



Department for
Digital, Culture,
Media & Sport

Lord Parkinson of Whitley Bay
Minister for Arts
4th Floor
100 Parliament Street
London SW1A 2BQ

E: enquiries@dcms.gov.uk

www.gov.uk/dcms

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My Lords,

Product Security and Telecommunications Infrastructure Bill Second Reading

As promised, I am writing to provide further detail on some of the points raised during the Product Security and Telecommunications Infrastructure Bill's Second Reading on 6 June.

Part 1: Product Security

Security requirements

It was asked why the Government intends to introduce only three security requirements. After significant consultation, we are starting with a focus on the three security requirements that will make the most substantial change to consumer device security at a proportionate cost to businesses. The Bill allows, and our intention is for, the Secretary of State to mandate further security requirements in the future, where appropriate, to ensure that regulation is keeping pace with emerging technology.

The security requirements are necessarily detailed and technical in nature. We believe it is more suitable for them to be specified in secondary legislation, rather than set out on the face of the Bill. Defining security requirements in secondary legislation is an important part of ensuring the Government can respond quickly and update requirements in a way that supports the intention of the Bill.

Online marketplaces

In terms of whether online marketplaces should be subject to specific obligations, where a product in scope of the Bill is sold through an online marketplace, its manufacturer, importer, and distributor will all be responsible for ensuring compliance. In many cases, an online marketplace itself will fall under at least one of those categories. Where the marketplace acts solely as an advertising platform for a third party seller, exactly the same duties will need to be complied with by the manufacturer, importer, and distributor. We believe that imposing specific obligations on online marketplaces at this time would not be appropriate or effective, but we will keep this under review.

Enforcement

Noble Lords also raised the enforcement regime. The Secretary of State will have the power to designate the most appropriate enforcement authority. An enforcement authority has been identified and there has been agreement in principle put in place. As I am sure you will appreciate, the Department must follow the appropriate processes and obtain all necessary agreements before any enforcement authority is named.

Part 2: Telecommunications Infrastructure

Impact of reforms to the Electronic Communications Code

Since the 2017 reforms were brought into force, the Government has engaged robustly with interested parties to understand what has been happening in practice.

That engagement, including the consultation leading up to this Bill, indicated that many new agreements and renewals are completed successfully and that the majority of these are done so consensually. After careful consideration, the Government concluded that there was no need for a radical overhaul of the Code framework as, on the whole, this framework works well.

I am happy to provide an overview of the stakeholder conducted by the Department which informed the consultation.

Land valuation

Lord Clement-Jones referred to the Centre for Economics and Business Research report which suggested findings that the 2017 reforms had led to a slowdown in rollout. We believe that is to oversimplify the issue and, as stated above, we understand that agreements are being successfully concluded.

However, we do understand that, in some situations, landowners currently feel under pressure to accept financial or other terms that they feel are unfair. This is why the Bill includes new measures to support greater collaboration, as well as ensuring landowners do not feel compelled to accept unreasonably low rents which do not accurately reflect the valuation framework.

Access to land and broader barriers to deployment

I was also asked why this Bill appears to focus on access to land and whether this is, in fact, a key barrier to deployment. I would like to provide reassurance that the Department is considering network deployment holistically. Officials are engaged in ongoing conversations with the telecommunications industry about all the barriers they face, including those such as the availability of training to ensure that the right workforce is in place.

Lord Fox also referred to the Telecoms Infrastructure (Leasehold Property) Act 2021 and asked which elements of that legislation have proved successful so far. That Act, which was designed to address a very specific and common problem faced by operators, will be brought into force once upcoming secondary legislation has been laid. The measures in this Bill which concern unresponsive landowners expand upon the principles of the 2021 Act. They were conceived following feedback during the passage of the Act, as well as the consultation leading up to this Bill, which showed overwhelmingly that greater access to certain types of land would be valuable.

I want to thank you all for your participation at Second Reading; I appreciate your overall support for the Government's aim of enhancing the protection of consumers and networks from the range of harms associated with cyber attack, and ensuring that everyone has access to gigabit-capable broadband and 5G networks.

I trust that you will find this letter helpful, but please do get in touch with my officials via dcmslordsminister@dcms.gov.uk or psti-bill@dcms.gov.uk if you have any questions or would like to discuss any matters in greater detail. I will place a copy of this letter in the library of both Houses.

With best wishes,



Lord Parkinson of Whitley Bay
Minister for Arts