## **EXPLANATORY NOTE**

(This note is not part of the Order)

This Order makes modifications to Part II of Schedule 5 to the Scotland Act 1998 (c. 46). That Schedule is concerned with matters which are outwith the legislative competence of the Scottish Parliament.

Article 2 amends the reservations at Section C11 of Schedule 5 to reflect the provisions of the Postal Services Act 2000 (c. 26). The Act replaces the post offices monopoly with a new reserved area in which universal service providers and others may operate provided that they have a licence from the newly created regulator, the Postal Services Commission. The new reservation permits the Scottish Parliament to legislate for financial assistance for the provision of non postal services to be provided from public post offices, subject to the existing limits on the Scottish Parliament's powers to provide financial assistance contained in the Scotland Act.

Article 3(1) of the Order adds an exception to the reservation at Section E2 (Rail transport) of Schedule 5. This amendment will permit the Scottish Parliament to legislate to require Scottish public authorities with mixed functions to produce joint transport strategies relating to rail services. Article 3(3) of the Order adds an identical exception to the reservation at Section E4 (Air transport) of Schedule 5.

Article 3(2) of the Order adds a further exception to the reservation at Section E2 (Rail transport) of Schedule 5 to enable the Scottish Parliament to legislate to confer on certain Scottish public authorities which may be set up the same rail responsibilities as any other passenger transport executive and to allocate functions to such authorities.

Article 4 of the Order amends the exceptions to the reservation in Sections C5 (Import and export control) and C8 (Product standards, safety and liability) of Schedule 5. Both of the exceptions to the reservations contain references to "pesticides". However Part III of the Food and Environment Protection Act 1985 (c. 48) ("the 1985 Act") permits certain substances, preparations and organisms to be treated as if they were pesticides. This Article amends the terms of the exceptions to the reservations to accord with the definition in the 1985 Act.

Article 5 amends the reservation in Section C8 of Schedule 5. The existing reservation on product standards, safety and liability is extended to include accreditation of persons or bodies in support of trade carried out under community law, and of trade matters which are related purely to competition but for which nationally recognised accreditation is important.