

Your response

Zero-rating

Question	Your response
Question 1: Do you agree with our assessment of zero-rating offers and our proposed approach?	<p>We note the nuanced approach to zero-rating proposed by Ofcom and have no concerns on the theory. In practice, where Ofcom expects ISPs to provide an email address for CAPs in the same class to join zero-rating offers (such as in Case Study B on page 48 of the Consultation), if that operates anything like interconnection or porting agreements, the CAP can expect to wait two years. It is imperative that Ofcom specify timescales whenever it specifies such a framework, to avoid gaming and harm.</p>
Question 2: Do you agree with the criteria we use to define Type One, Type Two and Type Three zero-rating offers and our proposed approach to such offers?	

<p>Question 3: Do you agree with the approach in our guidance in Annex 5 in relation to zero-rating?</p>	<p>See Q1.</p>
<p>Question 4: What are your views on whether zero-rated content should be able to be accessed once a customer's data allowance has been used up?</p>	
<p>Please provide any further evidence you have to support your responses.</p>	

Traffic management

<p>Question</p>	<p>Your response</p>
<p>Question 5: Do you agree with our assessment of retail offers with different quality levels and our proposed approach?</p>	<p>We note that, in our experience, a substantial proportion of the population considers broadband to be a commoditised service and purchase purely on price. Ofcom correctly notes that characteristics such as latency, jitter and packet loss are not well understood by the majority of people and we risk a situation where, even if exposed (as we note is required) by the Contract Information/Contract Summary, that too much weight is given to cost and insufficient weight given to the quality. We suggest Ofcom may wish to review its regular complaints reports to ascertain if there is a correlation between the quality metrics of a given ISP and the volume of complaints counted, prior to relaxing traffic management rules.</p> <p>That said, sophisticated consumers (e.g. gamers or day-traders wanting low latency services) should not be denied services that meet their needs and the investment in networks that the sale of premium services facilitate is not a point lost on CCUK. It</p>

	<p>needs to be approached with extreme caution given the potential adverse effects on other members of society.</p> <p>Finally, CCUK welcomes clarification on network management in network failure scenarios or when experiencing congestion. However, when considering the wider point of traffic management policies on retail offers, care will be needed. It is correct that Ofcom has identified that a traffic managed service could achieve a lower price point with benefits accruing to the more vulnerable in society. However, if societal inclusion is the objective with such vulnerable groups, by definition, that requires the customers on such traffic managed tariffs to access all applications, content, and services. Such a tariff is unlikely to always guarantee that. In our opinion, the correct lever by which Ofcom can achieve this objective is by way of social tariffs, as opposed to incurring the risk of relaxing traffic management rules.</p>
<p>Question 6: Do you agree with the approach in our guidance in Annex 5 in relation to differentiated retail offers, including transparency requirements, improved regulatory monitoring and reporting of retail offers with different quality levels as well as the general quality of the internet access services?</p>	
<p>Question 7: What are your views on a more permissive approach towards retail offers where different quality levels are content and service specific?</p>	<p>As for Q5.</p>
<p>Question 8: Do you agree with our assessment of how traffic management can be used to address congestion and our proposed approach?</p>	<p>CCUK would like to make clear its concerns about the direction of travel desired by some ISPs in section 7 of the Consultation. CCUK rejects, in the strongest possible terms, any notion that CAPs should be charged for conveyance of packets of data</p>

from their application or service to the consumer. We are concerned that this would act as a margin improvement for some ISPs which will not benefit consumers or society more widely.

In saying this, we note that there is a network efficiency argument and that CAPs should be incentivised to build their platforms efficiently. However, it should be noted that they already are incentivised to do so. CAPs incur peering and transit costs and have an incentive to minimise them. Further, their customer experience is affected by inefficient network builds. Live streamers, such as DAZN, are inherently incentivised to ensure the minimum lag between a goal being scored on the pitch and it appearing on their customers' screens.

A scenario where a horizontally-integrated ISP, which also operates a rival service to DAZN, can charge DAZN to convey packets of data to a customer, while not incurring that cost itself, acts against net neutrality principles and those of fair competition. We also note that in this scenario, the end customer has already paid the ISP for the capacity to receive those packets of data. Ofcom is correct to note that such charging could reduce broadband fees, but the economics of such a premise contain risk:

A. In a perfect market - assuming that CAPs already operate efficiently - any reduction in broadband fees would result in an equal and opposite increase in streaming subscriptions, making the net benefit zero.

B. In our actual, imperfect market, the waterbed will not be 100%. This would lead to margin augmentation for the ISP without any direct benefit to the end user or CAP. Any efficiency saving made by CAPs is likely to result in margin augmentation and not be passed on either.

	<p>C. In the alternative, we may see complex cross-subsidies, with a risk that those with streaming subscriptions pay less for broadband than those without, which would create an unfair scenario in which the more affluent are paying less than the poorest.</p> <p>D. It inherently favours horizontally-integrated ISP/CAPs, with the prospect of reducing choice in streaming services and competition for television rights.</p> <p>From our perspective, this could potentially lead to over-the-top communications providers, such as our members, facing a constructive refusal to supply conveyance from our platforms to our customers, by ISPs simultaneously favouring their own competing applications.</p>
<p>Question 9: Do you agree with the approach in our guidance in Annex 5 in relation to the use of traffic management to address congestion, including transparency requirements, improved regulatory monitoring and reporting of general network performance metrics, the use of traffic management and the impact on service quality?</p>	
<p>Question 10: What are your views on a more focused approach to traffic management to address congestion?</p>	<p>As for Q8</p>
<p>Please provide any further evidence you have to support your responses.</p>	

Specialised services

Question	Your response
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<p>Question 11: Do you agree with our assessment of specialised services and our proposed approach?</p>	<p>Confidential? – Y / N</p>
<p>Question 12: Do you agree with the approach in our guidance in Annex 5 in relation to specialised services, including transparency requirements, improved regulatory monitoring and reporting of the need for optimisation of a service, the general performance of internet access services and the impact of specialised services on the quality internet access?</p>	
<p>Please provide any further evidence you have to support your responses.</p>	

Scope of the net neutrality rules, terminal equipment and public interest exceptions

<p>Question</p>	<p>Your response</p>
<p>Question 13: Do you agree with our assessment of the terminal equipment rules and our proposed approach?</p>	<p>Confidential? – Y / N</p>

Question 14: Do you agree with our assessment of internet access services provided on aeroplanes, trains, buses and coaches and our proposed approach?

Question 15: Do you agree with our proposed approach to emergency 999 communications services and that we should consider amending the GCs to achieve this?

Question 16: Do you agree that ISPs should be allowed to block scams and fraudulent content and provide in-network parental controls and content filters?

Please provide any further evidence you have to support your responses.