Business, Enterprise and Energy Directorate

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Dear Marco

<u>Ofcom Draft Annual Plan 2009/10 – Consultation Document – Scottish Government</u> Response

Thank you for the opportunity to comment on Ofcom's draft annual plan for 2009/10.

Please find attached at Annex A the Scottish Government's response on telecoms issues contained with the Draft Annual Plan 2009/10.

Best regards

Harry Emambocus

Head of Telecommunications Policy





ANNEX A

We are largely content with Ofcom's workplan, however would like to offer some high level comments from a telecoms perspective on the following areas:

1. Mobile Coverage

We understand that Ofcom is currently undertaking a major review of the mobile sector, and indeed, Scottish Government officials have already had direct communications with Ofcom officials on this subject, including our response to last November's *Mobile Citizens, Mobile Consumers* consultation. Although there is no Scottish Government policy on mobile coverage, this area continues to be an important one which we monitor, given the poor or patchy mobile coverage (both 2G and 3G) in some Scottish rural areas. Similarly, the issue of enhanced mobile coverage for access to emergency services is another area in which we have shown interest in the past and are keen to see improvements. This, of course relates to network sharing agreements between operators, and we are keen to see developments in this area in general, and not just for emergency services. We understand that these workstreams are ongoing, and we look forward to seeing Ofcom's progress in these areas and continued liaison at an official level.

2. Local Loop Unbundling

We acknowledge Ofcom's intention to conduct new areas of work looking at LLU in business markets under the *Promoting Competition and Innovation* banner. We welcome this, but would suggest that Ofcom goes even further and looks at barriers to LLU, with particular focus in rural areas. This is an issue about which the Scottish Government occasionally receives enquiries. Whilst we appreciate that LLU presence is determined by market functions, there is nevertheless the view that there is more that the regulator could be doing to make LLU investment more attractive in rural areas and we would be interested in Ofcom's opinion on this and on any action it feels necessary to take. We would welcome further discussion on this issue.

3. Spectrum Management

We acknowledge Ofcom's plan to commence with the release the digital dividend this year. Our response to the *Digital Dividend Review* consultations last August still stands and we look forward to the progress of this and continued liaison at an official level.

We acknowledge that as instigated by the *Digital Britain* interim report, there are current discussions between the UK Government and operators regarding spectrum management in the context of provision of mobile broadband under a universal service commitment. We are keen to be kept informed on the progress of this and are hopeful that a positive outcome can be reached for both mobile and mobile broadband coverage in Scotland. On a wider context with regards to *Digital Britain*, we are looking forward to direct liaison with the UK Government over the coming months and would also welcome liaison with the regulator on this in order to ensure that Scottish interests are represented in an optimum fashion in preparation of the final report in June.

4. Next Generation Access

We acknowledge Ofcom's proposed work activities in relation to regulation of NGA networks and are keen for continued liaison with the regulator as this work moves forward, as the







Scottish Government develops its own position on NGA. We responded to Ofcom's Next Generation Access consultation last December, and this response still stands.



