

BT's response to Ofcom's proposed Plan of Work 2023/24

8th February 2023

BT Group

1 We welcome the opportunity to comment on Ofcom's proposed Plan of Work

1.1 We believe Ofcom and industry are working well together to deliver good outcomes for customers, and welcome Ofcom's proposed plan of work. In this response, we have highlighted the existing pieces of work we believe Ofcom must prioritise, key areas of work which BT is delivering on, and those areas of policy where additional focus from Ofcom is needed.

2 We urge Ofcom to prioritise delivery of existing regulatory initiatives

2.1 We urge Ofcom to prioritise the following policy areas to ensure outstanding issues are swiftly resolved:

Net Neutrality

2.2 Ofcom should conclude its Net Neutrality review quickly so Communications Providers can begin operating under the new regime with certainty. We would expect to see Ofcom to publish the statement on the review at the beginning of Q2.

Future spectrum roadmap

2.3 BT welcomes the planned publication of Ofcom's view of future spectrum requirements for 6G, but the timing of the work is inconsistent with the timing of the IT WRC-23 conference at which a decision on a future agenda item for 6G will be taken, as well as the pressing issue of access to spectrum at 6GHz and 600 MHz.

3 BT is supporting delivery of key areas of Ofcom's Plan of Work

Scams and numbering

- 3.1 BT is proud of our progress developing and implementing solutions to prevent scams and increase consumer confidence in communications services. We believe there is opportunity to improve policymaking in this area beyond the scope of the upcoming Ofcom consultation.
- 3.2 Ofcom should ensure coordinated implementation of services that rely on 100% adoption to remove opportunities for Scams.
- 3.3 Ofcom must also thoroughly assess the impact of any interventions to ensure the outcomes are proportionate to the investment required.

Switching

- 3.4 BT supports the implementation of a new switching process, and we are working hard to ensure it is implemented as soon as possible. However, the deadline of April 2023 remains extremely challenging despite the progress already made in building the new communications hub and establishing a governance structure. We will continue to collaborate with Ofcom and our industry peers to make rapid progress.
- 3.5 Ofcom can support industry by continuing to provide clear and specific judgements informally on questions that arise in development and implementation.
- 3.6 Ofcom should be pragmatic and focussed on outcomes in order to ensure this challenging delivery can happen as quickly as possible for customers.

All IP migration

- 3.7 BT has made extensive improvements to its Digital Voice migration programme to enhance customer understanding and prioritise customer experience, especially for the vulnerable and at risk.
- 3.8 Ofcom is uniquely placed as an impartial industry voice to play an important role in helping to oversee the industry move to All IP and maintain a balanced view of the programme with wider stakeholders.

Social tariffs & affordability

- 3.9 BT has leant in to support efforts on affordability with our market-leading broadband social tariff, EE's mobile social tariff (launched in November), building on our existing range of subsidised products and generous policies to support customers in financial hardship.
- 3.10 Ofcom's last affordability report showed 88% of all broadband social tariff's customers were with BT – we're proud to have done so much to support customers who are struggling with the cost of living. Now that most major providers offer a broadband social tariff, we hope that other providers will see a similar level of customer uptake so that more people can benefit.
- 3.11 Ofcom should publish information on the number of customers taking up social tariffs by provider, like the FCA's publication of the volumes taking a basic bank account by brand.

4 Ofcom should direct its focus more on the following areas of policy to deliver the right outcomes for consumers and industry

Ofcom should conduct a fundamental review of its approach to setting annual fees for mobile spectrum

- 4.1 Ofcom's approach to setting annual fees for mobile spectrum must be adapted to better align with the market scenarios today, with particular consideration to how best to enable or promote trading and leasing of spectrum, and a workable spectrum sharing data base.
- 4.2 This would facilitate a more efficient distribution and use of spectrum, with better outcomes for consumers and improved returns for operators.

Ofcom should develop a strategic plan for deriving maximum economic benefit from the spectrum presently used for DTT

- 4.3 Considering the future and changing requirements of PMSE, Mobile and Terrestrial TV, Ofcom should lead the thinking on the future application of that Spectrum
- 4.4 This will deliver significant economic benefit allow for contemporary Spectrum use cases and give clarity to operators in all impacted industries with time to plan.

Ofcom should also consider the future TV distribution model at the same time

- 4.5 To enable the reuse of DTT spectrum Ofcom should drive a strategy to provide an alternative mode of consumption to homes yet to adopt IPTV. Given these homes are mostly non-broadband for either affordability or confidence reasons solutions need to be found for these users.
- 4.6 Essential services like healthcare and banking are increasingly shifting online which risks leaving digitally excluded customers behind. TV represents the best incentive to drive action in connecting the previously unconnected.

Ofcom should support the CMA and DMU in preparations for the new regulatory framework for digital markets

- 4.7 Ofcom should make use of the Digital Regulation Co-Operation Forum (DRCF) to ensure effective cross regulator co-ordination on digital markets issues and harnessing of sector regulator expertise. We see a role for Ofcom working with the CMA to take forward remediation

plans for findings identified in the CMA's Mobile Ecosystems Market Study that have a telecommunications nexus.

- 4.8 Ofcom should look broadly at digital markets in the communications sector, including review of services currently outside of its regulatory perimeter, to assess whether the current regulatory regime remains appropriate for a changing market. We support the work Ofcom is doing on Number Independent Interpersonal Communication Services to this end.
- 4.9 Ofcom should use their ongoing Cloud Services Market Study to build an understanding of current and future harms (resulting from lack of interoperability, leveraging and/or vertical restraint); identifying both what action is needed now and consider how to track future developments in the market.
- 4.10 Ofcom is well placed to provide this critical alignment across industry and provide crucial input to represent telecoms in the DRCF.

Ofcom should also consider these other matters:

- 4.11 Ofcom should be more ambitious in addressing environmental issues. Regardless of specific duties, Ofcom can coordinate policy across Telecoms and drive focus on this critical issue.
- 4.12 We welcome Ofcom's roadmap for the implementation of the online safety regime once the Online Safety Bill becomes law. Although Communications Providers are generally not in scope of the Bill, it does require them to implement access and service restriction orders (blocking orders) issued by Ofcom. We believe that the Bill is not meeting what the Government has repeatedly told BT it intends: that any service which enables access to a service subject to enforcement, could be subject to an access or service restriction order. We would like to engage with Ofcom at the earliest opportunity to clarify the operation and scope of blocking orders, including providing a list of access facilities that are in scope to implement access restriction and service restriction orders.
- 4.13 Before requesting additional data, we consider that Ofcom should review the information already received from providers and only ask for further data, if they have exhausted all useful information from the previous requests. Data is time consuming and resource intensive to extract and check. We support Ofcom's endeavour to better understand consumer outcomes in terms of pricing, quality, and changes to how services are being delivered. To that end industry has delivered extensive data in support of these outcomes, for example, customer-level data for mobile in October 2022 ¹and information for the pricing trends report.

¹ Ofcom S135 statutory request on the Mobile Strategy Review

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Find out more at [bt.com](https://www.bt.com)

Comments should be addressed to:

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