



BT Response to Ofcom
VOD regulatory fee setting for 2010 – 2011 consultation

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Commentary

BT welcomes the opportunity to respond to this consultation given the considerable experience in the provision of VOD content through its BT Vision business.

BT supports Ofcom's favoured approach using a "flat fee" approach to setting the regulatory fees which will cover the new ATVOD body for the period 2010 – 2011.

In this response, BT has not answered the consultation questions individually but has prepared a short response giving the rationale for its support for Ofcom's preferred approach to the way fees are calculated for the first full year of ATVOD operation. This is within the context that there is a lack of certainty in the numbers of "notified" VOD providers on which to base the regulatory fee for 2010 -2011 period and the level of "use" of ATVOD regulatory services.

BT believes Ofcom has taken a considered approach as outlined in its consultation document and assessed a significant number of options on which a fee could be set. A flat fee is supported given the limitations as described in the consultation using any of the other methods for a VOD sector in a dynamic and growing market, and also before a full list of VOD providers has been produced and reviewed.

BT believes that using a simple and understandable approach which gives a reasonable level of fee to all VOD notified providers for the year 2010 - 2011 is the most practical approach to take.

Beyond the period 2010 – 2011, when greater information about the level and structure of the VOD "notified" sector should be available, the fee setting process may need to be considered again.

It should also be noted that BT feels it is essential that Ofcom / ATVOD put in place effective processes to ensure all relevant VOD providers are identified and "self-notified" to ATVOD. It is very important that there are systems and processes in place to ensure successful collection of designated regulatory fees from those who are "notified". If this is not completed effectively, future regulatory fees would be higher than necessary when being recovered over the fee paying community.