



# Draft Annual Plan 2009/10

Consultation document

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## Section 1

# Executive summary

## The annual plan sets out Ofcom's future work programme

- 1.1 Ofcom's annual plan sets out our proposed work programme for the twelve months from April 2009 to March 2010. We encourage anyone with an interest in Ofcom's work to contribute and respond to this draft annual plan, which will help inform our final plan, to be published in March 2009. We also welcome comments on the interactive version of this executive summary on our website at <http://comment.ofcom.org.uk/annualplan0910/>

## Ofcom's work is focused on serving the interests of citizens and consumers

- 1.2 Ofcom's work is driven by our duty to further the interests of citizens and consumers. Over the past year we have made significant progress in a number of key areas in delivering this duty, for example:
- ensuring that consumers are informed and empowered, through our work with industry on increasing transparency about broadband speeds;
  - securing high definition television services on digital terrestrial television; and
  - taking action following numerous complaints about broadcast phone-ins, thereby helping to restore viewers' trust.
- 1.3 When making these and other policy decisions, it is important that we identify both the interests of citizens and consumers and consult fully with all our stakeholders.

## There have been significant changes in the communications sector

- 1.4 The past twelve months have seen a number of important developments in the wider communications market. A range of new and innovative services in the market have increased in popularity; for example, mobile broadband, allowing people to access the internet easily on the move. We have successfully started the process of digital switchover in the UK and the convergence of new and traditional media and business models is now upon us.
- 1.5 At the same time, we now face significant economic pressures on a global scale – from which the communications sector is not immune. The uncertainty and volatility of the current climate means that we need to be prepared to act quickly and firmly if any consumer harm arises as a result. The implications of economic pressure will also be a common consideration throughout all of our policy work in 2009/10, as we seek to promote a sustainable level of competition in all the markets we regulate to deliver the needs of citizens and consumers.
- 1.6 The government's recently announced *Digital Britain* review<sup>1</sup>, a wide-ranging assessment of issues facing the communications sector, also demonstrates the increasing importance of the communications sector to the UK's overall economy. We welcome this initiative and look forward to working with the government over the coming months. We will also continue to engage with governments in the

<sup>1</sup> [http://www.culture.gov.uk/reference\\_library/media\\_releases/5548.aspx](http://www.culture.gov.uk/reference_library/media_releases/5548.aspx)

devolved nations to support relevant initiatives in the communications sector across the UK.

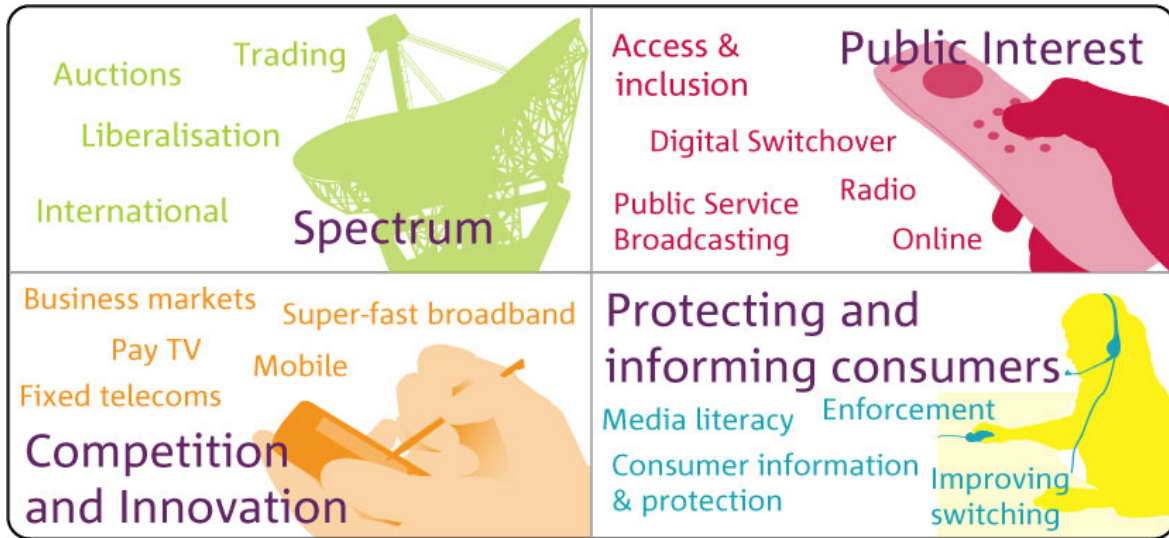
### **The work we are planning for 2009/10 reflects these developments**

- 1.7 Our proposed programme of future work for 2009/10 will respond to these developments in the communications sector and build on our progress to date. In this challenging economic climate we will work hard in the coming year to ensure that both citizens' and consumers' interests are promoted and protected. We will help to achieve this by providing opportunities for growth and innovation.
- 1.8 In developing our proposed work programme for 2009/10, we have used the three-year strategic framework, which we set out in 2006. We plan to focus on four areas:
- driving forward a market-based approach to spectrum;
  - promoting competition and innovation;
  - ensuring the delivery of public interest objectives; and
  - improving empowerment, protection and enforcement for citizens and consumers.
- 1.9 These four objectives are supported by additional themes that cut across all areas of Ofcom's work. These include:
- continuing to simplify and reduce regulation where appropriate, and minimising administrative burdens on stakeholders;
  - maximising our impact on international policy development, to best represent the interests of UK citizens and consumers; and
  - ensuring that our policy developments are sensitive to, and reflect, institutional developments and market conditions in each of the nations in the UK.
- 1.10 We must also give serious consideration to the longer-term changes happening in the communications sector, building on the government's work on *Digital Britain*. We are therefore proposing to develop a new strategic framework, which will enable us to plan and focus our efforts beyond 2010.

### **We are proposing a detailed programme of work for 2009/10**

- 1.11 In the light of recent developments and current trends, we are proposing a wide-ranging work programme for next year consisting of 19 major work areas, grouped under the four key objectives of our strategic framework.
- 1.12 Figure 1 illustrates some of the key areas of our focus for next year. A detailed diagram of our programme of work is shown on page 17.

**Figure 1: Illustration of Ofcom’s key work areas in 2009/10**



1.13 Within our work programme we have identified ten priorities for Ofcom. These are work areas where successful outcomes are vital in 2009/10 to ensure that Ofcom fulfils its longer-term intention of maximising the benefits of convergence for citizens and consumers across the UK.

1.14 Our proposed priorities for 2009/10 are:

Releasing spectrum, including the digital dividend	Promoting access and inclusion
Promoting competition in fixed telecoms	Preparing for the future of public service broadcasting
Promoting competition in pay TV	Supporting the evolution of radio
Enabling clear regulation for next generation access and core networks	Promoting media literacy
Assessing our regulatory approach in mobile	Developing and enforcing consumer protection policies

1.15 The nature of the communications sectors will inevitably give rise to unexpected issues during the coming year. Our contributions to industry discussions on online copyright infringement, and broadband speeds, are two examples of issues that emerged (but which we did not plan for) in 2008/09. To ensure that Ofcom has sufficient resource to carry out such unplanned tasks without compromising our ongoing work, we plan to reserve a share of capacity for unexpected tasks in 2009/10.

**We will also deliver key services for all our stakeholders**

1.16 In addition to our policy work programme, one of Ofcom’s key roles is to deliver a range of services to stakeholders. These include keeping the airwaves free from interference, allocating telephone number ranges, providing information services to the market and planning for the London Olympics. These are valuable services for stakeholders and we are looking at how we can continue to improve their delivery.

- 1.17 In delivering our policy work programme and services to stakeholders, we remain committed to maximising our efficiency. Our aim is to deliver the maximum value for money to our stakeholders and we will pursue a series of initiatives to identify opportunities for increased efficiency, alongside a rigorous process of budget review.
- 1.18 It is important that all our stakeholders understand what we are proposing to focus on in the coming year. We welcome all views from stakeholders on our proposed priorities and our wider work programme. We will publish the results of this consultation within our final annual plan, in late March 2009.

## Section 2

# Ofcom's approach to regulation

- 2.1 This section sets out how we approach our regulatory duties and what that means for determining our work programme for the next year.
- 2.2 Ofcom's principal duty, as set out in the Communications Act 2003, is to:
- further the interests of citizens in relation to communications matters; and
  - further the interests of consumers in relevant markets, where appropriate by promoting competition.
- 2.3 In fulfilling this duty, Ofcom is required to secure the following six outcomes:
- ensuring the optimal use of the electro-magnetic spectrum;
  - ensuring that a wide range of electronic communications services – including high-speed data services – is available throughout the UK;
  - ensuring a wide range of TV and radio services of high quality and wide appeal;
  - maintaining choice in the provision of broadcasting;
  - applying adequate protection for audiences against offensive or harmful material; and
  - applying adequate protection for audiences against unfairness or the infringement of privacy.
- 2.4 In seeking to secure these outcomes, we are guided by the regulatory principles set out in figure 2. These principles ensure that we address policy issues effectively, and in a timely, robust and comprehensive manner. They also help to provide regulatory clarity to our stakeholders about Ofcom's approach to regulation.



**Figure 2: Ofcom's regulatory principles**

**When we regulate**

- Ofcom will operate with a bias against intervention, but with a willingness to intervene promptly and effectively where required.
- Ofcom will intervene where there is a specific statutory duty to work towards a public policy goal that markets alone cannot achieve.

**How we regulate**

- Ofcom will always seek the least intrusive regulatory methods of achieving our policy objectives.
- Ofcom will strive to ensure that our interventions are evidence-based, proportionate, consistent, accountable and transparent in both deliberation and outcome.
- Ofcom will regulate with a clearly articulated and publicly reviewed annual plan, with stated policy objectives.

**How we support regulation**

- Ofcom will research markets constantly and will aim to remain at the forefront of technological understanding.
- Ofcom will consult widely with all relevant stakeholders and assess the impact of regulatory action before imposing regulation on a market.

- 2.5 Our bias against intervention aims to ensure that we regulate only where absolutely necessary. Such intervention could distort or stifle the development of competitive and rapidly changing markets. However, where intervention is required we will act quickly and decisively. For example, wider economic pressures may increase the risk that consumers will fall victim to scams.
- 2.6 We must ensure that regulation helps, rather than hinders, the development of markets. To achieve this, our principle is to use the least intrusive regulatory mechanisms appropriate for the situation as, for example, in our recent work on facilitating an industry-led code of practice relating to advertised broadband speeds.
- 2.7 We are committed to evidence-based decision-making. This requires us to understand consumer attitudes, which we achieve through a comprehensive programme of market research, and to understand market developments, which we do through gathering and analysing market intelligence.
- 2.8 We also recognise the importance of consulting with the full range of our stakeholders, both informally as policy options are being identified and refined, and formally through the publication of consultation documents.
- 2.9 Carrying out impact assessments helps to ensure that we follow good practice when making policy decisions. An impact assessment involves being clear about the issue which needs to be addressed, identifying a range of policy options and analysing the impacts each would have.

- 2.10 When Ofcom was formed, Parliament gave us a principal duty to further the interests of citizens and consumers, making it particularly important for us to understand how our decisions affect these groups. As consumers, we participate in the marketplace, acquiring or using goods and services. As citizens, we are concerned not with our narrow individual interests, but with what is good for society.
- 2.11 Sometimes the interests of citizens may be at odds with the interests of at least some individual consumers. For example, very few people watch all types of public service broadcasting programmes. But most people agree that some types of programmes – such as children’s or regional news – are in the interests of all citizens, even though they may not watch them themselves.
- 2.12 Therefore, in making policy decisions, it is important that we identify both the interests of citizens and the interests of consumers. We can then understand the trade-offs which our decisions often involve. This will be especially important as we respond to converging and increasingly competitive markets. For example, not all new services will be made available to everyone. This may mean that the impact of convergence is uneven across different consumer or citizen groups. In this case, we would need to work with government to determine what services society believes should be accessible more widely, bearing in mind that this may result in some consumers having to pay more for those services.
- 2.13 Ofcom’s annual planning process seeks to set out our future work programme with this approach to regulation in mind. Last year’s annual plan is broadly on track, with significant progress having been made in a number of priority areas, including public service broadcasting, next generation access, pay TV and the regulation of fixed telecoms. A number of other major work areas have also been delivered successfully, including our work on promoting trust in broadcasting, which is now being taken forward by the industry.

### Section 3

## Ofcom's strategic framework and the changing communications sector

3.1 In 2006 we designed a three-year strategic framework to ensure that Ofcom's work was focused on maximising the benefits of convergence. Despite significant changes in both the communications sector and in the wider economic context, the key objectives of this framework remain relevant for 2009/2010. At the same time, however, we believe it is now the right time to start thinking about Ofcom's future beyond 2010. For this reason we propose that our key areas of focus during next year should include the preparation of a new strategic framework.

### Our planning takes place in times of significant economic pressures

3.2 Ofcom was created in 2003 in anticipation of convergence in the communications sector and to respond to the changes in the communications industries and markets during the following years. Since then the UK communications sector has changed significantly, and has enjoyed continuous overall growth, despite falling consumer spend due to lower prices. More generally, communications industries have also benefited from steady growth in the wider economy.

3.3 For the first time since its creation, this year Ofcom plans its activities in a time when the economic climate is characterised by uncertainty and volatility. We are aware that this could increase the risk of harm to consumers and citizens. Consistent with our regulatory principles, we will act firmly and quickly where needed. The implications of economic pressure will also be a common consideration throughout all of our policy work in 2009/10, as we seek to promote a sustainable level of competition in all the markets we regulate, to deliver the needs of citizens and consumers.

### Our strategic framework identifies the key objectives of our work

3.4 We noted in last year's plan how convergence has shaped the evolution of the communications sector: the take-up of digital technologies continues to grow, convergent services are now available across a wide range of devices and consumption trends imply greater control and participation<sup>2</sup>.

3.5 Convergence presents both challenges and opportunities, but Ofcom's aim is to maximise its benefits. To this end, in 2006 we designed a three-year strategic framework that shaped Ofcom's policy direction by focusing on five key areas:

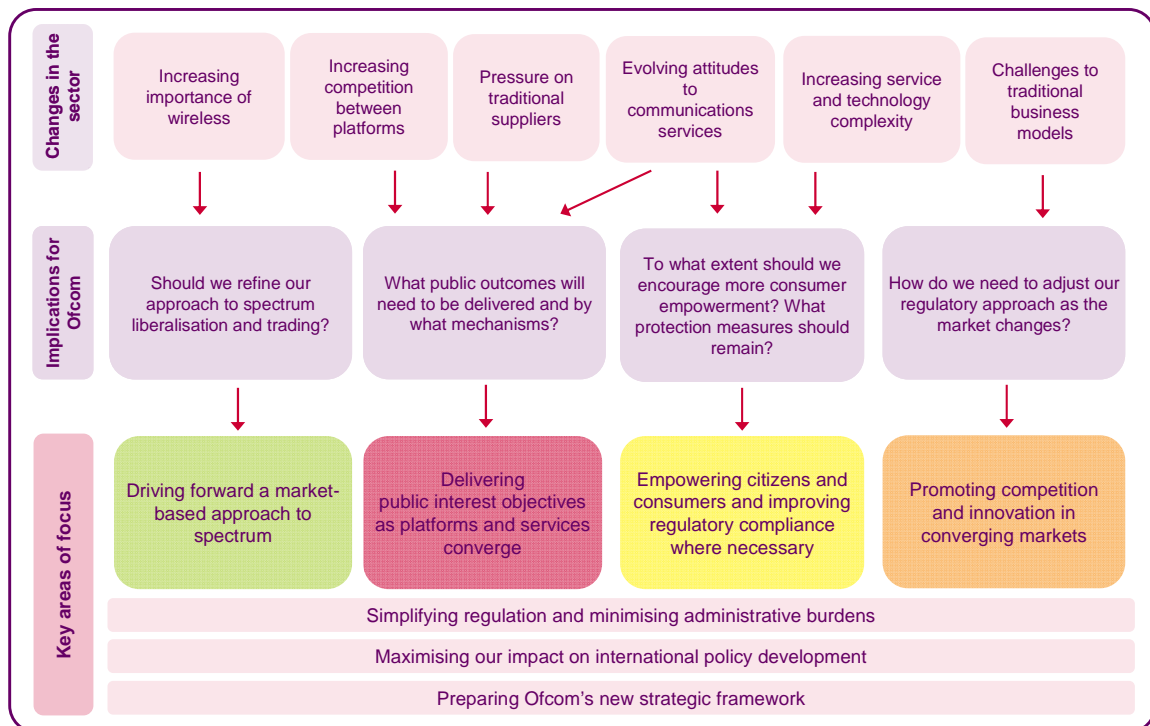
- driving forward a market-based approach to spectrum;
- promoting competition and innovation in converging markets;
- ensuring the delivery of public interest objectives;
- empowering citizens and consumers and improving regulatory compliance where necessary; and

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<sup>2</sup> A discussion of these and other recent trends in communications sector can be found in our *UK Communications Market Report 2008*, <http://www.ofcom.org.uk/research/cm/cmr08/>

- supporting the evolution of legal and economic frameworks for communications regulation.
- 3.6 In addition to these five areas, some themes cut across all our work:
- reducing regulation and minimising administrative burdens; and
  - maximising our impact on international policy development, to best represent the interests of UK citizens and consumers.
- 3.7 For the first time, this year we propose that a third theme be introduced, to recognise that we will need to begin preparing a new strategic framework for Ofcom from 2010 onwards. The *Digital Britain* review that the government has recently announced will be an important consideration as we think about how Ofcom’s role will evolve and how, strategically, Ofcom should address the key issues in the communications sector from 2010 onwards.
- 3.8 As a consequence of adding a new cross-cutting work area, this year we also propose that Ofcom’s work programme for 2009/2010 should focus on four of the five key areas of the strategic framework. Work that would have previously belonged to the theme: ‘*evolution of frameworks for regulation*’ will be subsumed into the preparatory work for our new strategic framework and our work on international policy engagement.

**Figure 3: Ofcom’s current strategic framework**



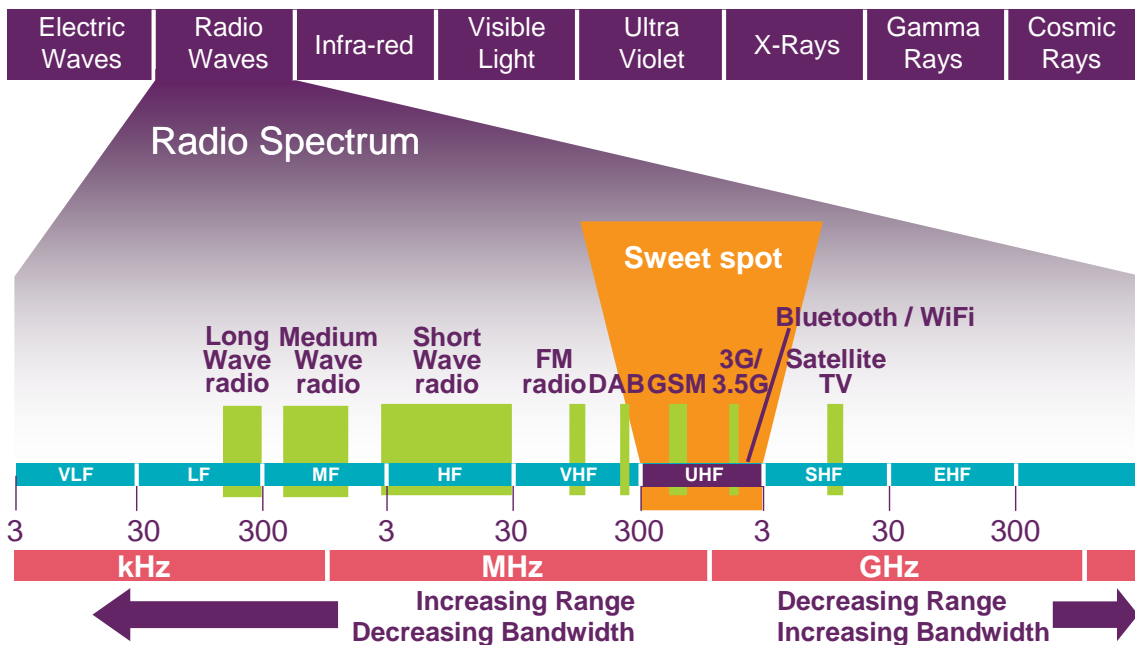
- 3.9 We discuss below the main developments under each of the four key elements of the framework that we will be focusing on this year, and the ways in which these will affect our strategic approach and our work programme for the coming year.

**Spectrum remains a key resource for the UK, and we are making progress in implementing our liberalisation programme**

3.10 The importance of wireless platforms and services to consumers and industry has been a key theme since Ofcom was created. Evidence shows that the demand for old and new wireless services continues to grow. Digital TV take-up has reached 87%, and there are now strong prospects for HDTV on a variety of platforms, including DTT and satellite. Mobile services are now more popular than ever: mobile take-up has surpassed that of fixed lines and new uses for this spectrum, such as mobile broadband, are gaining pace.

3.11 The speed of innovation in wireless services and platforms means that the number of possible uses for the same airwaves (or spectrum) is growing. This is especially true for the so-called ‘sweet spot’ of the radio spectrum, between 300MHz and 3GHz. The chart below illustrates some of the key current uses of radio spectrum in the UK.

**Figure 4: Illustration of key uses of radio spectrum in the UK**



Source: Ofcom

3.12 Spectrum is a key resource for the UK economy and society, and we think that in general a market-based approach to spectrum management is the most suitable way to achieve the best use of this resource.

3.13 In 2005 we set out a programme of spectrum release and liberalisation, allowing spectrum trading as part of our *Spectrum Framework Review*<sup>3</sup>. We are now in the final phase of implementing this programme. We have held five spectrum auctions, with two concluded during the past year: the award of 6GHz of spectrum in the 10-40 GHz range and the award of 40 MHz in the so-called L-band (1452-1492 MHz). We are also taking forward, as a high priority, liberalisation of the spectrum already used by mobile services in the 900 and 1800 MHz bands. This is important

<sup>3</sup> <http://www.ofcom.org.uk/consult/condocs/sfr/sfr/>

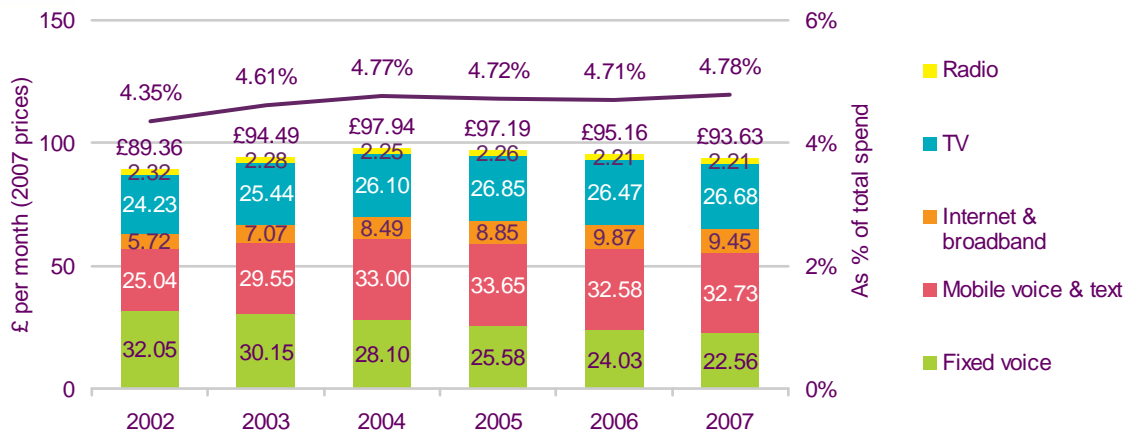
because of the large potential benefits to consumers, but European law presently restricts liberalisation in the bands.

3.14 During 2008 we also started the award process of the 2.6 GHz band, which is currently unused spectrum, and important for the further development of wireless broadband services. However, this award has been delayed by legal challenges. A further crucial spectrum band for the delivery of new or improved wireless services is the digital dividend; the spectrum that will be freed up after digital switchover, and we are progressing with work on the release of this band. We also plan to conduct further work on spectrum trading and liberalisation.

**Promoting competition and innovation remains central to the delivery of consumer benefits**

3.15 Promoting competition is an important part of Ofcom's work to deliver the benefits of convergence to all UK citizens and consumers. Market developments over the past year highlight the benefits of competition in the communications sector. Household spend on communications services has been declining in real terms since 2004, while take-up and use continue to grow. This is illustrated in figure 5 below.

**Figure 5: Household spend on communications services**



Source: Ofcom / operators

3.16 Promoting effective competition results in positive outcomes, not only for consumers, but also for business customers. For example, opening up the infrastructure to alternative communication providers and investment in local loop unbundling (LLU) has increased broadband availability and choice, both for consumers and businesses, in large parts of the UK. However, the needs of business and residential customers can differ substantially, and it is important for us to tackle issues that affect both groups. For this reason, we plan to conduct new areas of work that will focus specifically on business markets.

3.17 In broadcasting, many of the major players have launched services on new platforms: online catch-up TV services are becoming very popular, and the BBC and ITV have also launched Freesat, a free-to-air satellite service that offers HDTV (high-definition TV) channels. We have started the reorganisation of digital terrestrial television (DTT) multiplexes, which will allow viewers to access HDTV channels on Freeview. The challenges that we identified last year in the pay TV

market continue to be relevant, and Ofcom is currently consulting on a series of proposed options which we will work on implementing next year.

- 3.18 While broadcasters expand their services on a variety of digital platforms, telecoms companies can use new fixed and wireless broadband technologies to allow them to deliver innovative applications. Investment plans in super-fast broadband have been announced in the last few months. BT is planning to deploy next-generation access<sup>4</sup> to about 10 million UK households by 2012, while Virgin Media has announced it will soon start offering 50Mbps to its cable customers. Targeted deployments are also being carried out by new entrant companies including Independent Fibre Networks (IFNL) and H20-FibreCity.
- 3.19 As we move towards effective deployment and transition to new fibre networks, it is important for Ofcom to set a regulatory framework to ensure that consumers can continue to enjoy the benefits of competition, innovation and choice. As in previous years, Ofcom remains committed to the full delivery of equivalence in telecoms, where BT has to offer other providers wholesale access to its networks on an equal basis. Next year we will respond to the new challenges of delivering effective equivalence as a result of the transition to new fibre networks.
- 3.20 Mobile is the largest market that Ofcom regulates, accounting for more than a quarter of all retail communications revenues. Currently, 40% of all voice minutes are mobile calls and SMS (text message) levels continue to grow rapidly. Alongside the continued expansion of traditional mobile services, mobile broadband dongles have experienced very high levels of growth in 2008.
- 3.21 Even though the sector is growing and innovating, the first document published as part of our *Mobile Sector Assessment*<sup>5</sup> highlighted some areas of concern in consumer protection, poor coverage in some areas of the nations, and social exclusion. During 2009/10 we will look at these, and other, longer-term issues around the evolution of mobile regulation.

### **Delivering public interest objectives remains crucial in the converging communications sectors**

- 3.22 People's attitudes and use of communications technology are becoming increasingly diverse. In some ways, public outcomes are easier to deliver because of increased competition and choice. In others, the existing models for delivering public interests are facing serious challenges. Examples of this are public service broadcasting (PSB) and universal service obligations (USO). In these cases, we need to perform a clear re-examination of the public outcomes we want to achieve. This means that the current arrangements need to be reviewed and possibly replaced with new ones.
- 3.23 Our PSB review has raised many of these issues already – including the challenging economics of children's TV, regional news provision and the broader financial pressures faced by commercial PSBs. We are currently consulting on our proposed models for the future evolution of the UK PSB system, and during next

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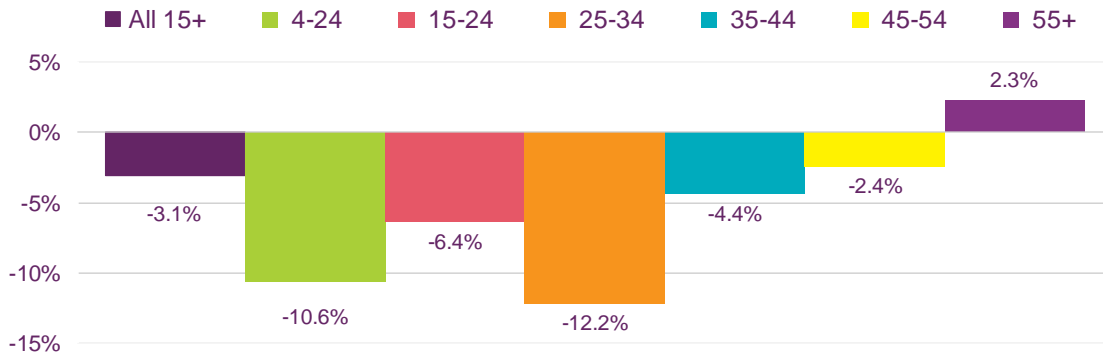
<sup>4</sup> Next-generation access is a general term indicating the various telecoms technologies which enable the delivery of super-fast broadband. In the case of BT, the deployment of next-generation access involves the replacement of copper wires with fibre optic cables, capable of delivering faster broadband speeds.

<sup>5</sup> *Mobile citizens, mobile consumers* - <http://www.ofcom.org.uk/consult/condocs/msa08/>

year we will support the governments of the UK and the devolved nations in implementing an agreed settlement.

- 3.24 Radio is another sector under pressure. Radio stations have generally maintained their audience reach in the last year, but average hours of listening have fallen in all age groups, apart from the over-55s.

**Figure 6: Changes in listening hours 2002-2007, by age group**



Source: RAJAR: data based on calendar years 2002 versus 2007

- 3.25 The radio sector is facing significant difficulties, posed by severe economic conditions and changing technologies. In particular, the economics of DAB remain challenging for the players operating on this platform. The Digital Radio Working Group, established at the end of last year has made initial recommendations about the future of digital radio, and over the next year we will continue supporting its activities.
- 3.26 Ofcom is increasingly being asked to help secure public interest issues in online media. An example of this is the work we are conducting on the coordination of an industry agreement on measures to tackle illegal peer-to-peer file-sharing. We are collaborating with industry to ensure that consumers and citizens' interests are properly represented in sensible self-regulatory measures and industry codes.
- 3.27 With advances in availability and take-up of digital technologies, issues around access and inclusion remain critical across all of the communications sector and in our policy work. For example, there are gaps in mobile coverage in a number of parts of the UK; problems arising from this are particularly felt in some areas of Scotland, Wales and Northern Ireland. We also have challenges relating to the availability of new platforms, such as super-fast broadband technologies, which will be far from universal in the short term, and achieving a sustainable future for USO.
- 3.28 There are differences in take-up and use of communications services between certain groups in the population, prompting further concerns about digital inclusion. Older consumers, as well as disabled people and those on lower incomes, typically lag behind the rest of society in the take-up of new services. We recognise that improvements in digital inclusion benefit individuals and society as a whole. During 2009/2010 we plan to tackle the problems of geographic availability and take-up, and promote effective use of services and technologies by improving media literacy.

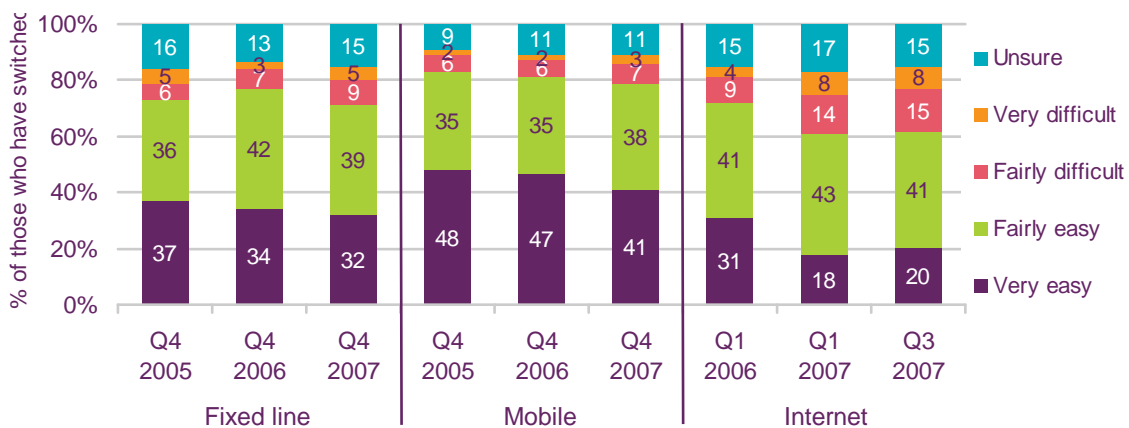


## Consumer empowerment and compliance are as important as ever in times of severe economic conditions

3.29 The UK communications sector is unlikely to remain immune to the significant economic pressures currently being felt on a global scale. A climate of increased uncertainty and volatility may create incentives for misconduct, aimed at taking advantage of uninformed consumers. Therefore, it is very important to ensure that efficient measures are in place to address any practices by service providers that result in consumer harm or detriment.

3.30 In a market in which the number of new offers is growing continuously and service propositions are increasingly complex, we need to ensure that consumers are able to make well-informed choices and move easily between services. In telecoms services, the number of consumers switching providers is increasing, but still represents a minority of total users. Moreover, in different segments of the sector there are barriers to switching. This is outlined in figure 7 below, which shows that ease of switching varies across different telecoms services. But there have been improvements in the level of consumer awareness and switching between services, and we must ensure that this continues.

Figure 7: Ease of switching suppliers



Source: Ofcom research, Q2 2008. Base: All adults who have ever switched

3.31 We also need to sharpen our focus on media literacy. A media literate society will have the skills, knowledge and understanding that people need to make full use of the opportunities presented by both traditional and new communications services. It will also enable people to protect themselves and their families from the possible risks presented by new services, or misconduct by service providers.

## There are some common themes throughout the policy areas described above

3.32 In addition to the areas discussed above, our strategic framework includes three cross-cutting areas of focus. Here we briefly discuss their relevance in 2009/2010:

- Simplifying regulation and minimising administrative burdens:** Ofcom will continue its commitment to reducing regulation and administrative burdens on the businesses we regulate in the interests of citizens and consumers. We seek to do this throughout our policy work, simplifying rules where needed and removing unnecessary intervention which may stifle market development and

innovation. As the current economic pressures are likely to pose additional challenges for many of our stakeholders, it becomes imperative for Ofcom to reduce any unnecessary burdens caused by regulation

- **Maximising our impact on European and wider international policy development:** wider external developments over the past few years have indicated the need for increased focus on communications regulation and policy-making at an international level. During this past year we have actively engaged with the EU institutions in various legislative initiatives, such as the review of the European framework for electronic communications. This has progressed and will soon enter its implementation phase. 2009/10 will be characterised by a similar level of international engagement. Ofcom is strongly committed to a regulatory approach which is global in outlook, as many of our stakeholders are now part of multi-national operations. For this reason we will continue to embrace and, where appropriate, share best practice with our peers internationally, beyond Europe.
- **Preparing Ofcom's new strategic framework:** as we enter the final year of implementation of our current strategic framework, we recognise that the time is right to start developing a new strategic framework for Ofcom, which will enable us to plan and focus our efforts in the medium to long term. This work is now under way and will be closely linked to the support we will provide to the government's *Digital Britain* review. In this document we also seek views on what elements should be contained within the new strategic framework.

### **Ofcom's proposed work programme has been designed to take these developments into account**

- 3.33 The developments described above offer the prospect of new forms of consumer benefit, and new ways for citizens to engage in society. But they also pose a number of specific challenges for regulation.
- 3.34 Additional challenges may arise from the increased uncertainty about the wider economic outlook. In the past few years significant consumer benefits have derived from technological change driving market evolution. In face of significantly increased economic uncertainties, during 2009/10 we will work to promote opportunities for growth and innovation for the benefit of citizens and consumers.
- 3.35 We believe that the overall three-year strategic framework outlined in Ofcom's annual plan last year continues to be appropriate for 2009/10. The framework provides a focus for the key areas of market development, and helps us to concentrate our efforts on delivering our duties, as set out in the Communications Act.

## Section 4

# Implications for Ofcom's work programme

- 4.1 The analysis set out in the previous section shows that the key elements of our current strategic framework are relevant to our aims of encouraging convergence and ensuring that its benefits are enjoyed throughout the UK. Consequently, we propose that the key focus of our work programme in 09/10 will be to continue work that is already in progress, while responding to the evolving market conditions.
- 4.2 The developments set out in our analysis suggest a number of areas for Ofcom to focus on in 2009/10, as shown in Figure 8 on page 17. There are two broad types of activities:
- **Ongoing implementation:** these are activities resulting from past policy projects which are now being implemented; for example, Ofcom's work on digital switchover and the promotion of competition in fixed telecoms, following our telecoms strategic review. While major policy development work has in some cases now been completed, our focus on the smooth implementation of these policies is vital to achieving the aims of regulation.
  - **Current policy development:** this category includes areas of planned policy development in 2009/10; for example, our work relating to online concerns such as privacy and copyright infringement, and issues facing business markets.

Figure 8: Strategic policy framework and major work areas for 2009/10



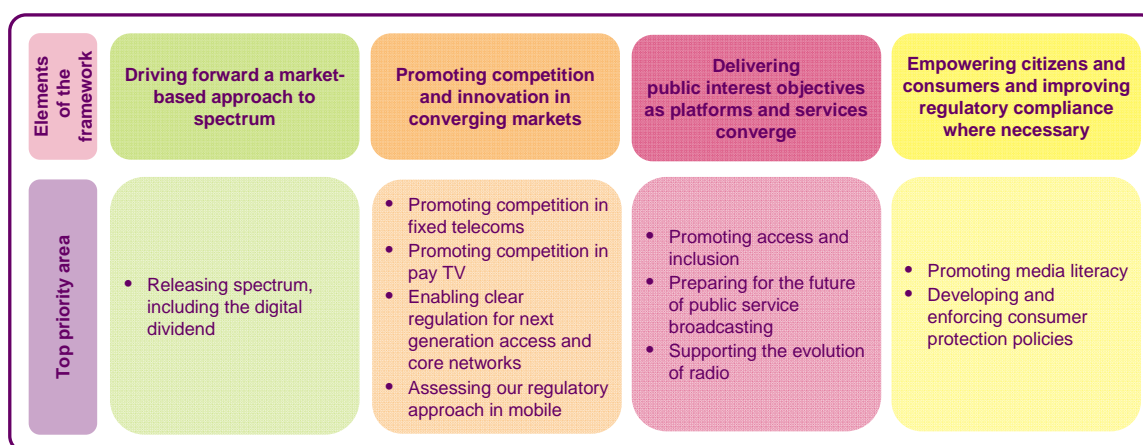
## Enhancing Ofcom’s ability to deliver on key critical areas

- 4.3 Our analysis of market developments suggests that there are a number of areas where delivery is vital in the short term. At the same time, convergence presents Ofcom with challenges that need to be addressed across the board. To ensure that we are well-equipped to deliver on our commitments to citizens and consumers, we have looked at our ability to plan and focus on the most critical work.
- 4.4 In doing so, we have identified a number of top priorities within our work programme that we think are key to delivering our statutory objectives. We will also reserve a share of Ofcom’s capacity next year explicitly for dealing with unexpected issues arising during the course of the year.

## A number of work areas are critical to the long-term needs of citizens and consumers

- 4.5 Delivering on all areas of the work programme is vital if Ofcom is to meet its statutory duties for citizens and consumers. However, within this programme there are a number of issues that will be particularly critical, for citizens, consumers, our stakeholders and Ofcom, in the coming year. These are the elements of our work that will deliver the greatest potential benefits to citizens and consumers, that address the greatest risks for citizens and consumers, and those which are most time-sensitive.
- 4.6 We have identified several priority areas for the coming year, as outlined in Figure 9 below. These were reached following input from Ofcom’s statutory advisory bodies, which look after specific elements of consumer and citizen interests.

Figure 9: Highest-priority areas for 2009/10



- 4.7 Ofcom will work to ensure that these **highest-priority areas** are adequately resourced to ensure delivery of our plans. Where additional resource requirements arise in the course of the year due to unexpected developments, these areas will take precedence over other areas of activity.
- 4.8 However, designating highest priority areas does not mean that other areas of policy and operational work identified for 2009/10 are unimportant. All the areas of policy work we have set out have been identified in our planning process as key to our fulfilling our duties towards citizens and consumers. We will continue to work to

ensure that our plans in all areas of the work programme are fulfilled to the highest possible standard, and to deliver results in the critical areas identified.

### Effectively tackling new issues that arise during the year

- 4.9 Our experience over the past five years has shown that, while our strategic framework enables us to identify key areas to address in the long term, the complexity and fast-paced nature of change in the communications sector means that unexpected issues will inevitably arise.
- 4.10 We have had to adjust our plans in a variety of areas over the past year due to unplanned external developments. Examples include our work on illegal peer-to-peer file sharing and broadband speeds.
- 4.11 As in previous years, we need to reserve some capacity for unplanned work, to enable us to respond quickly and efficiently to any urgent citizen and consumer issues that arise in the course of the year.

### Our approach should be consistent across our policy work

- 4.12 In addition to these defined work areas and priorities, there are several themes that are always important to policy projects. These principles will remain important throughout our work in 2009/10:
  - a) **Considering the policy as it relates to each nation of the UK.** Ofcom's work is increasingly influenced by the implications of institutional changes and differences in the nations, which our policy work must be sensitive to.
  - b) **Adhering to Ofcom's consumer interest toolkit.** This was introduced by Ofcom's Consumer Panel in 2006 as a way of ensuring that Ofcom identifies and addresses consumer interests in the development and implementation of its policy. It includes a series of questions that every internal policy project team should ask, to ensure that consumers are appropriately considered.
  - c) **Considering potential new bottlenecks and areas of regulatory concern.** This was previously identified as a standalone policy project in the 2008/09 plan, and it is now widely agreed that this is a critical feature of a large amount of our policy work.
  - d) **Open consultation with Ofcom's advisory committees and panels,** at numerous points in the policy-making process, will help to ensure that our policy work considers a range of implications for each nation, for older and disabled people and for consumers, including efficient use of spectrum, where appropriate.

## Section 5

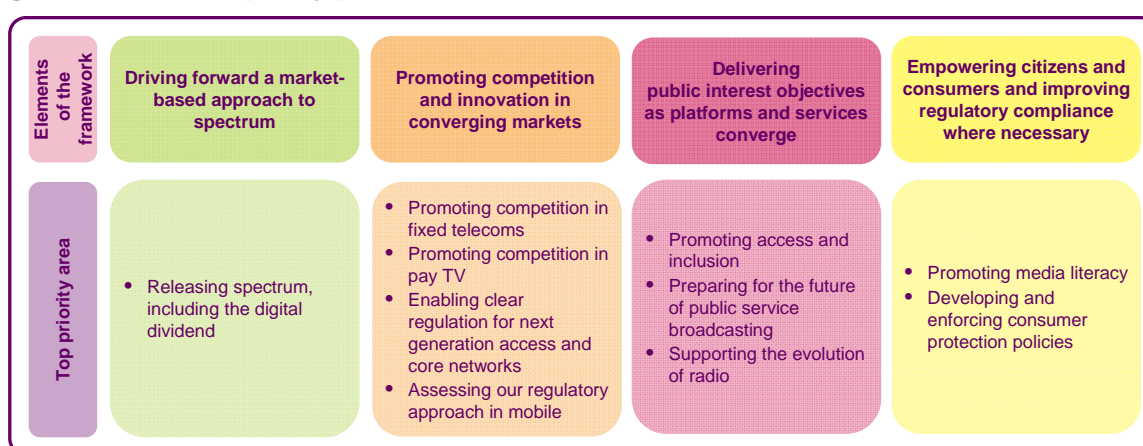
# Detailed policy work programme

5.1 This section describes:

- the work we propose to conduct under each of the prioritised policy areas; and
- an overview of the proposed activities under other major areas of work, grouped by the key elements of our strategic framework.

## Prioritised policy areas in 2009/10

Figure 10: 2009/10 policy priorities



## Releasing spectrum, including the digital dividend

5.2 The release of spectrum bands for new uses in the market is one of the most important ways in which Ofcom can help further the interests of citizens and consumers. Spectrum is the vital invisible resource for all forms of wireless communication, and fundamental to the development of innovation and competition in sectors such as mobile communications and broadcasting.

5.3 We have prioritised developing and implementing our spectrum strategy ever since Ofcom was created. Eight spectrum auctions have now been held in the UK, of which five have been held by Ofcom since 2006. Looking ahead, there are two crucial spectrum bands which are now ready for release, or where work is well advanced.

5.4 The first of these is the 2.6 GHz band. This comprises some 205 MHz of high quality spectrum in the ranges 2500-2690 MHz and 2010-2025 MHz. This spectrum is important for the next generation of mobile broadband technologies, in part because it creates the opportunity for new entry into the mobile communications sector, particularly by organisations seeking to deploy new technologies such as WiMAX, which is already being deployed in the US and some other markets. The award of the 2.6 GHz band was scheduled for 2008, but has been delayed by legal challenges brought by some incumbent mobile operators. Depending on this litigation, we hope to be in a position to set an application date for late March 2009. The spectrum is largely unused at present and is available for new commercial and consumer uses in the UK now.

- 5.5 The second important set of bands is the 'digital dividend', where work on the release of this spectrum is well advanced.
- 5.6 The digital dividend is the spectrum that will be released after digital switchover (DSO), which will conclude in 2012. There are two distinct types of spectrum being released as part of the digital dividend. One is the spectrum that will be cleared across the UK by the end of 2012, mainly as a result of DSO: a total of 128 MHz. The second is the spectrum that will be freed up within the 256 MHz band, to be used by the six digital terrestrial television multiplexes that will operate at DSO: this is known as interleaved, or white space, spectrum.
- 5.7 We set out our strategy for releasing these bands at the end of 2007, and we are now in the process of implementation. We have proposed releasing the spectrum as soon as possible, with a programme of awards beginning in 2009. The release of the digital dividend will be a key strategic priority for Ofcom to take forward during 2009-10. We are currently considering a wide range of issues raised in response to our consultations on the design of the awards, and closely monitoring related developments in Europe.
- 5.8 We will also take forward work on other bands that can be released for new uses. This includes some smaller bands where we are preparing detailed proposals, notably the 872-876 / 917-921 MHz band. We will also be working closely with the Ministry of Defence on releasing additional spectrum currently used for defence purposes, for new commercial applications, including spectrum in the important 3.4-3.6 GHz range. Work is also under way to examine options in other major bands such as 2.7-3.1 GHz. We also expect a conclusion in 2009 to the European process now under way for the award of spectrum for new satellite and terrestrial networks in the 2GHz bands, immediately adjacent to the frequencies auctioned for 3G in 2000.

### Promoting competition in fixed telecoms

- 5.9 The principles of equivalence and functional separation are fundamental to ensuring effective competition where there are enduring bottlenecks in the fixed telecoms market. It is now over three years since the BT Undertakings came into effect and much has been achieved during that period. Nevertheless, there are still some major Undertakings milestones to be achieved. Further, the advent of next generation core and access networks brings with it a number of new challenges, which could have an impact on the practical application of equivalence. We will continue to work with all parties to promote fair competition. This includes ensuring access to the equivalent wholesale next generation core and access networks products that alternative operators need to provide services to end users.
- 5.10 In 2009/10 we plan to focus on the following key areas:
- 1) Ensuring that BT Group plc implements its Undertakings effectively by:
    - monitoring BT's next generation core and access network deployment plans, to ensure that these developments do not prevent the effective delivery of obligations around network access and equivalence of input;
    - monitoring BT's progress against the agreed milestones for operational systems separation; and
    - reviewing the effectiveness of the Openreach Service Level Agreements and Service Level Guarantees that came into effect in summer 2008 and which



aimed to ensure that Openreach's incentives are better aligned to the delivery of high-quality services.

- 2) Promoting competition in the retail and wholesale narrowband (voice) markets, which will include completing the relevant market reviews and the review of the network charge control.
- 3) Monitoring the impact of our new policies in the wholesale broadband and business connectivity markets.
- 4) Developing the regulatory framework for next generation access and core networks, as set out below.

### **Enabling clear regulation for next generation access and core networks**

- 5.11 Super-fast broadband is becoming a reality in the UK. Virgin Media, BT and several new entrants have all announced detailed plans for next generation access network deployment, although with different timescales and geographical coverage.
- 5.12 Throughout next year there will be continued calls for greater regulatory clarity and involvement from Ofcom, as more detailed issues and questions emerge. We will respond by implementing the policy principles we have consulted upon in 2007 and the more detailed regulatory approaches outlined in the second consultation.
- 5.13 Similarly, the public debate on broadband and super-fast broadband will gain momentum as the deployment of new networks takes place. We will continue to contribute to this; for example, by informing the government's *Digital Britain* action plan and other initiatives in the public sector.
- 5.14 Significant progress is also expected in the development of next generation core networks: BT is planning the launch of various next generation wholesale products as part of its 21CN deployment, and other fixed and mobile network operators are also expected to continue the process of moving to next generation technologies.
- 5.15 These developments are likely to stimulate active debate around the regulation of BT's 21CN products, including clarification of how equivalence of input (EOI) will be applied, possible implications for the BT Undertakings and the links between next generation core and access networks regulation.
- 5.16 Specific Ofcom activities in this priority work area include:
  - Contributing to the development of government thinking on initiatives around super-fast broadband communications policy.
  - Supporting early network deployments with flexible and pragmatic regulation, while continuing to promote competition.
  - Implementing the outcomes of our latest super-fast broadband consultation: this will include executing our action plan, feeding relevant policy decisions into forthcoming market reviews, and other policy development activities.
  - Responding proactively to new issues as they arise from super-fast broadband service launches and trials.

- Publishing a consultation document on the regulatory issues raised by next generation core networks deployments, early in 2009, and following this up with stakeholder engagement and a further publication during the 2009/2010 planning year. This will include discussion of the way in which equivalence can most effectively be achieved in a next generation core networks environment, consumer issues raised by the transition to new networks, and the longer term implications of next generation core networks for competition and interconnection.

### Promoting competition in pay TV

5.17 The pay TV market has seen substantial growth in recent years, and is now worth £4 billion per year. Subscription revenues are now more important than advertising revenues as a source of funding for the broadcast industry. Recently, the industry has seen a number of significant developments which will shape the sector for years to come. These include:

- the emergence of new platforms for delivering pay TV services (DTT, IPTV and mobile TV);
- the consolidation, restructuring and re-branding of the existing cable platform; and
- measures by the European Commission to change the way in which key football rights (those at the Football Association Premier League) are sold, to enable more providers to enter the market.

5.18 Early in 2007 we received a submission from four major industry stakeholders: BT, Setanta, Top Up TV and Virgin Media. This submission asked us to investigate the pay TV industry and to consider whether to make a market reference to the Competition Commission under the Enterprise Act 2002. In April 2007 we also received a proposal from Arqiva / Sky to remove the three free-to-air channels that Sky currently provides on digital terrestrial television, and replace these with five pay TV channels as part of Sky's *Picnic* service.

5.19 We published first consultations on each of these areas at the end of 2007, in which we detailed some initial concerns. We issued further consultations in September 2008, which explored those concerns in more detail, and set out our proposals for addressing them. These proposals include the application of a 'wholesale must-offer' obligation, under which certain premium channels controlled by Sky would be supplied on a wholesale basis on regulated terms. The closing date for these consultations is 9 December 2008.

5.20 If, following consultation, we decide to proceed with these proposals, we will issue a further consultation in which we will propose specific conditions of supply. If we do not decide to proceed with these proposals, we will issue a statement to that effect. We plan to publish this further consultation / statement in spring 2009. Our overall aim is to provide certainty to the market as to the outcome of this process ahead of the 2009/2010 football season.

### Assessing our regulatory approach in mobile

5.21 The mobile sector is facing significant change. Therefore, in 2008, we started an assessment of our overall approach to regulation of the sector. This work seeks to answer four primary questions:

- What are the implications of market change for mobile and wireless services?
- How are citizens and consumers affected by developments in the mobile sector?
- What is the purpose of mobile regulation and where should its focus lie?
- What is the scope for deregulation, competition and innovation in the mobile sector?

5.22 On 28 August 2008 we published the first consultation of our *Mobile Sector Assessment (MSA)*, which closed on 6 November. This first phase focused primarily, but not exclusively, on the first three questions. It highlighted a number of issues that we are now taking forward:

- A small but significant minority of customers are dissatisfied. By some measures, consumer concern is rising about issues like disputed bills, poor customer service and, in some cases, unacceptable practices like mis-selling.
- We are observing that ‘not-spots’ – places with poor or uneven coverage – seem to persist, despite competition. Different areas of the UK have quite different experiences of, for example, the extent of 3G roll-out. These problems are particularly evident in parts of Scotland, Wales and Northern Ireland.
- Some groups may be excluded from making full use of mobile services. For example, those who are older, and those who are disabled, are less likely to use mobile services.
- We want to adapt our regulation as convergence occurs. Our concern is that, without due care, regulation can become an obstacle to innovation and competition. We want to move quickly as new technologies enable us to remove or adapt rules.

5.23 We also see a need for a wide-ranging debate about what should happen after 2011, when the current mobile termination rate regime ends. Termination rates are the charges which network operators charge each other to complete calls. We are actively participating in the European debate and are analysing the possible approaches.

5.24 As a result of our first consultation, and further research, we aim to publish proposals aimed at answering the final question of our initial scope for this assessment: What is the scope for deregulation, competition and innovation in the mobile sector?

5.25 We plan to publish these proposals in a further consultation at the beginning of 2009/10.

### **Promoting access and inclusion**

5.26 Ofcom’s duties to further the interests of citizens and consumers mean that we are concerned with the availability of digital communications services, and with citizens’ and consumers’ take-up and effective use of these services, enabling them to participate in the economy and society as a whole – ‘digital inclusion’.

5.27 We are currently reviewing our approach to tackling barriers to digital inclusion. In particular, in the light of the growing importance of mobile and broadband, we are assessing gaps in relation to availability, take-up and use of these services. For

example, when higher speeds services are considered, such gaps become more relevant, especially in parts of Wales, Scotland and Northern Ireland. We are working to understand what more we could do to address barriers to digital inclusion, either directly or in a facilitative role. This work also allows us to participate effectively to the upcoming debate on a broadband Universal Service Obligation, led by the European Commission, and to the UK government's *Digital Britain* and *Digital Inclusion Action Plan* initiatives. In 2009 we will consult on new proposals on how we should focus our efforts to promote digital inclusion.

- 5.28 In addition, we will work to secure implementation of '999 mobile roaming' so that people can make a 999/112 call over any available mobile network when they are out of range of their 'home' network. We will review what more can be done to identify areas where broadband is not available, or available only at low speeds, and to help understand the role and impact of public sector investment to fill gaps.
- 5.29 We will continue our programme of research to understand the difficulties disabled people face when looking to use communications services. We will identify the key services that enable disabled users to participate in the economy and society on a more equal basis than they would be able to do without the service.
- 5.30 During 2009 we will also conduct a review of the *Television Access Services Code*. The review will consider the existing framework for the provision of subtitling, sign language and audio description, in the light of economic and technical developments. This will ensure that the Code continues to deliver access services to citizens and consumers in a proportionate and effective way.
- 5.31 Our proposed work programme in relation to media literacy forms our key approach to promoting the effective use of services. This is set out at page 26.

### Preparing for the future of public service broadcasting

- 5.32 The Communications Act 2003 requires Ofcom to carry out a review of public service television broadcasting at least once every five years. It requires us to report on the extent to which the public service broadcasters, taken together, have fulfilled the purposes of public service television broadcasting, and to prepare a report on the matters found in the review, with a view to maintaining and strengthening the quality of public service broadcasting.
- 5.33 We published the first phase of our second *Public Service Broadcasting Review* in April 2008: in this document we put forward four illustrative models for the future delivery of public service broadcasting, alongside possible ways of funding those options. Taking into account stakeholders responses, and results of extensive research, we published our phase 2 document in September 2008. In this report we highlighted the pressing need for a new model of public service broadcasting and offered refined and elaborated versions of the choices ahead, as well as our proposals for sustaining the provision of public service broadcasting by the commercial PSBs in the short term. Within this we recognised the different requirements of the UK's nations and regions, and the need for a sustainable settlement that meets the demands of audiences in different parts of the UK.
- 5.34 The PSB Phase 2 consultation closes on 4 December 2008. Based on the responses we receive to this consultation, we will publish a final statement early next year, which will explain how the proposals will be translated into the regulatory framework. We will also make clear recommendations to the UK central and devolved

governments to assist them in making their decisions on the future framework for public service broadcasting.

- 5.35 Thereafter, we will continue to work closely with government in developing a sustainable PSB settlement for the future. This work will include ongoing engagement with public service broadcasters and the wider broadcasting community, and providing ongoing evidence and support to government where appropriate.

### Supporting the evolution of radio

5.36 We have two key strands of activities to support the ongoing evolution of radio:

- we will take forward the outcomes from the Digital Radio Working Group, in particular, focusing on the implications for the future regulation of analogue and digital radio; and
- we will work with the government, should it decide to take forward further work on new legislation in relation to the outcomes from the Digital Radio Working Group and the radio ownership rules.

5.37 At all times we will also work closely with the radio industry, to meet the significant challenges posed by changing technologies and the more severe economic conditions.

5.38 In addition to the work outlined above, we will undertake a programme of work in relation to the ongoing licensing and regulation of radio broadcasting. This is described further on page 32.

### Promoting media literacy

5.39 Ofcom's work to promote media literacy is intended:

- to give people the opportunity and motivation to develop competence and confidence to participate in digital society, and
- to inform and empower people to manage their own media activity (both consumption and creation).

5.40 Our approach has been, and continues to be, to provide leadership and to influence stakeholders (including policy makers, education, industry and the third sector) to promote media literacy for all members of society. We take positive direct action where necessary and appropriate to achieve our goal of promoting media literacy.

5.41 We will work with television and radio broadcaster stakeholders to encourage them to undertake coordinated awareness-raising activity to reduce consumers' concerns about their use of media and telecommunication services.

5.42 We will also work with government to take forward media literacy initiatives arising from the *Digital Britain* report, announced in October 2008. This work prioritises empowering consumers and citizens, to ensure they are fully equipped to take advantage of the opportunities that convergence brings.

5.43 Using our research as a catalyst for action, we will bring together organisations involved both in schools and in life-long learning. Together we will consider how best to coordinate the various strands of work to promote media literacy that are currently

under way as a result of initiatives such as the *Byron Review*<sup>6</sup> and the *Children's Plan*<sup>7</sup>.

- 5.44 As promoting media literacy increases in importance in a converged world, there is a growing need to maximise efforts to understand and share learning about emerging issues at a European and international level. Ofcom has been joined by leading organisations with an interest in promoting media literacy in Australia, Canada, Ireland, New Zealand and the United States as founder members of the International Media Literacy Research Forum. The forum will facilitate the sharing of information and best practice in this area among researchers, academics and policy-makers across those countries.
- 5.45 In 2009/10 we will also work with a range of partners, including education providers, UK online centres, libraries and other support networks, to ensure that information about media and telecommunication services is made available to those sections of society who are not yet online and who may be hard to reach.

### Developing and enforcing consumer protection policies

- 5.46 This work includes a project to establish a strategic approach to empowering consumers, ensuring that there is appropriate consumer protection and taking enforcement action where there is inadequate compliance.
- 5.47 This includes a project on switching and mis-selling issues, to ensure that the processes that enable customers to change providers are effective. The project will implement improvements to existing industry processes for switching providers, and consider how these processes need to develop as providers increasingly supply complex bundles of services to consumers.
- 5.48 We will progress work on ensuring that consumers are protected from the potential for mis-selling of fixed-line voice services, and complete our review of whether improvements to the current regulations are needed.
- 5.49 We will also publish guidance on additional charges, and in particular, on how we expect suppliers to comply with the *Unfair Terms in Consumer Contracts Regulations*. The terms covered include non-direct debit charges, charges for terminating a contract early and automatically-imposed new minimum contract periods.

### Wider work programme for 2009/10

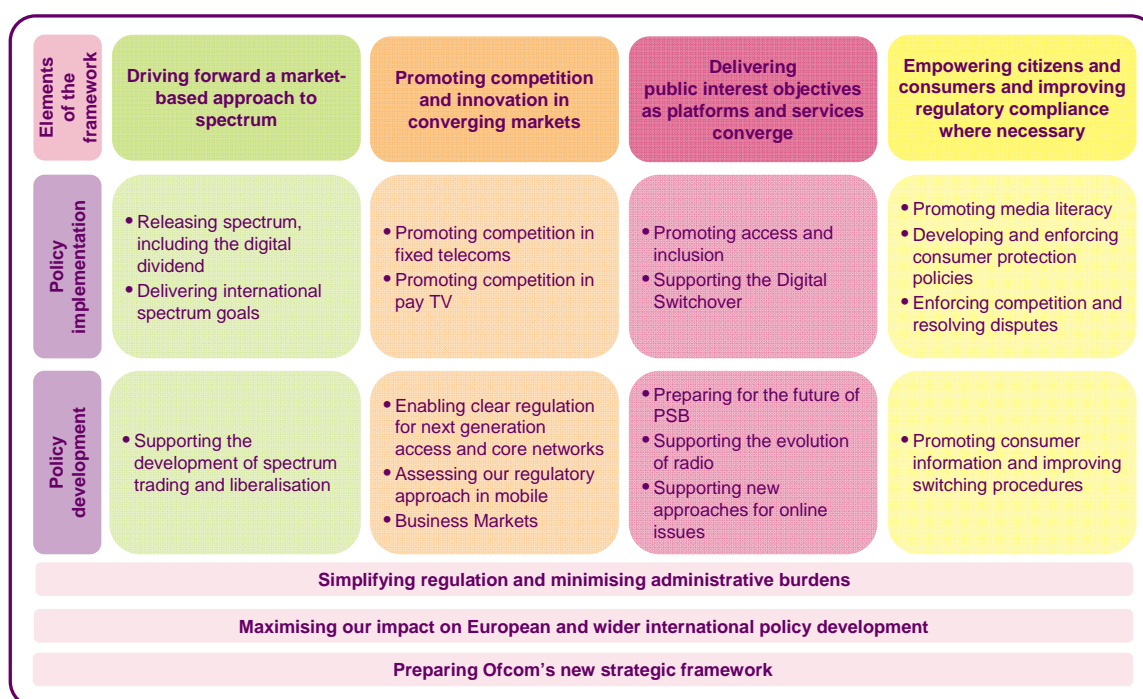
- 5.50 In addition to the policy priorities identified above, we have included a number of other major work areas in our proposed work programme. In the remaining part of this chapter we discuss these, grouping them under each of the four key elements of our strategic framework:
- driving forward a market-based approach to spectrum;
  - promoting competition and innovation in converging markets;
  - ensuring the delivery of public interest objectives; and

<sup>6</sup> <http://www.dcsf.gov.uk/byronreview/>

<sup>7</sup> <http://www.dcsf.gov.uk/publications/childrensplan/>

- empowering citizens and consumers and improving regulatory compliance where necessary.

Figure 11: Ofcom’s proposed work programme for 2009/10



### Driving forward a market-based approach to spectrum

5.51 In 2009/10 we will continue our work on developing a market-based approach to spectrum management, to achieve optimal use of this valuable resource and to maximise the benefits of competition and innovation in wireless services. By allowing users to determine the best use of spectrum, we will reduce the regulatory burden of spectrum management.

5.52 In 2009/10 we are proposing the work programme outlined below.

- Releasing spectrum, including the digital dividend** – Details of this priority work area are discussed earlier in this section.
- Supporting the development of spectrum trading and liberalisation** – During the next year we plan to progress the liberalisation of spectrum that has already been awarded. A particularly high priority in this context is resolving the future of the 900 and 1800 MHz bands, which are presently restricted to 2G GSM technology. Ofcom has already published one set of detailed proposals for liberalisation of these bands, and expects to publish a further consultation shortly. This is a contentious issue among the five existing mobile network operators. A European Directive of 1987<sup>8</sup> presently restricts liberalisation of the 900 MHz band. The European Commission proposed a new legal framework for the bands in July 2007, including abrogation of the Directive, but this has not been progressed by the European Parliament.

<sup>8</sup> Council Directive 87/372/EEC of 25 June 1987 – <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:31987L0372:EN:HTML>

- **Delivering international spectrum goals** – We will continue to work on promoting a market-based approach to spectrum internationally, building on the progress made to date, especially in Europe, and developing a stable international framework to underpin our spectrum awards programme. The programme of work will involve active participation in relevant international fora at the bilateral, European (European Union and Committee on European Postal and Telecommunications Administrations - CEPT) and international (International Telecommunications Union - ITU) levels. Specific objectives include:
  - adoption and implementation of the new EU framework for electronic communications networks and services;
  - the application of technology- and service-neutral approaches in European spectrum harmonisation decisions;
  - developing international and bilateral agreements to provide regulatory certainty for our spectrum awards and for digital switchover;
  - extending to other countries the principles adopted in the UK for the effective management of public sector spectrum; and
  - preparing to achieve UK goals in the ITU World Radio Conference in 2011, including encouraging more flexibility in the international regulatory environment.

5.53 In addition to the above, in 2009/10 we are also planning the following **additional projects**:

- implementing the recommendations of the *Cave Audit*, in particular by defining the spectrum access rights of public bodies;
- encouraging better use of spectrum in the aeronautical and maritime sectors;
- implementing a new licensing approach for spectrum that is used to support business operations, with increased opportunity for trading and flexibility in use;
- providing better information about current spectrum use; and
- taking stock of the current system of spectrum pricing, which has been developed over the last decade, to ensure that it is well-designed and effective.

### Promoting competition and innovation in converging markets

5.54 Competition brings consumer benefits through greater convenience, choice and innovation. The promotion of effective competition is therefore central to the fulfilment of Ofcom's duties.

5.55 In 2009/10 we are proposing the work programme outlined below.

- **promoting competition in fixed telecoms;**
- **enabling clear regulation for next generation access and core networks;**
- **promoting competition in pay TV; and**



- **assessing our regulatory approach to mobile.**  
Details of these priority work areas are discussed earlier in this section.
- **Business markets** – We will assess the extent to which competition is addressing the specific needs of business users. We plan to initiate a research programme to identify whether the needs of business consumers of communications services are being adequately met and to evaluate the extent to which Ofcom's policies are targeted at addressing potential competition or consumer concerns.

5.56 In addition to the above, in 2009/10 we are also planning the following **additional projects**:

- review of our long-term strategic approach to the numbering plan in the light of consumers' need for service and price transparency;
- completion of the current market review of the retail and wholesale markets for fixed narrowband (voice) telephony services, together with any associated network charge control; these reviews will also consider the regulatory implications of BT's plans for 21CN voice services; and
- market impact assessments in relation to new services being developed by the BBC, as determined by the BBC Trust.

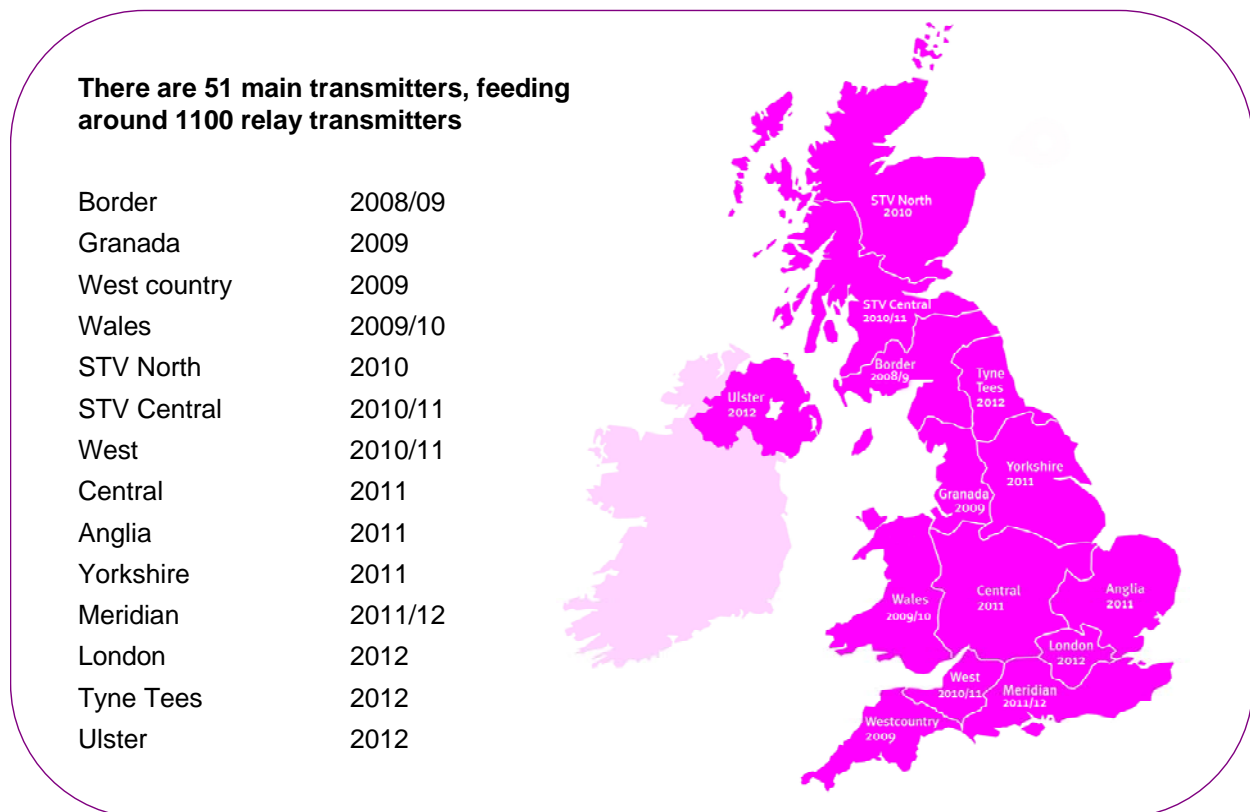
#### **Delivering public interests, as platforms and services converge**

5.57 The development and implementation of policies and regulations for the delivery of public interest objectives must be considered in a continuously changing environment.

5.58 In 2009/10 we are proposing the work programme outlined below.

- **promoting access and inclusion;**
- **preparing for the future of public service broadcasting; and**
- **supporting the evolution of radio.**  
Details of these priority work areas are discussed earlier in this section.
- **Supporting the digital switchover** – we will assist Digital UK, the organisation set up to manage the digital switchover process in the UK, and the government, in ensuring a smooth transition to digital television. The process accelerates rapidly in 2009 with the Border, Granada and West Country regions completing switchover and Wales beginning its switchover. We will support this process throughout our activities in licensing, spectrum management and international spectrum co-ordination work, as well as in research and policy activities.

Figure 12: Switchover map and sequence



Source: Digital UK

- **Supporting new approaches for online issues** – We are collaborating with industry to ensure that consumers and citizens’ interests are properly represented online in sensible self-regulatory measures and industry codes where appropriate. An example is our recent response to an invitation from the content and internet service provider industries to support their discussions on measures to tackle illegal peer-to-peer file-sharing. Ofcom, in this context, has a role to ensure that the interests of consumers are effectively represented in this industry dialogue. Discussions are also considering the role of consumer education and the availability of legal services in reducing infringing behaviour. We are also supporting a government consultation on legislation in this area.

5.59 In 2009/10 we are also planning the following **additional projects**.

- Maximising efficient use of DTT spectrum – in April 2008 we set out a plan to reorganise services on the DTT multiplexes to allow the upgrade of Multiplex B to enable new services, including HD services. In July legislation came into effect empowering Ofcom to implement this plan. We began implementation by running a competitive tender process, which resulted in us reserving capacity on the upgraded multiplex for Channel 4/S4C and for ITV licensees to provide two HD services (in addition to one BBC service).
  - In 2009/10 our primary focus will be putting in place the regulatory framework and coordinating a pilot programme to facilitate the upgrade and launch of these new services.

- We will also continue our work on implementing the DTT reorganisation. However, our focus is shifting from policy development to supporting the broadcasters responsible for delivery, and the wider industry.
- Licensing of radio broadcasting – in addition to our work to support the evolution of radio, we have planned a significant programme of work in relation to the licensing and regulation of radio broadcasting, including:
  - preparation for the future re-advertisement (by auction) of the three national analogue commercial radio licences; we will also proceed with the re-advertisement of existing local analogue commercial radio licences as they approach expiry;
  - where appropriate, extending and renewing existing local analogue commercial radio licences to increase their duration in accordance with statutory requirements – during 2009/10, we will also consider the process for the renewal of the first national radio multiplex licence; and
  - completing the second round of licensing new community radio services, and considering what form any further community radio licensing might take.
- Licensing of television broadcasting – we will continue to undertake a programme of work on the licensing of television broadcasting:
  - the ongoing licensing of non-BBC television broadcasting services, including channels on the Freeview and Sky platforms;
  - considering requests from licensees for variations to their licences, e.g. changes to the line-up of services on a DTT multiplex service; and
  - ensuring that all relevant licences allow for the smooth implementation of the digital switchover process.

### **Empowering citizens and consumers and improving regulatory compliance where necessary**

5.60 Empowering consumers and citizens is a primary focus of our work. Citizens and consumers can benefit only if they are able to make informed choices. It is also likely that our scope for maintaining and improving regulatory compliance will increase over time, as the communications sector becomes increasingly influenced by uncertainty and volatility in the wider economic context.

5.61 In 2009/10 we are proposing the work programme outlined below.

- **promoting media literacy;**
- **developing and enforcing consumer protection policies.** Details of these priority work areas are discussed earlier in this section.
- **Promoting consumer information and improving switching procedures –** this work area includes the following activities:
  - We will work to improve the information provided to consumers by implementing our accreditation scheme for price comparison websites. We accredited two price comparison websites in June this year.

- In addition, we will work to ensure that consumers have access to relevant quality of service (QoS) information to empower them to make informed choices in the marketplace. We are currently reviewing the existing Topcomm scheme.
- We will also progress our work on improving switching processes, in order to ensure that current processes do not inhibit consumers' ability to switch – both for single migrations and in relation to bundled product offerings. We will continue to work with the industry on examining the case for the greater harmonisation of switching processes.
- **Enforcing competition and resolving disputes** – we will continue our work on existing competition investigations and disputes, and address any new issues emerging in 2009/10.

### **Simplifying regulation and minimising administrative burdens**

5.62 As the current economic pressures are likely to pose additional challenges to many of our stakeholders, it is important for us to reduce unnecessary burdens of regulation. We are seeking to do this, consistently with our regulatory principles, and where appropriate to further the interests of citizens and consumers. Key areas of work planned for 2009/2010 to simplify and reduce regulatory burdens are outlined below.

- As part of the PSB review, we reviewed the obligations associated with Channel 3 licences. As a result, we are proposing to make changes to these licences to allow ITV to make an estimated saving of £54m a year, to reflect the decreasing value of Channel 3 licences. Our proposals are subject to consultation until 4 December 2008. During 2009/2010 we plan to engage with the government to implement a new sustainable settlement for public service broadcasting.
- In September 2008 we provided further clarity to our proposed approach to regulating next generation access (NGA) and new-build fibre deployments. We propose an approach to regulating the planned NGA deployments in the UK that is flexible to encourage the development and trial of new products and services, and sufficiently light-touch to allow for experimentation in pricing and business models, while also promoting competition and protecting consumers. If stakeholders agree with these proposals, we will implement our regulatory approach during 2009/2010.
- Our work on extending licence exemptions for an increasing range of radio equipment aims to reduce regulatory burdens and enable the use of innovative new technologies, both of which form part of the implementation of our *Spectrum Review*. We published regulations on licence exemption in September 2008 and further work is planned for next year.

Our *Simplification Plan*, due for publication on the Ofcom website in early December, sets out further detail of our efforts in this area.

### **Maximising our impact on European and wider international policy development**

5.63 Wider external developments in recent years have highlighted the need for us to focus on communications policy-making at an international level. At the European level, we will engage with the development and implementation of EU legislation -

there are several critical areas of EU-level policy development for us to focus on in 2009/10. We will:

- continue to work with the UK government and engage at a European level to ensure that the interests of UK citizens and consumers are fully represented in the review of the European Framework for electronic communications, as well as other ongoing initiatives which have an impact on the communications sector, such as the *Roaming Regulation*<sup>9</sup> and the *EU Consumer Rights Directive*<sup>10</sup>;
- actively input, directly and where appropriate, through the European Regulators Group (ERG), to the Commission's future policy thinking in key areas such as NGA, termination rates, universal service, access and inclusion, media literacy, and online content; and
- contribute, if the Commission brings forward proposals, to the review of the *E-Commerce Directive*<sup>11</sup> and the *Conditional Access Directive*<sup>12</sup>.

5.64 Beyond the European perspective, we are strongly committed to a regulatory approach with a global outlook, and many of our stakeholders are now part of multi-national operations. Understanding the focus in communications policy and regulation in other markets is a key part of our international strategy.

5.65 Ofcom will continue to embrace and, where appropriate, share best practice with our international peers. This will involve monitoring market and regulatory developments, participating in dialogue on key priority issues to inform our own decision-making, and, where possible, pursuing a coherent and coordinated approach to international communications services regulation.

5.66 During 2009/10, we aim to deepen working relationships with North America, the rest of Europe, China, Japan, and others, and will be bringing greater focus to building a forum for dialogue with the rapidly growing markets of India, Brazil and Russia, many of which are leading the way with new applications and services on a phenomenal scale.

### Preparing Ofcom's new strategic framework

5.67 This year we will begin to develop a new strategic framework for developing Ofcom's work programme and priorities in the medium term. Although the current strategic framework is still considered relevant, and is sufficiently flexible to cope with change in the short term, the current dynamic nature of the communications sector means that we must reconsider our approach to strategic planning and developing our work programme.

5.68 The development of a new strategic framework will look at how our role may need to change in the longer term, and will consider the implications for Ofcom of the work that the government has been conducting through the Convergence Think Tank (CTT) and in the *Digital Britain* project:

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<sup>9</sup> [http://ec.europa.eu/information\\_society/activities/roaming/regulation/index\\_en.htm#new\\_rules](http://ec.europa.eu/information_society/activities/roaming/regulation/index_en.htm#new_rules)

<sup>10</sup> [http://ec.europa.eu/consumers/rights/cons\\_acquis\\_en.htm#directive](http://ec.europa.eu/consumers/rights/cons_acquis_en.htm#directive)

<sup>11</sup> The Electronic Commerce (EC Directive) Regulations 2002 – <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32000L0031:EN:HTML>

<sup>12</sup> Directive 98/84/EC of the European Parliament and of the Council of 20 November 1998 – <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:31998L0084:EN:HTML>

- The CTT, led by a joint DCMS / BERR steering group, has been established to identify the impact of convergence on the media, the communications industry and consumers. We have supported the activity of CTT, which is due to publish its findings in early 2009.
  - '*Digital Britain*' is a government review of the digital media and communications industries that over the coming months will develop an action plan for these key sectors of the UK economy. We welcome this initiative and we plan to work with the relevant departments, where possible, to help shape *Digital Britain*, given the likely impact that this review may have across the communications sector.
- 5.69 The work that will lead to the publication of a new strategic framework will consider a wide range of issues affecting the long-term evolution of the communications sector and the evolution of the frameworks for regulation. One of the purposes of this consultation document is to seek views on which elements should be contained within the new strategic framework.

## Section 6

# Providing services to citizens and consumers

- 6.1 As well as policy development, Ofcom delivers key services to citizens, consumers and other stakeholders.
- 6.2 Every year Ofcom receives around 300,000 requests from the public asking for advice on consumer issues in the communications market, complaining about the poor performance of a service provider, or raising a specific content issue. We take direct enforcement action on behalf of a variety of stakeholders; for example, in keeping the airwaves free from interference.
- 6.3 In 2009 we expect to support over 220,000 spectrum licences, with over 150,000 renewals and new applications, covering satellite, fixed links, private business radio, amateur, maritime and other spectrum users. We are progressively introducing a new information services (IS) system to manage these transactions.
- 6.4 In this section we provide an overview of the services we deliver to stakeholders as part of our normal business operations, and describe the links between delivering services to stakeholders and achieving our policy priorities.

## Keeping the radio spectrum free from interference

- 6.5 We monitor the radio spectrum and take appropriate action to prevent harmful spectrum interference. The increasing demand for spectrum is leading to more intensive use and greater risk of interference, and we anticipate further work as the 2012 Olympics approach (further details in figure 13), together with our continuing commitment to digital switchover. Our Field Operations team handles around 17,000 cases per year. They take action to:
- protect safety-of-life communications, including emergency services and air traffic control;
  - prevent illegal use of the radio spectrum;
  - enable legitimate use of spectrum by, for example, providing advice and assistance to spectrum users; and
  - ensure that non-compliant equipment is removed from the market.
- 6.6 Our strategy has been to focus our resources on keeping the radio spectrum free from harmful interference. This has involved a wide-ranging transformation of our Field Operations team, including the organisational structure, property, vehicle and equipment strategy, volume and mix of work, and people-management and culture.
- 6.7 In 2009, we will review our requirement for technical equipment in preparation for the 2012 Olympics. Specifically, we are looking to modernise our current unmanned monitoring system (UMS) and our remote monitoring and direction-finding (RMDF) capabilities, used for detecting illegal spectrum use; and upgrade the test equipment used by our field engineers.

- 6.8 We constantly review our operational procedures in pursuit of excellence, and will achieve ISO 9000:2000 accreditation in 2009, which will complement the UKAS accreditation renewed in 2008. A continued commitment to the professional development of our colleagues and the recent employment of engineering apprentices will deliver a field force that is “fit for purpose” in 2009 and beyond.
- 6.9 Our current focus is on reviewing our approach to enforcement, to ensure that we obtain the best value for money, and maximum effectiveness, in the key areas of illegal broadcasting, equipment compliance, spectrum monitoring and interference resolution.

### Licensing access to the radio spectrum

- 6.10 Ofcom controls access to the radio spectrum by issuing, renewing and revoking licences. Where necessary, we make frequency assignments, perform site clearances and coordinate the use of spectrum internationally.
- 6.11 In the first half of 2008, we replaced legacy licensing systems supporting Fixed Links products, and later this year we intend to add Light Licensed, Business Radio and Maritime products to the new suite of systems. At the same time, we will simplify our Business Radio licence products and adjust the fees charged.
- 6.12 We have improved the web portal supporting Amateur and Ships licensees, to enhance users’ experience and simplify processes.
- 6.13 In 2009 we aim to further improve the licensing service by:
- adding all licensing products, including Space & Satellite, and auctioned licences, to the new licensing system;
  - enabling stakeholders to apply for, and receive, Private Business Radio licences online; and
  - implementing systems to enable a market-based approach to spectrum in the future.
- 6.14 We will also publish a consultation on a draft spectrum plan for the London 2012 Olympic Games and Paralympic Games. Further detail on this is provided in figure 13.

### Figure 13: Preparing for the London 2012 Olympics

The London Games will take place between 27 July and 9 September 2012, and will be staged at various locations across the UK. Ofcom is responsible for organising a full spectrum plan, along with licensing and interference management, during the event itself. This will be the largest spectrum management exercise undertaken since Ofcom’s creation, and our key objective is to guarantee the successful delivery of our remit for the Games.

We have responsibilities in a number of areas:

- The design of a spectrum plan that fulfils our obligation of providing spectrum to the Olympic family free of charge, as specified in the London 2012 bid.
- Ensuring an effective spectrum allocation and licensing system, both ahead of and during the games, that meets the needs of the Olympic stakeholders.



- Ensuring the smooth running of the Games. Our Field Operations team will have to effectively manage interference on a real-time basis across multiple venues.

We are currently conducting work on spectrum planning and we plan to publish a consultation document on this topic in the spring of 2009. Moving forward, we will need to address a number of policy and operational issues, including:

- designing our overall approach to the task and understanding the optimal division of labour between Ofcom and other entities;
- defining our approach to licensing, interference management, enforcement and related issues;
- ensuring the availability of the correct resources, infrastructure and systems;
- ensuring that our operational plan is robust enough for unplanned events; and
- understanding the costs involved, both in operational activities and spectrum use.

We plan to work closely with colleagues who have organised, or are organising, similar events in Melbourne, Beijing, Sydney, Athens and the Winter Games in Vancouver. We will also consult and co-operate closely with all the relevant stakeholders.

Our initial findings and overall proposed approach will be outlined in the spring 2009 consultation. Further planning activities will include preparation for the rehearsal events, scheduled to take place from 2010 onwards.

## Dealing with enquiries and complaints from the public

- 6.15 Ofcom's Central Operations team deals with enquiries and complaints from consumers about telecommunications services, TV and radio services, and use of the radio spectrum. Every month we answer around 20,800 phone calls, 3,300 messages via our website, 1,200 emails and 1,500 letters and faxes.
- 6.16 Consumers often complain to us about telecoms issues when they have had inadequate responses from service providers. We aim to help consumers resolve their complaints by pointing them to useful advice and information and by liaising with service providers.
- 6.17 People usually complain directly to us about TV and radio programmes. We consider complaints relating to a number of areas such as protection of under-18s, harm and offence, fairness and privacy, and impartiality and accuracy in news. However, we do not consider issues relating to impartiality and accuracy in BBC programmes, which is the responsibility of the BBC Trust. We also deal with complaints about programme sponsorship and alleged commercial influence.
- 6.18 We are investing in information systems to improve our call-handling performance in addressing enquiries and complaints. We also aim to optimise the role of the Ofcom Advisory Team in providing early warning about consumer concerns, such as silent calls, slamming and mis-selling. This is against the backdrop of rapidly changing communications markets; new topics of concern arise all the time and create unexpected increases in the number of complaints we receive.

## Allocating telephone number ranges to service providers

- 6.19 Ofcom plays an important role in allocating telephone number ranges to communications service providers who in turn allocate individual numbers to their customers. The number of applications received from service providers grows steadily. We are now processing in excess of 2,000 applications every year.
- 6.20 As part of our strategic review of telephone numbers, we established the following principles governing numbering:
- the numbers consumers want should be available when they are needed;
  - the numbers consumers currently use should not be changed if this is avoidable;
  - the understanding that consumers have about certain types of numbers – such as 080 numbers being freephone – should be maintained;
  - number allocation processes should support competition and innovation; and
  - consumers should not be exposed to abuse.
- 6.21 Ofcom has applied these principles to telephone number allocation to ensure that our process is efficient, consumer-driven and market-led. We have introduced number conservation measures in additional geographic areas so that service providers can use numbers more efficiently. We are also introducing a consumer protection test into our number allocation process to ensure best use of numbers and to better protect consumers from scams, fraud and other forms of abuse using telephone numbers.

## Providing information services

- 6.22 Ofcom provides information to the public about use of the radio spectrum. This is an important contribution to the efficient coordination of spectrum use; and also facilitates the trading of spectrum licences by stakeholders. Ofcom plans to extend the online information available to the public, which will be underpinned by our new licensing system currently being introduced.

## Publishing market research and communications market reports

- 6.23 We will publish a wide range of reports on developments in the communications sector and on the attitudes of citizens and consumers:
- our series of *Communications Market Reports* will cover developments in television, radio, telecoms and the internet across the UK and around the world;
  - our *PSB Annual Report* will assess the state of public service broadcasting in the UK and the extent to which the purposes and characteristics of PSB are being fulfilled; and
  - we will publish our annual *Consumer Experience* report which will assess consumer access choices, empowerment and concerns across all of the sectors regulated by Ofcom.
- 6.24 We will also publish *Digital Progress* reports on:

- digital TV, every quarter; and
- other fast-moving markets, on an ad-hoc basis.

6.25 Finally, we will publish all research commissioned across the year in support of Ofcom’s policy projects.

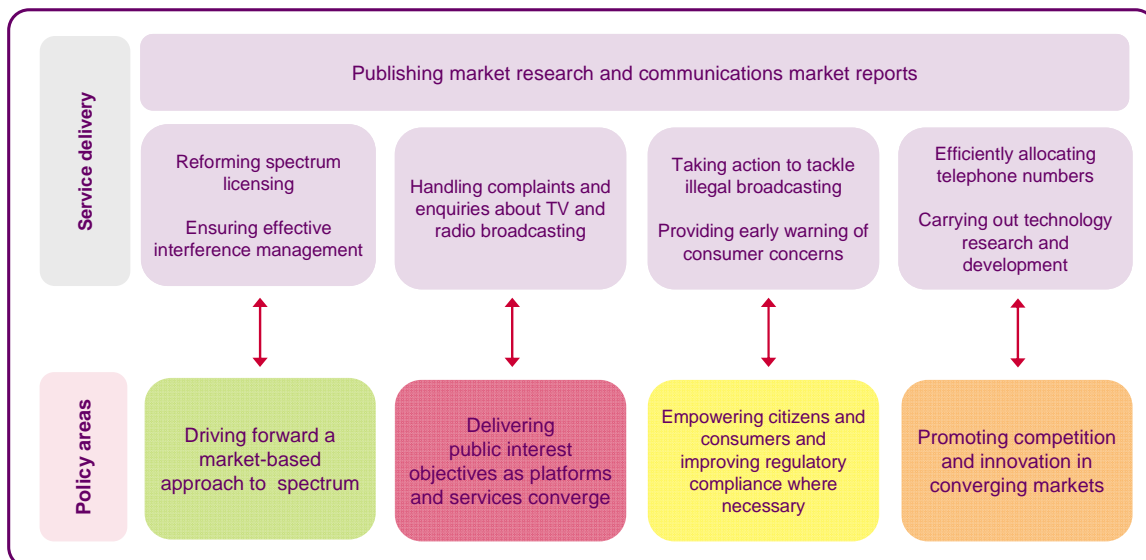
**Links between operational and policy delivery**

6.26 The effective delivery of our operational services is closely linked to the key policy areas set out in our strategic framework. For example:

- *driving a market-based approach to spectrum* will be underpinned by the reform of spectrum licensing and effective interference management;
- *developing new mechanisms for delivering public outcomes* is supported by Ofcom’s Consumer Services unit, which handles complaints about programmes broadcast on TV and radio;
- *improving compliance and empowering consumers* will benefit from the early warning system provided by the Ofcom Advisory Team, and effective action to tackle illegal broadcasting; and
- *promoting conditions for competition and innovation* will be supported by the efficient allocation of telephone numbers and technology research and development.

6.27 Figure 14 below provides some examples of the important links between the services we provide for stakeholders and the policy areas identified in our three-year strategic framework.

**Figure 14: Links between operational and policy delivery**



## Section 7

# Delivering value to stakeholders

- 7.1 Since its inception Ofcom has realised consecutive real-term reductions in its budget to deliver value for money to stakeholders. On a like-for-like basis, our 2008/09 budget was 17.5% lower in real terms than the original full-year budget set in 2004/05.
- 7.2 Having followed several years of major efficiency-enhancing initiatives, Ofcom is becoming an established organisation with more stable budget requirements. This, together with our increasingly complex regulatory challenges, means that the scope for further budgetary reductions may be more limited in the coming years. We are currently reviewing opportunities for further efficiency gains, ahead of setting our budget for 2009/10.
- 7.3 During 2008/09, Ofcom has focused on a number of initiatives to further enhance the value for money provided to stakeholders:
- continuing the review of our property portfolio with further rationalisation being achieved this year;
  - competitive tendering of major supplier contracts, maximising commercial competitiveness via a targeted category approach;
  - adoption of collaborative procurement activity across a broad community of regulators and use of a formal benchmarking methodology for all contracts against our peer group;
  - an ongoing drive to reduce the volume of printed publications whilst making sure that all Ofcom's publications can be easily accessed on our website; and
  - improving the quality of service and efficiency provided by our Field Operations team. A higher proportion of cases are now resolved in the office rather than through visits.
- 7.4 A variety of further initiatives are planned for the coming year to improve the efficiency and effectiveness of the organisation, including:
- rationalisation of our printer, photocopier and server estates, both to reduce cost and to contribute towards achieving our carbon footprint reduction target.
  - further review and revision of our core administration processes as part of our continued drive to deliver value for stakeholders;
  - full review of all Ofcom procurement processes and requirements to promote Diversity and the inclusion of Small Business into the Ofcom supplier base; and
  - continued and ongoing review of significant supplier contracts and arrangements.

## Annex 1

# Consultation questions

A1.1 We are seeking views from all of our stakeholders on the proposed work programme for 2009/10. In particular, it would be helpful if you could address the following questions:

- 1. What are your views on the continued relevance of Ofcom's three-year strategic framework for the proposed work programme in 2009/10?*
- 2. What are your views on Ofcom's proposed policy work programme and top priority areas for 2009/10?*
- 3. What are your views on the elements which should be contained within Ofcom's new strategic framework?*

## Annex 2

# Responding to this consultation

## How to respond

- A2.1 Ofcom invites written views and comments on the issues raised in this document, to be made **by 5pm on 12 February 2009**.
- A2.2 Ofcom strongly prefers to receive responses using the online web form at <http://www.ofcom.org.uk/consult/condocs/draftap0910/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 any confidentiality issues. This response coversheet is incorporated into the online web form questionnaire.
- A2.3 For larger consultation responses - particularly those with supporting charts, tables or other data - please email [marco.marini@ofcom.org.uk](mailto:marco.marini@ofcom.org.uk) attaching your response in Microsoft Word format, together with a consultation response coversheet.
- A2.4 Responses may alternatively be posted or faxed to the address below, marked with the title of the consultation.
- Marco Marini  
Riverside House  
2A Southwark Bridge Road  
London SE1 9HA
- Fax: 020 7981 3706
- A2.5 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.
- A2.6 It would be helpful if your response could include direct answers to the questions asked in this document, which are listed together at Annex 1. It would also help if you can explain why you hold your views and how Ofcom's proposals would affect you.

## Further information

- A2.7 If you want to discuss the issues and questions raised in this consultation, or need advice on the appropriate form of response, please contact Marco Marini at [marco.marini@ofcom.org.uk](mailto:marco.marini@ofcom.org.uk).

## Confidentiality

- A2.8 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](http://www.ofcom.org.uk), ideally on receipt. If you think your response should be kept confidential, can you please specify whether a particular part, or the whole, of your response should be kept confidential, and say why. Please also place such parts in a separate annex.

- A2.9 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.
- A2.10 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 to intellectual property rights is explained further on its website at <http://www.ofcom.org.uk/about/accoun/disclaimer/>

### Next steps

- A2.11 Following the end of the consultation period, Ofcom intends to publish a statement in March 2009.
- A2.12 Please note that you can register to receive free mail updates, alerting you to the publication of relevant Ofcom documents. For more details please see: [http://www.ofcom.org.uk/static/subscribe/select\\_list.htm](http://www.ofcom.org.uk/static/subscribe/select_list.htm)

### Ofcom's consultation processes

- A2.13 Ofcom seeks to ensure that responding to a consultation is as easy as possible. For more information please see our consultation principles in Annex 2.
- A2.14 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](mailto: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.
- A2.15 If you would like to discuss these issues or Ofcom's consultation processes more generally you can alternatively contact Vicki Nash, Director Scotland, who is Ofcom's consultation champion:

Vicki Nash  
Ofcom  
Sutherland House  
149 St. Vincent Street  
Glasgow G2 5NW

Tel: 0141 229 7401  
Fax: 0141 229 7433

Email [vicki.nash@ofcom.org.uk](mailto:vicki.nash@ofcom.org.uk)

## Annex 3

# Ofcom's consultation principles

A3.1 Ofcom has published the following seven principles that it will follow for each public written consultation:

### Before the consultation

A3.2 Where possible, we will hold informal talks with people and organisations before announcing a big consultation, to find out whether we are thinking in the right direction. If we do not have enough time to do this, we will hold an open meeting to explain our proposals shortly after announcing the consultation.

### During the consultation

A3.3 We will be clear about who we are consulting, why, on what questions and for how long.

A3.4 We will make the consultation document as short and simple as possible, with a summary of no more than two pages. We will try to make it as easy as possible to give us a written response. If the consultation is complicated, we may provide a shortened Plain English Guide for smaller organisations or individuals who would otherwise not be able to spare the time to share their views.

A3.5 We will consult for up to 10 weeks, depending on the potential impact of our proposals.

A3.6 A person within Ofcom will be in charge of making sure we follow our own guidelines and reach out to the largest number of people and organisations interested in the outcome of our decisions. Ofcom's Consultation Champion will also be the main person to contact with views on the way we run our consultations.

A3.7 If we are not able to follow one of these principles, we will explain why.

### After the consultation

A3.8 We think it is important for everyone interested in an issue to see the views of others during a consultation. We would usually publish all the responses we have received on our website. In our statement, we will give reasons for our decisions and will give an account of how the views of those concerned helped shape those decisions.



## Annex 4

# Consultation response cover sheet

- A4.1 In the interests of transparency and good regulatory practice, we will publish all consultation responses in full on our website, [www.ofcom.org.uk](http://www.ofcom.org.uk).
- A4.2 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.
- A4.3 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 encourages 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.
- A4.4 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/](http://www.ofcom.org.uk/consult/).
- A4.5 Please put any parts of your response that you consider should be kept confidential into 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

Name/contact details/job title

Whole response

Organisation

Part of the response

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)