



# HOUSE OF LORDS

Unrevised transcript of evidence taken before

## **The Select Committee on European Union**

Internal Market, Infrastructure and Employment Sub-Committee

Inquiry on

### **ROAMING CHARGES**

*Evidence Session No. 1*

*Heard in Public*

*Questions 1 - 8*

MONDAY 7 SEPTEMBER 2015

5 pm

Witnesses: Ed Vaizey MP, Michael Lillis and Rick Holyomes

#### USE OF THE TRANSCRIPT

1. This is an uncorrected transcript of evidence taken in public and webcast on [www.parliamentlive.tv](http://www.parliamentlive.tv).
2. Any public use of, or reference to, the contents should make clear that neither Members nor witnesses have had the opportunity to correct the record. If in doubt as to the propriety of using the transcript, please contact the Clerk of the Committee.
3. Members and witnesses are asked to send corrections to the Clerk of the Committee within 7 days of receipt.

## Members present

Lord Whitty (Chairman)  
Lord Aberdare  
Baroness Donaghy  
Lord German  
Lord Green of Hurstpierpoint  
Lord Liddle  
Lord Mawson  
Baroness Noakes  
Lord Wei

---

## Examination of Witnesses

**Hon Ed Vaizey MP**, Minister of State for Culture and the Digital Economy, **Michael Lillis**, Private Secretary to Ed Vaizey, and **Rick Holyomes**, Department for Culture, Media and Sport

**Q1 The Chairman:** Thank you very much, Minister, for making the time to see us. We have a number of issues that we would like to raise with you, but the original request related to telecommunications and roaming charges, on which you have had a significant breakthrough and on which the Committee would like to give their congratulations. It would be helpful if, on that subject, you could spell out what you see as the significance of that to the issue itself and to the politics behind it.

Before you answer that, however, I neglected to point out to you that Baroness Noakes has a conflict of interest in much of the subject matter that we are concerned with, which you will probably be aware of, and while she is here she will not participate in this discussion. Apologies for that.

**Ed Vaizey MP:** Thank you very much, Lord Whitty, and thank you for giving me the chance to appear in front of this Committee. I am accompanied by Rick Holyomes, who leads on these matters in the Department for Culture, Media and Sport, and my Private Secretary Michael Lillis. Thank you as well for congratulating me on achieving this astonishing agreement. I hasten to add that it had very little to do with me. It is important, though, to put on record that the Prime Minister was very keen to break through on roaming charges, and as you know the previous Commissioner for this area, Commissioner Kroes, had a very wide-ranging telecoms package, not all of which got through given the timescales involved and the change in Commission. Roaming was the Government's priority. As I am sure you are also aware, Lord Whitty, given your experience, getting agreement in Europe is a bit like herding cats, but

we made agreements taking suitable account of the concerns of individual member states. In effect, roaming charges will be abolished by 2017. It is a great breakthrough, and if I may range slightly more widely I think it is good news for Europe. There is not always a huge amount of good news coming out of the European Union, but this is very good news and it is exactly the kind of thing that European consumers will see making an impact on their lives and as a benefit of being part of the European Union. So it is quite right that people who have mobile phones—in this day and age, that means pretty much everybody—and who are travelling around the European Union can in effect use their phones as if they were at home and do not have to worry about coming back to a vast bill that they have inadvertently run up. That is true particularly given how we all now use data in the way we use our phones.

**The Chairman:** Thank you. Certainly as a former consumer champion I know that we have been banging on about this for a very long time and had almost given up on the possibility of getting it through, so it is very, very welcome.

**Lord German:** I note you say that consumers will note the benefit from this measure of being part of the European Union. What do you think the implications will be for this matter if, in the referendum, the people of this country vote to leave the European Union?

**Ed Vaizey MP:** If the referendum were to go that way and we were to withdraw from the European Union, I still think that British consumers would benefit. Norway, for example, is not a member of the European Union, but it will benefit from this package as it is a member of the European free trade area. It is dangerous for any government Minister to comment on what may or may not impact on people's views when they vote in this referendum. As we experienced with the Scottish referendum, it may be that everything, including the kitchen sink, is thrown into the argument and that roaming charges become part of that debate, but my instinct is that, should the British public decide to leave the European Union, that will not impact on their roaming ability in Europe.

**Q2 Lord Mawson:** What impact will the abolition of roaming charges have on the telecommunications industry over the next decade? Are they likely to pass these charges on elsewhere in the system, and if so, where?

**Ed Vaizey MP:** That is a very important point, Lord Mawson, because probably the main issue when we were negotiating the abolition of roaming charges was the impact on telecoms companies, because clearly it is an important source of revenue for them. Interestingly, some of the smaller member states with a large element of tourism saw the companies based in their jurisdictions benefit perhaps disproportionately from roaming charges. Summer is a

bonanza time for them, so you could see that a lot of telecoms companies were concerned about the impact on their revenue, and to some extent it was easy revenue for them to get. Apart from there being a clear consumer interest in abolishing roaming charges, however, I think there is a business case for them. While we have roaming charges, we have individual companies in effect abolishing them for their customers and using them to give them a competitive advantage in attracting customers. Three, for example, has been very prominent in telling its customers that they can, as they call it, “feel at home”. Indeed, it has said in effect that it does not charge for roaming if you go to the United States either. It added 400,000 customers in the first half of 2015. I am not saying that all those customers came because of that offer, but they certainly saw it as an advantage.

Again, if you look at how consumer behaviour works, a lot of us who are aware of these charges—and I think that a lot of consumers who go abroad are aware of them—will, particularly if we are going on holiday—it may be a good thing, but that is a whole other debate—switch of our phone to avoid these roaming charges and so are not providing any revenue for the companies. If consumers feel that they can use their phone as they would domestically, they will keep their phone on, avoid their family and spend the entire time watching videos on YouTube and Twitter. There are plenty of estimates that show that over the next 10 years the abolition of roaming charges could see a net increase in revenues for telecoms companies. So broadly speaking I think that the effect will be neutral and that what tips the balance is the clear advantage in favour of the consumer.

**Lord Green of Hurstpierpoint:** I have a quick supplementary question. Does the Minister think this has a significant impact on small businesses exporting around Europe? Is there a difference between online businesses and real-world businesses?

**Ed Vaizey MP:** Lord Green, as a former Trade Minister you are probably better positioned to understand the impact that it will have on business customers. I have no specific examples or analysis of the impact it would have on small businesses, but clearly it goes without saying that, in terms of establishing a digital single market, the abolition of roaming charges and giving businesses people plying their trade around Europe the ability to use their phones in an appropriate fashion and to encourage consumers to visit their websites and so on, particularly as more and more business is now being done effectively on a mobile screen, should have a significant impact on European businesses.

**Q3 Lord Aberdare:** Can I ask you about net neutrality? I understand that a principles-based definition of net neutrality has been agreed by the Council and the European Parliament. How

do you see the significance of the issue? Is it affecting the way people view and use the internet? Are you comfortable with its current status? How is it likely to impact the UK?

**Ed Vaizey MP:** The net neutrality debate in Europe has been very interesting indeed. We started in the UK by putting together in effect a code of conduct, which now, I am pleased to say, all the operators, both mobile and fixed, have signed up to and which was not in effect to engage in anti-competitive practices, such as a mobile company, for example, offering a particular service, music or whatever, and deliberately slowing down the service of a competitor. That seems to be absolute common sense. But it is important to raise some caveats. It is important to make it clear that the net neutrality debate in the US is, in my view, different from the net neutrality debate in Europe. The net neutrality debate in the US is so high profile—indeed, it was debated even during the last presidential election—because of the lack of competition in US networks. In many states you have in effect a cable monopoly. That is why it is so toxic. I do not regard net neutrality as some kind of theological doctrine; I regard it as sensible practice to stop anti-competitive behaviour. I am pleased that the European Commission effectively looked at the UK code of conduct and adopted it as a principles-based approach. The reason why it is obviously important to have a principles-based approach is because we need to maintain flexibility and ensure that we do not stifle innovation. It is important that consumers are reassured. As a result of this net neutrality regulation, they will be reassured that their internet service providers are not engaging in anti-competitive practices and that when they sign up for the internet they know that they are getting access on a parity basis with all legal services. In that sense, it is an important initiative.

**Lord Aberdare:** Is it important how the issues are defined, such as the definition of specialist services, what a provider is and what somebody providing a specialist service is?

**Ed Vaizey MP:** Yes, it is important to get the definitions right. When we talk about net neutrality, we are not saying that all traffic should be treated the same. Not all traffic is treated the same at the moment, and it is perfectly sensible, particularly as new services such as e-health services come on board, that traffic if necessary has special arrangements to ensure that it gets through. That is different from what is known as paid prioritisation, where businesses are effectively able to knock their competitors out of the way by doing a special deal. We are at the stage where the disruptors may well start being disrupted themselves when new services are blocked or held back from growing exponentially. As we all know, new technology services can grow exponentially on the web.

**The Chairman:** Are you satisfied in broader terms that the net neutrality—you used the word “theological”—principle has the right balance of safeguards et cetera, given that things such as our code of conduct have been incorporated in practice?

**Ed Vaizey MP:** Yes, I am. One of the things you learn as a Minister engaging with your European colleagues is that different countries have different perspectives. It is certainly the case that more recent members of the European Union had perfectly legitimate concerns about the kind of traffic that could be blocked by certain ISPs<sup>1</sup>, for example, when you have competing services in the provision of information where there is a controversial political climate, if I can put it that way. You can see why those countries in particular would want to see a clear commitment by the Commission for net neutrality. As you know, in terms of blocking content in the UK we have very serious concerns about adult content being available to children. We want to do what we can to protect children. I am very pleased that in working with ISPs we have achieved a very good *modus operandi* in the application of filters and in ensuring that they are effectively on before the consumer decides to keep them or to turn them off. If we need to clarify that position as a result of the net neutrality regulation, we will do that in time. We have 18 months before the directive has to be transposed, so we have plenty of time to make any appropriate amendments we need to make.

**Q4 Lord Green of Hurstpierpoint:** There has been some correspondence on this quite complex question culminating in your letter, which was in response to our letter dated 1 September, on the Commission’s proposal to adopt a common position for all EU member states in the run-up to the ITU conference in November. Leaving aside the question of how negotiations are approached and the arguments for flexibility that your letter sets out, would you say that in the long term the Government consider it desirable that there be a substantially more harmonised use of the spectrum across Europe?

**Ed Vaizey MP:** Yes, obviously any progress that we can make towards harmonising the use of the spectrum has to be welcomed, and it goes without saying that we harmonise the spectrum in terms of how it is used for television transmission and mobile phones. It is clearly important that we do that. It is important to keep an element of flexibility for two or three reasons. The first, perhaps selfishly from a UK point of view, is that we are very good at spectrum management. Ofcom does a superb job in ensuring that we make appropriate spectrum available in time for key uses. We do not want to be held back, as it were, by the

---

<sup>1</sup> Internet Service Providers

slowest carriage in the train, so it is important that countries in the lead continue to have the ability to push forward and push ahead.

Secondly, the use of the spectrum can differ from country to country depending on topography and how countries want to configure services, mainly to be more flexible in the use of their spectrum. Thirdly, linked to my first point, it is important that there is enough wriggle room for countries that want to innovate—as we do, for example, in issues such as the use of white spaces—to be free to put forward innovations without being held back too much. At the same time, with the vision of a European digital market in front of us, where we can co-ordinate better and harmonise, I am all in favour of it.

**Lord Green of Hurstpierpoint:** This is a complex matter and a difficult balance to get right. Full-blooded implementation of a digital single market will, almost of necessity, require a much more harmonised approach to spectrum allocation. It leads to all sorts of inefficiencies. I recognise the point that you have made about the need not to shackle those that are in the lead, but a school of thought might argue that there is a case for a stronger focus on the desirability of co-ordination and a harmonised approach sooner rather than later, just because of its importance to the digital single market, which we all recognise is going to be of more and more significance with every passing year.

**Ed Vaizey MP:** I can see why you would say that, Lord Green. In your comments I picked up on the word “co-ordination”, which is the word I was going to use in my answer to you. Clearly we want to see greater co-ordination. We have BEREC<sup>2</sup>, for example, bringing together the communication regulators. What I do not want at this stage—whether I would ever want it in future—is forced harmonisation, a sort of top-down imposition of spectrum regulations that would throw out the baby with the bathwater. I want to see, and continue to push for, greater co-ordination, but we are resisting a sort of top-down, blanket, forced harmonisation of spectrum policy at European level, because that would lose some of the best practice that exists in some of the leading country regulators and stifle some opportunities for innovation and flexibility in individual member states.

**Lord Green of Hurstpierpoint:** To what extent would the view that you have just articulated, the rationale for which I very clearly understand, look and feel roughly like the views of the other big member states that have a strong interest in this topic: the French, the Germans and the Dutch?

---

<sup>2</sup> Body of European Regulators for Electronic Communications

**Ed Vaizey MP:** As far as I am aware, most member states, certainly most of the big countries, share our view. They want to see more co-operation, but they do not want forced harmonisation. Certainly, in my position as the Minister leading on this issue, I do not feel any pressure from any particular member state pushing me away from the UK's position.

**Q5 Baroness Donaghy:** As part of the digital market strategy, this month the Commission is launching a broad public consultation into telecoms rules. Are the Government intending to participate and to contribute to that consultation? If so, on what issues would they hope to be the most influential? Would it be around connectivity, regulation of competition, electronic communications, ensuring regulatory consistency across member states or any other aspect of the subject?

**Ed Vaizey MP:** We intend to respond. Again, without wishing to blow my own trumpet or the Government's too much, the UK is one of the leading digital nations in the European Union. We lead the way in telecoms competition and, despite what one occasionally reads in the newspapers, I think we lead the way in connectivity, the rollout of broadband and mobile networks, so we have a lot to bring to the table in this debate and we want to respond strongly. The UK is often seen as somehow holding back when we debate issues in Europe. This is a great opportunity for us to take a very constructive lead in a very important part of the European Commission's work. We want to look at the electronic communications framework. We aim to influence the development of a simpler, more proportionate framework. We want better regulation principles at the heart of the debate, so we want to look at deregulation, provided we can defend consumers and public security and not have regulation simply for the sake of it. We want to encourage competition between telecoms operators. We want to look at ways in which we can encourage investment in broadband infrastructure, obviously, but support innovation as well.

**The Chairman:** You will know, Minister, that we are about to engage in an inquiry into platforms. We are at a very early stage: that is, we have not completely got over the conceptual problems of defining what we want to do. Nevertheless, this a big aspect of the Commission's approach to completing the digital single market, and it is one that is fraught with some political overtones and differences of approach between different member states. Can you give us any help or indications of what you think we might most helpfully concentrate on in that inquiry or whether the Government have some considerations they would wish us to look at and take forward?

**Ed Vaizey MP:** I share your nervousness, if I can put it that way, in the sense that trying to define this area is extremely difficult. I agree with what I think you implied in your remarks: that there is a political overtone to some of the discussion on platform regulation and some member states are more suspicious of the behaviour of platforms than other member states. I would make a number of points. First, in regulating platforms, one needs to have a pretty convincing case that some kind of new regulatory regime is required over and above the competition regime that already exists to deal with any perceived or actual anti-competitive behaviour. I also think there needs to be an examination, as it were, of the cultural mindset when it comes to platforms and disruptive technologies. We in the UK Government have traditionally—that is the wrong word as it implies “over many years” and these are new technologies—effectively welcomed disruptive technologies, because we think they are innovative and focused on the consumer. Indeed, in some cases, particularly in our analysis of the sharing economy, we have looked at where we can reform, change or abolish regulations that hold back the establishment of some of these new sharing economies. I think the Committee would, in holding this inquiry, be doing the UK Government an enormous service. As you know, there is an exchange of letters with the Commission from those member states that may take a less regulatory view of platforms and those that take a more regulatory approach that will encompass the arguments on both sides. An inquiry by your Committee that helps to define the parameters of the platform debate and helps to balance the debate on the negative impacts of disruption with the positive gains that can be made by innovation would also be very helpful.

**Q6 Lord Wei:** Speaking of disruptive technologies, the ones that have really taken off over the past while are over-the-top communications providers, such as Skype and WhatsApp, which are using telecoms infrastructure—people are making calls over them—but they are not contributing towards the maintenance of the infrastructure. Do you think that is fair?

**Ed Vaizey MP:** Again, to a certain extent it comes back to the net neutrality debate in general, so I have a lot of sympathy with telecoms operators that want to invest in their infrastructure and therefore need to adapt their business model to enable them to make that investment, but there is a host of things that impact on that investment model for telecom operators, not least government regulation itself. We as the UK Government want to make issues such as planning much easier, and we could go further. We have looked at these issues in detail. It takes time, a balance always has to be struck, and all the stakeholders in this debate need to look at the impact that we have. Are the over-the-top providers somehow a silver bullet for

telecoms? I do not think so. There are two points that they should balance. One is that a lot of these over-the-top providers make their own investments in their own infrastructure in order to provide a service for their consumers. Secondly, by providing a service that we all want to use and which we all need a smartphone and a mobile package in order to use, they are effectively helping to provide customers for the mobile operators, and it is up to the telecoms operators not simply to plant their feet in the sand and say, "Could you just regulate these organisations away while we update our business model and change our charging practices for consumers?". I am afraid that would be entirely the wrong approach. I have sympathy with telecoms operators that say that they find it a difficult climate to invest in, but there is a range of ways we can help them in that.

**Lord Liddle:** Going back to what Lord Whitty was talking about, have you had conversations with your French and German opposite numbers on the platform question? What concerns are at the top of their mind? How have you responded to them?

**Ed Vaizey MP:** We are sort of dancing around the edges on this at the moment, so I have not had a formal sit down. It would probably be inappropriate for me to give too much of a flavour of the conversations because they have tended to be informal, but I do not think it is a secret that some member states have concerns about some of the platforms. My instinct is that those concerns are based on the fact that those platforms are not grown out of the member states themselves, and if they were of a different nationality those concerns might melt away. We need greater clarity, as I said in answer to Lord Whitty's question, from the member states that are talking about platform regulation about what they mean by "platform", what specific regulation they are talking about and what ill they are trying to cure. An in-depth analysis by this Committee would help the British Government in encouraging our fellow member states to frame their arguments as accurately as possible.

**Lord Mawson:** Many years ago, I used to work in the communications industry, and I worry a lot about the internal mechanics of some of this as they affect all the discussions that we are having. What real knowledge is there in the department and the Civil Service about the mechanics of all this? At one meeting with some experts from Europe I raised a question about the skills and capabilities of people being employed and I was told that they were mainly lawyers. This is an environment that will massively affect our lives and our children's lives. What is happening in your department in particular about the skill base of your employees to help us understand the mechanics of what this is about?

**Ed Vaizey MP:** That is a very fair point. It is important to have the right level of expertise. One of the things you find as a Minister when dealing with a range of different businesses is that when they come in to see you, they behave exactly like politicians and tell you that the opposition is rubbish, that they have the answers to all your questions and that if only you did this the world would be a perfect place, so it is important that you have the expertise sitting behind you perhaps to call their bluff or occasionally say, “Actually, they’re making a very valid point Minister”. We have a strong team in the department. We not only have policy experts with a great degree of expertise in European policy-making in this sector but a range of telecoms experts, and thanks to Broadband Delivery UK we have a range of qualified people coming from the telecoms market. Ofcom is an independent regulator, but it is perfectly appropriate that we go to it for advice on a range of issues—technical issues, I hasten to add. In my experience, it has a range of very experienced and qualified people, particularly, for example, dealing with spectrum issues and telecoms networks.

**Lord Green of Hurstpierpoint:** Do you think the Commission is similarly reasonably well endowed with expertise in order to formulate their policy proposals?

**Ed Vaizey MP:** I had a close working relationship with Commissioner Kroes when she was in charge of this policy area, and I am establishing a good relationship, I think, with Commissioners Oettinger and Ansip. Commissioner Kroes made the point—I cannot remember the name of the third Commissioner—that once she left the job it took three men to take on her role, which is perhaps a more general point worth making. I do not work closely with the officials in the Commission, but at a ministerial level it is important to set policy priorities and to set them clearly. What Commissioner Kroes did and Commissioners Oettinger and Ansip are doing is to set out very clearly what their priorities are and how they are going to realise them. Certainly, listening to Commissioners Ansip and Oettinger at some of the Council of Ministers meetings, I have been very impressed by their grasp of detail and knowledge. For example—this is slightly off-topic in terms of telecoms—Commissioner Ansip is very keen to bring some transparency to the parcel delivery market. As a kind of informal pub quiz, you could sit down with him and ask him the price of sending any package from any European capital to Brussels and he would probably know it. I think there is relevant expertise. Roaming, for example, is a clear area where Ministers and, as it were, policymakers have to push through a policy that is clearly in consumers’ interest and balance the arguments of telecoms operators that might not see it as in their interests from the get go.

**Q7 Lord Wei:** Just to add to that, we have been thinking about the fast emergence of algorithms and artificial intelligence, and with a lot of the telecoms-related business models there is sometimes the risk that even the owner of the platform does not quite know why a decision was made in a certain way. That makes it hard to be transparent, and in certain cases consumers or businesses lose out as a result of the decisions that these algorithms make. Is this an area where you feel there is generally enough expertise? Are the Government tapping into some of that expertise? We are starting to live in a world where a lot of decisions are being made by robots or software, and that can have an impact on people's lives.

**Ed Vaizey MP:** It does not surprise me, Lord Whitty, that given Lord Wei's considerable expertise in this area he has taken me well out of my comfort zone.

To bring this back to a more general point, within the wider tech policy debate I think there is a good relationship between entrepreneurs, innovators and certainly the UK Government. I am sorry to keep harking back to Commissioner Kroes, but the new Commission has only just come in. I felt very strongly that Commissioner Kroes was also very open. In answer to your question, Lord Wei, and I am not sure it is a direct answer, I think there is an openness, certainly in the UK Government, to meeting and hearing from people in these industries, because they are such fast-moving industries that you really need to have a close working relationship. I am in no way implying that there is an improper relationship, but this is a network economy and it is important to network within it and to meet many people who are doing new and interesting things. Again, some ownership of this debate on the part of government is important, and you have seen a range of initiatives from the UK Government, from the setting up of Tech City, which has provided a fantastic platform for tech companies to talk to government about the kind of issues that you are raising, through to the creation of the trade body Innovate Finance—specific encouragement from the Chancellor, if you like, to encourage these companies to come together in a coherent way to start having a proper conversation with government.

**Lord Wei:** Following on from that, I guess that we are starting to see with these platforms and the rise of the sharing economy an impact not only on the technological industry but on traditional industries such as cab driving. Many, many more will be affected by these platforms. You mentioned that there are different agendas within Europe and member states on this. Do the Government have a view on how the interface between the digital world and the traditional economy should be managed so that this transition, which will be very disruptive for everybody, is made easier in some way for people and their livelihoods?

**Ed Vaizey MP:** In effect, the answer to your question is that there is no longer an interface, which is why it is such an urgent issue. Every business is now arguably a digital business, and it is important to look across the piece from supermarkets through to small businesses and to understand that digital now drives them and if they are not engaged at some level with this new economy they will be left behind. That can be the most rudimentary thing, such as having a website. Particularly as we move towards a digital single market with the opportunity to transact on that website as easily as possible across the European Union and beyond, those kinds of digital skills are essential. Then there is the much wider debate on the very sophisticated digital skills that we need to power this economy. We have a range of initiatives in that area from degree apprenticeships through to the Digital Business Academy pioneered by Tech City and so on to try to upgrade as much as possible not just the digital capabilities of people coming into the economy but those who are already established in the economy who need to upgrade their skills. It is an important issue. Again, it is worth stressing that it is a very important agenda for the Government, but we are not the only country struggling with this. It is always common to think that, whether we are talking about broadband or skills, somehow the UK is being left behind. We are not. The US is just as concerned, as are member states in the European Union, about those skills.

**Lord Wei:** Is our ongoing approach generally to be quite laissez-faire in this area, or is there a rule of thumb about when to intervene or anticipate some disruption? Many people say that lorry driving, for example, may be one of the first areas where automated transport will come in, which will have a huge impact on quite a lot of people. We might not be able to retrain them fast enough at the moment when that really starts to kick in. Do we seek to anticipate, or is it very much—

**Ed Vaizey MP:** It is not laissez-faire, but nor is it dirigiste. We have a number of interventions in the creation of the catapults under the previous Government, driven by BIS. There is the Digital Catapult and the Future Cities Catapult, as well as arguably the Satellite Applications Catapult, which are all playing into this space, so that is issue one where you can testbed new technology. For example, the Chancellor announced in the Budget a sum of money to test bed the internet of things. That is all effectively about a range of public policy issues that do not simply allow this technology to evolve and arrive but talk about things such as privacy, cybersecurity and the kinds of skills that we need to operate in that environment. That is issue one. Then there is the wider piste of digital skills. We were, I think, the first G20 country to introduce coding into the curriculum. It has been in the curriculum since last year.

There is auditing further education and university degrees through to new kinds of degrees, such as the degree apprenticeship, which allows you to work and be at university at the same time, and the Digital Business Academy. It is not laissez-faire at all, and it is important that we as a Government provide that space for these issues to be looked at in some detail to keep driving further policy innovation.

**Lord Aberdare:** Do you have any sort of wish list looking at the digital single market strategy, which is obviously a very important area and one in which there is an awful lot of development? We have 16 initiatives, I think, there. Are there any that you would really like to see and on which you believe we can see some substantial progress, like the sort of breakthrough on roaming that could happen within a reasonable timescale?

**Ed Vaizey MP:** For me, the watchword for the digital single market—I was just thinking it through in my head and it will probably come out sounding deeply banal—is that it has to be rooted in real-world experience. I want to see outcomes that make a difference if you are running a small business. I want to be able to say to UK small businesses that thanks to the digital single market you can now trade relatively friction-free in a market of 500 million people. That means, for example, looking at consumer protection regulations so that you are not constantly held back thinking, “Is it going to be different if I sell to a customer in this member state as opposed to another member state?”. The consumer approach is probably one of the most contentious areas, particularly with the UK creative industries, and is about being able to access the content you purchase in one jurisdiction in another jurisdiction. We are firmly in favour—taking this on to another area—of territorial licensing and not disrupting the business models of copyright holders, but already the initiative of the digital single market has provided focus for them to look at how they can provide, in the example I am giving, their UK consumers with a better experience if they decide to go abroad in the European Union. Consumer regulation for the benefit of businesses and the ability to access digital goods that you have purchased in different jurisdictions would be two of my priorities.

**Q8 Lord Green of Hurstpierpoint:** This builds on Lord Wei’s question to some extent. Would it be correct to say that there is, as it were, a philosophical theme running through the Government’s approach that is neither laissez-faire nor dirigiste—I love the fact that both those are described in French—but lies somewhere between them and is a philosophical background that presumes in favour of allowing digitisation to revolutionise businesses sector by sector rather than seeking to limit the damage and slow it down? Is that a good presumption? It is not laissez-faire, it is more riding with the crest of the wave, as it were.

**Ed Vaizey MP:** Yes. We are firmly on the side of innovation. With new technologies or new businesses models, I think it is appropriate that the Government's instinct is to ask whether there is anything that we can do or whether we are inadvertently holding back new business models that would benefit consumers rather than saying that we do not want to allow this kind of innovation to happen in this country. To slightly balance that, it is fair that where an established industry feels that it is unfairly regulated compared to a new industry it can put those points to the Government to consider them. I think that is perfectly appropriate.

**Lord Mawson:** This is often a conversation about technology, and my experience of technology is that it sits up there and people sit here. Actually, technology is simply a tool in relationships between people. In my experience, real innovation comes from people who connect, who are not in silos but who connect across disciplines. If that is the truth about innovation—the relationship between different disciplines with technology as a tool—what can you do as a Minister to try to enhance that environment, particularly in Europe? That is how markets and innovation are going to develop. It seems to me that a lot of the present systems in Europe, and in this country, are still very silo-driven. They do not have that kind of interrelationship. This is going to challenge fundamentally the ways in which Governments and systems work.

**Ed Vaizey MP:** I very strongly agree with you, Lord Mawson. I have said in public on more occasions than I care to remember how frustrating it is that government works in silos. It is the biggest difficulty that you face as a Minister. Trying to do anything across government departments is a complete, total nightmare. Anything that we can do to break that down is a good thing. That is why, for example, I am a massive fan of the Government Digital Service. It subscribes to the Mawson philosophy, because fundamentally it is not about technology but about people. Lord Mawson obviously got in on the ground floor and gave them an insight. The Government Digital Service starts from—it uses a slightly tortuous phrase—“What is the user experience?”. What it means by that is, “How do people interact with government, and how does government build a service for the consumer and citizen that is as easy and intuitive to use as possible?”. I remember my first briefing with the Government Digital Service. I said, “I think what you're doing looks fantastic, but I'm finding it really hard to find my press releases”, at which point the head of the Government Digital Service put his head in his hands and said, “Frankly Minister, it's not about your press releases, it's about people getting their driving licence”. I think the Government Digital Service has massive potential, if we continue to invest and support it, to transform how government works, because we are stuck with

Victorian Whitehall structures and the Government Digital Service is one of the great untold success stories of the past five years.

**The Chairman:** Thank you very much for that Minister. I was going to ask you earlier how you are getting on with your colleagues in BIS in the approach to the digital market. I think that, by inference, I can—

**Ed Vaizey MP:** I know you are trying to wind up, Lord Whitty, but that is why I wanted to be a joint Minister: because it makes a big difference. I think every department should have joint Ministers, because it helps to join up different government departments. It is absolutely invaluable, not just for me but for Baroness Neville-Rolfe, who sits across both departments, because you get to see stuff in which you can then have important input at both ends.

**The Chairman:** Very interesting. We have ranged pretty widely. Is there anything else you want to tell us or suggest to us that we have not covered?

**Ed Vaizey MP:** No. Thank you for a very enjoyable session from my perspective.

**The Chairman:** Thank you for your time. I thank your officials for coming here. We will no doubt be in touch on most of these areas over the coming months. The best of luck with all of it. Thank you very much.