

POST OFFICE LIMITED RESPONSE TO OFCOM'S CONSULTATION THE OFCOM DRAFT ANNUAL PLAN 2009/10

Post Office Limited's ("POL") nationwide network of branches is a vital part of United Kingdom life, with more than 24 million customer visits each week. Post office branches provide a range of essential services including HomePhone® and Post Office® Broadband for residential customers, posting letters, registered items and postal packets, pension and benefit payments, banking facilities and bill payments. Many of these services provide essential support for the socially excluded.

Post Office HomePhone® and Post Office® Broadband services are supplied on a fully managed basis, meaning that although POL owns the customer relationships with subscribers, the underlying service delivery infrastructure is provided by a third party.

Response to Ofcom's Draft Annual Plan

POL welcomes the opportunity to respond to Ofcom's consultation on its Draft Annual Plan for 2009/10. POL believes that it is important for Ofcom to consult with stakeholders on future plans for its strategy focus and supports Ofcom's objectives for the year ahead, particularly in regard to consumer protection. We look forward to working closely with Ofcom in its promotion of competition in fixed telecoms, promoting media literacy, and developing consumer protection policies.

POL supports Ofcom's strategy to seek the least intrusive regulatory methods to implement key policies, but believes an authoritative impact assessment prior to removing any ex-ante regulation is essential. This is particularly relevant in the current economic conditions and in such a fast moving market, where premature removal of regulatory obligations could lead to market failure - which would be highly detrimental to consumers.

POL commends Ofcom for seeking to broaden its strategic framework to include the Digital Britain review recently published by the Government, and agrees that the outcome of the review will have far reaching implications both on Ofcom's role and the communications sector as a whole.

POL is eager to see that Ofcom is fully resourced, to enable robust delivery of policy objectives in a timely fashion, and understands the need for a flexible approach to allocating resources, in order to address any unexpected developments. However, POL notes with some concern that the previously promised delivery of a single migration process appears to be absent from the draft plan. With the increasing availability of bundled broadband and telephony products being delivered across multiple access technologies, the continuation of multiple migration products may be detrimental to consumers and cause long term harm to the market as a whole.

Ofcom's proposals to monitor the delivery of BT's next generation network are welcome. However, POL urges Ofcom to ensure that robust, fit for purpose alternatives are delivered prior to the removal of the existing wholesale products that allow service providers (such as POL) to compete with BT retail. This, coupled with effective regulation of the new services, will be essential in ensuring successful competition in these markets.

POL welcomes Ofcom's proposals aimed at removing the barriers to digital inclusion. POL holds a unique position (and is therefore an important stakeholder) in any discussion of digital inclusion, as a provider of services of important social benefit, and as a provider of digital broadband services to a wide range of users. As such, POL supports Ofcom's identification of the wider context and benefits of digital inclusion and believes that the 'prize' in this respect is not digital technology itself, but its potential to connect individuals, develop stronger communities, and deliver better services. POL has historically sought to achieve this through its extensive network of branches, and has become a trusted provider of electronic communication services.

POL hopes to build on Ofcom's promotion of media literacy. We are therefore keen to understand Ofcom's long term policy and strategy so that we can help our customers achieve their full potential in this area.

Should you require any further information or wish to discuss any aspect of this submission, please contact Nancy Saunders, Head of Telecoms Regulation for Post Office Limited, at nancy.saunders@postoffice.co.uk or on 020 7320 7328.

Post Office Limited
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