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Sir William Cash MP
Chair
European Scrutiny Committee
House of Commons
London SW1A 0AA

CMS 293354/asg
2 November 2016

Dear Bill

**EU REVIEW OF THE ELECTRONIC COMMUNICATIONS REGULATORY FRAMEWORK:
IA CHECKLIST to accompany explanatory memoranda (EM) on :**

- i) EU Proposals for a Directive of the European Union and of the Council establishing the Electronic Communications Code and**
- ii) EU Proposal for a Regulation of the European Union and of the Council establishing the Body of European Regulators for Electronic Communications**

I am writing to the House Scrutiny Committees to complete my Department's accounting responsibilities to Parliament at this stage, in relation to recently published European Commission proposals for a review of the EU Electronic Communications Regulatory Framework.

The Commission published a range of proposals on 14 September 2014 and my Department provided EM 12252/16, on EU Proposals for a Directive of the European Union and of the Council establishing the Electronic Communications Code, and Explanatory Memorandum 12257/16, on EU Proposals for a Regulation of the European Union and of the Council establishing the Body of European Regulators for Electronic Communications, on 11 October 2011.

I now attach the requisite Impact Assessment (IA) Scrutiny Checklist for these proposals ("Checklist for analysis on EU proposals") with my Department's assessment of the potential impact on the UK of the proposals and a summary of the cost-benefit analysis the Commission has provided.

The proposals for a Directive recast and consolidate the current EU Electronic Communications Framework into a new "Code", rationalising the existing five directives which constitute the Framework down into one. The proposals for the Regulation repeal the 2009 BEREC Regulation (EC) No 1211/2009 and re-establish BEREC as a Union agency.



The Commission's original IA covering the revised Framework proposals initially received a negative rating from the Commission's Regulatory Scrutiny Board, which was subsequently revised to a positive rating following further work by the Commission. We still have a number of issues we wish to raise with the Commission on an apparent lack of evidence for some of the proposals it has put forward which we will raise when the Council Working Groups (CWG) start analysing the IA later this year.

Given the absence of an evidence base for some of the Commission's proposals, the fact we have yet to secure write round approval for our negotiating position, and the complexity and far-reaching intent of the proposals, we cannot, at this stage, give an absolutely definitive cost-benefit analysis of all the proposed revisions or the different impacts of varying our negotiating position. Consequently I commit to updating the Scrutiny Committees as we move through the negotiations.

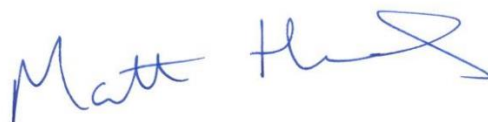
I would also like to take this opportunity to update the Committees on the European Commission's proposed timeframe for the review. It is now expected that Council Working Groups will start to analysis the Commission's Impact Assessment towards the end of November where officials will raise the concerns we have over the lack of evidence to support proposals in some instances.

The Transport, Telecommunications and Energy Council under the Slovak Presidency is scheduled for 2 December 2016, where I expect to participate in a high level policy discussion of the review proposals. I am planning to secure approval for our negotiating position ahead of that Council.

The Commission, publically at least, continues to voice its ambition to complete these extensive negotiations under the Maltese and Estonian Presidencies to meet its ambitious target of agreement for the end of 2017.

For completeness, on 14 September 2014 the Commission also published proposals for a Regulation "amending Regulations (EU) No 1316/2013 and (EU) No 283/2014 as regards the promotion of Internet connectivity in local communities" (EM 12259/16 refers) as part of its Telecommunications package and two Communications, "5G for Europe: An Action Plan" (EM 12279/16 refers); and "Connectivity for a Competitive Digital Single Market - Towards a European Gigabit Society" (EM 12364/16 refers).

I hope this letter reassures the Committees of my Department's commitment to securing the best possible deal for the UK from the Framework review. I am copying this letter to Chris Johnson (Clerk to the Lords' Committee), Eve Samson (ESC), Les Saunders (DEXEU), and Pooja Lakhani (DCMS).

A handwritten signature in blue ink, appearing to read "Matt Hancock".

Rt Hon Matthew Hancock MP
Minister of State for Digital and Culture