

Consultation Response: Telecoms Security Framework

MARCH 2024



- 1. On 7 July 2023 the Government of Jersey launched a <u>public consultation</u> seeking feedback on proposals to put in place a Telecoms Security Framework for Jersey. The consultation noted the importance of maintaining the security and resilience of the digital connectivity on which Jersey's economy, Islanders and businesses depend.
- 2. Before issuing the July consultation, Government officials engaged extensively with Jersey stakeholders including Jersey's providers of telecoms networks and services. The engagement which began in autumn 2020 has continued alongside engagement with UK government stakeholders and agencies following the July 2023 consultation.
- 3. A key aim of the 7 July 2023 consultation was to raise awareness about importance of telecoms security. On its launch, Government officials contacted stakeholders, including representatives of the financial services and business community, offering meetings and ongoing engagement. Government officials also reached out to the Channel Islands cyber security community, presenting the public consultation at a Channel Island Information Security Forum held at the Jersey Cyber Security Centre's offices on 20 July 2023.
- 4. The public consultation closed on 25 August 2023 with late responses accepted throughout September 2023. In all, 18 responses were received:
 - a. 11 respondents made public webpage submissions.
 - b. Four Jersey telecoms providers submitted responses.
 - c. Three other respondents submitted responses: a provider of cyber and telecoms security services; a provider of IT services and a liaison body formed to ensure the resilience of Jersey's emergency call services.
- 5. This paper summarises feedback received to the public consultation and sets out Government's response. Further questions, comments or requests for information relating to this consultation response and Government's proposed Telecoms Security Framework may be directed to:

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Q1. Do you think it makes sense for Jersey to follow the UK's approach?

- 6. The July 2023 consultation noted the deep and long-standing close economic and diplomatic relationships Jersey has with the UK. It also explained that Jersey's telecoms providers use UK +44 phone numbers and work closely with UK telecoms providers and UK government agencies to maintain the security of Jersey's networks and services. Given that context, Government asked whether, it makes sense for Jersey to follow the UK's approach to Telecoms Security as underpinned by the <u>Telecommunications</u> (Security) Act 2021.
- 7. The majority (eight) of webpage respondents thought it made sense for Jersey to follow the UK's approach with only one saying it did not. Two webpage respondents were not certain. A common theme for webpage respondents, was the importance of maintaining Jersey's independence from the UK and the need for Jersey to take a pragmatic approach to telecoms security.
- 8. Webpage respondents noted the UK's comparative strength in security and that the Channel Islands do not have the ability to develop their own methods and practice. Webpage respondents considered divergence from the UK's approach might be detrimental to Jersey's security and long-term cooperation with the UK, threaten connectivity with the UK, and lead to security concerns for Jersey's financial services industry.
- 9. One Jersey telecoms provider said it was supportive, noting the importance of critical national infrastructure. Another said the UK's framework was a sensible starting point, and a third noted the Jersey context might mean a framework that works well in the UK might not work for Jersey. It was suggested that a flexible not prescriptive approach should be followed where providers conform with the spirit of security measures instead of compliance with financially challenging requirements. A fourth provider said the proposals were somewhat top heavy for Jersey.
- 10. The importance of proportionality was a common theme for those telecoms providers that responded with divergence from the UK's approach where necessary seen as important. Proportionality was seen as important in the context of the threats faced by Jersey and its telecoms providers, the scale of Jersey and its providers, the resources available to providers, and the need for Jersey to maintain sovereignty, including policy and regulatory independence, and flexibility in how any framework is applied, including penalties imposed for non-compliance.
- 11. Telecoms providers asked for clarity about how Jersey would seek to align with the UK's approach. Providers noted the need to understand whether Jersey would seek to align with UK legislation, instruments, guidance and penalties. Providers considered the technical complexity of the UK's approach and proposed implementation in Jersey required consultation. One provider made the case for consultation on Jersey's underpinning legislation before its lodging with States Assembly.
- 12. Two of the three other respondents supported Jersey's alignment with UK's approach. The third considered important that users of Jersey's networks and services data and information remains confidential, and that UK government and its agencies do not regulate Jersey's telecoms providers.

Government of Jersey response:

- 13. Government welcomes respondents' support for its proposal to apply the UK's best practice approach to maintaining the security and resilience of the digital connectivity on which Jersey's economy, Islanders and businesses depend.
- 14. Following the UK's approach will allow Jersey and its telecoms providers to benefit from the UK's experience without a loss of sovereignty. There will be no loss of independence for Jersey, its telecoms providers or Jersey's agencies.
- 15. Jersey's existing relationships with Ofcom for allocation and management of spectrum and numbers will remain unchanged. Jersey's telecoms providers will continue to have access to the UK's+44 numbering range. Jersey's telecoms providers, Government and its agencies will continue to be able to call on the expertise of the UK's agencies including the National Cyber Security Centre to help defend Jersey, Jersey's telecoms providers, businesses and Islanders from cyber threats.
- 16. Government agrees that Jersey's Telecoms Security Framework must be proportionate. The need for proportionality is one of the key principles informing our approach. Understanding the threats that Jersey and its telecoms providers face will be important. In some respects, the threats and risks faced by Jersey and its providers might be lower than for the UK and its providers, in other respects, threats and risks might be as high or higher. As some respondents observed, Jersey's Financial Service Industry is high-profile and depends on secure and resilient connectivity.
- 17. It is important that providers understand how Jersey's Telecoms Security Framework will be implemented and how they will be affected once it's operational. While flexibility is important, telecom providers must be able to understand and apply the security measures that are required. Telecoms security is too important to be solely left to individual providers to make decisions about what is needed. Consultation plays an important role in providing that understanding and in ensuring proportionality. Government officials have engaged with Jersey's telecoms providers since autumn 2020 about proposals for a Telecoms Security Framework and about how Government intends to implement the framework.
- 18. Government officials have explained to Jersey's telecoms providers that Government will align to the extent possible with the UK's Telecoms (Security) Act 2021. That UK legislation, first published as a Bill in November 2020, was enacted in November 2021. Government officials will continue to explain how's Jersey's Law and Telecoms Security Framework will diverge from the UK's Telecommunications (Security) Act 2021. In March 2024, a copy of the draft Amendment Regulations that will introduce Jersey's Telecoms Security Framework was provided, for information only, to those Jersey's telecoms providers who are likely to be subject to its provisions.
- 19. Government will consult in detail on the implementation of the Telecoms Security Framework, including on a proposed Electronic Security Measures Principles, Code of Practice, vendor supply chain requirements, and designated vendors directions. We also expect the Jersey Competition Regulatory Authority will consult on the statement of policy on ensuring compliance with security duties it will be required to produce and publish.

Q2. Do you think the costs of maintaining Jersey's security are justified by the benefits?

- 20. The consultation noted the significant economic benefits of maintaining the security of Jersey's networks and services, the challenges telecoms providers will face, and noted there will be costs.
- 21. There was a consensus among respondents including telecoms providers that maintaining Jersey's telecoms security is important. Respondents described how maintaining security is essential, could bring significant benefits to Islanders and Jersey's economy, and helps maintain Jesey's attractiveness as a place to do business. Respondents highlighted the need to understand and balance costs of maintaining security with those benefits.
- 22. Ten webpage respondents agreed that costs are justified by the benefits. One webpage respondent said they did not know. Of the ten that agreed, one webpage respondent suggested Jersey's key providers should either become subsidiaries of scale UK tier one providers or like French overseas territory providers, should enter into paid support agreements with scale UK providers. Another webpage respondent noted Jersey is already an expensive place to do business without additional costs.
- 23. One webpage respondent noted that failure to meet the costs involved in maintaining the relevant standards would result in Jersey being a less attractive jurisdiction in which to do business and invest. It was noted that the long-term economic harms of this would likely outweigh the costs.
- 24. Telecoms providers who responded considered benefits had to be balanced against costs. One provider noted the breadth of requirements in the UK's framework, the need to ensure costs are proportionate to the risks faced, and that costs incurred by providers will be passed on to users. A second provider, making reference to the UK's published Impact Assessments for telecoms security noted Government had not set out costs and benefits including who will bear those costs and when. As such, the provider disagreed with the premiss of question 2 and considered that Government should not progress without undertaking and consulting on a cost benefit analysis.
- 25. A third provider considered the cost of implementing a Jersey Telecoms Security Framework aligned with the UK's would be prohibitive given the scale of Jersey's providers. The provider asked that Government consider how factors including the rapid pace of technological change might make investment in security obsolete quickly or difficult to justify.
- 26. A fourth provider considered that while Jersey as an offshore financial jurisdiction needed to maintain security, costs of compliance required for telecoms security are overheads and burdens that cannot always be passed on.
- 27. Two of the other three respondents considered the benefits justified the costs. The third did not, explaining costs of further work are not necessary. One of the respondents noted there is a limit to proportionality, with investment below a threshold of capability potentially being wasted expenditure. The respondent noted that proportionality should not pre-emptively be limited by preconceptions about cost, complexity, or practicality of implementation.

Government of Jersey response:

- 28. Government welcomes respondents' agreement that telecoms security is important and in the context of Jersey as a centre for Financial Service could bring significant benefits. Government accepts a Telecoms Security Framework will impose costs for providers that are likely to be passed on to users.
- 29. Government notes the reliance that all aspects of Jersey's economy, businesses and Islanders have on secure and resilient connectivity provided by telecoms networks and services. The risks to Islanders' health and wellbeing, Jersey's economic well-being and Jersey's reputation of cyber incidents and a loss of resilience are so significant that we believe action must be taken. It is worth noting that Jersey is not alone in taking action. Indeed, democratic nations including the UK, European states and others are mandating measures to secure connectivity through frameworks and legislation.
- 30. Government considers the most effective way of considering the proportionality of costs imposed by telecoms security and resilience requirements, including the removal of equipment, services and facilities provided by Chinese high-risk vendors, is through the process of implementation. We look forward to Jersey's telecoms providers continued positive engagement on the measures needed to protect Jersey's networks and services throughout the process of implementation.

Q3. Do you agree with the principles that inform our telecoms security framework?

- 31. The consultation explained that Government's approach is to ensure that Jersey Law is underpinned by four principles:
 - a. Credible in the eyes of our stakeholders, maintaining Jersey's reputation as a secure and resilient place to do business.
 - b. Robust, capable of maintaining the secure and resilient telecoms networks and services on which Jersey depends.
 - c. Effective, imposing duties and requirements that are enforceable; and
 - d. Proportionate, recognising Jersey's unique context.
- 32. Respondents overwhelmingly agreed, including 10 out of the 11 webpage respondents, with the proposed four principles. Responses were focused on the costs that would be imposed and the need for proportionality. Respondents expressed concerns about additional costs for compliance and the difficulty in finding the required skills locally to implement the new legislation. Respondents also considered what proportionality might mean for Jersey and its providers, including the need to understand the level of challenge that security breaches might cause for Jersey and its providers, and how best to mitigate those challenges. One respondent cautioned against pre-emptively limiting the concept of proportionality in terms of cost, complexity, or practicality of implementation without first having considered risks to networks and services.
- 33. One telecoms provider who did not agree with the principles, explained that a one size approach would not work. The mismatch in scale and context between Jersey and the UK meant that additional costs would be imposed for measures that may not be relevant in Jersey.

34. Other points made by respondents included: the needs of all users to be considered by Government, not just providers and businesses; the need for an independent Ombudsman to consider the impacts on freedom; and for a Government commitment to the citizens of Jersey so that the Jersey Law is "credible in the eyes of our stakeholders, maintaining Jersey's reputation as a secure and resilient place to live, travel and do business".

Government of Jersey response:

- 35. Government welcomes respondents' support for the principles that inform our Telecoms Security Framework and underpin our proposed Law. As noted in Government's response to questions 1 and 2, ensuring Jersey's Telecoms Security Framework is proportionate is of great importance. We consider proportionality is best considered through consultation as part of the process of implementation.
- 36. Consideration of proportionality during the process of implementation will include consideration of not only costs borne by providers and therefore businesses and Islanders, but the also the benefits to Jersey's economy and reputation more widely. Government agrees that credibility should extend not only to Jersey's reputation as a secure and resilient place to do business but also as a place to live and travel. In that context Government considers the benefits delivered by the Telecoms Security Framework will contribute to maintaining Jersey's reputation as a secure and resilient place to live, travel and do business.
- 37. Jersey Government does not consider there is a need to appoint an Ombudsman to consider the impacts on freedom. The proposed Telecoms Security Framework will not affect the rights or freedoms of Islanders or businesses. Government notes that while the Jersey Competition Regulatory Authority and Minister for Sustainable Economic Development will be given new powers in respect of telecoms security, the Jersey Office of the Information Commissioner will continue to be the competent authority for data protection and privacy.

Q4. Are the proposed timings sufficient to protect the interests of Jersey?

- 38. The consultation set out Government's proposed timings to deliver the necessary legislative underpinning by Q2 2024 and to have implemented Jersey's Telecoms Security Framework by the end of 2024.
- 39. Government's proposed timings generated a range of responses. More respondents, including six of the 11 webpage respondents, agreed that the timelines are sufficient than disagreed. Agreement was, however, often conditional on the need for sufficient time to be given to ensure appropriate engagement with providers.
- 40. Respondents said enough time would be needed for Government engagement with regulators and telecoms providers both before the proposed Law is introduced to States Assembly and during implementation. Respondents also noted the need for Government to consider the ability of Jersey's telecoms providers to comply with requirements, the need to develop timelines in consultation with Jersey's providers, the need to de-risk the project, and said that the aim should be quality over speed. One respondent suggested interim measures should be considered given the proposed slow pace of implementation.

- 41. One telecoms provider noted the importance of further consultation on the measures required and the timelines for compliance with those measures. Another telecoms provider considered the proposed time frame is broadly appropriate and said it would like to see more clarity on the implementation and highlighted the need for consultation throughout 2024.
- 42. A third telecoms provider believed that the proposed timeline could be achieved but cautioned that non-alignment across Jersey and Guernsey would for providers lead to the complexity that comes with managing multiple sets of differing requirements.

Government of Jersey responses:

- 43. Government considers a Telecoms Security Framework for Jersey should be delivered at pace so the security and resilience of the connectivity on which Jersey depends can be maintained. That pace must be sufficient to ensure the delivery of a Telecoms Security Framework that is proportionate and workable for not only Government and JCRA but for Jersey's telecoms providers.
- 44. Government agrees that consultation about how the Telecoms Security Framework is implemented is vital. The process of engagement with providers that began in 2020 will continue and will include full and detailed consultation about the security requirements that will be required, who will need to demonstrate compliance and the timings for demonstrating compliance.
- 45. Government officials continue to work toward putting in place the underpinning legislation by end Q2 2024. Once the necessary legislation is in place, work will begin, with the input of providers to plan how to implement the Telecoms Security Framework for Jersey including appropriate timings.

Q5. Do you agree with the principle of the three Crown Dependencies working together on telecoms security?

- 46. Question 5 set out Government's view of the importance of the three Crown Dependencies working closely on telecoms security and cyber security more broadly.
- 47. All respondents, including telecoms providers, agreed that in principle the three Crown Dependencies should work together to avoid duplication of effort and unnecessary costs for providers and their customers. Telecoms providers noted pan-Island working would avoid the duplication of effort that will otherwise increase costs.
- 48. Respondents suggested advantages of the Crown Dependencies working together might include: economies of scale for joint procurement and shared use of security infrastructure across Channel Islands resulting in cost savings; increased purchasing power for equipment; reducing implementation complexity; and sharing of resources and expertise. Respondents also noted that a unified approach across the Crown Dependencies would simplify regulatory compliance for businesses while improving the effectiveness of security measures.
- 49. One respondent noted, given each jurisdiction has its own laws and regulatory authorities, cooperation would be limited to an overall sharing of resources rather than a single

solution. Another respondent considered working together with the States of Guernsey and Isle of Man should not delay the Government's work.

Government of Jersey responses:

50. Government welcomes the support for the principle that the Crown Dependencies should work together on telecoms security. Government officials will continue to work with the States of Guernsey and Isle of Man where possible. That joint working will not delay Government of Jersey's own work to put in a place a Telecoms Security Framework that is essential to maintaining the security and resilience of the digital connectivity on which Jersey's economy, Islanders and businesses depend.

Next Steps.

- 51. The Minister has approved and authorised the publication of this paper setting out the Government's response to the Telecom Security Framework consultation published 7 July 2023.
- 52. Engagement with Jersey's telecoms providers and other stakeholders has continued since the July 2023 consultation. Once the underpinning legislation is agreed by States Assembly, detailed consultation with stakeholders will take place about the implementation of Jersey Telecoms Security Framework, thereby ensuring the consideration of proportionality.