

Question 1: What are your views on the continued relevance of Ofcom's three-year strategic framework for the proposed work programme in 2009/10?:

We consider that the current credit crunch will have an impact on the work programme and may make certain items less relevant or increase the importance of other items. Consequently there is a need for a detailed reassessment for all the items included in the work programme. However we consider that the credit crunch will have the greatest impact on issues associated with the value of spectrum and consumer protection.

Additionally the telecommunications market appears to be evolving differently now to when the current strategic framework was developed. We consider that these changes could have some implications on the work programme. Additionally there are various issues in the Digital Britain Interim Report and other reports such as the Caio Report that may have an impact on Ofcom's work and these issues need to be taken into account when developing the detailed work programme.

Question 2: What are your views on Ofcom's proposed policy work programme and top priority areas for 2009/10?:

Priority Issues

Releasing spectrum, including the digital dividend

It appears that the credit crunch may have an impact on the value of spectrum and this should be taken into account when deciding on the release of spectrum. The reaction to this may depend on whether the objective is to maximize the income from the release of spectrum or to ensure that the spectrum is used efficiently. If the latter is the required objective then obtaining a reduced value is not significant. There is also a risk that companies obtaining spectrum at current deflated values could make excess profits when they sell the spectrum during a better period of the economic cycle. There may be a need to consider if some mechanism is needed to ensure that excess profits are not made.

Promoting competition in fixed telecoms

There is a need to consider if this is an appropriate time for this activity.

Promoting competition in pay TV

Again there is a need to consider if this is an appropriate time for this activity.

Enabling clear regulation for next generation access and core networks

There is a definite requirement to develop this framework though there is a need to consider how the changing environment, both economic and technology, will impact on the deployment plans.

Assessing our regulatory approach in mobile

With the changing economic climate and the increased usage/dependence on mobile devices ensuring that an appropriate regulatory framework is applied is increasing in importance.

Promoting access and inclusion

With the increased provision of public services online there is a need to increase the proportion of the population that has access to the Internet. This may require a different type of USO framework and attention should be given to reviewing this issue to ensure that a higher proportion of the population is online.

Preparing for the future of public service broadcasting

No comment

Supporting the evolution of radio

No comment

Promoting media literacy

The credit crunch may have made this item more important so as to ensure that people derive the maximum benefit from their purchase of communications services.

Developing and enforcing consumer protection policies

This is a very important item and may require additional resources as the credit crunch may increase the risk of malpractice.

Question 3: What are your views on the elements which should be contained within Ofcom's new strategic framework?:

It appears that Next Generation Networks could include a significant wireless based proportion so this raises many issues and is likely to require changes to the current regulatory and policy framework to support this differing approach. Indeed the current policy and regulatory framework is based on the concept that broadband will be provided via fixed line networks so this could be a fundamental and far reaching change. It is likely that this increased use of wireless will reduce the role of BT so will Openreach and the Undertakings be required in their current form. There is also a need to consider if the companies currently using BT facilities will obtain spectrum to develop their own networks. If so what sort of regulatory and policy framework is required for this scenario and how will the transition be handled. If new companies emerge to develop wireless networks could they become the wireless equivalent of BT and provide open access so that the companies currently using BT facilities could use these new wireless facilities. Again what policy and regulatory framework will be required for this scenario and how will the transition be managed.

Another possible scenario is that the mobile operators will become more involved in the provision of wireless broadband and dominate the wireless sector. Again this is likely to require a different type of policy and regulatory framework.

These scenarios all suggest that BT could lose its dominant role and if the wireless network provision is spread between a number of operators then it could mean the cable operator having the largest market share. Thus there may be a need to consider the implications of this and the type of policy and regulatory framework required.

A number of different scenarios have been identified above so there is a need to consider if it is possible to develop a common policy and regulatory framework to cover all the scenarios identified. If not then there is a need to consider how the policy and regulatory framework should evolve to meet whatever scenario that is emerging in the market place.

Figure 5 in the draft Annual Plan 2009/10 seems to indicate that 'household spend on communications services' is an important indicator. However we consider that 'household spend on communications services' over the past five years may not fully reflect the full picture of all the changes that are taking place. We consider that an indicator should be developed showing how the technology has changed, changes in penetration value, and changes in usage patterns. This indicator would convey much more information on the changing consumption pattern of communication services than the current method. These indicators may provide some basis for identifying future trends and/or identifying areas where Ofcom needs to do further work. The development of these indicators should be a key item in the future work programme together with following-up any issues identified from using the indicators.

Currently it appears that as result of the development of technology and convergence the same content could in future be accessed using different means with a separate charging policy and regulatory framework for each means of access. It is considered that it is unlikely that this will be acceptable to customers so solutions need to be developed to provide a common framework whatever means of access is used. An important aspect of this issue will be the delivery of television content via the Internet where currently the regulatory rules are very different.

There is a need to consider the future form of the USO and to find means of increasing the proportion of the population that are online. This will involve consideration of a number of issues and there may be a need to clarify Ofcom's role in this area. Currently there is a proposal for an increased number of entities to fund the USO and there is a need to consider the implications of this together with the consequential changes required to the wider existing policy and regulatory framework.

There is a need to consider what impact the different communication technologies and convergence will have on carbon emissions and the extent to which Ofcom should be taking these emissions into account when developing policy. This leads on to considering the means by which Ofcom would take information on emission levels into account when developing policy. It is felt that this could impact on Ofcom policy of leaving as many decisions as possible to be decided by the market. However the markets are comprised of individuals with insufficient collective knowledge to make an effective decision on these issues so consequently it is more effective for Ofcom to take a decision on their behalf. This could be a difficult area for Ofcom though it is very firmly included within Ofcom's remit of serving the interests of citizens. When considering carbon emissions there is also the bigger picture to take into account such as the production and distribution of communications equipment as well as the operation of the equipment and recycling of the equipment at end of life. There may be a need to consider how this relates to other aspects of Ofcom's work. There are some organizations already working in this area so it may be appropriate for Ofcom to link up with them in some way.

Another topic that may require investigation and could possibly form the basis for inclusion in any future Communications Bill is Ofcom's relations with Government. An example is the recent Digital Britain Interim Report which has produced a range of initiatives so how does this work interface with Ofcom's activities. The Government is currently undertaking various work related to communication issues so

there is a need to consider the impact of this on Ofcom, particularly issues such as the work programme and the neutrality of the regulator.