



Request from BT for an exemption from the Undertakings for the Microconnect Distributed Antenna service

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Statement

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BT's request for an exemption from the Undertakings for the Microconnect Distributed Antenna service

About this document

This document sets out our agreement to BT's request for an exemption from its Undertakings for its Microconnect Distributed Antenna ("MDA") service.

The Undertakings are a series of voluntary commitments offered by BT in 2005 to address specific competition concerns. They include, amongst other things, the obligation on Openreach not to supply any product to any other part of BT unless it also offers that product to other Communications Providers on an equivalent basis.

MDA is a fibre based service which provides remote connectivity to small antennas mounted on top of street furniture in the area surrounding Westminster. This service can be used by mobile network operators ("MNOs") to provide mobile telecommunications coverage and capacity to consumers and businesses in that area.

An existing exemption from the Undertakings allows BT to offer the MDA service to one MNO. This new exemption allows BT to offer the MDA service to all MNOs.

Contents

Section		Page
1	Summary	1
2	Background	2
3	BT's request	4
4	Ofcom's views and Consultation responses on BT's request	6
Annex		Page
1	BT's exemption request	9
2	Legal text of the variation	11
3	Impact assessment	15

Section 1

Summary

- 1.1 This Statement sets out Ofcom's conclusions in relation to a request by BT for an exemption from the Undertakings for its Microconnect Distributed Antenna ("MDA") service.
- 1.2 On 22 September 2005 BT offered, and Ofcom accepted, the Undertakings pursuant to section 154 of the Enterprise Act 2002. These addressed issues raised by Ofcom as it considered whether to refer certain markets to the Competition Commission in relation to the provision of fixed telecommunications. The Undertakings include a requirement on Openreach not to supply any product to any other part of BT unless it also offers that product to other communication providers ("CPs") on an Equivalence of Inputs ("EOI")¹ basis. The Undertakings include mechanisms for BT and Ofcom to agree exemptions from the Undertakings, including to this EOI requirement.
- 1.3 MDA is a fibre based service which provides remote connectivity to 32 small antennas mounted on top of street furniture in the area surrounding Westminster. It can be used by mobile network operators ("MNOs") to provide mobile telecommunications coverage and capacity to consumers and businesses in that area.²
- 1.4 The MDA service has been in use since prior to the Undertakings coming into effect. On 19 July 2007, Ofcom agreed an exemption related to BT's MDA service. The exemption allowed Openreach inputs into the MDA service to continue to be consumed by BT without requiring the same inputs to be offered on an EOI basis to other CPs. However the exemption only allowed the MDA service to be used for contracts that existed at the time the exemption was agreed. At that date only one such contract was in place between BT and an MNO.
- 1.5 This new request for an exemption is to enable any MNO to use the existing MDA service and for Openreach to be able to continue providing the current fibre inputs without these inputs having to be productised or made available on an EOI basis.
- 1.6 The proposed exemption would allow all MNOs to operate on a similar basis but would not allow for any new inputs from Openreach or allow the existing MDA service to be expanded in geographical reach.
- 1.7 On 22 January 2015, we published a consultation (the "Consultation") on BT's request. In the Consultation we proposed to agree to BT's request, to allow all MNOs to use the existing MDA service infrastructure, due to the potential significant benefits associated with granting this exemption set against the very limited costs.
- 1.8 We received two responses and having carefully taken account of all representations made during the Consultation, we have concluded that it is appropriate to grant BT the exemption, as requested.

¹ EOI, or 'Equivalence of Inputs' means that BT provides, in respect of a particular product or service, the same product or service to all CPs (including BT) on the same timescales, terms and conditions (including price and service levels) by means of the same systems and processes.

² The MDA service was deployed in the Westminster area because of high mobile demand combined with challenging planning guidelines to keep clutter off the street.

Section 2

Background

- 2.1 On 22 September 2005 BT offered, and Ofcom accepted, the Undertakings pursuant to section 154 of the Enterprise Act 2002. These addressed issues raised by Ofcom as it considered whether to refer certain markets to the Competition Commission in relation to the provision of fixed telecommunications. The Undertakings were accepted by Ofcom in lieu of making such a reference. Ofcom's reasons for accepting the Undertakings, together with the Undertakings themselves, are set out in full in the document entitled *Final statements on the Strategic Review of Telecommunications, and undertakings in lieu of a reference under the Enterprise Act 2002*.^{3,4}
- 2.2 The Undertakings include mechanisms for BT and Ofcom to agree exemptions from the Undertakings. At the time the Undertakings were formulated it was realised that in the interest of reaching a conclusion in a timely manner, to ensure that the benefits could be felt by consumers as quickly as possible, it would be inappropriate to consider all BT's products in the context of to which products EOI should apply. Therefore, a process was included into the Undertakings to allow Ofcom and BT to consider the EOI requirement for certain products at a later stage.
- 2.3 In January 2006, BT provided Ofcom with a proposed list of products (which had not been specifically identified in the original Undertakings) to which EOI should apply and a number of requests for exemptions and requests for agreement from Ofcom.
- 2.4 As part of this process, on 19 July 2007, we agreed to an exemption request regarding the MDA service.⁵ This exemption allowed the MDA service to be used with existing contracts, without making the Openreach inputs available to other CPs on an EOI basis. At the time there was a contract with one MNO. However, BT has now requested a new exemption that allows all MNOs to use the MDA service.
- 2.5 On 22 January 2015, we published a consultation on BT's request. In the Consultation we proposed to agree to BT's request, to allow all MNOs to use the existing MDA service infrastructure, due to the potential significant benefits associated with granting this exemption set against the very limited costs.

The process for considering BT's request for exemption

- 2.6 Section 5.46.1 of the Undertakings sets out the general principle governing EOI by providing that Openreach will not supply any product to any other part of BT unless it also offers that product to other CPs on an EOI basis. Paragraph 5.46.1 goes on to provide for various exceptions to this general principle. BT has requested an

³ See *Final statements on the Strategic Review of Telecommunications, and undertakings in lieu of a reference under the Enterprise Act 2002*, 22 September 2005,

<http://stakeholders.ofcom.org.uk/binaries/consultations/752417/statement/statement.pdf>

⁴ A consolidated copy of the Undertakings, incorporating variations up to and including 20 June 2014 is available, *Undertakings given to Ofcom by BT pursuant to the Enterprise Act 2002*, 19 June 2014,

http://stakeholders.ofcom.org.uk/binaries/telecoms/policy/bt/Consolidated_Undertakings24.pdf

⁵ See request 3, *Requests from BT for specified exemptions and agreements to its Undertakings under the Enterprise Act 2002, Part 3*, 19 July 2007,

<http://stakeholders.ofcom.org.uk/consultations/btrequests/part3/>

exemption under one of these exceptions, paragraph 5.46.1c), which provides that the EOI requirement does not apply to any product where Ofcom agrees EOI is not required for reasons of practicality or otherwise.

- 2.7 When accepting Undertakings, the Enterprise Act 2002 requires that Ofcom should “have regard to the need to achieve as comprehensive a solution as is reasonable and practicable to the adverse effect on competition concerned and any detrimental effects on customers so far as resulting from the adverse effect on competition”. Ofcom’s competition concerns were set out in its Strategic Review of Telecommunications Phase 2 Consultation Document. In considering whether to agree a variation to, or exemption from, the Undertakings, Ofcom considers whether this comprehensive solution is materially and negatively affected by the variation or exemption in question.
- 2.8 Section 155 of the Enterprise Act 2002 requires that Ofcom consults where it proposes to amend the Undertakings in any material respect. Whilst we do not consider this to be a material change, and are therefore not obliged to consult, we published a consultation on 22 January 2015 because we think this request may be of interest to stakeholders.
- 2.9 BT’s request for an exemption and its reasoning for that request are described in Section 3 and BT’s request is reproduced in Annex 1. Our views on the request and consultation responses are explained in Section 4. The wording of the agreement to the exemption is at Annex 2, and our impact assessment is set out in Annex 3.

Section 3

BT's request

Introduction

3.1 In this section we summarise BT's request for the exemption and its reasoning for requesting the exemption. The full text of BT's exemption request is reproduced in Annex 1.

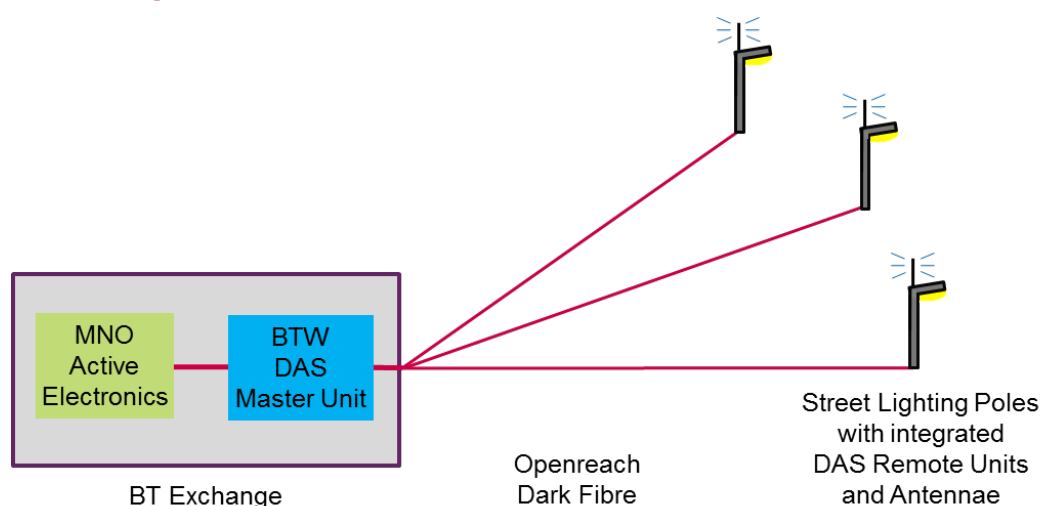
Summary of BT's request

The MDA service offers MNOs a service which provides remote connectivity to small antennas

3.2 The MDA service offers MNOs a service which provides remote connectivity to small antennas mounted on top of street furniture. More specifically, the MDA service is a distributed antenna system ("DAS") service. Such a system enables base transceiver station ("BTS") hoteling, whereby multiple cellular base stations are co-sited and connected to small remote antennas⁶, in this case via optical fibre⁷.

3.3 The MDA service, which is provided to MNOs by BT Wholesale, includes remote antennas and DAS units integrated into bespoke street furniture which are connected to a DAS master unit in a BT exchange. In order to connect the DAS remote units to the BT exchange, Openreach provides dark fibre to BT Wholesale on a non-EOI basis. This architecture is shown in figure 1.

Figure 1 – The high level architecture of the MDA service.



⁶ BTS hoteling removes the requirement for large equipment cabinets to be sited at the same location as the antennas. It is typically used in high traffic dense urban areas to offload traffic from surrounding macro cells.

⁷ The MNO's radio signals are carried over fibre via 'radio over fibre' (RoF) technology.

- 3.4 The MDA service provides connectivity to 32 remote antennas, all of which are within the localised area of Westminster and surrounds^{8,9}.

The MDA service is subject to an existing exemption

- 3.5 The MDA service has been in use since prior to the Undertakings coming into effect. On 19 July 2007, Ofcom agreed to a request made by BT for an exemption related to BT's MDA service.
- 3.6 This exemption allows Openreach inputs into the MDA service to be consumed by BT without requiring the same inputs to be offered on an EOI basis, but only for contracts that existed at the time the exemptions was agreed. At the date of the original exemption, there was only one MNO consuming the MDA service.

BT is now requesting a further exemption to allow all MNOs to use the MDA service

- 3.7 BT would like to allow all MNOs to use the MDA service on a commercial basis and has therefore requested an exemption.¹⁰ Specifically, it requests an exemption from section 5.46.1 of the Undertakings to enable Openreach to continue providing the current inputs to BT Wholesale's MDA service without the relevant Openreach fibre inputs having to be productised or made available on an EOI basis. BT states that as this does not require any new supply of the Openreach inputs, it would be disproportionate to require Openreach to productise such existing inputs and make them available on an EOI basis.
- 3.8 BT considers that the system cannot be easily replicated using EOI inputs (specifically Ethernet) because the active electronics required at the remote antennas would need to be bigger and as such would not physically fit into the existing street furniture solution. It states that no suitable replacements exist due to the developments that would be required.

⁸ The MDA service was deployed in the Westminster area because of high mobile demand combined with challenging planning guidelines to keep clutter off the street. At the time the MDA service was built this area was known to be an MNO 'not spot', or area of weak mobile coverage.

⁹ The 32 remote MDA sites are all situated within the SW1V, SW1X and W2 postal districts.

¹⁰ In 2011 BT allowed another MNO, to use the MDA service on a 'trial basis'. We understand that the Equality of Access Office ("EAO") is investigating whether this is a potential breach of the Undertakings.

Section 4

Ofcom's views and Consultation responses on BT's request

Introduction

- 4.1 In this section, we set out our position stated in the Consultation, the responses received from stakeholders and our views on the points they have raised.

Ofcom's position as set out in the consultation

- 4.2 In the consultation we explained that the MDA service covers a small area and consists of 32 remote antennas which can provide MNOs with localised mobile network coverage.
- 4.3 We added that the infrastructure for the MDA service is already in place and an existing exemption from the Undertakings allows it to be used by one MNO.
- 4.4 We set out that we understood that there is demand from at least one other MNO to use the MDA service and BT has told us that this demand cannot currently be met by BT given there is no commercial case to productise the existing inputs to the MDA service and make them available on an EOI basis. Therefore, without this exemption, this demand is likely go unsatisfied.
- 4.5 We explained that the exemption would enable all MNOs (rather than just one MNO) to use the existing infrastructure that has previously been exempted. Opening up the MDA service to all MNOs in this way would allow all MNOs to operate on a similar basis within the small area covered. Specifically, use of the MDA service may enable MNOs to provide improved mobile coverage, capacity and quality of service within the Westminster area. Therefore, our provisional view was that allowing all MNOs to use the MDA service would be beneficial to consumers of mobile telecommunication services in that area. Conversely, by not allowing other MNOs to use the MDA service, the other MNOs would not be able to supply services on the same basis, given the challenges of deploying in this area.
- 4.6 We added that while this exemption would enable BT Wholesale to be the only CP that can use an input of dark fibre from Openreach to provide a DAS to MNOs, our provisional view was that any impact on competition from allowing this exemption would be very limited. This is because agreeing to this exemption would not allow for the new provision of non-EOI inputs into BT Wholesale as only the existing inputs and infrastructure will be used. Consequently, it would not allow BT to add additional antenna locations to the existing 32 site MDA service.
- 4.7 Given the potential significant benefits associated with granting this exemption set against the very limited costs, our provisional view was that it would be reasonable to agree to this exemption to allow all MNOs to use the existing MDA service infrastructure.
- 4.8 We also considered whether agreeing to this exemption request materially and negatively affects the Undertakings as a comprehensive solution to the adverse effect on competition identified in our Strategic Review of Telecommunications Phase

2 Consultation Document. Given the very limited scope of the exemption, our preliminary view was that granting this exemption would not have any material impact.

Stakeholder's Responses

- 4.9 We received two responses to the Consultation: one from Vodafone and one from the Passive Access Group ("PAG") which comprises Colt Technology Services, Sky, TalkTalk, Three UK and Vodafone. The responses are published on our website.¹¹
- 4.10 In summary, both responses supported our proposal to grant this exemption request, however both also commented on the wider use of dark fibre.
- 4.11 Vodafone noted that the MDA service is one which pre-exists the separation of Openreach from other BT business units, and is specific to a single geographic locality, serving only 32 items of street furniture at that. It said that the addition of extra MDA customers does not affect the Openreach "product" which is consumed by BT Wholesale, either in functionality or scope. Vodafone therefore considered that it would be churlish to not allow the extension or to go further and mandate that the relationship between BT Wholesale and Openreach be converted to an EOI one for the existing MDA service. It said that there is a danger that if this was done, the service would be withdrawn given its lack of scale.
- 4.12 Vodafone did however stress that its support narrowly applies to the request, i.e. additional customers using the existing connectivity in Westminster. It went on to say that Vodafone absolutely believes that an EOI dark fibre capability is a must, and any similar service that BT may wish to develop for other locations should build upon the prospective EOI capability.
- 4.13 The PAG agreed that the MDA service should be available to all MNOs and therefore it supported the "limited" exemption request. However it stated that in considering whether to grant the requested exemption from EOI, it is important for Ofcom to take into account the implications for the broader policy context and in particular its relevance to Ofcom's current consideration of passive remedies.

Ofcom's Response

- 4.14 Both responses to the Consultation support our proposal to grant this exemption request.
- 4.15 However we note that both respondents also make representations on the wider use of dark fibre. We note these points but consider them to be outside the scope of our considerations about agreeing to this particular exemption request from BT about its MDA service. Passive remedies are currently being considered within the scope of the Business Connectivity Market Review.¹²

¹¹ <http://stakeholders.ofcom.org.uk/consultations/BT-undertakings-microconnect-distributed-antenna/?showResponses=true>

¹² See the Business Connectivity Market Review: preliminary consultation on passive remedies, <http://stakeholders.ofcom.org.uk/consultations/bcmr-passives/>

Conclusions

- 4.16 In the light of the consultation responses received, and for the reasons set out above and in the Consultation, we continue to consider that BT's request is justified in the circumstances.
- 4.17 Ofcom therefore agrees to BT's request to allow it to offer the existing MDA service to all MNOs without being required to make the inputs available on an EOI basis. The wording of the exemption is set out in Annex 2.

Annex 1

BT's exemption request

Product: MICROCONNECT DISTRIBUTED ANTENNA

Legal basis: 5.46.1

1. Product description and reasons for request

This request relates to Openreach's fibre inputs into BT Wholesale's Microconnect Distributed Antenna (MDA) service.

The purpose of the MDA service is to provide shared antenna infrastructure to Mobile Network Operators (MNOs) to enable them to achieve greater mobile coverage and capacity. It also addresses such issues as coverage shadows caused by large buildings and has a low environmental impact.

The MDA service has been deployed at various remote street furniture sites in the Westminster area since before the Undertakings came into effect (22 September 2005). It is capable of supporting multiple MNOs. The MDA service provides mobile coverage in a very localised area of Westminster using 32 sites. The service uses fibre inputs from Openreach that are not made available externally.

In July 2007, BT was granted an exemption to provide the MDA service to MNOs on existing contracts until they expired (excluding any renewal period) without the need for the service to consume an EOI input from Openreach. At the time the exemption was granted, there was only one MNO using the service. Another MNO has since joined the service and found that it has offered significant benefits to its end users. BT would now like to make the MDA service available to any MNO but still limited to the existing sites in the Westminster area. This will not require any new supply of Openreach inputs to BT Wholesale.

BT requests an exemption from section 5.46.1 to enable Openreach to continue providing the current inputs into BT Wholesale's MDA service without the relevant Openreach fibre inputs having to be productised or made available on an EOI basis.

2. Legal basis, scope, and duration

- Legal basis: section 5.46.1

- Scope: The scope of the exemption that we are requesting is specifically in relation to the MDA service in the Westminster area limited to existing sites

- Duration: permanent

3. Identification of the products involved

This request seeks an exemption in relation to the Openreach fibre inputs supplied to enable BT Wholesale to provide the MDA service at the existing 32 sites in the Westminster area that use existing street furniture to house distributed antennas and associated termination equipment and provides MNOs with enhanced mobile radio coverage.

BT Wholesale uses the Openreach fibre input to connect the remote street furniture sites to a base station hotel created from operational space within a BT Exchange building at Baynard House. This space provides accommodation and power for the MDA Master Unit,

MNO base station and BT fibre terminating equipment. BT Wholesale also provides a simple service wrap to manage planned/unplanned outages and carry out repairs when required.

4. Description of the way in which the product is provided on terms other than EOI

To create its MDA service, BT Wholesale uses Openreach fibre inputs between BT Wholesale equipment in a BT Exchange and each antenna location. The Openreach input is dedicated to BT Wholesale's managed radio communications services and is not productised or made available externally.

5. Description of the solution proposed

BT is proposing to allow continuation of the use of the existing infrastructure in the Westminster area. As this does not require any new supply of the Openreach inputs, it would be disproportionate to require Openreach to productise such existing inputs and make them available on an EOI basis. An exemption is therefore sought to allow the existing sites in the Westminster area to be used by all MNOs. For the avoidance of doubt, BT confirms that it has no intention to offer this service in any other locations or over any additional fibres in the Westminster area.

6. Justification for the exemption and impact on CPs

If the exemption is granted, the additional MNO's end users will continue to enjoy improved reception, better coverage, reduced dropped calls and better mobile data rates in the Westminster area. Additionally, BT would be in a position to make the MDA service available to other MNOs to enable them to improve service to their end users. Without the exemption, BT would look to terminate the second MNO's use of the MDA service which would potentially have an adverse effect on their end users. Overall, BT believes this exemption will improve end user experience for all MNOs while at the same time having no adverse impact on other CPs.

The MDA service is confined to a very small area, namely Westminster. It is based on de minimis technology, which has low environmental impact. Without access to it, the second MNO and any other MNOs may be compelled to deploy more macro base stations thereby adding to street clutter.

The remote street furniture sites in the Westminster area to which this exemption request relates are within the West, East & Central London Area (WECLA) as defined in Ofcom's Statement dated 28 March 2013 following its Business Connectivity Market Review¹³. In the WECLA, Ofcom's analysis showed that there has been more infrastructure investment than in the rest of the UK and that the prospects for wholesale competition in fibre-based leased line product markets are more favourable there than elsewhere in the UK. Indeed, Ofcom found the WECLA as being competitive in the supply of certain high bandwidth products. Therefore, BT believes that the MDA service or similar fibre-based services could be competitively supplied in the London area.

The current Openreach products have been examined for their applicability to the MDA service. This examination has confirmed that there are specific developments which would be required to support managed radio communications services. No suitable replacements exist within the timescales required.

¹³ <http://stakeholders.ofcom.org.uk/consultations/business-connectivity-mr/final-statement/>

Annex 2

Legal text of the variation

Exemption from the Undertakings given to BT by Ofcom pursuant to the Enterprise Act 2002

Exemption and agreement wording

WHEREAS:

(a) BT has offered and Ofcom have accepted Undertakings pursuant to the Enterprise Act 2002, which took effect on 22 September 2005 (the "Undertakings");

(b) Access Services as referred to in the Undertakings has been established as Openreach since 22 January 2006;

(c) On 19 July 2007 Ofcom granted specified exemptions and agreements which included (inter alia) an exemption in relation to the MDA service on the terms therein set out;

(d) BT has requested a further exemption in relation to the MDA service and having considered BT's proposals Ofcom has decided to agree to its exemption request.

NOW THEREFORE:

1. Exemption

1.1 Ofcom and BT hereby agree pursuant to section 5.46.1c) that section 5.46.1 shall not apply to any AS inputs into any MDA service provided at any Westminster site.

1.2 For the avoidance of doubt, this Agreement shall apply to any MDA service provided as at the date of this Agreement or subsequent to this Agreement at any Westminster site which exists as at the date of this Agreement.

2. Relationship to existing exemption

This Agreement supersedes the exemption agreement between BT and Ofcom dated 19 July 2007 in so far as it relates to the MDA service but in all other respects the exemptions and agreements in that exemption agreement dated 19 July 2007 shall continue in full force and effect.

3. Definitions and interpretation

3.1 In this Agreement:

"MDA service" means BT Wholesale's Microconnect Distributed Antenna service;

"Westminster site" means those sites listed in the Annex to this Agreement.

3.2 Words or expressions in this Agreement have the same meaning as in the Undertakings.

3.3 References in this Agreement to section numbers are references to section numbers in the Undertakings.

3.4 For the avoidance of doubt, where it is herein agreed that section 5.46.1 shall not apply:

3.4.1 information that would otherwise fall within the definition of Commercial Information, shall only do so if it relates to SMP Products; or, in the case of sections 6.10.3, 6.13 and 6.14, to products and services described in section 6.1.2;

3.4.2 the requirement to provide the particular product or service by means of EOI systems and processes will also not apply and existing processes and systems may continue to be used;

3.4.3 the people providing the exempted services whilst working for AS, will not be deemed to work for the Upstream Division(s) or any of the Downstream Divisions, and hence section 5.35 will not apply.

4. Effect

Unless otherwise stated, the provisions of this Agreement shall take effect immediately upon signature hereof on behalf of both parties.

Signed for and on behalf of British Telecommunications plc

Signature _____

Name _____

Position _____

Date _____

Signed for and on behalf of Ofcom

Signature _____

Name _____

Position _____

Date _____

ANNEX

Locations of MDA Sites in Westminster Area

Site	Structure	Height	Address	Postcode	Easting / Northing
1	[X]	8M	[X]	SW1V 3[X]	[X]
2	[X]	8M	[X]	SW1V 3[X]	[X]
3	[X]	8M	[X]	SW1V 3[X]	[X]
4	[X]	8M	[X]	SW1V 3[X]	[X]
5	[X]	8M	[X]	SW1V 3[X]	[X]
6	[X]	8M	[X]	SW1V 3[X]	[X]
7	[X]	8M	[X]		[X]
8	[X]	8M	[X]	SW1V 4[X]	[X]
9	[X]	8M	[X]	SW1V 4[X]	[X]
10	[X]	8M	[X]	SW1V 4[X]	[X]
11	[X]	8M	[X]	SW1V 4[X]	[X]
12	[X]	8M	[X]	SW1V 3[X]	[X]
13	[X]	8M	[X]	SW1V 3[X]	[X]
14	[X]	8M	[X]	SW1V 3[X]	[X]
15	[X]	8M	[X]	SW1V 3[X]	[X]
16	[X]	8M	[X]	SW1V 4[X]	[X]
17	[X]	8M	[X]	SW1V 4[X]	[X]
18	[X]	6M	[X]	SW1X 8[X]	[X]
19	[X]	6M	[X]	SW1X 8[X]	[X]
20	[X]	6M	[X]	SW1X 7[X]	[X]
21	[X]	6M	[X]	SW1X 8[X]	[X]
22	[X]	6M	[X]	SW1X 7[X]	[X]
23	[X]	6M	[X]	W2 2[X]	[X]
24	[X]	6M	[X]	W2 2[X]	[X]

25	[X]	8M	[X]	W2 2[X]	[X]
26	[X]	8M	[X]	W2 2[X]	[X]
27	[X]	8M	[X]	W2 2[X]	[X]
28	[X]	8M	[X]	W2 3[X]	[X]
29	[X]	8M	[X]	W2 2[X]	[X]
30	[X]	8M	[X]	W2 2[X]	[X]
31	[X]	8M	[X]	W2 2[X]	[X]
32	[X]	6M	[X]	W2 2[X]	[X]

Annex 3

Impact assessment

Introduction

- A3.1 The analysis presented in this document represents an impact assessment, as defined in section 7 of the Communications Act 2003 (the Act).
- A3.2 Impact assessments provide a valuable way of assessing different options for regulation and showing why the preferred option was chosen. They form part of best practice policy-making. This is reflected in section 7 of the Act, which means that generally we have to carry out impact assessments where our proposals would be likely to have a significant effect on businesses or the general public, or when there is a major change in Ofcom's activities. However, as a matter of policy Ofcom is committed to carrying out and publishing impact assessments in relation to the great majority of our policy decisions. For further information about our approach to impact assessments, see the guidelines, "Better policy-making: Ofcom's approach to impact assessment", which are on our website.

Equality Impact Assessment

- A3.3 We are separately required by statute to assess the potential impact of all our functions, policies, projects and practices on race, disability and gender equality. EIAs also assist us in making sure that we are meeting our principal duty of furthering the interests of citizens and consumers regardless of their background or identity.
- A3.4 It is not apparent to us that the proposals that we set out in this document are likely to have any particular impact on race, disability and gender equality. Specifically, we do not envisage the impact of any outcome to be to the detriment of any group of society. Nor are we envisaging any need to carry out separate EIAs in relation to race or gender equality or equality schemes under the Northern Ireland and Disability Equality Schemes. This is because we anticipate that our regulatory intervention will not have a differential impact in relation to people of different gender or ethnicity, on consumers in Northern Ireland or on disabled consumers compared to consumers in general. Similarly, we do not consider that our proposals will have a particular impact on consumers in different parts of the United Kingdom or on consumers with low incomes.