House of Lords Select Committee on Europe
Inquiry into E-commerce
2000

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Several subcommittees
Scrutinises work of European Commission and other European issues
Subcommittee B - Energy, Industry and Transport

Chair: Lord Brooke of Alverthorpe
Members: Viscount Brookeborough, Baroness O’Cathain, Lords Bradshaw, Cavendish, Chadlington, Faulkner, Paul, Sandberg, Skelmersdale, Woolmer

Clerk
Specialist Adviser

Select Committees
Official Purposes

Exert Parliamentary control over the Executive
Improve quality of legislation
Scrutinise public spending
Scrutinise work of government departments

Select Committees
modus operandi

Members appointed by committee but influenced by whips
All party representation
Meet at least once per week
Conduct special inquiry in parallel with scrutiny work
Report to parliament - sometimes reports are debated
**Select Committee Process**

1. Scrutiny
2. Choose topic of inquiry
3. Appoint Specialist Adviser
4. Draw up and publish Call for Evidence
5. Invite contributions (spoken or written)
6. Question witnesses
7. Collect written evidence
8. Update requests for evidence
9. Write report
10. Publish report
11. Debate

**Strengths of Process**

**Power to insist on attendance**

Witnesses can be pressurised to attend - especially politicians

**Objective-ish**

Intelligent amateurs approach

Tradition is that party political differences are subjugated

Government pays attention to findings

**Open and transparent**

Questioning of witnesses is in public

Can be televised

All evidence published (spoken transcribed)

**Scope for good Chair and Clerk to make it successful**

**Strict timetables - get things done**
Weaknesses of Process

Limitations as research

one-dimensional methodology

little or no planning/piloting

little analysis

Unusual power/responsibility relationships

Chair has overall responsibility but subject to party political issues

Clerk has detailed knowledge of procedures - can dominate

maverick behaviour on part of Members

Specialist Adviser has (informal) responsibility but no power

Expertise and knowledge are variable

Few resources

Procedure driven

Call for evidence

Sub-Committee B of the House of Lords Select Committee on the European Union is undertaking an inquiry into the development and co-ordination of policy in the European Union as it relates to e-commerce. Evidence is invited on what, within EU policies, the European Commission, national governments and their agencies are doing to develop and co-ordinate policy on e-commerce, and what they should or should not be doing to achieve this objective. In particular, the inquiry will be seeking answers to the following questions:

1) What needs to be done to create confidence and to stimulate e-commerce?

2) Does the European Commission’s draft Action Plan "e-Europe: An Information Society for All" offer a realistic means of promoting e-commerce in the EU?

3) Will codes of conduct and co-regulation provide sufficient protection? Is there a case for intervention by national governments and the EU?

4) Do the institutions of national governments, on the one hand, and the European Commission, the Council of Ministers and the European Parliament, on the other, function with sufficient flexibility and coherence to promote the EU's objectives in the field of e-commerce?

5) Should existing EU institutions’ internal structures be changed, or new ones created, to improve policy development and co-ordination?

6) How can structural change be brought about fast enough to accommodate to the growth of e-commerce?
Recommendations
Access

The government/EU should...

Encourage employers to allow employees to use corporately-owned equipment
Exert pressure for LLU (local loop unbundling)
Exert pressure for BT to roll out ADSL
Work to reduce Internet access costs and develop monitoring systems
Consider how universal access is to be achieved, especially the roll-out of digital TV
Ensure privileges associated with Internet access apply to all sections of society
Promote balanced use of Internet between genders
Encourage adoption good design practice for disabled people

Recommendations
Trust

The government/EU should...

Encourage development and use of smart cards
Encourage the use of e-money and e-wallet arrangements
Work with credit card companies to provide better protection for consumers
Resolve Country of Origin/Country of Reception issue; establish ADR scheme
Consider appointment of e-ombudsman for UK and one for EU
Promote voluntary international standard for website security cf ISO9000
Use existing monitoring groups but ensure they conform to Cabinet Office guidelines
Liaise more close with industry over service attacks
Investigate possibility of an electronic identity card system

Recommendations
Resources

The government/EU should...

Combine regulatory roles of OFTEL, ITC and Radiocommunications Agency
Enforce competition policy in respect of telecommunications infrastructures
Improve venture capital provision cf. US

*Identify need for individual training after leaving school*

Change tax treatment of stock options

Reflect on proposed VAT changes within the EU

Press OECD for progress on international taxation treaties

Review the operation of IR35

**Recommendations**

**Government as exemplar**

*The government/EU should...*

*Make achievement of UK government targets a priority*

Put in place mechanisms for cross-agency funding

Re-assess UK government ministerial structures at cabinet level

Rationalise EU Industry, Information and telecommunication Councils

Improve mechanisms for consulting with SMEs and the "new economy"

Improve support for SMEs in cross-border trading

*Change culture and attitudes in UK government departments*

**Recommendations**

**Monitoring**

*The government/EU should...*

Monitor DTI’s support provisions for SMEs

*Collect statistics on cybercrime*

*Monitor impact of e-commerce on digital divide*

Review collection and definitions of official statistics

*Implement medium- and long-term planning processes to assess the impact of e-commerce on economies, jobs, skills, education*

Benchmark e-commerce practice across nations
Timing was a problem
perceptions of the importance of the topic oscillated
press release in August

Debate on role of BT and the government’s monitoring of BT

Re-structuring on the agenda

OFTEL
EC Councils on Competitiveness, Industry

Pointed to superficiality of government targets
But... showed that government was trying hard and had initiated a number of changes

Issue of digital divide faded as dotcom shake-out took place

The End