

**EXPLANATORY MEMORANDUM TO
OPEN INTERNET ACCESS (AMENDMENT) (EU EXIT) REGULATIONS 2018
No. [XXXX]**

1. Introduction

- 1.1 This explanatory memorandum has been prepared by Department for Digital, Media, Culture and Sport and is laid before Parliament by Command of Her Majesty.

2. Purpose of the instrument

- 2.1 This instrument is being made using powers in the European Union (Withdrawal) Act 2018 in order to address failures of retained EU law to operate effectively and other deficiencies arising from the withdrawal of the United Kingdom from the European Union.
- 2.2 Explanations

What did any relevant EU law do before exit day?

The EU Open Internet Access Regulation (Regulation (EU) 2015/2120) establishes common (cross-EU) rules which member States must apply in order to safeguard net neutrality. Net neutrality is the principle that Internet Service Providers should treat all Internet traffic in an equal and non-discriminatory way. The UK Regulations (the Open Internet Access (EU Regulation) Regulations 2016 (SI 2016/607)) implement certain provisions of the EU Regulation by designating a UK National Regulatory Authority (Ofcom), which has responsibility for safeguarding net neutrality in the UK in accordance with the rules in the EU Regulation and making provision for enforcement and penalties. The UK Regulations also set out that Ofcom must take due account of all applicable guidelines issued by the Body of European Regulators for Electronic Communications (BEREC).

Why is it being changed?

We are changing it to fix deficiencies in the EU Regulation and the UK Regulations arising from EU exit. These deficiencies include terminology contained in the legislation which will no longer be appropriate post EU exit (such as references to “national regulatory authorities”). The SI also removes the need for Ofcom to take due account of applicable BEREC guidelines, and removes a requirement for the Commission to review the EU Regulation.

What will it now do?

The UK Regulations also currently require that OfCom take “due account” of all applicable guidelines issued by BEREC when applying the EU Regulations, and this has been removed. We are also removing a requirement that Ofcom provide reports to the Commission and BEREC, which will not be appropriate once the UK has left the EU. Despite these changes, we consider that the overall policy position will remain the same, with OfCom regulating according to the same principles and able to reference the same scope of guidelines if it so wishes.

3. **Matters of special interest to Parliament**

Matters of special interest to the Sifting Committees

- 3.1 None.
- 3.2 This instrument is being laid for procedural sifting by the ESIC and SLSC.

Matters relevant to Standing Orders Nos. 83P and 83T of the Standing Orders of the House of Commons relating to Public Business (English Votes for English Laws)

- 3.3 As the instrument is subject to negative resolution procedure there are no matters relevant to Standing Orders Nos. 83P and 83T of the Standing Orders of the House of Commons relating to Public Business at this stage.

4. **Extent and Territorial Application**

- 4.1 The territorial extent of this instrument is the United Kingdom.
- 4.2 The territorial application of this instrument is the United Kingdom.

5. **European Convention on Human Rights**

- 5.1 The Minister for Digital and the Creative Industries has made the following statement regarding Human Rights: ‘In my view the provisions of the Open Internet Access (Amendment) (EU Exit) Regulations 2018 are compatible with the Convention rights.’

6. **Legislative Context**

- 6.1 These Regulations are made in exercise of the power in section 8 of the European Union (Withdrawal) Act 2018 (c. 16) in order to address failures of retained EU law to operate effectively and other deficiencies arising from the withdrawal of the United Kingdom from the European Union.
- 6.2 Part 2 amends the Open Internet Access (EU Regulation) Regulations 2016. Part 3 amends ‘Regulation (EU) 2015/2120 of the European Parliament and of the Council of 25th November 2015, laying down measures concerning open internet access and amending Directive 2002/22/EC on universal service and users’ rights relating to electronic communications networks and services and Regulation (EU) No 531/2012 on roaming on public mobile communications networks within the Union (OJ No L 310 26.11.2015, p. 1)’.
- 6.3 Amendments to the subordinate legislation are made to reflect that the EU Regulation will be amended to refer to Ofcom directly and so there is no need for the Regulations to designate Ofcom as the “National Regulatory Authority” for the purposes of the EU Regulation, and to remove the requirement that Ofcom take “due account” of applicable guidelines by the Body of European Regulators for Electronic Communications (BEREC).
- 6.4 Amendments to the EU Regulation include removing references to Union law, replacing references to “National Regulatory Authorities” with references to Ofcom, and removing provisions relating to penalties and review that will not be appropriate to retain following the UK’s exit from the EU.

7. Policy background

What is being done and why?

- 7.1 As summarised at paragraph 2.2 (Explanations), the EU Open Internet Access Regulation establishes common (cross-EU) rules which Member States must apply in order to safeguard net neutrality. Net neutrality is the principle that Internet Service Providers should treat all Internet traffic in an equal and non-discriminatory way. The UK Regulations (the Open Internet Access (EU Regulation) Regulations 2016) implement the EU Regulation by designating a UK National Regulatory Authority (Ofcom) which has responsibility for safeguarding net neutrality in the UK in accordance with the rules in the EU Regulation.
- 7.2 The SI amends the EU Regulation (as retained in UK law) and the UK regulations to fix deficiencies in the EU Regulation and the UK Regulations arising from EU exit. For example, the EU Regulation on open internet access (Regulation (EU) 2015/2120) makes reference to the national regulatory authority/national regulatory authorities. The Open Internet Access (EU Regulation) Regulations 2016 designated Ofcom as the UK's National Regulatory Authority for this purpose. The SI amends the EU Regulation (as retained in UK law) so that references to the national regulatory authority are replaced with references directly to OfCom. Another example is Article 1 of Regulation (EU) 2015/2120, which sets out the subject matter and scope of the Regulation. Paragraph 1 explains that the Regulation establishes "common rules" to safeguard equal and non-discriminatory treatment of traffic. Once the UK has left the EU it will not be appropriate to refer to "common" rules and it is therefore appropriate to remove the word "common".
- 7.3 The UK Regulations also currently require that OfCom take "due account" of all applicable guidelines issued by BEREC when applying the EU Regulations, and this has been removed. The SI also removes a requirement that Ofcom provide reports to the Commission and BEREC, which will not be appropriate once the UK has left the EU

8. European Union (Withdrawal) Act/Withdrawal of the United Kingdom from the European Union

- 8.1 This instrument is being made using the power in section 8 of the European Union (Withdrawal) Act 2018 in order to address failures of retained EU law to operate effectively or other deficiencies arising from the withdrawal of the United Kingdom from the European Union. The instrument is also made under paragraph 21(b) of Schedule 7 to the Withdrawal Act. In accordance with the requirements of that Act the Minister has made the relevant statements as detailed in Part 2 of the Annex to this Explanatory Memorandum.

9. Consolidation

- 9.1 No consolidation is being carried out.

10. Consultation outcome

- 10.1 No formal consultation was carried out. We consider that this Statutory Instrument retains the policy status quo. However, a range of stakeholders, including OfCom, major UK Internet service providers, mobile network operators and online content producers

have been informed of our EU exit intentions in a ‘no deal’ scenario, also covering our plans to amend retained legislation via this Statutory Instrument.

11. **Guidance**

11.1 Guidance is not required to accompany this Statutory Instrument.

12. **Impact**

12.1 There is no significant impact on business, charities or voluntary bodies.

12.2 There is no significant impact on the public sector.

12.3 An Impact Assessment has not been prepared for this instrument because this Statutory has a low level of impact per business and relates to maintenance of existing regulatory standards. A De-Minimus Assessment was prepared which confirms that, as this relates to maintenance of existing regulatory standards, there is little impact on business

13. **Regulating small business**

13.1 The legislation applies to activities that are undertaken by small businesses.

14. **Monitoring & review**

14.1 As this instrument is made under the EU Withdrawal Act 2018, no review clause is required.

15. **Contact**

15.1 Max Pumphrey at the Department for Digital, Culture, Media and Sport Telephone: 020 7271 8956 or email: max.pumphrey@culture.gov.uk can answer any queries regarding the instrument.

15.2 Oscar Scott-Tapping at the Department for Digital, Media, Culture and Sport can confirm that this Explanatory Memorandum meets the required standard.

15.3 Margot James, Minister for Digital and the Creative Industries, at the Department for Digital, Media, Culture and Sport can confirm that this Explanatory Memorandum meets the required standard.