regulator powers to deal with such companies, but I also expect that companies that want to operate in what is a very significant UK market will respect the fact that they will have to comply with UK laws and rules.

Q365 Chair: Where ISP blocking has been brought in, do you think it should be part of the duty of care of other tech companies to make it difficult to find that company? For example, would you expect if a site had been blocked that it should not have due prominence in Google search rankings?

Jeremy Wright: I think it is up to the regulator to start to put meat on the bones of the duty of care. I am reluctant, as a Minister, to start to be too prescriptive, although I hope the Committee will recognise that in the course of the White Paper we have given some indications of the sorts of things we would expect the regulator to be putting into various duties of care. For me the great attraction of the duty of care model is that it sits above all of the codes of practice, and it requires online companies to do everything they reasonably can to keep their users safe. I think it would be difficult for an online company to explain to a regulator that they were doing that and meeting their duty of care if there were websites that the regulator had itself deemed so unacceptable that it believed that ISP blocking for those websites was appropriate, but the other platform was not doing everything it could to prevent its users from having access to that material.
These things are cumulative, but my expectation is that if the system works as we hope it will—we hope to design so that it will—it would be hard to persuade the regulator that you are within your duty of care if that is what happens.

Chair: A couple of final specific things from me. The Committee’s recommendation is that social media companies are neither publishers nor platforms but something in between, and they have a limited legal liability. The Department’s response is based on the principle of duty of care in the White Paper. On one reading it might sound like we disagree. I think it sounds like we agree but we are using different language to describe it—I wanted to ask you which you thought it was. Do you feel that the duty of care principles imply a limited legal liability towards social media companies to remove harmful content?

Jeremy Wright: I think it implies a clear responsibility to do so. The reason that I have shied away from the publisher-platform distinction is that I am not sure it is always a helpful distinction. It is probably not right to say that online platforms are publishers in the same sense as other media institutions are publishers. If we were to gravitate on to that territory, I think we would hand the social media companies a useful weapon in saying, “Clearly, we are not that because look at other things that are that and we are different to those”. For me the real issue is responsibility. It is about whether you should be expected to take responsibility for what you do as a platform, and the answer to that—unequivocally in my view—is yes. How do you make sure those responsibilities are complied with? You set out an overarching duty of care with codes of practice underneath.

You are probably right, I don’t think there are a million miles between what I think and what you think, but it is important that online companies have a clear structure to look at so they can understand what they have to do. It is legitimate for them to say, “Don’t just tell me I’ve got a duty of care. You’re going to have to tell me what that really means. What do I have to do, what don’t I have to do?” I think that as the regulator moves forward and starts to develop codes of practice, that will become clearer. The shading in will happen and they will able to see what they have to do. Equally, I am unsympathetic to the argument some might choose to deploy later, which is, “There was nothing in the codes of practice about that particular harm or that particular representation of it, so I didn’t do anything about it and, based on the fact it was not in the codes of practice, I didn’t have to under your system”. In my view, that would also be wrong, which is why the duty of care has to sit above.

Chair: I think that is right, because it would be disappointing if the duty of care principle was basically about bundling together all the codes of practice, calling it duty of care, and then the new regulator could introduce new fines for failing a duty of care. But we would want the companies to understand that failure is a form of offence, and that in law they have a responsibility to ensure the safety of their users.
Jeremy Wright: Yes, I think that is absolutely right. We are not saying to online companies, “You have a duty to comply with the codes of practice”. We are saying, “You have a duty to comply with that duty of care. The regulator will hold you to account for whether you do so. There will be some assistance, for you and for the regulator in determining whether you have done so, based on the codes of practice.” For example, if you are complying with the codes of practice you have a better argument with the regulator than if you are completely ignoring it. The same, by the way, applies to your own terms and conditions. If you are ignoring your own terms and conditions, you will find it harder with the regulator to persuade it that you have abided by your duty of care.

But it is the duty of care that is the significant care, and that has to be there because the guiding principle for me is that. This is such a fast moving landscape and the harms change so fast. If we were to do it the other way and say it is compliance with the codes of practice that matters, the regulator will be playing perpetual catchup. Every time the harm changes, it will need to draft a new code of practice and need to get it approved. By the time it has done all of that, the harm will have changed again, so it is important that we have the duty of care in place and that is the operating principle.

Chair: One of the issues we raised was whether inferred data is personal data—that is an issue that the Information Commissioner has raised with us on several occasions now. I don’t think the Department’s response is entirely clear on this point. It could be read as if the Information Commissioner thinks it is—it is for her to demonstrate through the courts that she is right. Is that the Department’s position or do you feel that this is something that needs to be interrogated further?

Jeremy Wright: I will be entirely honest, I think it does need to be interrogated further. I don’t think there is a clear view on this. It is difficult to be precise because it depends what you mean by inferred data. Quite a lot of what we as politicians do is infer things from the data that we have, and I don’t think all of that is illegitimate. In the end this is a dialogue between us and the Information Commissioner about exactly what we mean by inferred data. I will be honest and say that I have not reached a firm view. I think it depends what you mean by that term, and I would like to understand a little more clearly what the potential variants of inferred data are.

Chair: I suppose the most specific example is the one that was cited in our hearing with the Information Commissioner. If you take some of the particular protected areas of data under GDPR—data about someone’s religious beliefs or their ethnicity—and say a platform like Facebook is choosing not to share that information, but nevertheless the platform is guessing what that information is and selling it to advertisers, is it in fact selling something that is inferred from someone’s personal data and is that, in essence, the same as selling their personal data? The Information Commissioner thinks it is.
Jeremy Wright: You could argue this a number of ways, couldn’t you? I suppose you could make the argument that what you are still doing is selling the data that enables you to make the inference. That is the pernicious bit rather than the inference itself. That is why I am in two minds about whether I think inferred data as a concept is yet clearly enough defined for us to have a clear view on it. But I think this is something that we go on talking to the Information Commissioner about.

Q370 Chair: Is this something you could see ultimately as being tested in the courts rather than where there is amendment to the law?

Jeremy Wright: Given my background, I never rule out anything being tested in a court. It is always possible but I would prefer it if we got our own view of what we think it should mean and act accordingly. I am not there yet, to be frank.

Q371 Ian C. Lucas: Good afternoon. Do you agree that Russia has mounted a sustained campaign of cyber espionage and election interference?

Jeremy Wright: Cyber espionage certainly. I think the evidence on that is clear. The view we take in relation to election interference, certainly in the UK, is that there is no evidence of successful interference with UK democracy, but there is very clear evidence, I think, that the Russians have attempted to manipulate information. They have obviously done so, for example, in relation to the Skripal poisonings, with something like 40 different narratives put out by the Russians, none of which are remotely true. There is clear intent and clear effort. We don’t believe it has been successful in election interference.

Q372 Ian C. Lucas: Can I take you back to election interference? Do you think that there has been a campaign of election interference by Russia?

Jeremy Wright: Not in this country. We see no evidence of it successfully doing so here.

Q373 Ian C. Lucas: Do you think there has been unsuccessful election interference?

Jeremy Wright: That is very hard for us to tell. In my view, there are three levels of response here. There is the national security response. We expect our national security agencies to respond to Russia and its efforts to destabilise other countries, and they do so. There is the platform response, and we have talked a bit about that already within the context of the White Paper. Disinformation in that sense is partly the responsibility of platforms to do something about, and we have tried to set out how that might be done. Then I think there is a public response too. We need the public to be more sceptical, to be more aware that some of the things they may be seeing and reading are inaccurate, and not just inaccurate but deliberately created to be inaccurate by a foreign power.
There are three levels of response. I think it is very difficult to say to what degree people are being influenced by that kind of misinformation. We certainly do not see evidence that it has had a material impact on the outcome of democratic processes.

Q374 Ian C. Lucas: The words I initially put to you I chose carefully because they were the words of the Prime Minister who said to the House on 5 September 2018 that, “Russia had mounted a sustained campaign of cyber espionage and election interference”. Do you agree with that?

Jeremy Wright: I do.

Ian C. Lucas: I thought you would.

Jeremy Wright: I don’t know what the Prime Minister was also talking about.

Q375 Ian C. Lucas: Which elections was she talking about?

Jeremy Wright: Let me go on to say, I think that there is evidence of Russian interference in elections elsewhere in the world. What I am saying is that as far as the UK is concerned, we see no evidence of successful interference in democratic exercises in this country. I would be surprised if the Prime Minister had said anything other than that.

Q376 Ian C. Lucas: You are aware, however, that the Electoral Commission referred Mr Arron Banks to the National Crime Agency for suspected criminal offences committed during the EU referendum, on 1 November 2018. Furthermore, this was after an investigation into whether Mr Banks was the true source of loans to Better for the Country. The Electoral Commission stated at the time that the law is that the loans and donations to the registered campaigns can only come from certain permissible sources, which essentially excludes overseas or foreign funding. That reference was specifically about the overseas issue, and it specifically related to election campaigns.

Jeremy Wright: What you are referring to is an investigation by the Electoral Commission, leading potentially to criminal investigations. You would not expect me to comment on either of those. What I am saying to you is that from the Government’s point of view we have no evidence of Russian interference being successful in a democratic exercise in this country.

Q377 Ian C. Lucas: But that is not what your response to the Committee says. What you say is, “There is no evidence of successful foreign interference in UK democratic processes”. Well, there is evidence because the Electoral Commission has referred an issue to the National Crime Agency for criminal investigation and that is on the basis of foreign interference.

Jeremy Wright: What you are putting to me, Mr Lucas, is not a discrepancy between what I have just said to you and what is said in the report. What you are putting to me is that you disagree with both. That is
perfectly reasonable, but there is no difference between what I have said to you this afternoon and what you have just read out in the response.

Q378 **Ian C. Lucas:** With respect, there is a difference, because what is said in the response to the report is, “There is no evidence of successful foreign interference in UK democratic processes”. The reference by the Electoral Commission to the National Crime Agency is relating to democratic processes within the UK, isn’t it?

**Jeremy Wright:** Your conclusion is that what I have said to you this afternoon and what is written in the report, or the response to the report, is inaccurate for that reason. You are not putting to me a difference between what I said and what is said in that report.

Q379 **Ian C. Lucas:** You said you agreed with the Prime Minister.

**Jeremy Wright:** That is always a good strategy, I find.

**Ian C. Lucas:** It is indeed, which is why I put her words to you, and she said that there had been electoral interference by Russia.

**Jeremy Wright:** Yes, but as I say, I don’t know the context of the comments that she was making. I do think there is a difference between what we believe to have happened in other countries and what we believe to have happened in this country. What I originally said in answer to your question—as I understood it, you were asking me about the United Kingdom—is that we have no evidence of successful interference in democratic processes within this country. That remains the case. It is what is said in our response to the Committee’s report and it is what I have said to you this afternoon.

Q380 **Ian C. Lucas:** Are you aware of unsuccessful electoral interference?

**Jeremy Wright:** As I said earlier, I think it is very difficult for us to quantify unsuccessful interference. What we believe—

Q381 **Ian C. Lucas:** What you are doing is adopting a wording that was adopted by the Foreign Office when we had another Foreign Secretary. Okay?

**Jeremy Wright:** Yes.

**Ian C. Lucas:** The wording that was adopted by the Foreign Office then was before the reference to the National Crime Agency. The identical wording is now being used in the response to the DCMS report.

**Jeremy Wright:** I think it is important that the Electoral Commission, the National Crime Agency, and other agencies that have responsibilities in this space are able to proceed with the investigations they want to proceed with. Those investigations are, to my knowledge, not yet concluded, so I don’t think we can say definitively what they will find. What I am—

Q382 **Ian C. Lucas:** That is exactly what you have done. You have trotted out
the same line that we have had repeatedly from the Government, but it has not taken into account the change in the facts, which was the reference by the Electoral Commission to the National Crime Agency on 1 November 2018.

**Jeremy Wright:** I think it might be taking it a little far to say that is a change in the facts. It is an investigation—a perfectly proper investigation—but it has not reached a conclusion, so I don’t think we are in a position to say what the outcome of that investigation, or those investigations, will be.

Q383 **Ian C. Lucas:** But that is what you have done.

**Jeremy Wright:** No, I don’t agree. What I have said is that there is no evidence of interference by the Russians in what has happened in democratic exercises in this country. That is the position.

Q384 **Ian C. Lucas:** No, you haven’t. What you said was there is no evidence of successful interference, and this distinction between successful and unsuccessful is your distinction. It is the Government’s distinction. You have chosen the words.

**Jeremy Wright:** I think the reason for the distinction is that we can be a little more definitive about successful interference than we can be about unsuccessful interference, for the reasons I gave, but we don’t believe there is evidence of successful interference. That is the position.

Q385 **Chair:** But do you accept there is evidence of Russian interference?

**Jeremy Wright:** Are the Russians attempting to use misinformation and other means around the world? Yes, we think there is clarity about that. As I had understood Mr Lucas’s initial question, he was asking about the UK, and on that point I hope I have been clear. Forgive me, I may have read too much into it.

**Ian C. Lucas:** I was quoting the Prime Minister.

**Jeremy Wright:** Let me be clear: in terms of the United Kingdom, we do not believe there is evidence of successful interference in the democratic process.

Q386 **Chair:** Interference—just interference?

**Jeremy Wright:** Right.

Q387 **Ian C. Lucas:** What about interference, the intent?

**Jeremy Wright:** Has anyone from Russia attempted to mislead anyone in this country? Yes, they have because as I have said in relation to the Skripal poisonings, we are pretty clear that there have been a number of narratives generated from Russia that are wrong and deliberately so.

Q388 **Ian C. Lucas:** What is frustrating about the Government’s position is that you are very clear about the Skripal incident, very clear about responsibility for that, but repeatedly we receive the same line from the
Government in the face of very substantial evidence that this Committee has seen, and also evidence that has brought about the Electoral Commission, which is making a substantial decision on the basis of the evidence that it has seen. I don’t need to tell you about evidence. The reference to the National Crime Agency is not undertaken lightly, but you are ignoring it in your evidence.

Jeremy Wright: I am not ignoring it.

Q389 Ian C. Lucas: You are ignoring it because you are using the same words that you have trotted out—not you personally but your predecessors and the Government—before 1 November that you are trotting out now.

Jeremy Wright: Well, I am certainly not ignoring it and I think it is important, as I have said, that the National Crime Agency has the opportunity to consider carefully what material is supplied to it and what it can discover by its own means. I think we should all want to see what it comes up with and act accordingly, but I very much support the exercise that is being engaged in. I think the Electoral Commission should have the opportunity to supply what it believes the NCA should look at, and the NCA should investigate. I think that is what is happening and I support that.

Q390 Ian C. Lucas: Okay. Can I ask you about another area relating to elections? We have an election coming up in a couple of weeks’ time, as you know. One of my areas of concern that I have raised with the Information Commissioner and with the Committee generally is about Facebook groups and the fact that Facebook groups, which are very often of a very substantial size, which are closed, are being used both inside and outside the election campaigns to influence political opinion. I have not been able to find any specific response within either the Cabinet Office documents or any of the responses that I have seen from the Department for Digital, Culture, Media and Sport on this issue. Is it an issue that the Department has considered?

Jeremy Wright: There are two things in this. The first is the issue I was discussing with the Chairman about what we can do to encourage online platforms in the space of disinformation to keep their users safer. There are some provisions that we have suggested in the White Paper as to how that might be done, one of which is to ensure that platforms do what they can to address the concept of echo chambers, where people are talking only to those who agree with them and are not getting a broad spread of opinion and information. That is difficult. I think we all understand why that is difficult, but none the less it is something that we think the regulator will want to consider. Then there is the question of what you do about private groups rather than the public internet. That is usually seen through the prism of encryption. Obviously that is not the point that you are making to me, but both of those are part of the process we have been going through in the White Paper.
I don’t pretend, and never have, I hope, that we have all the answers yet, hence the process that we are undertaking. Some of these issues will require some working through, partly in the course of consultation, partly when we have a regulator, in shadow form or in actual form, in the way in which that regulator would seek to address them. But what you have seen in the White Paper is our best effort to set the parameters of the kinds of things that we want the regulator—and everyone else in consultation—to start to think about. Those two connected issues are certainly among them.

Q391 **Ian C. Lucas:** The difficulty at the moment is that the Chair of the Home Affairs Select Committee raised in the Home Affairs Select Committee session with Facebook the fact that she had received some absolutely appalling abuse from within a closed Facebook group. These sorts of issues are being repeatedly raised with people like Facebook. We have turned blue in the face with our exhortations to Facebook and nothing is being done. This is continuing day by day by day, and female Members of Parliament are particularly being abused in this way. When you spoke to Facebook and to Mr Zuckerberg, who you had the privilege of meeting, did you raise issues like this?

**Jeremy Wright:** We did talk about these sorts of issues. It is one of the attractions for me of the duty of care model. It is quite clear to me that included in the list of harms that we have identified—that is not a static list but it is a good starting point I think—is harassment and intimidation. I couldn’t agree more with what you say about the tone of public discourse at the moment and the particular difficulties that our female colleagues face, not exclusively but particularly, in the way in which abuse is hurled around online, not least in closed Facebook groups. Harassment and intimidation, as you know, could conceivably be criminal offences, and in my view, where the evidence supports it, those prosecutions should be proceeded with. Where they are, the question is: do we already have sufficient authority for law enforcement to be able to get from Facebook and others the information they need to identify who is responsible for this?

What we have discovered is that there are such powers. We are not entirely certain yet that they are being implemented and used in the way they should be, and if we can improve upon that we seek to do so. But the key question when you are dealing with potentially criminal behaviour is whether we enforce a right to know who these people are for law enforcement so that law enforcement can pursue them as appropriate. That is what should happen and if the system needs tightening up, I am perfectly prepared to use the measures that we are looking at here in a broader context to do exactly that.

Q392 **Ian C. Lucas:** Do you think there is a case for limiting the size of private social media groups?

**Jeremy Wright:** I am not sure that that is the answer to the question you are raising. However big or small they may be, if abuse is originating...
from them and it is happening under cover of anonymity, we need to address that. I don’t think it necessarily affects the size of the individual Facebook group. What I think we need to do is to make sure that we have powers in place for law enforcement to identify who these people are so that action can be taken against them. I wouldn’t connect the two in my mind.

Q393  **Jo Stevens:** Can I come back to what you said right at the beginning of your evidence session about bringing forward legislation in the next parliamentary session? Do you know when that is going to start?

  **Jeremy Wright:** I don’t.

Q394  **Chair:** To go back to the previous debate you and Mr Lucas were having about interference, you said that you accept there has been Russian interference with regard to disinformation in the Skripal poisoning case. Do you accept there has been Russian interference in the politics and elections in this country as well?

  **Jeremy Wright:** No. As I say, we have no evidence of that.

Q395  **Chair:** At all?

  **Jeremy Wright:** It is difficult for us to be definitive about any efforts that may have been made by anyone sourced from Russia to influence voters in the course of an election. I don’t think anything like as definitive a statement as that. The best I can do is to repeat what I have said, which is that we don’t see evidence of successful interference in the democratic process here.

Q396  **Chair:** The Committee’s report sets out examples of Russian interference in politics in this country, digital messaging, and Facebook has said there was an attempt to buy ads. That was in a tiny amount, but nevertheless the intent was there. Have the Government ever asked any of the agencies that they work with to look into this—to look for evidence of Russian interference in elections that we are very familiar with in other countries, and that we would have good grounds to believe could have happened here as well? Have the Government ever asked any of their agencies to investigate this?

  **Jeremy Wright:** I suspect that is a question you should ask the Cabinet Office not me because it is specifically related to democratic election processes. But as I say, I don’t think there is any doubt—

Q397  **Chair:** But to your knowledge, as Secretary of State?

  **Jeremy Wright:** No, I can’t give you a list of particular inquiries.

Q398  **Chair:** Or any?

  **Jeremy Wright:** Or any, but I do think it is a question that you can legitimately ask the Cabinet Office in relation to elections. What I have said is I think that it is pretty clear—I don’t think there is any real dispute
about this—that there have been Russian efforts at misinformation, not just in this country but in other countries too.

Q399 Chair: If I may, the issue here is not just about what happens in the regulated electoral period. It is about interference in the politics of the country.

Jeremy Wright: I agree.

Chair: There is evidence of Russian interference. We have cited it in our Committee report. There is plenty of evidence in other countries. Would you not find it surprising if at no point someone in the Government had said to one of our agencies, “Shouldn’t we be checking this as well”?

Jeremy Wright: As I say, I think there is a multi-layered approach to this, which is underway.

Q400 Chair: Under way. So it is under way?

Jeremy Wright: As far as the intelligence agencies are concerned, they have an ongoing responsibility to deal with hostile state activity. That is what they are there for, that is what they do. They do it extremely well, in my experience not just in this job but in the last one. That is under way—absolutely it is. I cannot give you chapter and verse, and probably could not even if I knew in this context exactly what action is being taken in that field, but it clearly is happening and needs to happen. I think none of us is naive about the intent not just of Russia but of other nations too to seek to influence public opinion in this country.

That is why it seems to me the appropriate response is, first, on a national security level and, second, to expect more of platforms. That is what the White Paper seeks to do. It is the reason why the Committee was right in the first place to focus on disinformation as a relevant and valid online arm, and why we expect a regulator—in conjunction with the parameters we give it—to do something about that, and to have higher expectations of platforms to help protect their users from what is clear misinformation, and to signal where they believe that something is that kind of information.

The third area—I don’t want to lose sight of it because it is hugely important—is that it is important for all of us as citizens, and to encourage our fellow citizens, to be more sceptical about what we see and hear. We can’t do that without help because we need to be given some assistance on how to determine what might be misinformation from what clearly is not. That starts at school and goes all the way through our adult lives, and it is part and parcel of what we shall expect a regulator to look at, and what we shall expect to be funded by the industry as part of the general funding of the regulator’s activity.

Q401 Chair: I think what we are getting at here is whether anyone is looking at this. There is the whole agenda around protecting our cyber infrastructure, the cyber security of the nation. That is quite rightly a
priority for our security and intelligence services, but what I am not convinced of is whether this issue of disinformation, of the attempt to interfere in the politics and democracy of this country by external agencies, is something that is being prioritised and looked at. If it is not, I suggest it should be, based on the experience of other countries and some of the evidence that we published during our inquiry. It would be a surprising gap if it is not.

Jeremy Wright: Yes, understood. I am not suggesting that there is nothing being done—quite the opposite. I think that the framework within which you do it is partly national security, partly attention on the platforms, and partly public education and awareness raising. In my view, that is the way you respond to that. What I am setting out in the White Paper is two of those three components. I am not responsible for the third, but on the other two I think there is some urgency to this, as we discussed earlier, and I would expect not just for a regulator to be focused on it, but for us all to be focused on it. I would expect both of those elements to be significant parts of the legislation we are bringing forward.

Q402 Julian Knight: To change tack slightly, Secretary of State, you may have followed that the Committee is currently conducting an investigation, an inquiry, into gaming and immersive technologies.

Jeremy Wright: Yes.

Julian Knight: What role or what sort of focus do you think the new regulatory framework set out within Online Harms will have on the video games sector and also the new realities—on the new augmented and virtual realities?

Jeremy Wright: It is worth saying that the focus of the White Paper is on user-generated content rather than professionally-generated content, if I can put it like that. I don't think within the confines of the White Paper—and I go back to what I said earlier on about a manageable scope—that any piece of legislation is likely to cover that. But that does not mean we are not interested in the subject, as you are. I think there is a balance to be struck here.

As the Committee is well aware, the video games industry is a very successful one in this country and I hope it will stay so. These are significant product innovations when we are looking at immersive technologies, whether they are augmented reality or virtual reality. They are going to be part and parcel of the games industry for the future and I want the UK to be at the forefront of that process. There is an economic imperative for us to support our games industry.

However, it is also important that we are conscious of the potential downsides of what may be addictive behaviour. That applies not just to video games, of course. It applies to many other activities as well, and within the confines of my portfolio we think about these issues in the context of gambling too. As the Committee knows, there is an overlap. It
is important that we get that balance right between on the one hand supporting the video games industry to do well—as we hope it will—and to be innovative, and, secondly, to make sure that we have dealt with the addictive possibilities for this kind of technology.

It is worth saying, by the way, that some of these technologies are not just about the games industry. From this Committee’s interest in tourism you can see very good examples—Northumberland is a good example, as I saw it—of where some of these technologies are being used to give people a completely different view of some of the facilities and attractions they are going to. In my view, that is a good thing too. This technology can be very positive, but as we develop it we should be thinking about its potential downsides. We should be doing that on the basis of evidence and understanding, and we should be saying to the industry, “You have a responsibility to make sure you are not designing in a kind of addictive property to a game that should not be addictive”.

Q403 Julian Knight: You described before about the potential of having to change so fast because the landscape changes so fast, and you are concerned that we will be forever running to catch up regulatory wise. Isn’t it, therefore, an oversight that you have not included video game sectors, virtual and new realities, within Online Harms?

Jeremy Wright: I think you can certainly see enough potential in the framework that we are setting out, and the duty of care model, to deal with augmented reality, and virtual reality where it forms part of user-generated content. There will doubtless come a time where users can indeed generate that kind of content. It is a simple question of whether or not they have the technology to do so.

I suppose the point I was making to you earlier was that when we are talking about the video games industry we are not talking about user-generated content. We are talking about professionally-generated content. There is a different set of considerations for that because now those technological devices and methods are only really available to the professionals. As and when they become available to all of us. I see absolutely no reason why the same principles that we have set out in the White Paper should not apply to them too. We should be saying to platforms, “It remains your responsibility to keep your users as safe as you reasonably can from harms”. The point, as we were discussing earlier, is that those harms change over time, but the responsibility will stay the same.

One of the reasons that I think this is the model is because your visibility of those harms, and the way they change, will be greater as an online platform than they are likely to be to us as legislators or to the regulator. We should not be waiting for us, as legislators, or the regulator to spot the harm. We should be asking the online platform to spot it as it arises and do something about it.

Q404 Julian Knight: You believe it is flexible enough—is that what you mean
Jeremy Wright: I do.

Julian Knight: You differentiate between user-generated and professionally-generated content, but they can fold into each other much more and one of those areas would be deepfake, for instance. Have you had any particular thoughts on that?

Jeremy Wright: Yes. I would probably distinguish between the creation of the deepfake, the technical process, and its promulgation. What I think we ask online companies to do in saying to them, “You must do all that you are reasonably able to”, is to recognise that online platforms have a good deal of technical capacity to be able to distinguish. As deepfake technology develops, I would hope that the technology to identify it develops too. I would want the online platforms to be deploying that technology in pursuit of greater safety for their users. That is what their duty of care will require them to do.

Don’t ask me exactly how that is done. That is a level of technical competence well beyond me, but these are very well-funded, very ingenious and clever companies who use their technological wizardry for all sorts of things now. I expect them to deploy that capacity and that knowhow in pursuit of their duty of care. The point about the duty of care is that it is not fixed to a particular technology. It moves as the technology moves and it remains their responsibility as an online company.

Julian Knight: Does that also apply to the misuse of data? We covered in our inquiry the potential for that to happen. I am just looking at a headline from the start of last month with Armor Games—a hack that led to 617 million online accounts. Some of these games are so big. I don’t think we knew exactly the scale before we started this inquiry. Their user bases are the size of countries. In that respect, do you have confidence that the regulatory framework that you are constructing will be able to effectively step in when there is a potential misuse of data? How do you see that dovetailing with other parts of Government in order to protect consumers, not just their individual data, from a hack such as that, and example, from the misuse of data for electioneering purposes, such as my colleague Mr Lucas spoke about a few minutes ago?

Jeremy Wright: There are two things. First of all, on the scale of these games and of the companies that are producing them, as the Committee is aware, the games industry is huge, globally now—I think I am right—bigger than the movie industry. These are very significant economic players, you are right, and that is not likely to change any time soon.

In relation to the misuse of data, we have quite deliberately constructed an architecture of data protection in this country that we would say is tougher and more rigorous than many other countries have. We talked a little earlier about the powers that the Information Commissioner has—the opportunity to levy fines where there are breaches of the data
protection rules and laws. They are very significant powers and they are very significant penalties.

There is no reason in my mind why a games maker should be any more immune from the rules around data protection than any other company or entity would be. You are subject to them like anyone else is. If you are misusing data and you find yourself on the wrong side of our data protection rules, you should expect to be subject to the ICO’s jurisdiction and potentially to its penalties. However big these global entities may be, however big the games companies get, I think they are still going to sit up and take notice of fines that are potentially 4% of their global turnover.

Q407 Julian Knight: On screen time, I have a regular e-mail that comes in telling me about it—strangely enough I am there to read it. I was delighted last week to understand that I was averaging only four and a half hours a day, which is rather impressive. In our inquiry when we went to the United States about fake news over there, one of the things we were talking about was technology as a time stealer as well. It is there in order to draw your attention in different directions. Is there any way in which you think that there is a role for Government in beefing up the warnings—the health warnings and consumer protection around screen time?

Jeremy Wright: As you know, our colleagues in the Health Department have been looking at this and the Chief Medical Officer has produced a report on screen time specifically. I think this is quite a nuanced issue. I don’t think it is as straightforward as saying, “The number of hours you spend looking at a screen equals how bad all of this is for you”. A large part of the question is what are you looking at on your screen, not so much how many hours are you looking at it but how pernicious is the material, hence the online harms agenda that we have been pursuing. It is more than just the number of hours you spend looking at your screen.

Having said that, I think the evidence is still in a state of flux. You can see some reports that say it is very bad, particularly for the very young to be spending hours and hours staring at a screen. You can see other reports that say it does not make very much difference. I think probably we should factor in also questions of what you could be doing when you are looking at your screen instead. Levels of social engagement around a family dinner table, as much as anywhere else, are affected by how much screen time we have and we are all guilty of it. I am too. I think this is much more complicated than simply totalling up the number of hours you spend looking at a screen of any description. It is partly that, partly what you are looking at, partly what you are forgoing when you are spending your time with your screen.

We have to get to grips with all of those things as a society and understand more about it. This is still relatively new technology. We don’t have years and years of research to judge how this has affected particularly young people. This is broadly the first generation that has
spent all its time glued to a screen. I am cautious about what evidence
tells us yet because it is potentially in flux still, but I also take the view
that the precautionary principle applies and that if you are sensible what
you do is do everything in moderation.

Q408 Julian Knight: I was there for the Secretary of State for Health’s
announcement on this particular area—mental health and online. You
referenced the Cabinet Office. Is there a danger that, as a Government,
we are operating in silos in this respect, and that we need to step up the
game when it comes to joined-up thinking and working together across
Government? How close do you think we are to actually achieving that?

Jeremy Wright: I think we can always do better about that in
Government. The silo risk is ever present. On this agenda there is a good
deal of cross-Government working. As you say, there are elements of this
that the Health Secretary picks up and has spoken about, and there are
elements of this, as we have already discussed this afternoon, that the
Cabinet Office takes primary responsibility for. There are elements of it
that DCMS takes responsibility for, many of which you can find in the
White Paper.

It is worth adding one more point about how all of this ties together. One
of the things that is pernicious about excessive screen time is not so
much the fact of the number of hours you spend looking at the screen. It
is the ever present nature of social media and that links us into questions
of bullying, which are significant concerns for the DfE. There are a
number of Government Departments that have an interest in this agenda.
I think it is quite right to start to look at this as holistically as we can,
hence the approach the White Paper takes, and hence the duty of care
model, which of course, as you would expect, we have needed to clear
through all of Government, and all of my colleagues believe is the right
way to proceed.

Q409 Chair: One thing I want to ask about following Julian Knight’s questions
is with regard to the new online harms regulatory system and the duty of
care principles. Would the regulator be free to apply those to other forms
of companies? For example, if it was a big game run by a company where
it was felt the chat rooms associated with that game were being used to
spread harmful material, do you believe the regulator could, on a case-
by-case basis, call that into scope and have a conversation with the
company about what its responsibility should be?

Jeremy Wright: I am keen to make sure that the regulator has the
capacity to act in the space of user-generated content. That means that,
for example, I don’t exclude from scope search engines, because they are
facilitating access to user-generated content. The other principles that I
apply here are that we must be careful not to overload the regulator. This
is such a wide space potentially and we must be cautious not to say to a
nascent regulator, “You have responsibility for covering off a massive
area within the economy” without giving it the resource and the capacity
to deal with that. I want to make sure that we are not duplicating effort.
Where there is already a regulatory structure in existence, I don’t wish to trespass upon it. For example, when you look at the press, it is not an area that I think we should be asking the regulator to trespass upon because it is regulated in a different way. Those are the principles that apply. We will look at every case individually, but I think the regulator itself will start to get a feel for what it needs to reach into and what it does not.

It is also important that we set clear expectations and manage those expectations around whether or not the regulator is an ombudsman or a regulator. The answer is that it is a regulator and not an ombudsman. Although I think it is perfectly reasonable for a regulator to have its attention drawn to an individual case that might be evidence of a broader principle, I don’t foresee this regulator picking up individual case studies and acting as an ombudsman would. It is a regulatory responsibility for the systems that online companies have, rather than individual cases.

Q410 Chair: The question I was really asking was there are some forms of online entertainment, be it video games or services like Twitch that livestreams e-Sport, because of their popularity can start to adopt the characteristics of social media. They are places where people get together and discuss things, and people can use that to discuss bad things as well as good things. In a situation like that, could that be in scope with that as a possibility?

Jeremy Wright: Potentially yes, but it goes back to the point I make about the press. The comments pages of online newspapers might be conceivably in scope except for the fact that in my view they are covered by other forms of regulation.

Chair: But in this case, if there is not—

Jeremy Wright: If there is not that overlap, I think it is certainly for us and for the regulator to consider whether it is an area it wants to move into. Again, being as humble about this as I can, I do not think we know everything yet, because this is genuinely new territory, so to some extent this has to develop organically. When the regulator is in place, or even in shadow form starting to think about its upcoming responsibilities, that is when I think we will be having exactly these kinds of conversations. I am open to them because it is important we try to define exactly what the scope will be as it develops. The world will change around us, anyway.

Q411 Giles Watling: If I may follow on from something that Julian Knight was talking about, it is interesting that it is in the interests of social media and games companies to create an addictive spiral. Doubtless you know about that and it is a thing I have on the wall of my office to remind me. We had a couple of young chaps before us, one of whom had spent 32 hours straight playing a game. This is some form of addiction. What is your Department doing, Secretary of State, to address that issue?

Jeremy Wright: The first thing to say is you will recognise, Mr Watling, that it is not just the games industry where this sort of design is
suspected. On my trip to the west coast that was mentioned earlier, I met the man responsible for the infinite scroll, and he did have the decency to apologise. There is clearly a question as to whether or not some of these technologies have been designed deliberately in order to keep us there. Of course, there is a broader question, which again we touched in the Online Harms White Paper, around whether or not there is a business model here to keep you looking at negative things because you stay looking at them for longer than you spend looking at positive things, and you can be sold more advertisements. That is a question that I think we would want regulators and others to apply their minds to.

As far as the games industry is concerned, I think it is a responsibility for the games industry not just to produce an entertaining product, although of course they try to do that, but also to think about what potential damage it can do, just as we expect from toy manufacturers. We expect manufacturers of all kinds to do that. The law of negligence in this country is well established. You have to start to think about what damage your product can do, and design against it to the greatest extent that you can. I see no reason why the same rules do not and should not apply to those who are developing gaming technologies too.

As I say, for reasons of manageability as much as anything else, we have made a distinction between user-generated content and professionally-generated content for the purposes of the White Paper. That does not mean that we—and I say “we” collectively; obviously BEIS and other Government Departments have an interest in this too—are not continuing the highest product standards to be applied. This is not just about producing a glittering product, but producing a safe one.

Q412 **Giles Watling:** Beyond the White Paper my question is about what is your Department is doing about the addiction side of it? How is it proposing to address it?

**Jeremy Wright:** There are two things. First of all, we are interested in the work that you are doing around establishing just how much of an issue this really is. If you are talking about addiction to particular pastimes, that goes way back past Angry Birds and before. We have all been addicted to one degree or another to some of these pastimes and entertainments. That is a very longstanding issue. The real question is design of addiction and the design of properties into your game that are deliberately there in order to perpetrate this kind of addiction. That is a different thing and we are still getting to grips with how that might work.

My view is that the primary obligation on you as a manufacturer, as a designer, is to produce a safe product as well as one that is entertaining, and not one that will damage those who use it. We are still in the foothills of understanding this, but it is a responsibility not just of my Department but of other parts of Government—BEIS being the most obvious example and, you can argue, the Health Department and Education too—to take an interest in all of this, and we all are.
Q413  **Giles Watling:** Is your Department engaging with manufacturers?

  **Jeremy Wright:** We do that all the time. The conversation we have with the games industry is that balanced one I described earlier: “Yes, we want you to succeed, yes, we want you to do well. We want to support you to compete internationally, but we also want to make sure that you are acting responsibly towards those who use your products”. That is the conversation we have with them and will continue to have.

Q414  **Giles Watling:** Thank you. I want to move on now to what I was going to ask you about: Huawei. I do not want you to break any confidences but you are probably aware that recently, the beginning of last month, there was a report saying that if Huawei was in some way restricted in rolling out 5G in this country, there could be an 18 to 24-month delay, which would cost between £4.5 billion and £6.8 billion to the economy. Do you think it will ruin the rollout of 5G if the Government ban the use of Huawei equipment on 5G?

  **Jeremy Wright:** I should start by saying what you would expect me to say, which is that there is a limit beyond which I cannot go in discussing this subject. That inevitably, I am afraid, hampers the answers I am going to give, for which I apologise in advance.

Let me talk about some of the principles that are clear and are possible for me to set out, which will apply to this decision. The first thing to recognise, as the Committee will know, is that there is already a substantial amount of Huawei equipment within the telecoms network. We are not starting from a standing start. There is already Huawei equipment, and that applies to the telecoms network more broadly. It does not apply to critical national infrastructure from which Huawei equipment has been excluded for some time.

It is also right, and the Committee knows this, that there is a method of managing Huawei equipment that does not exist for other suppliers because of the nature of Huawei and where it comes from. That is the oversight mechanisms, the evaluation centre about which the Committee knows. It is there for us to engage with Huawei and make sure we are confident in the equipment that it supplies. The conclusions of that oversight mechanism most recently—the last two reports it has produced—have not been about concerns that the Huawei equipment in the system is being used for espionage, but rather that there are technical engineering deficiencies in it that need to be remedied. This is not solely about espionage; it is about quality of engineering so far in the Huawei equipment that is already within the system.

We have then said—I did this deliberately when I arrived in the job because I thought it needed doing—that what we have to do next is a properly based review of the security of the telecoms supply chain, included but not limited to Huawei equipment. This is not a review that is just about Huawei; it is about all the equipment in the network. It is worth recognising, too, that there is a substantial amount of Chinese
componentry or Chinese assembly of componentry in the material that is supplied by other suppliers in the network. This is not just about Huawei. In other words, if you are asking how do I exclude Chinese equipment from our network in its entirety, you would not only be looking at Huawei, because other manufacturers also include Chinese components in what they produce and supply to us.

Q415 **Giles Watling:** You have had no evidence or seen no evidence at all of possible espionage?

**Jeremy Wright:** The judgment that has been made by the Oversight Board—these reports are published so you can read them—is that the concern it has is not that Huawei equipment is being co-opted by the Chinese state for espionage purposes, but that there are engineering deficiencies in that equipment that mean we should all be worried about it.

Q416 **Giles Watling:** But you have not seen the evidence?

**Jeremy Wright:** It may not be the Chinese who are manipulating that. It could even be others, but it is an engineering problem. That is the view of the oversight mechanism.

The review that I have initiated goes beyond that. It is not just about Huawei equipment and it is not just about engineering deficiencies. It is a properly based review of the whole telecoms supply chain so that we can determine what we ought to do as a nation to keep our telecoms equipment safe. Why is that important? It is important as things stand, but it becomes increasingly important as we move towards 5G. 5G will enable us to do more things, including more networks on more sensitive subjects and more sensitive purposes, which makes this even more crucial, so this is the time to do it.

That review is complete but the decisions that Government need to take on the back of it are not. Leaks notwithstanding, what I have tried to say is that as and when we are in a position to describe what we have decided to do and why we have decided to do it, then of course I will come to the House and make a statement in the normal way and explain it.

Q417 **Giles Watling:** Do you any idea of the timeframe on that?

**Jeremy Wright:** I cannot give you a date; I hope not too long from now. It is important that some of those starting points that I have described, some of the assumptions, perhaps, that people are making about how much Huawei equipment there is in the core of the network, how much there is in critical national infrastructure, intelligence and security networks, defence networks, are wrong. The primary purpose of the review that I have set in train and on which we will now make decisions is not to find a way of cheapening the cost of a 5G network; it is to find a way of making sure that the 5G network and our broader telecoms infrastructure is safe and secure. That is its primary purpose. I will not
trade off—neither will the Prime Minister, I am sure—economic benefit with cheap kit against security risk. I will not do that. The primary purpose of this exercise is to find a way to deliver a 5G network safely.

It is important also to say finally that there is a reason we are keen to deliver a 5G network. Some people would say, “Let’s not bother, it sounds like it is terribly risky”. There is a real reason why we need 5G, and why we need to be and should want to be globally competitive in 5G. When you want to do that, you have the market and the suppliers and the network of the equipment that exists as it is. Would we all like the supplier to be a British firm that we can all be absolutely confident in? Yes, of course. Does such a firm exist? No, I am afraid it does not. Unless you want to create it from scratch, which will take a very long time, then we do not have that option available to us. This, as ever, is not a perfect world, but we are seeking to make sure that whatever we do in the 5G supply network, we do it safely.

Q418 Giles Watling: Do you envisage a serious holdup in the rollout of 5G because of the issues that you have just described, which might indeed cost the economy many billions of pounds?

Jeremy Wright: There is certainly the possibility of a delay in the process of the rollout of 5G. If you want to do 5G fastest, you would do that without any consideration for security. But we are not prepared to do that, so I do not exclude the possibility that there will be some delay. Of course, the way in which we approach this, based on security considerations, will determine how long the delay might be. The more you want to restrict this kind of material from the network, the longer the delay is going to be. That is the reality of it. However, as I have said, the primary intention of this process is to get the security of the network right. I will not sacrifice either the speed of delivery of the network or the cost of the delivery of the network for the security imperative. I am pretty sure the Prime Minister will not either.

That is the way we move through this, but these are not straightforward issues. They are not, you would expect me to say, helped by people leaking selective information from discussions about them, and it is inevitably impossible for me to go into a great deal of detail about all the considerations and how they balance up, because of the nature of the material we are talking about here.

Giles Watling: I think you have about covered it. Thank you.

Q419 Clive Efford: The Australian Government’s decision for an outright ban on Huawei was that 5G networks will have less clear division between core and edge architecture. What assessment have you made of that issue?

Jeremy Wright: Again you will understand, Mr Efford, I cannot disclose to you precisely the advice that we have had from those who advise us on the security of this. However, for your reassurance, the review that has been conducted has been discussed and developed in parallel
between my officials and those at the National Cyber Security Centre. That is the advice that we take from our own experts about the security requirements here.

If we come to a view that is different from the Australian view of this—and every country must make its own judgments based on its own security advice and, crucially, on the capacity it has to protect against the risks that are inherent to all of this—I will explain why we have done so to the greatest extent possible, with reference to security information. I can give you reassurance that we are developing this closely with those who work for NCSC and who are our experts on this. You will not find me discounting the advice that they have given.

Q420 Clive Efford: So the national cyber security body that is being set up is for by Huawei and it is there to vet it.

Jeremy Wright: No, sorry, I should be clear. There are two different bodies. There is an oversight body that deals with our relationship with Huawei. That is a separate body. The National Cyber Security Centre is not specifically there to deal with Huawei; it is a separate, pre-existing body that advises us.

Q421 Clive Efford: But the head of the National Cyber Security Centre chairs the vetting body?

Jeremy Wright: Yes, absolutely. It is NCSC high-level representation in that oversight body. That is a way of bringing together Huawei with our security infrastructure to make an assessment about Huawei equipment. The advice that I am talking about that will determine our judgments on this broader review—I repeat, this is not just about Huawei; it is about the entirety of the network from wherever the information is supplied—comes from the National Cyber Security Centre. It does not come from Huawei; it is not involved in that process.

Q422 Clive Efford: How many other companies involved in this process were vetted in the same way?

Jeremy Wright: The process of looking at the telecoms infrastructure, which we are engaged in now, covers all suppliers. As it happens, within the network—I am talking about the radio access network predominantly here—there are remarkably few suppliers: essentially Huawei, Nokia and Ericsson. We are not talking about a large number of companies, but there is ongoing engagement with all of them, as you would expect, and there will continue to be. I am interested in working out whether there is a methodology we can apply that, regardless of where we get our equipment from, means we can be satisfied that the security requirements are being met.

Inevitably it will make a difference if you are dealing with a Chinese company, with all of the restrictions that there are on Chinese companies, compared with one that is not. My point earlier was to say that I do not think we should lull ourselves into a false sense of security about saying
that we simply exclude Chinese companies—and of course we have done that. ZTE it is a Chinese company that we have said should not be supplying equipment into the network. That is a decision we have already taken. Even if you were to exclude all Chinese companies, you would not be excluding all Chinese equipment and you would not, in my view, be adequately addressing the broader questions of security that we ought to apply our minds to for the whole telecoms network.

Q423 Clive Efford: Is the decision on moving forwards with Huawei to the exclusion of those other two companies, or could you still switch to them if you were satisfied with their security arrangements?

Jeremy Wright: They each supply a percentage of the market at the moment. Inevitably, if what you do is move from three suppliers all competing to two suppliers all competing—it is worth saying also that in some of these installations, sometimes deliberately, there is equipment from more than one supplier and that in itself has a security value. If you reduce the number of suppliers in the system, inevitably you will lose economic benefit because the competition will not be fierce. There is also a security consequence to that, because you will have fewer different suppliers within a network.

If you imagine for a moment that we reduced it not just to two suppliers but to one, and then that supplier is taken over by a hostile foreign power, you have a problem because you have only one supplier in your system. This is far from straightforward and we have to think more broadly than just about whether we do or do not like this particular company or trust this particular company, and whether we can accommodate this kind of company in our system. We have to think more broadly than that about the security of the entire supply chain and how we impose the proper restrictions on all of it.

Q424 Clive Efford: When mobile operators are raising concerns about Huawei equipment, is it fair or are there concerns about the other suppliers too causing delay in the rollout of 5G?

Jeremy Wright: I suspect you can probably find complaints about everyone’s equipment at some point. As I say, the concerns we have about Huawei equipment are more visible because of the oversight process we have in place. Reports are produced about it in a way that they are not produced about Ericsson or Nokia, for example.

I do not know the answer to what level of concern you would get from mobile network operators about equipment from them. What I do know is that when you look at what the oversight processes concluded about Huawei equipment, it is not, in their judgment, that this material is being exploited for espionage purposes; it is problems with the engineering. That does not mean, of course, that we can exclude, either, the fact—and it is a fact—that Chinese companies are biddable by the Chinese state in a way that Nokia and Ericsson are not. That is a factor and I do not want to dismiss it, but that is not where the focus of concern so far has been in
the particular oversight mechanism that we have had in place for Huawei and for some time.

Q425 Clive Efford: Finally, there were a lot of concerns expressed, going back over a decade, about Huawei’s involvement in networks across the world, including countries with whom we are very friendly and co-operate with on security issues, which makes it all the more surprising that we have taken the decision that we have. Were any other factors at play, like wanting to have closer relationships with China following Brexit or anything like that?

Jeremy Wright: No, is the straight answer to that. I have set out what are the parameters of the review from my point of view and the basis on which we will seek to take decisions. It is worth saying, as I said earlier on, that we have not taken decisions yet so there has been no exclusion yet. It is also worth saying that when you look around the world what you will find is a good deal of Huawei equipment in many other countries too, and they are going through very similar processes to us. They are making judgments about what they should do, not just about the Huawei equipment that is already in their system but about how much involvement they should allow this company in the development of their own 5G networks.

It is perfectly true, as you say, that Australia has come to a particular conclusion, which is that they wish to exclude from the 5G network all equipment that may be biddable by another state. That is essentially the definition they have given it. That is not yet a conclusion that anyone else has come to. We will have to see what everyone else decides. Our primary responsibility, of course, is to decide what we think is best for the UK. I have tried to set out the detail that I can go into regarding the basis for those decisions.

Q426 Chair: To clarify a few things on this, it would be fair to say that the advice that has been given about Huawei is that its involvement in our infrastructure here poses national security risks now and will continue to do so in the future.

Jeremy Wright: I am not, as you will understand, Mr Chairman, going to go into precisely what security advice we have been given. What I have said, and am happy to repeat, is that there is clearly Huawei equipment within the system. We have a mechanism for managing it. That is public knowledge and you can read the reports of how that oversight mechanism operates and makes it assessments.

Our judgment now has to be, based on the level of involvement there is of Huawei and a system that we operate now, do we intend to say we will have no further involvement with Huawei in the 5G network—which of course, as the Committee appreciates, is built on top of the 4G network; you do not start from scratch for that either. Or, do we say we are content to allow it to participate in all parts of that 5G network. Do you say only in some parts? Do we say we are unprepared to tolerate Huawei
equipment in any of our network, which would mean ripping out quite a bit of equipment from our existing telecoms network? Those are the judgments we have to decide between. We do that on the basis of security advice. I cannot disclose that to you, but the Committee has my reassurance that we will not be ignoring that advice in the decisions that we make.

Q427 **Chair:** The report of the Huawei Cyber Security Evaluation Centre Oversight Board that you have mentioned says, “The Oversight Board can only provide limited assurance that all risks to UK national security from Huawei’s involvement in the UK’s critical networks can be sufficiently mitigated long term”. Not only are there issues now, but it cannot provide any guarantee that they will be resolved in the long term as well.

**Jeremy Wright:** That is right. That is based, as I said, on engineering deficiencies within Huawei equipment. Of course, this is cumulative. If you produce a report one year to say we think there are engineering deficiencies in Huawei equipment, and Huawei says, “Yes, we will do something about that”, and you then produce a following year’s report that says they are still there, levels of confidence must diminish. That I think is right.

To finish the thought, that is based on the assessment of the oversight mechanism about engineering quality. It is not based, as I read it, on assumptions around espionage or the co-option of Huawei by the Chinese state.

Q428 **Chair:** The Oversight Board is saying that these technical deficiencies, as you called them, are a risk to national security. That is what it says in the report.

**Jeremy Wright:** Yes. The point is that if you have engineering deficiencies of this kind in a telecoms network, whether or not the Chinese state is looking to use Huawei equipment to access the network, there is a risk that others might. I think that is the point it is seeking to make.

Q429 **Chair:** Yes, but there is something else concerning about it. It is not just that it is saying this is a UK national security threat. It is also saying that Huawei is not fixing these technical deficiencies.

**Jeremy Wright:** Certainly not adequately. Certainly not between those two reports.

Q430 **Chair:** If I may, the report goes further. I will quote exactly from what the report says. It says, “For this reason the National Cyber Security Centre continues to advise the Oversight Board that it is only appropriate to provide limited technical assurance in the security risk management possible for equipment currently deployed in the UK, since NCSC has not yet seen a credible remediation plan”. It is not seeing any credible plan for Huawei to fix these technical difficulties that pose a threat to national security. In that situation, is it not fair to ask whether this is a company
we should be giving more work to, until it has fixed the national security risks of the network it has already built?

Jeremy Wright: it is undoubtedly a relevant consideration. Again, I am a little bit hamstrung by not being able to go into a great deal of detail as to what advice we are getting from NCSC but, as Mr Efford and I were discussing, there is a clear, high-level involvement by NCSC in the oversight mechanism for Huawei. The people who are advising us on these broader decisions are intimately concerned and aware of what is going on in the Huawei oversight mechanism. The people who are writing those reports, or contributing substantially to them, are the ones who are going to be advising us about the broader principles that should apply here. You can rest assured that the judgments on Huawei that they have managed to gain via those oversight mechanisms will play a part in the broader advice they give us. I shall be listening very carefully to that advice.

Chair: You can see, boiling this down, the official advice that is published—this is public advice. This is what has been published by the Cabinet Office, let alone what the private advice is like. These technical deficiencies are a national security risk. Huawei is aware of them; it is not fixing them. While those risks exist, they could be exploited by anybody, including the Chinese.

Jeremy Wright: Yes, but as I say, the level of risk in this process exists. We know it and we know what it is. The real question is: are you able to mitigate and manage that risk substantially enough to be confident that we should consider Huawei for the 5G contracts we are talking about next? That is the question. Again I am in difficulty because I cannot tell you what we are being advised, but you can assume that what you have read out to me is part of the advice that we are being given. It is not the totality of the advice we are being given. Our judgment has to be whether we manage and mitigate that risk successfully. That is the primary consideration.

If the answer to that is no, you can assume that we will proceed in the same way as the Australians and say that Huawei should not be within the system. If the answer is yes, we may come to a different conclusion, but that is the basis for decision-making. That is what we are doing at the moment.

Chair: You have to say unless Huawei is going to start doing something different, the answer to that question would have to be no.

Jeremy Wright: No, I do not think that is right.

Chair: If I may, what those two reports are saying is that the risks are there and they are not going away. If they were saying, “We are working on resolving them and we have confidence we can do that”, that would be one thing. But what they are saying is the risks are there and they are not going away.
Jeremy Wright: Yes. I do not think there is any starry-eyedness in the minds of NCSC about Huawei. Far from it. There are certain risks that are not going to go away. The Chinese are not going to change their law so that Chinese companies are no longer biddable by the Chinese state. That is an ongoing risk. The trick here is to find out whether we think we can hedge these risks around sufficiently that they are risks that are manageable. We have to take those judgments on the basis of the advice we get. Some of that advice is public; you have read it out to me. Some of it is not and at least as far as I am concerned will not become public, so it is difficult for me to have to have a comprehensive discussion about it.

It will be a little easier, I think, when we have reached those conclusions and we set them out in the normal way in a statement. The Committee will, I know, pay close attention to that and want to question me further on it when we do that. I hope what is helpful today is for me to set out the parameters for the decision-making. That is how we will approach it. As I say, the Committee has my reassurance that this is not an exercise in working out how we get the cheapest telecoms equipment. It is about much more than that.

Q434 Chair: I appreciate that and you have made that very clear. A final question from me on this is that given the advice that you have given so far, given what is in the public reports about this, you say the question is do we feel we can manage that risk responsibly in the future. Do you think we have been successful at managing that risk so far?

Jeremy Wright: Clearly we would like to have been more successful, because if you look at the movement from year one to year two, it has not been anything like as great an improvement as we would have wished. I do not think it follows from that that, serious though all those concerns are, it automatically means that we have no faith in Huawei to improve its equipment in the ways that we would expect. It is more complicated than that, as perhaps you would expect, but I think there is no doubt that what is causing us considerable pause is the fact that those concerns clearly exist.

Q435 Rebecca Pow: Thank you for attending, Secretary of State. I am going to move us on to a different subject of mobile coverage in particular. The Government have very much set their hearts on this being a key priority and, through the auctions, achieving 95% coverage. However, Ofcom has reduced that coverage commitment, saying that under the auction it is reducing it to 90% and will take even longer to deliver it—not the three years for the coverage but up to four years. What is your response in now setting out a clear plan, saying how on earth are we going to reach our targets and up our game on mobile coverage? I have to be honest and say I am sure lots of us go about and get absolutely constant comments about our poor mobile coverage in this country.

Jeremy Wright: Yes, I do too, and I suffer from it as everyone else here does. The 95% aspiration remains. That is what I think we should try to
get to. I am less prescriptive about the means by which we achieve it. It may be that we can get some or all of the way through the Ofcom auction process for that section of spectrum, but my view—and I have expressed this I think with breathtakingly clarity to the industry—is that I want 95% coverage.

If they believe that cannot be done by means of the auction process, then they need to come to me with proposals as to how it can be done. I am not prepared to take off the table means by which we can contribute to that target, which they may not very much like. They do not like the concept of rural roaming. They do not like the idea of being compelled to share masts and I understand why. Their concern is that if you take the time and trouble to invest in a network of masts and the Government make you share them, you have not gained the maximum return from your investment. I understand that; that is a rational response.

Q436 Rebecca Pow: Would the Government be putting money into that? To make it more acceptable, obviously there have to be carrots.

Jeremy Wright: Yes, I accept that. Can I come on to that? To finish the thought in relation to roaming, one way in which we may be able to improve coverage is to expect mobile network operators to share structures so that even if it is not your mobile network operator that has the nearest mast, you can still make use of it. I think that will have an effect—predictably it will.

There may be a mechanism whereby the mobile network operator whose mast it is can charge the others for its use. That is all perfectly feasible but even that may not do the whole job. I want to see what the industry comes back to me with. In my view the ball is in their court. I have said to them, “I will consider mobile roaming, among other things, if I believe it is what is necessary to get me to my 95% goal. If you can find a way of doing it that does not involve that because you do not want to do that, let me hear what it is”. If they come back with something that says, “Okay, we can do this but it is going to cost you some money, you, the taxpayer, are going to have to stump up some cash”, I will of course consider that.

I want to provide the level of service that your constituents expect and so do mine. We will have to consider what the industry comes back with. I do not want to prejudge it. I want them to have the opportunity to present me with a proposal. They are going to do that very shortly and when they do I will make an assessment of it. I want to be sure that we are making the best use of the network, and we are getting the closest we can to 95% by whatever means will be most effective at doing it.

Q437 Rebecca Pow: Do you have any dates for this? If you happen to be running a business—and I particularly want some reference to the rural areas—this is urgent. They do not want to keep on waiting. Counties like Somerset, for example, are really badly hit. A third of buildings in rural areas cannot get any mobile coverage. This is really serious.
Jeremy Wright: Yes, it is, and we need to get on with this. That is certainly true. The commitment that we have is to do that by 2022 but of course there is no reason why we cannot see improvements along the way. There should be consistent improvements along the way and we should not be too definitive about the technologies we use either. Let us see what other particular technological solutions there might be. As we move towards 5G there are other options that are available to us too, particularly in rural areas. Small-cell 5G networks, for example, with hubs in farms, are a promising way in which we can start to deliver better service to rural areas, including in Somerset. There are possible technologies available to us.

From a ministerial point of view, I am agnostic about the technology. What I am after is the result. The result must be that we get to 95% coverage. Inevitably, as everybody here knows, the closer to that target you get, the harder it becomes because the remaining few percentage are the really hard-to-reach places. That does not make it any less important that we get there and I believe we should. The next step is for the industry to come to me and say that if they do not like the methods that I currently have available to me, they are obligated to present me with alternatives. That is what they are going to do and I will assess them when I see them.

Q438 Rebecca Pow: How ruthless will you be in rapidly reading the riot act and saying, “That is not good enough, you have not come up with some ideas”? Basically you have put the ball in their court, saying, “This is not good enough, you have to do it by this date and this is what we want”.

Jeremy Wright: Some sections of the riot act have already been read and the remainder of the act will get read if I do not think that the proposal they are making will do the job in the way that I think it should be done. I will then revert to pursuing options like rural roaming, which I believe can do it more effectively. You are right, the ball is in their court, but I do not intend to leave it there for long. It is up to them to come forward with proposals.

Q439 Rebecca Pow: You mentioned that perhaps we might use 5G but that all depends on the Huawei issue. Do you think you are pushing more for 4G? Is that more realistic?

Jeremy Wright: 4G is what we are working on now. There will be some 5G rollout later this year I think it will begin.

Q440 Rebecca Pow: You have not put it out in your draft statement of strategic priorities. You have not specified what it should be.

Jeremy Wright: No, and I do not think it is right to. As I say, it is the objective that is crucial, not the technology. I am open to suggestions as to the most effective way and the quickest way we can get to our 95% target, because I do not think the people you represent or the people I represent could really care less which technology it is.
Rebecca Pow: No, they do not want to know how it is done.

Jeremy Wright: They just want it to work. Let’s find out how we can most effectively get to a place where it works in the most number of places across the country. That is the objective. In the end, there are number of potential tools available to me. They include the Ofcom auction, though it is worth saying that the Ofcom auction is a matter for Ofcom not for me. It is a way of getting some way towards the destination.

Roaming is another possibility. It is not without its problems, as we know, but it is an option to consider. There may well be others. What I am expecting of the industry is that they come forward with their proposals as to how we deliver that target. Once I have seen it, I can make my assessment of it. If I do not think it is good enough, you have my assurance I will tell them so and send them back again. But we must get to a place where we have a series of options, probably, that will get us towards that target. That is what we are all after. I am agnostic about methods.

Q441 Rebecca Pow: One thing I am very conscious of is whether you are aware that we exacerbate this rural-urban divide and what I would call a great deal of rural deprivation, because we have not sorted out things like mobile coverage in the rural areas. For a Government this is something, would you say, that you have to take on board rather more seriously than we have been?

Jeremy Wright: I am very clearly aware of that and I hope you will see that in the approach we have taken on broadband, which is to say two things. First of all, everybody deserves the best possible quality of broadband supply. That comes from fibre, it does not come from copper wire any more. If we are going to deliver a fibre network to the maximum extent we can, we should not allow those places that were left until last in the superfast rollout to be left until last in the fibre rollout.

That is why we have said in the Future Telecoms Infrastructure Review that we would take a so-called outside-in approach. What that really means is that we identify places—such as the ones you represent and quite a few of the ones I represent—that will not get a market rollout of good quality broadband without some help, identify those early and give them the broadband coverage they ought to have to a high standard at the same time in parallel with the market rollout. That is exactly why we want to do that differently to the way in which it was done in the superfast rollout, precisely for the reasons you give. That is exactly the policy approach that we have reflected on broadband.

For mobile, as I say, the objective is to get to those hard-to-reach last places. I am agnostic on method. I think there will be a number of possible technical solutions and probably a combination of them, and I hope very shortly to have the industry’s proposals as to how we do that.
Rebecca Pow: We have strayed on to broadband and someone else is asking about that. I must just ask you about connecting Devon and Somerset and other areas where Gigaclear was operating. It still has not delivered. When will come a time where you as Secretary of State might intervene to get on with this programme? Yet again it is largely the rural areas that are suffering. It has been given the contract. It is the biggest contract in the country. It has not been delivered; it has all stalled. People are up in arms about this. We have extended the state aid, for which we are extremely grateful, pending the autumn statement. What is going to happen?

Jeremy Wright: As you know, I am aware of the particular concerns in the area you represent, Ms Pow, not least because you have drawn my attention to them on a number of occasions. I think it is fair to say on behalf of Gigaclear that I do not believe that its performance has been inadequate everywhere. There are examples of good performance in other places and Gigaclear is one of those few operators that focuses specifically on rural areas. It is important that we have operators that do.

However, I think the right thing for me to do is to pick up again the specifics of your concerns, and perhaps we can deal with that by separate correspondence so that if there are further points for me to pick up I can do that. It is not acceptable for companies, whoever they are, not to meet their contractual obligations. If that is not happening, I am happy to pick it up elsewhere.

Brendan O’Hara: The story on mobile coverage across the UK is not a story to be particularly proud of and those living, working, representing or trying to do business across the UK in their rural areas will testify to that. Neither has the rollout of full-fibre broadband. Today what percentage of UK homes and businesses currently have access to full-fibre broadband?

Jeremy Wright: The figure at the moment on full fibre is about 7%, I believe, and I would entirely agree that that is inadequate. It is inadequate for our own purposes and it is inadequate by reference to some of our competitors—not all but some. There are countries in Europe that have a much more substantial percentage of fibre rollout than that. We have to do better than that.

We have talked a little bit already about the outside-in approach, which for me is a better way of delivering fibre broadband to as much of the UK as we possibly can. You can expect, I think, the market—increasingly you are starting to see this—to produce good quality fibre coverage for urban areas. If you live in the middle of Birmingham or in the middle of London or Manchester, you are going to find a number of different operators competing to lay fibre that will supply your needs.

The difficulty is in the areas you represent, or that Ms Pow or I represent, where you are not going to get different fibre providers competing to lay fibre to your constituents’ doorsteps, because they are more difficult
areas to reach. Therefore, we have to have a strategy that enables us to deal with that 10% or so, as we assess it to be, that the market will simply not reach without extra help. That is what the outside-in approach is for; that is what the Future Telecoms Infrastructure Review does.

I had to make a substantive and strategic decision very early on in my time in this job, where I could either have said we will go on as taxpayers subsidising a combination of copper wire and fibre, or we will make the strategic shift towards a full fibre network. For me it was clear that what we needed to do was make a shift towards full fibre. That means that it may take a little longer for some people to get their upgrade, because delivering a part-copper, part-fibre upgrade would be quicker than delivering a full-fibre upgrade, but the upgrade you get from full fibre is a lot better than the one you get by combination.

With one slight caveat for that built-in slight delay, I still believe that the objective here is to roll fibre out as fast as we can and to do it for as much of the UK as we can, not just for the major urban areas.

Q444 **Brendan O'Hara:** You referenced other European countries. To give it some context; the figure of 7% was what I had read. I just wanted it confirmed.

**Jeremy Wright:** Thank heavens for that.

**Brendan O'Hara:** Spain is currently over 70%; Portugal is currently over 90%.

**Jeremy Wright:** Yes, that is right.

Q445 **Brendan O'Hara:** How has the United Kingdom got itself into the position of having a 7% rollout?

**Jeremy Wright:** There are a number of reasons for it. If you look at the combination of multi-occupancy dwellings—which are easier to connect if you have the right planning laws because you put in the feed and then you go into all the flats in the building—there is a different ratio between Spain and Portugal and the UK. Our planning laws are not quite where we want them to be and we have talked already about potential legislation on wayleaves to allow for services to be connected where the landlord has not responded to the requests from the fibre supplier to do so. There are a number of legislative measures that we can take.

I would not dispute, Mr O'Hara, that we are not in the place we want to be. We need to go faster than this and that is exactly why we are doing what we are doing. We are making a strategic decision to focus on fibre, changing the planning laws so that we can roll it out as fast as possible to multi-occupancy dwellings, which will start to get you a significantly higher percentage, but also making sure that we do not lose sight of the need to give good quality access, if not by fibre perhaps by other technologies, and good quality broadband to people who live wherever they live in the
UK. These are not going to be optional extras. They are already and are going to increasingly be utilities that everybody needs.

Q446 Brendan O'Hara: You see the advantage of multioccupancies, and so on, but I have come back quite recently from the Faroe Islands, a small far northern group of islands with very limited multiple occupancy. They have a far more difficult geography or topography than almost anywhere else in the United Kingdom, but they are absolutely miles ahead of the UK. Ultimately, this has been the fault of politics. It is a political failure to do this. Had the political will been there, there is no geography, topography or multiple occupancy that you could point to, to say, “That is the reason it has not been done”.

Jeremy Wright: I do not accept there is a lack of political will. There is considerable political—

Brendan O'Hara: There has been.

Jeremy Wright: I speak for the Department I operate now and there is no lack of will to deliver this. I hope you are right, and that there will be considerable support for the legislative measures we think can help. I look forward to the support of the SNP, and I hope all other parties, for the legislation we will bring forward on wayleaves because that will make a difference. This is about marshalling our resources to deliver this improvement as fast as we can. That is what we are doing.

That 7% is a low base. If you looked at a graph, you would find accelerating progress because we are starting to see the laying of fibre, not just by Openreach, but by Virgin and by others. We have talked already about some of the other operators—the old networks that are operating in rural areas like Gigaclear or Hyperoptic, and others that are operating in urban areas. We are starting to see a lot more activity. That is what we want. My objective is to support that activity in the best way that I can, and to remove any legislative obstacles that there might be to that happening further.

Something else we have to do, and which we are doing in conjunction with others in Government, is to make sure that new builds have fibre connections. You should not be building houses in 2019 that do not have a full fibre connection. We expect the builders of new housing estates to be working closely with Openreach to make sure that those connections are put in from the outset. Once that starts to happen at scale you will start to see considerable movement in that percentage figure.

Q447 Brendan O'Hara: Are you concerned or has anything been done about the doubling up of effort as Openreach and AN Other both head for the jam of central Edinburgh or central Birmingham? They are all chucking in hundreds of millions of pounds each, doubling up on effort to try to maximise profit, whereas we see rural parts of the UK are being completely ignored. Has anything been done to stop that?
Jeremy Wright: I take your point. It is a challenge here. We should be realistic about the degree to which we can combat it. The reality is that the reason everybody gravitates towards central Manchester or Edinburgh or London, or anywhere else, is that there are a lot of customers there all within a relatively short space of each other. Laying the infrastructure and servicing those customers is easier, cheaper and more lucrative. That we cannot change. The reality is that out in the countryside those economic dynamics do not apply in the same way.

We can do two things. The first is to make sure that the ducts and poles—the architecture that at the moment Openreach controls—is opened up to everybody so that people can make use of it to deliver their service more cheaply and effectively. We are doing that. Secondly, it is make sure that Openreach, which is still of course the dominant operator in this marketplace, is more transparent about what it is doing and where it is going so that we do not have unnecessary duplication. I am all in favour of competition but I want to avoid unnecessary duplication. Part of that will be, if you are an alternative supplier to Openreach, having a better sense of where Openreach is going. Some of that is about transparency and we are looking at ways in which we can do more of that too.

Q448 Brendan O'Hara: Will Brexit have an effect on the fibre rollout?

Jeremy Wright: The imperative to deliver a good quality fibre network will remain, whatever our status with the European Union. These are utilities that, whatever our associations internationally are, we will want and need. The potential effect, which you might be coming to, is the workforce implications. If you are going to deliver a network at pace you need properly qualified and skilled people to do it. In that context, it is true and the fact that Spain and Portugal, for example, have very extensive fibre networks indicates to you that there are quite a lot of Spanish and Portuguese people with the skills to deliver that kind of rollout because they have done it in their own country.

If your question to me is are we, as a matter of Brexit, inevitably going to see the choking off of the skilled labour that we need, I do not think that is inevitable. What it relies upon, though, is an intelligent design of our immigration system. One of the advantages of Brexit is that we have the chance to design our immigration system in the way that we think will benefit us most substantially. One of the ways in which we should do so is to recognise that there are some skillsets that we will want, some individuals that we will want to encourage to come here and facilitate their access. I expect and hope that that is exactly what the Home Office-designed immigration system will be. You can be assured that what my Department is doing is speaking to the Home Office about exactly how we can make sure that groups such as these are included in the Home Office’s considerations in doing that.

Q449 Brendan O'Hara: I think every Department has one and would it not just be far simpler if we stayed either in the EU or within a single market?
Life would be far simpler because there are estimates that above 50% of the people who are digging the trenches and laying the fibre cable are EU nationals. It is a huge percentage. That is not going to be picked up. Do they qualify as earning more than £30,000 a year? Probably not. It is a huge logistical challenge trying to keep—

**Jeremy Wright:** There are a few things in that. Mr Chairman, I am sure you would not want me to get distracted into the argument about whether or not we should accept the result of the referendum, which I think we should.

But if you are asking me about the design of our immigration system, the proposals the Home Office is making at the moment is that we should gravitate towards welcoming those with high skills rather than those with low skills. One way of defining high skills is to say, “Do you make more than £30,000 or not?” I do not know offhand whether the types of engineers and workers that we are discussing here would be above or below that threshold. The other way that the Home Office is considering this is to look at shortage occupations: where do you not have those domestically grown skills and therefore need to find them elsewhere?

I simply do not accept it is beyond our wit to design an immigration system that will enable people to come in from wherever—perhaps from the EU, perhaps from elsewhere—who have those skills to do the work we will have for them to do to deliver the network that we need. I do not accept we cannot do that, whether we are members of the European Union or not. It requires an approach that designs our own immigration system in an intelligent way. We are more than capable of doing that.

**Brendan O'Hara:** I would suggest we already have it by being members of the European Union and we can keep it at least by retaining the single market membership.

**Q450 Jo Stevens:** Can I follow on to do with Brexit? How many of your civil servants are currently working on Brexit?

**Jeremy Wright:** It is always difficult to give that figure because inevitably there are overlaps between some of the things that other bits of the Department do and Brexit-related activity. Are you asking me about movements of staff solely to deal particularly with no-deal Brexit, because of course Brexit may be deal, it may be no deal, and both have consequences?

**Jo Stevens:** Brexit generally.

**Jeremy Wright:** Brexit generally is quite hard to work out because quite a lot of what my Department does is affected by the process of leaving the European Union so they can carry on doing what they are doing while also acting on Brexit. Let me give you some figures for no-deal planning because we have done some of that.
A little over 100 of my civil servants transferred from the directorates they were in to do specifically no-deal planning. A large proportion of that, as the Committee would expect, was to do with data adequacy, something that my Department has been concerned about. In other words, how you make sure that data continues to flow between the UK and the EU, particularly in the event of a no-deal scenario.

**Jo Stevens:** What proportion of your overall civil servant numbers does that 100 represent?

**Jeremy Wright:** There are about 1,100 civil servants in DCMS altogether. What I was going to go on to say is that most of those 100 are now back to the desks they were in, so they have come back from that process. We need to make sure that they are able to go back to it if they need to, but most of them are back to their previous directorates. There were probably 80 or so who stayed in their original directorates but changed the nature of what they did, and there were some 20 civil servants seconded from outside the Department. That is on the no-deal scenario.

It is much harder to calculate for the deal scenario, because quite a lot of the ongoing work of the Department would need to be done anyway. Of course, you would have longer over which to do it. But the majority of those who have shifted have shifted either into what we have called the departmental operation centre, which is the way of dealing with any urgent requirements, or into data adequacy. Most of those have come back to where they came from.

**Q451 Jo Stevens:** If that cohort of your civil servants had not been pushed to deal with no deal and were not doing the other general Brexit stuff, would this Online Harms paper have come out much earlier?

**Jeremy Wright:** No, because I have been very clear with the Department throughout that I regarded the Online Harms White Paper as a priority and I wanted to make sure it had the resource it needed. The reason it has taken time, as I have discussed with the Committee before, is that I have been absolutely determined to get it right. It is important when you do something like this to take the time to listen to what people have to say. That applies to people in the House of Commons, the House of Lords and people outside, and we have done a lot of that. It has a novel nature, as well as a complex nature, and it has taken a while to do that. I will make no apologies for taking the time to make sure, post the production of the White Paper, we get the responses understood before we produce legislation.

It is not about resource; it is about complexity and wanting to hear what people have to say. There are, of course, areas of departmental activity that have had less focus because people have gone to prepare for a potential no-deal scenario. That was the right thing to do. I do not think this Committee would have been impressed and would have had different criticisms for me if we had ended up in a no-deal scenario and the
Department was not prepared for it. It was necessary to do, that but we will obviously want to make sure we redeploy resource back to that work as soon as possible.

Q452 Jo Stevens: Earlier in your evidence you said that the need for legislation is now urgent. You said that you could not say when the next parliamentary session would start. You could not answer the questions the Chair asked you about timelines for a Bill and producing legislation.

Jeremy Wright: As you would accept, that is because those are not decisions within my control.

Q453 Jo Stevens: No, but it rather leaves a big gap for us in what we understand about what your intentions are and when you are going to be able to deliver them.

Jeremy Wright: I am not sure that is true. You know what my intentions are. My intention is to make sure that we proceed deliberately, as we have so far. Again, I make no apologies for that. That is exactly the way to do this, not just because we need to deliver good and effective UK legislation but we also need to discuss this with colleagues around the world. It is not just the UK that is concerned about issues of internet safety and it is not just the UK that needs to act on them. It is very much in our interests that we take the time and trouble to explain the approach that we are taking in the hope that others will take a similar approach. That is the way in which you deal with the concerns some will express about online companies simply forum shopping for the best place to get the least regulation. There is a way of avoiding that and that is to make sure that other countries are acting too.

Q454 Jo Stevens: They already are though, aren’t they? France and Germany have already—

Jeremy Wright: In elements. What is different about our approach is the holistic nature of it. You will be able to find elements of what we are doing in a number of other countries. Australia has a regulator. Germany has the particular law that deals with illegal material and how quickly it comes down. You can certainly find that. What I would argue you cannot find is the same holistic approach that we are proposing to take.

My point simply on timing is that we will want in this process to have international discussions as well as national discussions. You know that is part of my intention. As you rightly say, I have also said that this is urgent. It is important to get on with it. That is why I have bid for a second session legislative slot. I cannot tell you when that session begins. That is not a decision to be made by me as Secretary of Stage for DCMS, and neither is it open to me to insist with the business manager that I get a particular slot for a particular phase of that session.

It is my priority—it has been from the outset—to deliver this reform, and the longer we wait and less we are filling that time with productive activity, the longer it is before we start to address the online harms
everybody in this room is keen to address. Those are my intentions. What I cannot tell you is exactly what date this Bill will come forward, because that is not a decision I can make.

Q455 **Jo Stevens:** But there is a risk, isn’t there, that the longer it goes on, bearing in mind the churn of Ministers in your Department since 2016, that you may not be around in the Department to deliver it?

**Jeremy Wright:** There is always that risk and I do not think any Minister has a guarantee that they will be around for any particular length of time. The best you can do is make good use of the time you have. The first and important milestone was to get the White Paper out. The White Paper sets a clear direction of travel. When we produce a piece of legislation, you will see within it the duty of care and the regulator. Those are the absolutely vital keystone components of this architecture.

To the extent that I can—I can only say for as long as I am going to be here—I am going to carry on developing this policy in a way that will make it most effective. I hope you will accept that my approach to it has been as collaborative as I can make it. I have done that with your front bench, other front benches, this Committee and a much broader selection of Members of this House and the other place. I will continue to do that because it is the right way of designing a policy of this significance.

I cannot promise you that I will be here to see it through to the end. That is not my choice either. But for as long as I am here that is the approach I am going to take.

Q456 **Jo Stevens:** Turning to something different, copyright directive, which has recently been approved. I hope it is going to bring fairness to the online music market for music creators who get something like 0.00054 pence per music track through services like Google’s YouTube and it is designed to be fair. What reassurance can you give to some of the Committee that irrespective of the Brexit outcome it will be fully implemented so that we can build on our world leading music industry?

**Jeremy Wright:** The UK Government supported the progress of this directive and it was not entirely uncontroversial. All of the music industry does not take the same view about this. It was not entirely obvious what the UK Government should do but, for the reasons you give, it seemed to us right to support this directive so that those who are producing content are properly rewarded for it. That is increasingly important in the online world we have been discussing this afternoon.

Of course it has to go through some further stages before this directive is finally finalised and then it has to be implemented. No European directive happens overnight. It has a period of time for implementation. We do not yet have certainty as to our own timetable of departure from the EU, but what you can take from what we have done so far is that we believe the principle of this directive is the right one and we will seek to implement that principle in domestic law. What I cannot give you is an absolute
guarantee that however this directive ends up, when it has finished its progress we will implement it lock, stock and barrel because we do not yet know exactly how it will resolve itself.

But the principle seems to us to be the right one, hence our support for it throughout, and we will continue to support that principle.

**Q457 Jo Stevens:** The retail discount scheme for business rates, which the Government introduced, has received exponential increases in the rates in recent years. Grassroot music venues are obviously our talent pipeline for the music industry but they have received an average of 31% increases in payable business rates since revaluation in 2017. I know that the Government wrote to UK Music at the end of last year saying that local discretion should apply when considering whether that retail discount relief should apply, whether to apply it to grassroots music venues. But that contradicts the advice and the guidance for the relief, which says that music venues are not similar in nature to eligible businesses so the scheme will not apply to them. Do you think the guidance should be revised?

**Jeremy Wright:** I am having a look at this in conjunction with my colleague, the Secretary of State for the Ministry of Housing, Communities and Local Government, because substantially this is his policy area too. What has happened so far is the Treasury guidance has been that you should not assume that music venues are comparable in nature to the venues for which these particular assistances were intended. That does not mean we do not think that help should be made available. In the end, it is a matter of judgment for the local authority as to whether or not they choose to exercise their discretion.

We are having a look at in what other ways we might be of assistance. I entirely accept that there is a problem here that particular music venues are suffering very considerable increases. I am aware, and you will be aware, of venues that have seen something like 600% increases, so they are very substantial. We do understand that is a problem. I am working through that now with colleagues in Government to consider how we might help.

The other thing to say is that these grassroot music venues could and should be supported in other ways too. The Arts Council, in particular, does occasionally receive applications from small scale music venues and there is no reason why it should not. It does not receive a great number of applications, and that may well be because those sorts of venues do not think that is the kind of thing they could do. There is probably something we can look at with the Arts Council as to how we make more visible the other routes for funding that venues might be able to seek.

**Q458 Jo Stevens:** Finally, I think you mentioned earlier that you had an apology from the inventor of the infinite scroll. When you met Mark Zuckerberg, did you get any sort of apology from him for the failings of Facebook?
**Jeremy Wright:** What he recognises—and I think he produced something in print not long after to confirm this—is that just as we had been saying the era of self-regulation is over and Government will need to take action, that is something that he accepts. I found that encouraging. As I said at the beginning, I did not find it sufficient and it will not mean, for me at least, that we say, “In that case we can leave you to get on with it and not worry terribly much about a legislative framework”. There needs to be a legislative framework.

Where we have to continually apply pressure is to get companies like Facebook to accept that despite all the aspirations, all the ideology, all the idealism that these companies began with, some of what they do is having a negative effect. They have a responsibility to deal with that. I found an openness to discussing with us how we design a system that will do that, but I made it very clear to him that this was not going to be co-regulation. It was not going to be a decision for he and I jointly to make about how the UK decides to regulate this space. It is our judgment as to how we best regulate, and we will expect those who want to participate in the UK market and supply services to UK customers to comply. I think he accepted that.

Before you ask me, Mr Chairman, I did indeed suggest to him that he ought to appear before this Committee.

**Jo Stevens:** Do you think you can trust him to deliver that?

**Jeremy Wright:** We will see. I do not intend to rely on assurances from the social media companies—not just Facebook but all the others too. I intend to put before this House legislation that will give us assurance that the right restrictions are in place. We will talk, as we process the legislation, about whether they are the right restrictions or not. You can guarantee, I am sure, that the social media companies will have something to say about whether they think these are properly judged restrictions or not. But we are legislators and we make our own judgments.

I made it clear to Mark Zuckerberg, to Facebook and to other social media companies I met that I am interested in their point of view and it would be foolish for me, as the relevant Secretary of State, not to listen to what they have to say. However, in the end the judgment as to what legislation to bring forward is mine, and the judgment as to which legislation to pass is that of Parliament. That is what we intend to do.

**Julie Elliott:** I want to move on to women in sports governance—a completely different topic. In April 2017, Sport England introduced a new code of governance. It committed organisations in receipt of public funding to a minimum of 30% of each gender represented on its board. The intention was to try to move towards an equal representation. In a letter to the Committee in November 2017, the chief executive of UK Sport and Sport England referred to sanctions being given to non-compliance, leading to possible withdrawing of public funding. Are you
aware of any of those implementation plans having to be done?

**Jeremy Wright:** No. My understanding is that of the—I think it is 58 it might be 56, you will have to forgive me—national governing bodies that are covered by the governance provisions that you are describing, they are all now compliant with our expectations. They are all compliant, including the expectation that the board has at least 30% of its component parts being of the opposite gender. It is my understanding that they are all compliant. Those are not the only expectations. There are other requirements under that governance framework. My understanding—I will make sure this is right and write to the Committee if I am wrong—is that all of the bodies that are covered by that governance provision are compliant with it.

**Julie Elliott:** That is not what I have heard.

**Jeremy Wright:** That is why I shall check.

**Julie Elliott:** Yes, I would be interested.

**Jeremy Wright:** If you can help me with where you think it is not, that would probably be helpful to start my search.

**Q461 Julie Elliott:** Yes, I can. The other thing I wanted to ask is whether they are compliant—it would be wonderful if they are. Are you aware of what number of those positions are non-executive directors, as opposed to people who hold substantive posts in organisations?

**Jeremy Wright:** Off the top of my head, no. One of the governance provisions, as I recall it, is a certain number of independent people on the board but I do not know how that interacts with the gender requirements. We will have to check.

**Q462 Julie Elliott:** Would you be able to provide that information as well?

**Jeremy Wright:** We can certainly look. I would have thought, given there are 58 bodies, that it would be feasible, but let me come back to you on that.

**Q463 Julie Elliott:** Thank you. I want to move on to the Football Association—an organisation we have had in front of this Committee a number of times, often in a very unsatisfactory way. I think one of my first questions when I was on this Committee was to the then chair, Greg Dyke, where I asked if the FA was fit for purpose because it was my view then—and it is probably still my view now—that it is not. I understand that 21 of the 126 members of the FA Council, only two of the 10 FA Board, both who are independent non-execs, and only four of the 13 senior managers are women. Do you think that is acceptable?

**Jeremy Wright:** The expectation we have in governance is set out in the governance code and that includes 30% women in this context. It would not be in compliance with that expectation.

**Julie Elliott:** They definitely are not. Those figures are accurate.
Jeremy Wright: That is helpful to know. I will check that. If it is not in compliance with our Government’s expectations then of course we will wish to bring them into compliance with those expectations. It is true to say that football more generally would benefit from greater attention to diversity. We are aware already, not just of gender diversity issues but of racism in football, that the FA is at least recognising needs significant action. You are aware that my colleague, the Sports Minister, has been speaking to the FA and to others about what further action we need to take.

Julie Elliott: We did a session on that.

Jeremy Wright: Yes. We will all need to apply pressure. We all need to applaud those players, like Raheem Sterling, who have shown a lead on this. I take the view that I would have huge respect for those players who choose to stay on the field, as he said that he would, and win the game to make their point. I also think we should respect those players who take the view that, “This is my place of work, no other employee would be expected to put up with this kind of thing at their place of work and I am not going to stay”. That is equally to be respected. One of the things that we need to look at is to make sure that players who do take that view and take that action do not suffer unduly for it.

Q464 Julie Elliott: The FA have recently appointed a new chief executive. The final two people—the only two public names available—were men. Do you think this was a missed opportunity to try to increase their diversity?

Jeremy Wright: I do not know and I will not comment on the individuals. I know my colleague, the Sports Minister, has met the new chief executive. I have not yet but I am looking forward to doing so. I am not going to comment on whether he is the right person for the role or not. In the end, the FA have to make their own judgment about the best people for the positions they have but they also have to pay attention to the need to make sure there is a diversity of views, backgrounds, genders, ethnic origins, in the course of football more generally. That is why we have set out the Government’s expectations that we have.

You have drawn my attention to the problem that there may be there, and we will need to have a look at that. I am not going to criticise the FA for the appointment they have made. What I will do is make sure that they are meeting the expectations that the Government have of them.

Q465 Brendan O’Hara: A couple of questions on lotteries generally. Can you confirm that it is still the Government’s intention to publish the response to the consultation? Will it still be out by the summer recess? Could you maybe give us an explanation as to why it is taking so long, a consultation on society lotteries—it closed in September—to take almost a year to report?

Jeremy Wright: The answer to the first two questions is, yes, that is still the intention: yes, to publish and yes, to publish before the summer recess. That is very much what we want to do. Why has it taken so long?
There is quite a difficult balance to be struck here between the interests of the National Lottery and the interest of the society lotteries. What we all want, what we all agree on, is for both to benefit—a rising tide that lifts all boats. That is what we are all wanting to achieve, but to design that is not as straightforward as it looks.

The Committee will be conscious that I have not just a moral obligation but a statutory obligation to protect the interests of the National Lottery. It is important that I take that seriously, and that I consider properly not just what everyone said in the consultation, as we are, but also how you balance out the need for society lotteries to prosper, particularly for those larger society lotteries that could do more for good causes but are bumping their heads on a particular ceiling, while making sure that the National Lottery’s interests are preserved too.

That is not easy. That is why it is taking some time. But as the Committee will have detected, my attitude to all things is I want to try to make sure I get it right.

Q466 Brendan O'Hara: Is the response, as it currently stands today, in a position where it will be ready to be published by the end of July?

Jeremy Wright: I hope so.

Q467 Brendan O'Hara: Is it your expectation that it will be?

Jeremy Wright: Yes.

Q468 Brendan O'Hara: Anyone watching this could put the house on that it will be—

Jeremy Wright: I would not recommend they put their house on anything. I agree engaging with lotteries is gambling but I do not think you should gamble to that extent. But it is my expectation that that is what we will do. We are working very hard to make sure we can meet that expectation.

Q469 Brendan O'Hara: You talked a little earlier about the National Lottery. How concerned are you about the state of the National Lottery at the moment? Have you done an assessment on if the public’s appetite is still there for the National Lottery?

Jeremy Wright: If you look at the evidence, the performance by way of ticket sales and returns has stabilised after what has been a difficult period. We move, as the Committee knows, towards the award of the fourth lottery licence in 2023, and we will need to begin that process next year. It is important that we give all those who may be prospective bidders for that licence a clear view of what they are bidding for. It is one of the reasons why we need to make progress on the society lotteries consultation. It is not illegitimate for those who might want to consider their bids for that lottery licence to ask, “What are the society lotteries going to be doing while I am running the lottery, if I am successful?” That is one of the reasons those two things are interconnected. I do not think
anyone would dispute there have been difficulties but the position is stabilising. If Camelot wished to bid again for the licence of course its bid will be considered in conjunction with any other bids that may be received.

Q470 Brendan O'Hara: Finally, in a predecessor Committee to this the Government agreed to look at legislation for umbrella lotteries. Can you update us on what progress has been made?

Jeremy Wright: There are umbrella lotteries in existence. It is one of the challenges around the society lotteries’ consultation that we are not just dealing with small society lotteries. We are dealing with a conglomeration of society lotteries into what are umbrella organisations. That is one of the design questions we have to consider in this process. The proposals that we make for reform in this area will include what should be done about umbrella lotteries.

Q471 Brendan O'Hara: Have you any idea of timescale of when that could come out?

Jeremy Wright: The same timescale. These are proposals that will come together. We intend to get to the point where we are producing these before the end of the summer term, before the recess.

Q472 Giles Watling: I will try to be brief because you have given us a lot of time this afternoon, Secretary of State, and we appreciate that. You will be aware of the Saudi Arabia-based pirate TV service, beoutQ, that is misappropriating content from the UK’s creative industries. What are the Government doing to prevent them from misappropriating our content?

Jeremy Wright: There are two things that are being done. There is activity at a diplomatic level. The embassy in Riyadh is speaking to the Saudis on this subject. In terms of Government, the lead Department is the Department for International Trade, and I know colleagues in that Department are also pursuing this matter. From a DCMS point of view, we help wherever we can, but the lead Department is DIT.

Q473 Giles Watling: It is also misappropriating our sport. They are doing live broadcasts of sport and there is a large regional satellite operator headquartered in Riyadh. Have the UK Government made representations directly with the Government of Saudi Arabia on that misappropriation?

Jeremy Wright: Yes, that is my understanding. That has happened through diplomatic channels and through the Department for International Trade. Of course you are right, the Premier League and others are concerned about intellectual property as they inevitably would be. It is important that we preserve intellectual property rights. If we want to see good quality sport, we have to make sure that people are able to protect those rights so they can carry on delivering it to us. Those who are seeking to undermine those rights undermine that process. That is why we take an interest. That is why we understand and sympathise with the concerns the Premier League and others have expressed.
is activity underway. It is primarily led at diplomatic levels and by the Department for International Trade.

**Q474 Giles Watling:** You will be aware that in April Discovery and BBC announced plans for a new global streaming service. I believe beoutQ is broadcasting to 400 million, and it is broadcasting about 100 of our UK-based TV channels. Have you had conversations with BBC Discovery about how they are going to commercialise their streaming in the face of that?

**Jeremy Wright:** Not about this specific issue, I have not. But there is considerable interest in the BBC, and I welcome that, in expanding what they do. A greater global presence of the BBC brand is good news for the UK. We should encourage it and we need to make sure, of course, that the intellectual property of BBC products, as much as anyone else’s products, are defended. But I welcome the ambition the BBC have in this space and we will carry on discussing it with them.

**Giles Watling:** I would be very grateful. As it is my previous life, I would like it robustly tackled.

**Q475 Chair:** Can I follow up on that? I am slightly intrigued as to why the Department for International Trade is leading on this issue when the issue of beoutQ is straightforward privacy. It is just copyright infringement. Obviously, it affects the creative sector, particularly sports organisations who sell their rights. I would be slightly concerned if our interest in this issue, in addressing it, is being balanced with other trade interests in the region.

**Jeremy Wright:** No, that is not what I mean to suggest. There has to inevitably be a lead Government Department in all of this. Although I entirely accept the Committee’s interest and my Department’s interest in it, as it happens DIT is taking the lead on this. But you will find no discrepancy between my view and the view of my colleague, the Secretary of State in that Department, as to how serious this is. We seek to engage with the parties we have discussed on it and my understanding is that will continue.

**Q476 Chair:** What I am saying is that some people are accessing the service through receiving satellite footage. Others are receiving it through the internet, including plenty in this country too. Would the Government consider measures to try to block access to that site from—

**Jeremy Wright:** We are some way off that. The best thing for me to do is to liaise with my colleagues at DIT and perhaps write to the Committee as to where we are so that I can give you a clearer update.

**Chair:** Thank you. Secretary of State, thank you very much—nearly two and a half hours. We appreciate your time.