



Annual Plan 2014/15

Invitation to Comment

Consultation

Publication date: 26 September 2013

Closing Date for Responses: 24 October 2013

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Section 1

Our Annual Plan and this invitation to comment

- 1.1 Ofcom is the UK's communications regulator. We regulate the TV and radio sectors, fixed line telecoms, mobiles, postal services and the airwaves over which wireless communications devices operate and television/radio services are broadcast.
- 1.2 Ofcom's Annual Plan includes our priorities and work programme for the coming year. We are now starting work on our Plan for the twelve months from 1 April 2014 to 31 March 2015. The Annual Plan plays an important role in providing clarity to stakeholders for the year ahead.
- 1.3 In the 2013/14 Annual plan we said we would invite stakeholders to identify key areas for focus in the coming year before we start to compile the draft document. This is the first time we will be seeking input at this stage. We hope that by doing so we will be able to improve our ability to reflect relevant stakeholder views in our Draft Annual Plan.
- 1.4 Specifically, we would like early views on:
 - potential changes to Ofcom's overall strategic approaches and purposes, outlined in last year's Annual Plan¹;
 - the issues and areas that should form Ofcom's priorities or major work areas in 2014/15; and
 - any specific areas for deregulation or simplification.
- 1.5 We encourage those with an interest in Ofcom's work to respond to this invitation to comment by 24 October 2013. Views expressed will be used to inform our Draft Annual Plan consultation, which will seek views on specific proposals for priorities, major work areas and programmatic work for 2014/15. This will be published for consultation in December 2013.
- 1.6 We expect to publish our final Annual Plan statement in March 2014.

¹ <http://www.ofcom.org.uk/files/2013/03/annplan1314.pdf>

Section 2

Ofcom's duties and strategy

- 2.1 Ofcom's principal duties, set out in the Communications Act 2003 are to further the interests of citizens in relation to communications matters and to further the interests of consumers in relevant markets, where appropriate by promoting competition.
- 2.2 Ofcom's role includes securing:
- the optimal use for wireless telegraphy of the electro-magnetic spectrum;
 - that a wide range of electronic communications services is available throughout the UK;
 - that a wide range of TV and radio services of high quality and wide appeal are available in the UK;
 - that sufficient plurality in the providers of different television and radio services is maintained;
 - adequate protection for members of the public and others against offensive or harmful material; and
 - adequate protection for members of the public and others against unfair treatment in programmes or unwarranted infringement of privacy.
- 2.3 In post, we have a duty (as set out in section 29 of the Postal Services Act 2011) to secure the provision of a universal postal service. Where we are carrying out our functions in relation to postal services, we are required to give priority to this duty if it appears to us that it conflicts with our principal duties.

Ofcom's strategy

- 2.4 As part of the 2013/14 Annual Plan process Ofcom developed and published its overarching strategy, strategic purposes and strategic approach. We are including this to help provide context to Ofcom and how we seek to achieve our goals.
- 2.5 Responses to last year's Draft Annual Plan consultation welcomed the articulation of Ofcom's overarching strategy. Respondents noted that it provided clarity of purpose and focus and helped explain the specific areas of focus for the work programme for 2013/14.

Our overarching strategy is to ensure that UK communications markets work to support consumer and citizen interests

- 2.6 Ofcom's principal duties are to further the interests of citizens in relation to communications matters and to further the interests of consumers in relevant markets, where appropriate by promoting competition. In post, our primary duty is to secure the provision of a universal postal service. Where we are carrying out our functions in relation to postal services, we are required to give priority to this primary duty in post if it appears to us that it conflicts with our principal duties.

Ofcom's Strategy

We will work for consumers and citizens by promoting effective competition, informed choice and the opportunity to participate in a wide range of communications services, including post. We will secure the optimal use of spectrum, through market mechanisms where possible and regulatory action where necessary. We will provide proportionate protection for consumers and help maintain audiences' confidence in broadcast content. We will contribute to public policy defined by Parliament, including high quality public service broadcasting and plurality of media ownership.

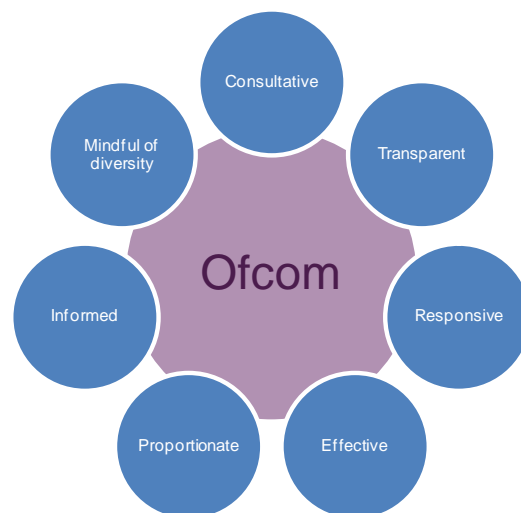
To achieve these aims, we will be consultative, transparent and proportionate. We will be informed through high quality research and information, which we will share widely. We will be mindful of the diversity of the UK and its nations. We will aim to be innovative, responsive and effective in everything we do.

Figure 1: Ofcom's strategy

What we do to further consumer and citizen interests...



... and how we will behave in doing this



2.7 **Effective competition and informed choice** across all communications services is a key element of our strategy. This incorporates activities on both the demand and supply side to increase choice for consumers. Under this purpose, key activities will include:

- supply-side competition policy for services where there are or may be enduring economic bottlenecks, including residential fixed access, business telecoms, mobile communications, broadcasting and post; and
- demand-side activities to empower consumers by providing the information necessary to enable effective consumer choice and to ensure easy switching between services.

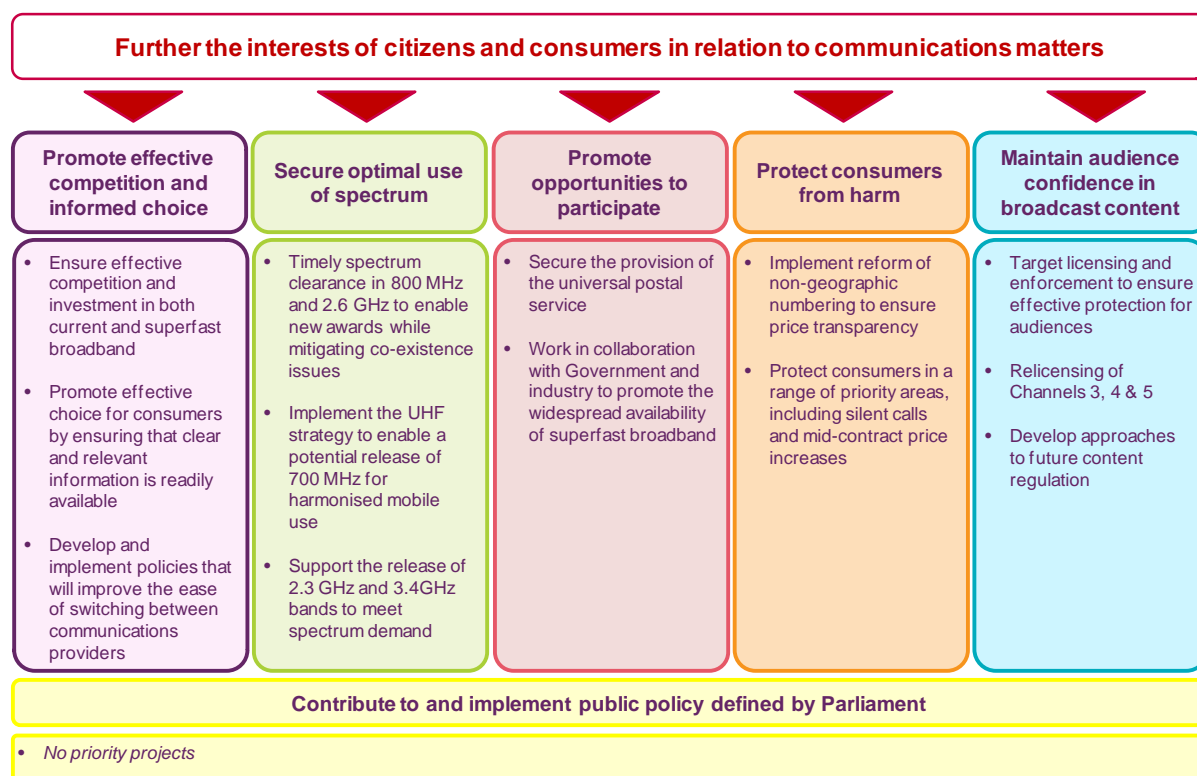
- 2.8 **Securing optimal use of spectrum** – this is a fundamental element of our strategy and a major area of our work. Our preferred approach is the use of market mechanisms. However, in some cases we recognise that regulatory action may be needed. Our wider duties, including the goals of effective competition, informed choice and widely available networks and services, can also be supported by our spectrum decisions.
- 2.9 We will continue to **promote the opportunity to participate** in society for consumers and citizens through the availability and use of a wide range of communications services. Consumers and citizens across the UK need to be able to engage with and benefit from communications services. Specific examples of our work in this area include:
- the widespread availability of networks and services;
 - direct support for the most vulnerable;
 - the effective and efficient delivery of universal services;
 - selective activities to assist in consumer awareness of services and options for participation, especially for vulnerable groups; and
 - providing information and evidence in support of wider public policy development on issues such as inclusion and media literacy.
- 2.10 **Protecting consumers from harm** – while effective markets provide a range of good outcomes for consumers, backstop protections continue to be necessary in an increasingly liberalised and competitive market with low barriers to entry and exit. Our priorities in this area are decided on an administrative priority basis using factors such as scale or nature of detriment and our ability to address the issue. Examples of issues have included early termination charges in fixed voice and broadband contracts, fixed line mis-selling and silent calls.
- 2.11 **Supporting continued audience confidence in broadcasting content** – consumers continue to expect a degree of protection in relation to standards for broadcast content. This entails a number of specific activities, including:
- licensing and enforcement; and
 - effective assurance and continued high standards in an increasingly globalised IP world.
- 2.12 **Contributing to public policy defined by Parliament** – citizen interests in relation to communications matters are often delivered through public policy defined by Parliament. We have a role in assisting in their development, through implementing and enforcing public policies to deliver citizen outcomes such as public service broadcasting and plurality of media ownership. We focus our activities on issues that both fall within our duties and enable us potentially to make a difference to citizens. This role is complementary to many of those mentioned above, with citizen issues cutting across the range of Ofcom activities.

Section 3

Ofcom's 2013/14 priorities

3.1 In order to give context to Ofcom's current programme of work we have shown the priorities that were adopted for the 2013/14 year which runs through to the end of March 2014.

Figure 2: Annual Plan 2013/14 priorities



3.2 Since publishing the annual plan, a number of additional high priority work areas have arisen:

- the announcement that Ofcom will be managing the release of 190 MHz of radio spectrum formerly used by the Ministry of Defence for military purposes;
- BT's complaint alleging abuse of a dominant position regarding the wholesale supply of Sky Sports 1 and 2;
- following the first phase of 19 local TV licenses we have commenced a second phase of awards for 23 further locations;
- we will shortly publish a consultation on our spectrum management strategy which will discuss the approach we take to managing spectrum and our initial views on potential priorities over the next ten years; and
- a complaint from TalkTalk Telecom Group plc against BT Group plc about alleged margin squeeze in superfast broadband pricing.

In terms of our work regarding market reviews;

- we are currently consulting on the preliminary conclusions of our review of fixed access markets including wholesale local access, voice line access and ISDN. This should conclude in 2013/14;
- we are carrying out a review of the wholesale broadband access market. This should conclude by the end of 2013/14;
- we are carrying out a review of the narrowband market which will conclude in 2013/14;
- we will commence a review of mobile termination rates. This work will continue through into 2014/15; and
- we will commence a review of the business connectivity market which will run throughout 2014/15.

3.3 As well as these priorities, we are undertaking a range of other work in the current year. Details of this can be found in the 2013/14 Annual Plan.²

² <http://www.ofcom.org.uk/files/2013/03/annplan1314.pdf>

Annex 1

Responding to this consultation

How to respond

- A1.1 Ofcom invites written views and comments on the issues raised in this document, to be made **by 5pm on 24 October 2013**.
- A1.2 Ofcom strongly prefers to receive responses using the online web form at <http://stakeholders.ofcom.org.uk/consultations/annual-plan-14-15-etc/howtorespond/form>, as this helps us to process the responses quickly and efficiently. We would also be grateful if you could assist us by completing a response cover sheet (see Annex 3), to indicate whether or not there are confidentiality issues. This response coversheet is incorporated into the online web form questionnaire.
- A1.3 For larger consultation responses - particularly those with supporting charts, tables or other data - please email annualplan@ofcom.org.uk attaching your response in Microsoft Word format, together with a consultation response coversheet.
- A1.4 Responses may alternatively be posted or faxed to the address below, marked with the title of the consultation.
- Puja Kalaria
Strategy Team
Riverside House
2A Southwark Bridge Road
London SE1 9HA
- Fax: 020 79813716
- A1.5 Note that we do not need a hard copy in addition to an electronic version. Ofcom will acknowledge receipt of responses if they are submitted using the online web form but not otherwise.
- A1.6 It would be helpful if your response could explain why you hold your views and how Ofcom's work will impact on you.

Confidentiality

- A1.7 We believe it is important for everyone interested in an issue to see the views expressed by consultation respondents. We will therefore usually publish all responses on our website, www.ofcom.org.uk, ideally on receipt. If you think your response should be kept confidential, can you please specify what part or whether all of your response should be kept confidential, and specify why. Please also place such parts in a separate annex.
- A1.8 If someone asks us to keep part or all of a response confidential, we will treat this request seriously and will try to respect this. But sometimes we will need to publish

all responses, including those that are marked as confidential, in order to meet legal obligations.

- A1.9 Please also note that copyright and all other intellectual property in responses will be assumed to be licensed to Ofcom to use. Ofcom's approach on intellectual property rights is explained further on its website at <http://www.ofcom.org.uk/about/accoun/disclaimer/>

Next steps

- A1.10 Following the end of the consultation period, Ofcom intends to publish a Draft Annual Plan statement in December 2013.
- A1.11 Please note that you can register to receive free mail Updates alerting you to the publications of relevant Ofcom documents. For more details please see: http://www.ofcom.org.uk/static/subscribe/select_list.htm

Ofcom's consultation processes

- A1.12 Ofcom seeks to ensure that responding to a consultation is easy as possible.
- A1.13 If you have any comments or suggestions on how Ofcom conducts its consultations, please call our consultation helpdesk on 020 7981 3003 or e-mail us at consult@ofcom.org.uk . We would particularly welcome thoughts on how Ofcom could more effectively seek the views of those groups or individuals, such as small businesses or particular types of residential consumers, who are less likely to give their opinions through a formal consultation.
- A1.14 If you would like to discuss these issues or Ofcom's consultation processes more generally you can alternatively contact Graham Howell, Secretary to the Corporation, who is Ofcom's consultation champion:

Graham Howell
Ofcom
Riverside House
2a Southwark Bridge Road
London SE1 9HA

Tel: 020 7981 3601

Email Graham.Howell@ofcom.org.uk

Annex 2

Consultation response cover sheet

- A2.1 In the interests of transparency and good regulatory practice, we will publish all consultation responses in full on our website, www.ofcom.org.uk.
- A2.2 We have produced a coversheet for responses (see below) and would be very grateful if you could send one with your response (this is incorporated into the online web form if you respond in this way). This will speed up our processing of responses, and help to maintain confidentiality where appropriate.
- A2.3 The quality of consultation can be enhanced by publishing responses before the consultation period closes. In particular, this can help those individuals and organisations with limited resources or familiarity with the issues to respond in a more informed way. Therefore Ofcom would encourage respondents to complete their coversheet in a way that allows Ofcom to publish their responses upon receipt, rather than waiting until the consultation period has ended.
- A2.4 We strongly prefer to receive responses via the online web form which incorporates the coversheet. If you are responding via email, post or fax you can download an electronic copy of this coversheet in Word or RTF format from the 'Consultations' section of our website at www.ofcom.org.uk/consult/.
- A2.5 Please put any parts of your response you consider should be kept confidential in a separate annex to your response and include your reasons why this part of your response should not be published. This can include information such as your personal background and experience. If you want your name, address, other contact details, or job title to remain confidential, please provide them in your cover sheet only, so that we don't have to edit your response.

Cover sheet for response to an Ofcom consultation

BASIC DETAILS

Consultation title:

To (Ofcom contact):

Name of respondent:

Representing (self or organisation/s):

Address (if not received by email):

CONFIDENTIALITY

Please tick below what part of your response you consider is confidential, giving your reasons why

Nothing	<input type="checkbox"/>	Name/contact details/job title	<input type="checkbox"/>
Whole response	<input type="checkbox"/>	Organisation	<input type="checkbox"/>
Part of the response	<input type="checkbox"/>	If there is no separate annex, which parts?	

If you want part of your response, your name or your organisation not to be published, can Ofcom still publish a reference to the contents of your response (including, for any confidential parts, a general summary that does not disclose the specific information or enable you to be identified)?

DECLARATION

I confirm that the correspondence supplied with this cover sheet is a formal consultation response that Ofcom can publish. However, in supplying this response, I understand that Ofcom may need to publish all responses, including those which are marked as confidential, in order to meet legal obligations. If I have sent my response by email, Ofcom can disregard any standard e-mail text about not disclosing email contents and attachments.

Ofcom seeks to publish responses on receipt. If your response is non-confidential (in whole or in part), and you would prefer us to publish your response only once the consultation has ended, please tick here.

Name

Signed (if hard copy)

Annex 3

Consultation questions

A3.1 In this invitation to comment, we have identified the following key question we would like to be considered:

Questions:

Are there areas of Ofcom's overall strategic approaches and purposes, outlined in last year's annual plan that may need to change?

What are the issues and areas that should form Ofcom's priorities or major work areas in 2014/15?

Are there any specific areas for deregulation or simplification in the coming year?