News story: New powers to crack down on laser attacks

People shining laser pens to distract pilots, train and bus drivers could face fines of thousands of pounds or a jail sentence under stronger new powers designed to protect the public.

Shining lasers at any transport operator will become an offence under new legislation. This new law will make it even safer for aircraft travel as well as passengers using buses, taxis and trains both now and in the future.

Currently, it is an offence to shine lasers at pilots and offenders could face fines of up to £2,500. But police do not have the powers to effectively tackle and investigate the inappropriate use of laser devices against aircraft, trains, buses and other forms of transport. One of the current laws means that police have to prove a person endangered the aircraft when committing the offence of shining a laser, whereas the new law will mean that police will only have to prove the offence of shining the laser.

Secretary of State for Transport, Chris Grayling said:

> Shining a laser pointer at pilots or drivers is incredibly dangerous and could have fatal consequences. Whilst we know laser pens can be fun and many users have good intentions, some are not aware of the risks of dazzling drivers or pilots putting public safety at risk. That's why we want to take the common sense approach to strengthen our laws to protect the public from those who are unaware of the dangers or even worse, intentionally want to cause harm. This kind of dangerous behaviour risks lives and must be stopped.
>
> There are around 1,500 laser attacks on aircraft every year in the UK and we know there have been similar attacks on trains and buses. What I am announcing today (5 February 2017) are plans to give the police effective powers to investigate and bring those who misuse lasers to justice.

The powers and penalties for the offence will be outlined in upcoming legislation.

Steve Landells, Flight Safety Specialist at the British Airline Pilots Association (BALPA) said:

> BALPA welcomes this move to tighten the law on lasers. Any move to give the police and authorities more powers to tackle this real and growing threat to flight safety is a good thing, and we are pleased that the government has included action on lasers in this bill".

The first laser attack on an aircraft was reported in 2004 with over 200 attacks reported per year by 2008. Since 2011, there have been approximately 1,500 attacks per year on aircraft.

Press release: PM call with Canadian Prime Minister Trudeau: 4 February 2017

From:
First published:
4 February 2017

Theresa May spoke with Canadian Prime Minister Justin Trudeau and discussed the Quebec shooting, NATO and free trade.

A Downing Street spokesperson said:

> The Prime Minister called Prime Minister Trudeau of Canada earlier today.
>
> She began by telling him that Britain's thoughts remain with the people of Canada and those affected by the shooting at the Islamic Cultural Centre in Quebec City. Prime Minister Trudeau thanked her for her letter of condolence, and they agreed on the importance of working to tackle violent extremism in our societies.
>
> They noted the firm commitment to NATO expressed by President Trump during the Prime Minister's recent visit to Washington. Prime Minister May reiterated the importance of NATO continuing to ensure it is as equipped to fight cyber warfare and terrorism as it is to fight more conventional forms of war.
>
> The Prime Ministers also discussed their shared belief in the benefits of free trade, and said they looked forward to maintaining trade ties and starting conversations on the potential for a bilateral free trade agreement once the UK has left the EU.
>
> They ended the call by looking forward to their next meeting at the G7 Summit in Sicily in May.

Speech: Andrea Coscelli on the CMA's role as the UK exits the European Union

It's a pleasure to be here to speak today. Evidently, the political landscape in the UK has been very much in the news since the British people voted to leave the European Union some 9 months ago. At a time when the UK's relationship with international counterparts inside and outside the EU is under such a spotlight, it is timely to have the opportunity to speak to such an esteemed international audience.

Exactly what form the UK's relationship with the EU will take once it ceases to be a member and the specific process by which it will get there remains somewhat uncertain and will be subject to the outcome of discussions and decisions made by politicians in London, Brussels and the 27 other EU member states. So I cannot promise that what I say today will provide all the answers on that.

But what I can talk about is the Competition and Markets Authority's (CMA) place in this process. And in doing so, if there is one message that I, as the CMA's Acting Chief Executive, would like to get across today, it is this: regardless of where those political processes and choices take us, it is my strong hope and expectation that the CMA will continue to be a key member of the international competition and consumer law enforcement community and as such will seek to continue to maintain and develop strong relationships with other enforcers, both within Europe and beyond.

Where things currently stand

First, let me set out and reflect briefly on where things currently stand regarding the UK's exit from the EU (Exit), and, the direct implications of that Exit for the UK competition regime.

Just over 2 weeks ago, our Prime Minister delivered a speech in which she set out a number of core points setting out the UK government's plans for Exit negotiations. Key among these points, for our purposes today, are:

- first, the UK government's plan to notify its intention to withdraw from the EU, and thus to trigger the 2-year period in which a withdrawal agreement must be negotiated, by the end of next month has not changed;
- second, the UK government is committed to leaving the EU's single market and ending the jurisdiction of the European Court of Justice in the UK; and
- third, the UK will not be a full member of the European customs union, but aims to agree arrangements for tariff-free trade with the EU.

The speech also reinforced the message that, in those Exit negotiations, the government will seek to ensure that UK businesses remain able to trade with the single market in goods and services, while gaining greater control over the number of people who come to the UK from Europe. It also confirmed that the body of EU law, or 'acquis', that is currently applicable, will continue to apply on day one post-Exit with changes being made gradually – so as to avoid any 'cliff-edge' and associated business uncertainty.

It is now apparent that the precise relationship that the UK establishes with the EU is likely to be unique to the UK and not one mirroring current models directly. The Prime Minister made apparent, for example, that the government will not seek to remain part of the European Economic Area (EEA). EEA membership would have likely meant that the UK competition regime would have largely continued to mirror the status quo. The focus therefore shifts to a scenario where the UK reverts to international law obligations under World Trade Organisation (WTO) rules and where the nature of the future link with the EU is the subject of a specifically-negotiated bilateral or wider multilateral agreement, but, the precise scope and nature of which will only become clear further down the line.

Negotiations, by their nature, bring with them a degree of uncertainty and where the UK and EU ultimately land will determine the nature and extent of the effect and impact of the UK's Exit upon the CMA and the UK's competition policy and enforcement more generally. Whilst the arrangement to be reached is for the government to assess, that is not to say that we, the CMA, see ourselves merely as a passive observer in the period up to Exit and beyond. Rather, we see our role as, in essence, three-fold:

- First, and principally, as an authority: to continue taking decisions that contribute to making markets work in the interests of consumers, of businesses and of helping the wider economy grow.
- Second, as an adviser: to advise government on our areas of expertise in an informed, constructive and objective manner.
- Third, as a contributor: to fulfil and develop our role as a member of the global enforcement community.

To the extent that, post-Exit, the UK needs to reformulate its own laws and policies to replace EU provisions, there is evidently an important potential role for the CMA to play as an advocate and adviser on how competition principles can inform policy and law-making – whether generally or in particular sectors. But these are issues for another day, and I would rather focus today on each of the aforementioned 3 limbs of our current role.

1. Role as an authority

Our primary role as an authority is to promote competition in markets and make sure those markets work in the interest of consumers. Markets are not standing still while political debate goes on, and we must ensure that we are not diverted from our delivering on this role while political debate around the terms of exit continues.

Making markets work in the interests of consumers, business and the economy

Thus it is, firstly, of critical importance to the CMA that we ensure our focus is not diverted from our 'day job' of making markets work and minimise disruption to our exercise of our ongoing enforcement work, and other functions: businesses are still trading and consumers still risk being harmed by anti-competitive and unfair practices. We are, of course, aware of the possible evolution of our role and powers that could emerge post-Exit. But presently, my principal focus in all areas of our work very much remains on seeing our current and upcoming cases and investigations through to successful and impactful conclusions, to ensure that the UK's consumers, businesses and wider economy all benefit from the opportunities offered by competitive markets.

Our strong ongoing commitment to making markets work can be illustrated in 3 areas.

First, enforcement.

Having, in its early life, built the structural and organisational foundations from which to grow, the CMA has in the past 18 months stepped up significantly our own enforcement work: we are opening more cases and bringing cases to resolution quicker than our predecessors, while not letting up on our analytical rigour and ensuring due process and fairness to the parties involved. At the same time, through the European Competition Network (ECN), comprising the European Commission and the national competition authorities, and the International Consumer Protection and Enforcement Network (ICPEN), we have contributed actively to efforts similarly to enhance the effectiveness of enforcement across the EEA, which we see as beneficial to UK consumers.

Those enforcement efforts will not waver in the period to Exit. As I've said, the outcome ultimately negotiated between the EU and the UK may, over time, impact our portfolio depending on, for example, the transitional or longer-term case allocation and jurisdictional arrangements that are put into place. But in the meantime, we have a substantial portfolio of open antitrust cases – currently 12 – with important decisions and Statements of Objections in contemplation and new cases being launched in the coming weeks. Alongside this, we are developing our portfolio of significant consumer enforcement cases – currently we are progressing 4 announced projects. It is critical that our primary focus remains concentrated on these cases.

Second, mergers and markets.

With the same commitment to making markets work in mind, we continue to review the mergers that come before us, and – in that work and our markets work – to refine our processes, to ensure that they are as efficient and effective as possible, reducing burdens and uncertainties for businesses while protecting consumers. We have of course recently completed 2 very significant investigations into the UK energy and banking sectors, where we are now in the process of securing impactful remedies. But our markets work also continues into other important sectors of the UK – and indeed European –

economy. So, for example, we are currently investigating the competitive and consumer impacts of digital comparison tools – price comparison websites and the like. These intermediaries are important market players in a number of sectors and countries, and thus I can very much envisage our findings being of interest to authorities and regulators beyond the UK and contributing to the international debate on how to ensure that the online economy operates competitively and in the consumer interest.

And third, securing impactful outcomes from our work.

Rightly, our work needs to receive effective judicial scrutiny. But that also means we need to put significant effort into explaining and defending our decisions under such scrutiny. Thus, for example, we are currently defending a number of our high-impact outcomes against challenges brought by parties. For example, in the UK's Competition Appeal Tribunal we are currently defending appeals against 2 major enforcement decisions under the Competition Act – our recent decision concerning the excessive – and future – pricing of phenytoin sodium capsules by Pfizer and Flynn Pharma – and our decision in the generic pharmaceuticals patent litigation settlement case (Paroxetine), which is being challenged by GlaxoSmithKline and others; and an appeal concerning a recent merger decision prohibiting Intercontinental Exchange's acquisition of trading software firm Trayport.

A robust and thorough explanation and defence of our reasoning in ongoing cases like these will be critical to delivering our primary objective of making markets work well for consumers.

Supporting economic growth

That frontline work underpins an additional key aspect of our role: to support economic growth.

The UK government has emphasised that it sees building a productive, open and competitive business environment as vital in achieving its policy aims, both domestic and international.

As regards the latter, it has made clear its view that the UK 'remains open for business' and will continue to be outward-looking even after Exit. And domestically, it is formulating a new modern industrial strategy that builds on the UK's existing strengths and will help deliver – in the government's words – "an economy that works for everyone": one which provides a stable and predictable environment for businesses, creates fertile conditions for new competitors and industries to grow, and makes real differences to the work and lives of businesses, investors, consumers and employees "across every community" in the UK.

Last week, the government published a green paper further detailing that strategy and reiterating that the importance of competitiveness and pro-competition rules in the UK economy and creating "the right conditions for new and growing enterprise to thrive, not protecting the position of incumbents". In my view the creation of such conditions will be heavily dependent on, among other things, a predictable, active and effective

competition regime.

Particularly in times of upheaval, like those in which we currently find ourselves, there may be pressures on government to move away from these underlying pro-competition principles; principles which, I believe, have never been more relevant than now. So, as a competition authority, this commitment to maintaining open, competitive markets, is most welcome. All of the CMA's work – both domestic and international – can, does, and will continue post-Exit to, play an important role in helping foster the productive, fair and competitive economy that the government wants to see.

This is not merely aspiration or opinion: the value of competitive markets is something supported by a strong body of empirical evidence showing that competition can drive economic growth and greater productivity and, similarly, that countries with lower levels of product market regulation, enabling stronger competition, tend to have higher levels of productivity growth. Competition drives companies to be more productive, pushing them to seek efficiencies and to innovate, and rewarding those that do with increased market share at the expense of less productive firms and inefficient incumbents.

Supported by effective enforcement of the rules, competition can also help ensure that the opportunities and benefits of this productivity and innovation are felt broadly across society. Our ongoing work concerning the pricing by certain companies of medicines on which many patients rely and which all taxpayers fund; our recently launched market study into the UK care homes sector; our recommendations following extensive market investigations for changes to ensure that the UK's retail banking and energy markets work well, in particular for the financially less well off: all demonstrate how critical our work is to the interests of UK consumers.

2. Role as an adviser

The second role I want to highlight is our role as an informed, expert and constructive adviser to government on the role of competition across the wider policy landscape, and, in the present context, on the implications of Exit on the competition and consumer regimes.

As an independent non-ministerial government department, the CMA has both formal and informal advisory duties. Aside from our overarching primary duty to promote competition both within and outside the UK for the benefit of consumers, we have responsibility for, and a strong track record in, assisting and advising government ministers and other public bodies.

That advisory role primarily manifests itself in advising on the competition implications of laws, policies or legislative proposals that affect markets. Thus, for example, we have given advice to UK public authorities in relation to proposed regulations for private-hire minicab services and their potential impact on innovation and competition from new services, such as Uber – an issue which I know many of our counterparts in other countries have also faced.

As the Exit process moves forward we see the CMA as having a potential role to contribute advice to the government as it considers putting in place legislation and regulations affecting markets in areas currently the subject of European law.

In addition, of course, we will be feeding actively into the government's consideration of the specific implications of the UK's Exit from the EU on the UK competition and consumer regimes, and on the CMA's exercise of its functions within those.

As it stands, that Exit-related advice can be split into 2 primary areas: advice on implications for the CMA's functions, and, advice on minimising disruption for enforcement and business.

Implications for the CMA's functions

The question of what Exit may mean for the CMA is one I have – unsurprisingly – been asked several times, and on which much has already been written by a range of lawyers, academics and commentators.

The easy answer is that, as things stand, there has been no material immediate impact since the referendum on the CMA's work; the law has not changed as yet. And, as I've said, although we have a role in supporting the government's Exit-related thinking, our main focus is on continuing actively to carry out our responsibilities within the current legislative framework and to participate in international fora, including, on the competition side, the ECN, the Organisation for Economic Co-operation and Development (OECD) and International Competition Network (ICN), and ICPEN, Consumer Protection Cooperation (CPC) network and the European Policy Centre (EPC) and OECD on the consumer side.

Of course, over the longer term the answer is rather less clear: as I've already alluded to, the nature, extent and timing of the impact on the CMA will, necessarily depend on:

- first, the outcome of the political negotiations around Exit and the terms of the future relationship with the EU; and
- second, the decisions taken by the government in relation to the UK competition and consumer framework going forward.

While the UK competition and consumer rules are in large part codified directly in stand-alone UK legislation, and thus could to that extent 'survive' any disapplication of EU law in the UK, many of those rules nonetheless derive from or are framed by EU legislation, and several more directly reference specific EU provisions.

As was set out in the Prime Minister's speech last month, the UK's Exit will aim to leave Britain free to establish its own trade relationships, including a specifically negotiated UK – EU agreement, as opposed to pursuing a model that retains single market membership. Such a clear 'break' Exit will mean that EU law would no longer apply in the UK.

Function-specific implications

How such a clear separation and the consequent inapplicability of EU law impacts directly on the CMA will vary by function, depending in particular on the extent to which our exercise of that function, and the laws which underpin it, are currently entwined with EU law.

For example, at one end of the scale is the consumer protection regime, where the EU and UK regimes are highly integrated (albeit UK consumer law pre-dates EU competency in this area and the UK has been influential in shaping EU policy). As a consequence, a significant amount of legislative preservation will likely be required, not least as, regardless of the outcome of negotiations, UK businesses and consumers will continue to interact with EU businesses and consumers (and therefore EU consumer laws) to some degree. There will also be significant issues to resolve for the future in relation to, for example, the applicable law for cross-border purchases, and mechanisms for cross-border redress.

At the other end of the spectrum is the UK markets regime and the criminal cartel regime. Both of these are very much more UK-specific and will remain, in most respects, unaffected by Exit.

The competition and mergers regimes fall somewhere in the middle of this spectrum: they are codified in UK statutes but are nonetheless heavily aligned with, and influenced by, EU law and practice and are subject to mechanisms which provide for the allocation of certain cases between the European Commission and member state authorities.

While there will evidently be challenges in restructuring and separating the performance of our functions in these areas from our European counterparts, such separation, particularly in light of the intended clear ‘break’ from the European regime, also creates the potential for greater flexibility for the CMA to determine more directly its own enforcement priorities and objectives.

So, for example, UK consumer protection laws would no longer be governed by maximum harmonisation rules that limit the permissible extent of consumer protections that can be provided for. And, scope for possible change would also exist on the antitrust side: the EU antitrust block exemption regime would no longer apply directly, for example, and so – following an Exit with a clear break there could be an opportunity over time to reassess the policy rationale underpinning those block exemptions. The European exemption regime is, unsurprisingly, significantly influenced by the single market regime – with increasing trade globalisation there would in theory be scope to review what approach we should take with, for example, vertical restraints, once those single market imperatives don’t apply directly.

Indeed, the UK’s Exit also provides a more general opportunity for us to take stock and review our use of our different powers, and to consider whether each of these and the regime as a whole can be made to work more effectively. Many of the changes that might be made could well be things which one could do now or under any likely form of future Exit, but clearly once the terms of Exit are clear, there could be merit in a wider stocktake and reappraisal of

the regime.

The precise scope and need for any changes will, as I've mentioned, of course be a matter for political discussion and decision. At present, the UK government has indicated only that it intends to convert the existing body of EU law into UK law and that thereafter Parliament can amend those laws incrementally, subject to international treaties and other agreements with the EU and other countries.

Cross-cutting implications

Alongside those tool-specific considerations, there are a number of overarching practical issues that – irrespective of the exact relationship reached with the EU – we see as critical to the successful functioning of the competition and consumer protection regimes, and which we consider merit particular consideration by government.

Information sharing and co-operation

The first – and in my view arguably most significant – of these is the impact of Exit on the CMA's ability to co-operate and to share information with other European authorities for use in our and others' enforcement.

Currently, the CMA has the ability, under various EU provisions, to exchange with the European Commission and other EU member state competition authorities, and to use in evidence, confidential information. This formal power to share information, whether confidential or non-confidential, has played a significant part in facilitating close working and effective enforcement action by the UK competition authorities, the European Commission and other EU member state authorities. This is particularly the case in the enforcement sphere where (by contrast to some extent with the mergers regime) companies may have little incentive in the absence of such powers to grant voluntary waivers to authorities for their confidential information to be shared. As such, the need for adequate and effective means for the CMA to continue to share information with other authorities post-Exit (both those within the EU and those outside) and to receive information, and where appropriate, to use information we receive as evidence, is a key consideration for the CMA and the wider regime.

One-stop shop and parallel investigations

That co-operation imperative will be accentuated in any future scenario in which the existing mechanisms for case allocation – and in particular the so-called 'one-stop shop' between the Commission and EU member states for reviewing mergers – no longer apply in the UK. This issue is something I've already alluded to today, and its practical implications across the competition regime are significant.

On the one hand, the new potential for parallel investigation of certain mergers or antitrust cases by the Commission and the CMA would enable the CMA to assess a number of 'international' mergers that affect the UK which under the current arrangements would be assessed by the Commission.

But on the other hand, it would also have evident resource implications: not just for parties having to make parallel merger filings or deal with simultaneous UK and EU enforcement action, but also for the CMA itself.

By way of example, if the current UK jurisdictional merger thresholds remain the same, we broadly estimate – using recent cases as our model and recognising that levels of merger activity are always hard to predict – that the CMA could face an additional caseload of somewhere between 30 and 50 first phase mergers per year, which one could reasonably expect in turn to translate to a half dozen or so additional in-depth phase 2 inquiries. Taking into account the likely scale of those additional cases, this would represent an increase of at least 40 to 50% on the CMA merger workload since its creation, and we will evidently need to be ready and equipped to deal with such an increase if necessary. This is something to which our focus will increasingly shift as the future shape of the CMA's jurisdiction becomes more apparent.

Similarly, in terms of our antitrust enforcement, while there is not the same formal, threshold-based, European 'one-stop shop' for case allocation, there is a restriction on the CMA and European Commission pursuing parallel proceedings into the same conduct.

It is true that the CMA has greater discretion in determining which antitrust cases to prioritise for investigation than it does merger reviews and that will continue to be the case. However, it will evidently remain important that any separation in the jurisdiction and effect of UK and EU antitrust investigations, and any allocation of resources to increases in workload in other areas of our portfolio, does not result in less effective antitrust enforcement. In practice, this will – among other things – likely mean pursuing investigations into the UK impact of cross border anti-competitive conduct, in parallel to any proceedings by the European Commission. We have put a high priority since the creation of the CMA on stepping up the extent and impact of our enforcement activity. So we are keen to avoid the risk that Exit may impede or reverse the gains we have made and the consequent benefits we are able to bring to consumers in the UK. Moreover, and this is equally true for merger cases, any potential increase in our jurisdiction over 'international' cases that are currently reviewed only at EU level is also a further reason why arrangements for effective co-operation and information sharing with other authorities will be key to the effectiveness of any future UK regime.

Minimising disruption through transition and beyond

I mentioned earlier that our role as an adviser includes consideration not only of the impact on the CMA, but also on minimising disruption, be it disruption of effective enforcement or disruption for business. This is particularly so in considering the issues I have just discussed: inter-authority information sharing, the need for continuing co-operation, and the future relationship between EU and UK competition and consumer laws. We are acutely aware of the importance and mutual benefit for both the CMA and businesses of seeking to provide appropriate clarity, continuity and legal certainty across each of our tools. As a result we seek to minimise

disruption not only to our own investigations and enforcement activities, but also more widely, to legitimate commercial processes and practices and to the wider UK economy.

A central part of this, particularly in relation to enforcement cases but also for mergers, will be the putting into place of clear transitional arrangements which ensure clarity in the allocation of existing, in-flight and post-Exit investigations, processes and remedies.

The competition and consumer regimes will have to address some very particular transitional considerations – transitioning from the jurisdiction of the European courts and decision-making bodies to the jurisdiction of the UK and its devolved nations. At the more practical level, there are a number of possible permutations of transitional arrangements to be considered: for example those in relation to the allocation and investigation of ongoing cases, and the question of which authority shapes, enforces, and monitors remedies (and how other authorities should be involved in or work alongside that process).

In seeking to minimise disruption and legal uncertainty we are aiming to ensure that appropriate rights and processes are preserved and maintained for all stakeholders. This will include considering rights of intervention and consultation, appeal rights, rights to enforce and to gather information, referral and case allocation rights and mechanisms, and, relevant jurisdictional 'cut-off' points.

In addition to ensuring continuity with minimal disruption to business, in any scenario we must ensure that consumers are adequately protected by closing any potential enforcement gaps or opportunities to game the system.

Whichever path we head down, given the intended clear 'break' from the EU regime, the current intertwined nature of the EU and UK competition regimes means that an undisruptive path from the position pre-Exit to any future position will inevitably require careful consideration. That will necessarily require provision for the necessary resources and co-operative arrangements.

As I have said, the UK's Exit will likely necessitate or enable various changes and enhancements to our laws and practices or policy approach. Which changes are made is ultimately a question for politicians, but, Exit does offer various opportunities to refine the UK competition and consumer regime.

Equally, we do of course also appreciate, and have seen first-hand, the benefits of maintaining appropriate consistency with international best practice. Again that is true both for businesses and consumers who will continue to transact across borders and for the effectiveness of enforcement across the EU and beyond. In what the OECD has described as an "increasingly multipolar" world characterised by rising global economic interdependence (1), we are mindful that the benefits and importance of consistent, co-ordinated and coherent application of competition and consumer laws across the globe have, in many respects, never been greater.

3. Role as a contributor

This brings me on to my final theme for today, the CMA's role – now and in the future – as a member of the global enforcement community and effort. As things stand, while the UK remains a member of the EU the CMA will remain a member of both the ECN and its consumer enforcement counterpart, the CPC network.

This brings with it certain obligations which require the CMA to remain closely involved in those networks. But regardless of those formal duties we remain, more fundamentally, keen to continue to work closely with the European Commission and other EU member state authorities in pursuing European-wide enforcement and developing policies and procedures to meet the challenges of the new economy both before and following Exit. Just as the UK government has spoken of its commitment to the UK remaining an 'outward looking' country, so the CMA takes the same view from our own, more specific, competition and consumer enforcement perspective.

I've already referred to some of the benefits that we feel that our close, co-operative work with our European counterparts – and indeed others agencies beyond the EU – has brought to our and others' cases. But even if these weren't so manifest, the simple fact is, to put it somewhat bluntly, that the EU and the UK will, if nothing else, remain 'next-door neighbours'. Regardless of any other drivers, authorities on both sides will therefore continue to have to consider markets and conduct that reach beyond political boundaries and into each other's territories. The increasingly international dimensions of business practices, illustrated most obviously by the continued growth of online and digital markets, means that the same is true, and will likely become only ever more true, of the interrelation of UK markets, consumers and businesses with jurisdictions further afield.

We are building from a strong base in this regard – there are numerous examples of cases where our extensive co-operation with the European Commission and other European enforcers over the past year has been highly productive – the consideration of the proposed CK Hutchison / Telefonica Europe (O2 UK) merger provides a good recent example; or antitrust enforcement – see our recent co-ordination with the French and Italian competition authorities in our separate investigations into price co-ordination by modelling agencies, and the ongoing co-operation the CMA has had with a number of European authorities, including our French, Swedish, Italian and German counterparts, in relation to certain pricing practices in the hotel online bookings sector. Or – looking further back – the close co-ordination between the CMA's predecessor, the Office of Fair Trading (OFT), and the German Bundeskartellamt in relation to independent investigations each authority ran into the price parity clauses relating to Amazon Marketplace, and with the European Commission in its investigation into the truck producer cartel. That investigation, which resulted in Commission fines totalling €2.93 billion, first originated with a leniency application that followed the launch of an intelligence-led investigation by the OFT.

As I've said, our external focus does not end at the boundaries of the EU: we have actively co-operated on merger cases with a number of jurisdictions

worldwide including the USA and Canada. So too on the enforcement side – for example our recent co-ordination with the Department of Justice in connection with our respective investigations into the online sale of posters/wall art in the UK and USA respectively.

Nor is our external focus limited to investigations and mergers – we frequently meet counterparts from around the world to discuss issues of mutual interest, and to build personal links. So, for example, 2016 saw us visit authorities and take part in technical assistance workshops in Canada, the USA, China, Germany and Colombia. This is in addition to our participation and attendance at international networks around the world through our membership of ICN (of which the OFT's John Fingleton was Chair for 3 successful years to 2012), ICPEN (of which we had the presidency for the third time in 2015/16) and the OECD. We look forward to continuing, through these networks, to contribute to and influence the development of global policies, procedures and approaches, both while we remain a member of the EU, and – I can envisage even more directly – post-Exit.

Alongside the various external market dynamics I've mentioned, the potential complexity and uncertainty from the Exit process is likely to make this close, co-ordinated working all the more important in the coming months and years, even before Exit.

And so it is very much my, and the CMA's hope, ambition and expectation, that regardless of the technical considerations to be addressed, the precise outcome of political discussions, or the strict form of the relationship between the UK and EU regimes and institutions – the strong, mutually beneficial and co-operative relationships that the CMA and its predecessors have worked hard to build with our overseas counterparts will continue and develop further, not just up to, but also beyond, the UK's Exit from the EU. It is not in our, nor, I believe, others' interests for the CMA to recede as a contributor to the development of competition and consumer law internationally.

Conclusion

The UK government has made clear its commitment, regardless of the precise outcome of Exit negotiations, to maintaining the UK as an open, competitive environment for business. And whatever that outcome, it is the CMA's role to react and adapt so as to continue its leading role in helping ensure the economy thrives to the benefit of consumers. I hope I have given you a sense as to how the CMA is going about this, as an authority, adviser, and member of the international competition enforcement community.

We see ourselves as playing an important role in helping the UK to continue, up to and beyond its Exit from the EU, to be a dynamic competitive economy for consumers and businesses, no matter what the Exit course that is charted.

While the circumstances surrounding Exit are clearly without direct precedent, I believe that, as an agency, the CMA can take confidence from the way in which we have previously evolved and adapted to new landscapes and political and economic climates: the reforms that created the CMA in 2014,

and the way in which we have, we feel, managed that transformation and not just continued, but also built further on, the work of our predecessors provide a useful recent reminder that significant change is as familiar as it is inevitable.

I will finish by saying simply that, without ignoring that there are some big changes coming our way, proportionate preparation is the key from our standpoint. The CMA is acutely aware that our key priority must be to retain our credibility as an agency by doing our day job as well as we possibly can, and to continue to play a leading role in efforts to create the dynamic, competitive markets that give rise to good outcomes for consumers through lower prices, higher quality and wider choice.

We look forward confidently and expectantly to working alongside our partners in the UK and abroad in the coming years to meet that challenge and to make the most of the opportunities that emerge.

1. OECD (2014), 'OECD @ 100: Policies for a Shifting World' and 'Challenges of International Co-operation in Competition Law Enforcement'.

Press release: Capacity Market confirms guaranteed electricity security for next winter at low cost

From:
First published:
3 February 2017
Part of:

Auction closes at a low price to consumers and ensures that homes and businesses have a reliable electricity supply all year round

With the conclusion of the latest round of the Capacity Market this Government continues to guarantee homes and businesses have a reliable electricity supply all year round.

The auction closed today at the low final price of £6.95kW, providing guaranteed electricity capacity at a low cost to bill payers. Having capacity guaranteed in advance protects bill payers from increases in their electricity bills.

This Government has set out exactly how electricity capacity will be guaranteed for the entirety of this Parliament. We are also making progress

in decarbonising the energy system in a way that is affordable for households and businesses. Following the Government's proposals to phase out unabated coal power generation by 2025 there is a significant reduction in the role that it will play in the Capacity Market year on year; with over 30% less coal capacity winning agreements for 2021 than for 2018.

We are also seeing more innovative, low carbon technologies coming into the capacity mix, such as battery storage.

Energy Minister Jesse Norman said:

"Reliable power supplies are essential for businesses to thrive and succeed. Thanks to this auction, homes and businesses can have confidence in the availability of that electricity at the lowest possible cost.

"More widely, the composition of the UK's electricity supply is now clear beyond the end of this Parliament."

The Capacity Market auction ensures that extra electricity capacity is available in case of unexpected power station outages or peaks in demand. Agreements won in this week's auction run from the start of winter 2017 to the beginning of winter 2018, at which point agreements already secured in previous auctions will commence to provide electricity capacity in the years up to and including 2021.

Provisional results report

Notes to Editors

- Within two working days of the Capacity Market closing, the Auction Monitor must report to the Secretary of State on whether the procedures in the Rules and Action Guidelines have been properly followed.

- The Secretary of State decides whether the auction results should stand based on the Auction Monitor's report. Unless instructed otherwise by the Secretary of State, National Grid will then make public the Final Auction Results within eight working days of the Capacity Auction concluding.

- National Grid will then issue capacity agreement notices to those awarded a Capacity agreement within 20 working days of the auction results day.

Speech: A Clear and Secure Democracy: Chris Skidmore speech

Firstly, my thanks to the Electoral Commission and the National Police Chiefs' Council for arranging and hosting today's event and inviting me to attend and speak. I am pleased to have the opportunity to outline my vision for improving electoral integrity to those who find themselves at the front line when allegations of impropriety are made.

The delivery of fair and inclusive elections in this country relies on people trusting them and participating in them. In recognition of the work you do to support and engender that trust, I am eager to start and develop conversations with you about how we can best provide support to you in your important work, to ensure the integrity of polls.

Elections and referendums, as you know, are already complex in terms of both legislation and delivery. We have been through a period of change with the recent introduction of individual electoral registration, but there is further work on registration processes ahead, and we are faced with further change in new parliamentary boundaries, implementing the recommendations from Sir Eric Pickles' review, and in preparing for the significant combination in May 2020.

I am committed to making sure that government and all of our key partners have the tools that we need to successfully meet these challenges. To ensure electors have the utmost confidence in the integrity of our democratic processes, we need to work together to address areas of vulnerability and build upon our resilient foundations.

My aim to ensure that our democracy works for everyone rests on four key pillars, which I would like to outline briefly here. The creation of equal seats will ensure that everyone's vote is treated equally, by bringing our historic Parliamentary constituencies up to date.

The government is committed to providing British citizens living overseas with Votes for Life, which is founded on the important principle that, no matter how far you travel or when you left, participating in the democratic process remains a fundamental part of being British.

I will also ensure that, across each part of the UK, Every Voice Matters. With more citizens than ever before registered to vote, I have been visiting the length and breadth of Britain to identify the barriers that stop many people from exercising their democratic right to participate. I will continue to encourage under-registered groups to engage in the democratic process.

The final key pillar that upholds the principle of a democracy that works for everyone is our commitment to building a clear and secure democracy. I think it is important to the integrity of elections in the UK that we are clear about who can vote, and that the systems used both to deliver and to

participate are robust and reliable, and that area is the focus of this round table today.

I am committed to strengthening our electoral processes and enhancing public confidence in the rigour of our democracy. In doing so, I think it is important that we recognise that perceptions of fraud can have just as corrosive an impact on the robustness and reputation of our democratic processes as evidence that illegal or corrupt practices have actually taken place.

Data recently published by the commission showed that almost a third of voters believe that electoral fraud is a problem in the UK. As Sir Eric noted in his review, “perceptions can play as big a part in undermining the system as well as actual proof of fraud”.

Recognising this fact, the government’s approach to tackling electoral fraud will focus on tackling illegal acts where they are (and where there is potential for them to be) committed, as well as the vulnerabilities that can give rise to the perception that our system is susceptible to fraud.

This approach is particularly important in the context of the Tower Hamlets case, the details of which I know will be familiar to all of you. This case played a large role in sparking off Sir Eric’s review.

As Secretary of State for Communities and Local Government at the time of the scandal, Sir Eric was able to bring his valuable experience to his review. I agree that this case illustrates the vital importance of not taking our democracy for granted.

Tower Hamlets exposed a number of flaws and gaps in the system, and the government remains aware that the case has significant implications for local authorities across the country, across multiple areas of the electoral process.

It is sadly true to say that the alarming state of affairs witnessed in this case have not been unique. In the judgement of the election court held in Birmingham in 2004, Richard Mawrey QC said that the evidence of electoral fraud he had examined would “disgrace a banana republic”.

Sir Eric was clear that the abuses seen in these cases were made possible by weaknesses that feature in the systems used throughout Great Britain. The government’s response outlines a plan for addressing these vulnerabilities comprehensively, across the country.

The reforms and changes that the government will look to bring forward under this pillar are especially relevant to our meeting today, and today I would like to address the details of this pillar specifically.

The government’s response to Sir Eric Pickles’ review of electoral fraud was, I believe, an important first step towards the achievement of the objective of a clear, secure democracy that works for everyone. It sets out a comprehensive, challenging programme of work for strengthening our democratic processes.

The government is keen to work closely with the commission, the AEA, SOLACE, and other partners to determine how and when work will be taken forward on Sir Eric's recommendations.

I have made clear my view that fraudulent electoral activity is unacceptable on any level. We have responded positively to the large majority of Sir Eric's recommendations. In doing so, I believe we have set out some direct and proportionate steps for addressing the vulnerabilities in our system.

Sir Eric identified areas where electoral controls could be tightened. We will look to bring forward work to make sure that voters are protected against the risks of intimidation by campaigners and activists, inside and outside of the polling station; we will seek opportunities for ending the dubious practice of postal vote harvesting by political supporters; and we will give careful consideration to the practicalities involved in using data, such as on nationality, to address fraudulent actions.

A cornerstone of the overall package, the response outlines the government's intentions to run a number of pilot schemes to test how asking voters to present a form of identification before taking their ballot paper impacts on the way elections work. We aim to run the pilots at local government elections in 2018.

We are interested in piloting both photographic and non-photographic forms of identification, which could include passports, driving licences, local travel passes, utility bills, or documents that bear voters' signatures. This will ensure that every voice can be heard.

I don't agree with the suggestion that there is a trade-off between security and turnout. Northern Ireland has successfully operated ID for over a decade, having been introduced under a Labour government.

Indeed, a lot of people wrongly believe that they can't vote without their polling card at present. If electors realise that they can vote just by turning up with some ID, it could encourage more people to vote on election day.

Our intention in introducing these pilot schemes is to close down those avenues and opportunities for fraud that can still be used by unscrupulous individuals to subvert our elections. In his review, Sir Eric noted that the absence of a requirement that voters present identification before they vote remains "a significant vulnerability" in the eyes of expert organisations; I understand that 101 cases of alleged fraud in polling stations were reported in 2016. In its December 2015 report, Briefing on electoral fraud vulnerabilities at polling stations, the Commission concluded that there "are few checks available at polling stations to prevent someone claiming to be an elector and voting in their name".

I was particularly interested to read about the case of personation in Scotland at last year's referendum; the crime was only reported because of the vigilance of a polling clerk, who recognised that an elector had already voted earlier in the day. We do not know how often this type of fraud goes

unnoticed. The government takes the view that this vulnerability should be addressed and explored further, through the pilot schemes.

Tackling perceptions, as I have said, is also a key motivator for government in introducing these schemes. I agree strongly with the view that the absence of a significant amount of evidence does not mean that fraudulent practices are not taking place.

I was pleased to read that the commission has reported a fall in 2016 in the number of alleged cases of fraud, compared to the previous year. But the true extent of fraud in Great Britain is still, largely, unknown, and we should remain wary of complacency. Voter identification measures, if explored thoroughly, can enhance public confidence in the integrity of our elections, and the schemes we intend to run are an important step to achieving this.

I am of course aware that the Electoral Commission and a number of other organisations, such as the Organisation for Security and Co-operation in Europe, and the Office of Democratic Institutions and Human Rights, have previously called for the introduction of an electoral identity card, similar to the card introduced in Northern Ireland in 2003.

We have given consideration to the commission's useful report on voter identification, which gives estimates for the cost of introducing a proof of identity scheme to UK elections, and a comparative look at the current Northern Irish system.

But we are not minded, at present, to bring forward proposals for a new, bespoke electoral identity card. Our view is that the financial and logistical obstacles outweigh the benefits of trying to pilot such a scheme in time for the 2018 local government elections. We are also conscious of the decision made in the last parliament to scrap the Labour government's plans for a national identity card.

This government has not taken any decisions on where pilots will take place, or which measures will actually be piloted. The response referred to the 18 local authority areas identified by the Commission as being most at risk of allegations of electoral fraud.

Although I recognise that some of these areas may be interested in running a pilot, in referring to them we have not, as such, earmarked them. Indeed, some of these areas will not be holding polls in 2018.

The detail of the schemes will be worked through in the coming weeks and months. We will be working hard, along with the Commission, to make sure that the approach and methodology for the pilot schemes is measured and clear, and strikes the right balance between accessibility and integrity.

It is encouraging that, in Northern Ireland, there has been no level of evidence that voters have been disenfranchised as a result of the voter identification measures adopted to increase security. And I'm sure there is a great deal that we can learn from the experiences of many other democracies around the world, including Austria, Canada, Germany, and the Netherlands,

where forms of voter identification to combat fraud and strengthen integrity have already been successfully adopted.

It is vital that the pilots present government with all the information it needs so that the right decisions about the suitability of voter identification in Great Britain as a whole can be made. Our aim is to close opportunities for fraudulent activity, and ensure that the views of legitimate voters are protected. I believe the pilots we intend to bring forward offer us an opportunity to identify proportionate safeguards against the risk of personation and other types of fraud.

I am keen to emphasise today that the pilot schemes outlined in our response, which have been the focus of much media attention in recent weeks, are just one element of a programme for electoral reform that is far wider in scope.

The government also has plans to bring forward work on recommendations that Sir Eric made in other areas, including postal voting, polling stations, registration, and legal challenges and offences.

Sir Eric drew attention to instances of intimidation and undue influence outside some polling stations in the UK. In extreme cases, such as Tower Hamlets, some voters were too intimidated to enter the polling station and exercise their democratic right.

I'm sure we all agree that such behaviour is unacceptable. The government therefore intends to explore the practical implications of strengthening the existing powers of returning officers and the police, so that such activity can be dealt with appropriately.

The response also addresses the concerns of respondents to the review about the potential for fraud around postal voting. Practical steps have recently been taken to explore how these concerns can be addressed. Ahead of the polls in May 2015, funding was made available to the local authority areas that the commission had designated as being at higher risk of fraud allegations, to support the trialling of initiatives for tackling electoral fraud. These included exploring how the secret, personal nature of the postal ballot could be enforced.

The government is confident that the current system is robust and secure; personal identifiers were introduced in 2007 and, coupled with the introduction of individual electoral registration, opportunities for large scale organised fraud in this area are largely unavailable. However, we should not be complacent, and I recognise that some aspects still need to be tightened.

Specifically, the government is keen to look at how we can stop political activists from handling complete postal ballot packs. In some elections, campaigners go round knocking on doors 'harvesting' postal votes and pressuring people to hand them over. This opens the door for unscrupulous campaigners to tamper with legitimately cast votes or apply undue pressure. Postal vote harvesting must been banned – it is a threat to free and fair elections.

Sir Eric also heard evidence that pressure had been put on vulnerable members of certain communities to cast their postal vote according to the wishes of family members. This was heard to take place most often in places where the right to vote in secrecy and independently were not respected. We cannot just ignore this because of politically correct sensibilities.

To address this issue, the government will look to extend the secrecy provisions to postal voting that already exist for voting in person, and will work closely with you to establish how this can be implemented effectively. Offences and the legal challenge process are also areas where the government is keen to bring forward reforms.

Our response agreed with Sir Eric that the maximum penalties for electoral fraud offences should be increased, and agreed to consider rewriting these offences in more readily understandable terms, to address concerns raised by many that, currently, they are not sufficiently robust or widely understood. I am confident that this is something that will assist those of you here whose job it is to apply these offences both in policing and in prosecution.

I would say, however, that many have rightly questioned why there were no criminal prosecutions in Tower Hamlets following the Election Court judgment in 2015. The court resulted in findings of corrupt and illegal practices to a criminal standard of proof, following extensive scrutiny and cross-examination in the Royal Courts of Justice.

Despite the removal of the then elected mayor for corruption, fraud remains a real threat in Tower Hamlets. Government appointed officials still administer some of the councils' functions. Indeed, following reports that the ex-mayor is to re-launch his political party, I have today written to the Electoral Commission asking them to undertake a forensic review of any application to register as a party.

The Tower Hamlets election court case only took place thanks to the brave decision of the petitioners to put their personal finances on the line. The election petitions process, which Sir Eric noted has remained largely unchanged since 1868, is also a target for our reform package.

We are minded, where possible, to bring forward changes to legislation in this area to make sure that the barriers to bringing petitions are not unduly high, and that everyone who has a legitimate interest in using the system is able to access it. We want to make sure that the democratic process is working for everyone.

In the coming weeks and months, we will outline precisely the nature and the timing of the overall programme of work we will look to bring forward. I recognise that this reform package presents a challenge, particularly in the context of the run up to May 2020. There is a clear need to avoid any adverse impacts on legitimate electors. I am eager to be inclusive in making plans for its implementation.

I think it is also important that, when discussing plans with its key electoral partners, the Government is open and honest about what can be

achieved, and it is clear that we won’t have legislative time to introduce a discrete electoral bill.

In the response, we have clearly outlined where, in order to bring forward change to address recommendations that need primary legislation, we will be exploring opportunities to identity an appropriate legislative vehicle. In the response, we also outline where some of Sir Eric’s recommendations can be brought forward through reinforced or stronger guidance.

I am eager to work closely with the commission on this, and have noted the helpful comments it has made on the guidance it provides in its response to our report. I am aware that the commission has already started work on this area ahead of polls in May 2017.

As I have already noted, we are all expecting 2020 to be a uniquely busy electoral year. But ahead of 2020, we have polls in the intervening years, including local elections in areas where we have previously experienced fraudulent activity and high levels of allegations.

We need to address those issues as a matter of importance. Working collaboratively with the people round this table to take forward Sir Eric’s recommendations and to identify solutions will be essential so that we can ensure we have a clear and secure democracy.