

PARLIAMENTARY DEBATES

HOUSE OF COMMONS
OFFICIAL REPORT

Third Delegated Legislation Committee

DRAFT ELECTRONIC COMMUNICATIONS
(NETWORKS AND SERVICES) (DESIGNATED
VENDOR DIRECTIONS) (PENALTIES) ORDER 2025

Wednesday 19 March 2025

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Sunday 23 March 2025

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The Committee consisted of the following Members:

Chair: SIR JEREMY WRIGHT

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| † Atkinson, Catherine (<i>Derby North</i>) (Lab) | † Patrick, Matthew (<i>Wirral West</i>) (Lab) |
| † Bryant, Chris (<i>Minister for Data Protection and Telecoms</i>) | † Spencer, Dr Ben (<i>Runnymede and Weybridge</i>) (Con) |
| † Fortune, Peter (<i>Bromley and Biggin Hill</i>) (Con) | Stone, Will (<i>Swindon North</i>) (Lab) |
| Glover, Olly (<i>Didcot and Wantage</i>) (LD) | † Tufnell, Henry (<i>Mid and South Pembrokeshire</i>) (Lab) |
| † Hinchliff, Chris (<i>North East Hertfordshire</i>) (Lab) | † Turley, Anna (<i>Lord Commissioner of His Majesty's Treasury</i>) |
| † Morello, Edward (<i>West Dorset</i>) (LD) | Whittingdale, Sir John (<i>Maldon</i>) (Con) |
| † Myer, Luke (<i>Middlesbrough South and East Cleveland</i>) (Lab) | † Whittome, Nadia (<i>Nottingham East</i>) (Lab) |
| † Newbury, Josh (<i>Cannock Chase</i>) (Lab) | Sara Elkhawad, <i>Committee Clerk</i> |
| † Obese-Jecty, Ben (<i>Huntingdon</i>) (Con) | |
| † Paffey, Darren (<i>Southampton Itchen</i>) (Lab) | † attended the Committee |

Third Delegated Legislation Committee

Wednesday 19 March 2025

[SIR JEREMY WRIGHT *in the Chair*]

Draft Electronic Communications (Networks and Services) (Designated Vendor Directions) (Penalties) Order 2025

2.30 pm

The Minister for Data Protection and Telecoms (Chris Bryant): I beg to move,

That the Committee has considered the draft Electronic Communications (Networks and Services) (Designated Vendor Directions) (Penalties) Order 2025.

It is a delight to see you, Sir Jeremy. The order was introduced under the Communications Act 2003—I sat on the Bill Committee in 2002 and 2003—as amended by the Telecommunications (Security) Act 2021. It does two things. First, there are presently no rules enabling the Secretary of State to decide what “turnover” means in relation to potential non-compliance with a designated vendor direction, such as that on the use of Huawei services. The order corrects that so that it is established and laid down in statute what those provisions are.

Secondly, the order changes the term “provider” to the term “person” because the 2003 and 2021 Acts are not consistent one with another.¹ The order makes them consistent with one another, and in doing so makes the legislation more coherent, more consistent and—to use a valleys word—tidy. I should just clarify for *Hansard* that that is as in the south Wales valleys and not as in valets—we do not have very many valets in the valleys. With that, I commend the order to the Committee.

2.31 pm

Dr Ben Spencer (Runnymede and Weybridge) (Con): It is a pleasure to serve under your chairmanship, Sir Jeremy.

The draft Electronic Communications (Network and Services) (Designated Vendor Directions) (Penalties) Order 2025 provides for the calculation of a penalty relating to a designated vendor direction. A designated vendor direction is a power provided for by section 105Z1 of the Communications Act 2003, as inserted through the Telecommunications (Security) Act 2021. That power is intended to ensure that our critical telecoms networks are secure and protected from foreign state interference. We support the measures being taken forward today through this technical statutory instrument.

In 2022, a designated vendor direction was sent to 35 telecommunications companies to ban the installation of Huawei kit from new 5G installations; remove it

from the network core by the end of 2023; remove it from 5G networks entirely by the end of 2027; limit it to 35% of the full-fibre access network by the end of October 2023; and remove it from sites significant to national security by 28 January 2023. Will the Minister update the Committee as to the progress on each of the four latter criteria for each of the 35 providers that received the notice?

I understand that BT did not meet some of those statutory deadlines. Does the Minister expect it to be fined and, if so, when and how much? Does he expect other companies to be enforced against? What work is he doing to ensure that Huawei kit is being removed at pace to meet the 2027 deadline? Can he update us on that? Does he intend to review the 35% threshold in relation to full-fibre access? Given the current geopolitical environment, what assessments has he made of other providers in our telecoms supply chain, and can he update us on current providers of interest?

Huawei kit is not limited to telecoms infrastructure. Can the Minister update us as to the Government’s position on Huawei and its security risks? Were our concerns regarding Huawei raised during the Government’s recent engagement with China, including with regard to the domestic import of high-tech Chinese-made consumer goods such as electric vehicles? Finally, what assessment has the Minister made of the risks that emerging new technologies, including the large language model DeepSeek, which is based in China, may pose to domestic and commercial users? Do the Government intend to provide guidance on that?

2.34 pm

Chris Bryant: First, I completely agree with the shadow Minister on the need to act in this area. When Labour was in opposition, I was one of the MPs who clamoured for the Government to bring in legislation, which I am glad it did in 2021. I agree that we need to make sure we have removed all of Huawei’s presence from our telecoms systems, and we believe we are on track to meet the 2027 deadline.

The shadow Minister will know that the previous Government never commented on individual cases, and certainly not in the way he has asked me to. I certainly have no intention of commenting on security-related matters, as he has asked me to in, I think, three of his questions. As I say, the UK is now on a path towards the complete removal of Huawei from the UK’s 5G networks by the end of 2027, and we of course work closely with Ofcom to monitor compliance with designated directions. However, I am afraid that it would be inappropriate in this context to comment on the shadow Minister’s specific questions, because they touch on security-related matters, which could only properly be referred to in security conversations.

Question put and agreed to.

2.36 pm

Committee rose.

1. [Official Report, 25 March 2025; Vol. 764, c. 3WC.] (Correction)