



Steve Unger  
Ofcom  
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24<sup>th</sup> October 2013

Dear Steve,

### **Ofcom's Annual Plan 2014/15: Invitation to Comment**

Sky is pleased that Ofcom has sought early engagement with stakeholders in relation to its Annual Plan for 2014/15. Ofcom has adopted the "Call for Inputs" approach for other regulatory engagement recently and we consider this process to work well.

We recognise the important role that Ofcom has in ensuring that the UK communications sector works well to further the interests of consumers and citizens. Clearly, there will be certain activities, such as market reviews and other work required by statute, which constitute 'business as usual'. Over and above that, Ofcom should as a general approach rely on the market to deliver optimal outcomes in the sector, and only look to act further where there is a significant and identifiable consumer issue that needs addressing. In this context, we set out below the two key issues we consider should be given high priority by Ofcom in its 2014/15 work programme, on the basis of their impact on the consumer experience.

Firstly, Sky has for some time now highlighted the importance of ensuring that Openreach delivers excellent quality of service, as this directly impacts the ability of communications providers to deliver broadband and telephony services in line with customer expectations. Quality of service delivery by Openreach is not primarily a business-to-business issue. Poor service from Openreach affects thousands of end-users of UK broadband and telephony services on a daily basis and gives rise to substantial consumer detriment, with customers having to go without essential communication services as well as experiencing frustration and hassle. As Ofcom's own research demonstrates this is also the prime driver of a poor consumer experiences of switching among communications providers, and has created a damaging perception that switching may result in loss of service. This single factor alone risks undermining Ofcom's efforts to bring about improvements to the switching process.

Whilst Sky supports Ofcom's proposed steps to address Openreach service quality, considerable work still needs to be done in order to deliver real benefits to competition and consumers. In particular, Ofcom must set more stringent service level targets to enable communications providers to deliver best in class service delivery as customers expect and demand of us. Accordingly, an examination of the core element of service quality targets should be a key consumer priority for Ofcom over the next 12 months and beyond.





Secondly, as take-up of superfast broadband continues to grow, both industry and policymakers will need to act to ensure that consumers have a choice of such services from a range of providers. It is clear that Ofcom's current work in the context of the Fixed Access Market Review has the potential to provide some improvements in the wholesale market for broadband, which in turn will support investment and innovation at the retail level. However, as demand grows, market dynamics will change and Ofcom will need to ensure that new market initiatives in superfast broadband are given the chance to flourish. This can be achieved by supporting the efforts of communication providers to develop alternatives to current BT wholesale fibre products deeper in the network.

We look forward to forward to continued engagement with Ofcom in relation to these priorities as well as other areas in the coming year.

Yours sincerely

A handwritten signature in black ink, consisting of the initials 'GM' followed by a long, horizontal stroke that tapers to the right.

**Graham McWilliam**  
**Group Director of Corporate Affairs**  
**BSkyB Ltd**