



Virgin Media response to Ofcom's  
Consultation Document of 6 November 2008

Mobile citizens, mobile consumers - Adapting  
Regulation for a mobile, wireless world.

6 November 2008.

Virgin Media welcomes the opportunity to respond to Ofcom's Mobile Citizens, Mobile Consumers consultation.

As the UK's largest MVNO and the UK's leading provider of quad play (broadband, fixed phone, mobile and tv) Virgin Media feels that it has a unique and valuable perspective to offer on Ofcom's consultation document on the future of the mobile sector.

Within its response Virgin Media has only responded to those questions where it feels that it is best placed to provide a view.

### ***1.2 How are citizens and consumers affected by developments in the mobile sector?***

Virgin Media believes that developments in the mobile sector are likely to bring increased benefits to consumers through offering greater choice, innovation and value for money. The growth of mobile broadband for example offers consumers the opportunity to access the internet on the move allowing consumers and businesses greater flexibility and convenience to do what they want, where they want and when they want.<sup>1</sup> As well as offering consumers greater flexibility and convenience, developments in the mobile sector can also offer benefits for citizens in that they can offer the opportunity to participate in society in different ways by providing access for example to services such as health or governmental services in more innovative ways.

### ***1.3 What are the purposes of mobile regulation, and where should its focus lie?***

Ofcom indicates that it sees three core purposes of its work in mobile markets;

- To maximise the role and intensity of competition by actively promoting competition;
- To set and enforce clear rules for consumer protection;
- To adapt regulation as the market changes (Ofcom gives the example of rolling back regulation where appropriate for example as and when fixed-mobile convergence occurs).

The underlying purposes of mobile regulation should in Virgin Media's view be no different to the purposes of Ofcom's regulatory role generally- to further the interests of citizens and consumers. This should involve addressing issues of market power where necessary. The application of those purposes to different sectors however may differ based upon the characteristics of the individual sector.

In pursuing its purposes Ofcom's activities in the mobile sector as in all sectors need to be transparent, accountable, proportionate, and consistent and targeted only at cases in which action is needed as well as being technologically neutral.

### ***1.4 What is the scope for deregulation, competition and innovation in the mobile sector?***

At the UK level the mobile sector is currently far less regulated than the fixed sector reflecting the fact that there is far greater competition within the mobile sector both at the network level (with five network operators) and at the retail level with numerous MVNOs offering service. The future release of new spectrum (especially the 2.6GHz and the digital dividend spectrum) may also allow for the entry of new players (offering Wimax services for instance) into the mobile sector which may bring about new competitive forces.

In relation to convergence of fixed and mobile voice services whilst the development of converged fixed and mobile products has been predicted for a number of years the reality

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<sup>1</sup> The importance of flexibility for consumers is reflected in the comments in the report of the Ofcom Consumer Panel "Switched on-An Exploration of Britain's tech savvy customers" March 2008, page 27

remains that these products have yet to really be deployed to end users on anything like a mass market scale within the United Kingdom. BT's Fusion service, Orange's Unique product and Cable & Wireless' business proposition all remain somewhat niche products. Interestingly however the growth of convergence can also be seen in the supply chain with for example the agreement by Mobile Broadband Networks to carry T-Mobile and 3's mobile broadband traffic on BT's next generation network in order to gain access to that network's higher capacity.

Virgin Media agrees with Ofcom that there is the potential that the commercial deployment of femtocells will be the catalyst for a larger scale growth in converged products being offered to end users. However the timeframe for deployment of converged products on a mass market scale still remains uncertain.

What is clear however is that regardless of the slow growth of converged products customers' behaviour is changing with growing levels of fixed to mobile substitution. As Ofcom acknowledges this growing substitution between fixed and mobile calls may lead to the potential for growing deregulation within the fixed sector.

Whilst such deregulation is obviously heavily dependant on the outcome of an examination of market power within relevant markets, Virgin Media fully supports Ofcom's position expressed in paragraph 8.45 (in the context of a discussion on mobile termination) that reform is likely to be best considered in light of all the issues in the round (including questions) about transitional issues that might arise from the removal of regulation from the fixed sector. Further any analysis of substitutability should include consideration of such characteristics at a sufficiently granular level of detail. It is possible, for example that substitution effects will vary as subscribers demonstrate different calling behaviours for different types of calls and as such a "broad brush" approach might not be appropriate.

Virgin Media would therefore strongly encourage Ofcom to ensure that its mobile sector assessment is carried out in tandem with its review of the fixed narrowband markets (amongst other relevant reviews) to ensure a consistency of approach.

### ***3.1 What do you think are the features of a well functioning mobile market? What evidence do you see that those features are present in the UK market?***

A well functioning mobile market should deliver not only price competition but service innovation both at the technological level and at the level of the customer proposition. Virgin Media believes that each of these elements are present within the UK market.

### ***3.2 What measures are most appropriate to assess whether the mobile sector is performing well for citizens and consumers?***

In terms of consumer interests, Virgin Media suggests that the measures should be largely quantitative ones- which measure customer satisfaction and customer pricing/service bundling over time. On both of these types of quantitative measures particularly customer satisfaction measures Ofcom's report suggests that the UK market is currently performing well.

Whilst the report places a great deal of focus on the 6% dissatisfaction with mobile services, Virgin Media believes that it should not be forgotten that 94% of UK consumers are satisfied with their mobile service. This figure is not only high but has been growing steadily over the last few years suggesting that the strong competitive forces within the sector accompanied by a light touch regulatory regime have delivered benefits for consumers.

Virgin Media acknowledges that under the current Communications Act Ofcom has a role in promoting the shared interests of citizens as well as furthering the interests of citizens in relation to things like access and inclusion. In Virgin Media's view many inclusion, access and media literacy issues will go beyond things that can be dealt with by the mobile sector alone but are areas which should be looked across the entirety of the communications sector.

In some areas access and inclusion issues will also require the input of a far broader cross section of society and governmental resources.

Therefore Virgin Media suggests that it is likely to be inappropriate to consider many access and inclusion issues through measures that are focussed only on the mobile sector.

### **3.3 How will market dynamics change as a result of trends such as availability of new spectrum, mobile broadband and new ways of delivering voice services?**

Virgin Media agrees that the availability of new spectrum is likely to increase the level of competition within the mobile sector potentially both by providing for the entry of new players within the market and by allowing existing players to offer new and innovative products.

At this stage however Virgin Media does not see that there is any disruptive technology or innovation that is likely to change the fundamental dynamics of the mobile market.

Whilst Ofcom refers to the possibility of the mobile termination bottleneck being disrupted through the use of VOIP, Virgin Media suggests that if the VOIP and fixed experience is reflected in the mobile markets it is unlikely that VOIP services on mobiles will fundamentally disrupt the market in the way envisaged by Ofcom. As Ofcom's Communications Market Report 2008 indicated the VOIP user base has actually declined during 2008<sup>2</sup>. It appears that rather than customers substituting VOIP services for all voice services they are more likely to be using VOIP services as a complementary service for particular types of calls (such as international calls).

### **4.1 How should regulators and policy makers respond to signs of rising consumer concern?**

Whilst regulators and policy makers obviously need to be alert to signs of rising consumer concern, Virgin Media also strongly believes that regulators and policy makers should also recognise that increasing layers of sector specific regulation is not the only way or indeed the best way to deal with customer concerns.

Virgin Media is strongly of the view that regulators should rely on competition and then where intervention is required, Ofcom should more often consider the application of self regulatory initiatives. Formal regulation should only be adopted in circumstances where it is clearly shown to be necessary and proportionate.

Where the appropriate threshold for the imposition of sector specific threshold has been met, Virgin Media also believes that in imposing regulation to deal with consumer concerns, Ofcom needs to ensure that the proposed regulation is appropriately tailored to ensure that it does not inappropriately penalise those industry players who are experiencing very low levels of consumer concern.

Please also see our response to question 4.2 for further details.

### **4.2 What are the important factors to consider in striking a balance between protecting mobile consumers and enabling markets to work flexibly? Have we got this balance right in today's mobile market?**

Virgin Media considers that it is important that Ofcom does not adopt a culture of "just in case" regulation within the mobile sector. With growing trends towards fixed to mobile substitution Ofcom may be tempted to expand regulation that currently applies to fixed operators into the mobile sector in an effort to pre-empt problems arising in the mobile sector.

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<sup>2</sup> Ofcom, Communications Market Report-14 August 2008, pg 337

To adopt such a just in case approach would in Virgin Media's view not only be wrong but would be inconsistent with the statutory framework within which Ofcom is required to work.

As set out above Virgin Media strongly believes where robust evidence illustrates that there are problems that require resolution Ofcom should first consider whether self regulation can assist. This would be consistent with the Communications Act requirement that Ofcom should have regard to "*the desirability of promoting and facilitating the development and use of effective forms of self regulation.*"

Where self regulatory initiatives are adopted they must also be given sufficient time to work<sup>3</sup>. Only if self regulation is demonstrated to have failed (after an adequate time period) should formal regulation be considered. Virgin Media strongly believes that based on previous experience that going forward the industry will be alert to these issues in the first place and be prepared to deal with them through appropriate self regulation.

Participants in the mobile sector have previously been alert to many of the social issues raised by the development of new services and have worked to address these through self regulatory codes. For instance the self regulatory code on new forms of content on mobiles and the self regulatory code on location based services are just two examples of the industry working together to address these issues in a proactive manner.

Virgin Media also suggests that where Ofcom reaches a reasoned view that regulatory intervention is required Ofcom needs to be more innovative in the way that it proposes such intervention. So for example rather than proposing to apply a one size fits all policy with regard to all mobile operators and MVNOs (regardless of whether they are all experiencing the same level of problems which Ofcom is attempting to rectify) as in the Mis-selling of mobile telecommunications services consultation Ofcom could consider adopting tiered intervention based on a "ladder of concern" whereby the regulatory requirements were tiered according to the level of severity of the problem experienced by operators.

Virgin Media believes that such an approach would be consistent with Ofcom's requirements that regulation should be consistent, proportionate and non discriminatory because within each tier all parties would be subject to the same obligations and it also would not require the imposition of a disproportionate level of obligations on operators who were not experiencing the same level of problems.

Virgin Media has similar concerns about Ofcom's proposed approach to complaint handling procedures. Ofcom's desire to adopt a "one approach for all" and requiring all CPs to implement new complaint handling processes could again be regarded as being made without regard to the level of complaints that individual CPs experience.

Within the mobile sector Virgin Mobile has very low levels of customer dissatisfaction as reflected in the fact that it has recently been awarded the Best Customer Service award for the 8<sup>th</sup> consecutive year by the Mobile Choice Awards. This reflects the importance that Virgin Mobile places on customer service and its ability to differentiate itself from its competitors in this regard. The heavy handed application of one size fits all regulatory intervention should not be allowed to distort this.

### **5.1 What factors should we take into account in thinking about access and inclusion issues in mobile markets?**

Please see Virgin's response to question 8.10 and 3.2.

### **5.2 What factors should we take into account in thinking about new services, and how those services may affect issues like protection of children, privacy and security;**

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<sup>3</sup> Virgin Media is of the view that the 11 weeks that Ofcom gave the industry self regulatory code on mis selling to work was insufficient.

As Ofcom acknowledges many of the issues which it raises in section 5 of its consultation (such as the reluctance of customers to enter personal details on websites arising from a fear of identity fraud) are issues that arise in relation to internet access generally whether provided over fixed or mobile infrastructure. This also reflects broader concerns about the confidentiality of personal details that is not restricted to the online world with 69% of people, very or fairly concerned about the amount of personal information that companies or government hold about them.<sup>4</sup>

This suggests to Virgin Media that individuals' concerns in relation to privacy and security are broader and may be unlikely to be addressed by sector specific regulation. In addition when one looks at the potential for new and innovative services to be introduced on mobile phones the mobile phone will always only be one element. Fundamental questions about privacy and security issues will cut across a number of sectors and are therefore likely to be best served by a more holistic approach rather than by the development of piecemeal mobile specific regulation.

It is also important to recognise that customers' views on issues of personal security are actually quite complex. Whilst some customers have a concern that carrying a mobile can expose them to a risk of crime, for others having a mobile makes them feel more secure because of their ability to contact others.<sup>5</sup>

### **7.1 What do you see as the most influential trends and features of mobile and wireless markets in future?**

Virgin Media suggests that there is a real potential for network sharing to contribute to shaping the UK market. As Ovum (amongst other analysts) have reported “ *network sharing has the potential to change the economic model of operators and make a reality of high quality, high speed mobile broadband- better, faster and more economically than could otherwise be achieved. Shared opex and capex considerably improves the economics and enables a more practical route to better network coverage, and in particular in-building coverage.*”

The creation by T-Mobile and 3 of the joint venture company Mobile Broadband Network Limited to create and operate the joint network on behalf of both companies illustrates the possibilities of the savings that could potentially be made from network sharing (combined savings of £2 billion over 10 years). Whilst Vodafone and Orange have only indicated that they intend to mast share at this point in time it is possible to see that faced with the more favourable economics available to their competitors as a result of the more extensive network sharing they too will embark on a more fundamental network sharing arrangement.

In this scenario there is the potential for three network operators servicing five wholesale and retail companies which might potentially change the face of the UK industry particularly as regards O2 who would be the only operator in the market without a network sharing arrangement. This is of course subject to the release of additional spectrum which is likely to bring new players into the market place providing for example wimax services to challenge the position of the existing MNOs and MVNOs.

However the timing of the entire spectrum releases remains uncertain given the delays to the 2.6GHz auction<sup>6</sup> and the delay in the finalisation of the liberalisation and refarming policies for existing spectrum 2G and 3G spectrum. Virgin Media suggests that it is therefore extremely difficult at this stage to predict the future for wireless markets beyond a 3 year or 5 year period and would urge Ofcom to adopt a cautious approach in making any decisions that require a longer term perspective to be taken.

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<sup>4</sup> Ofcom, Media Literacy Audit-Report on Adult Media Literacy 2008, 16 May 2008, figure 55, page 72.

<sup>5</sup> Switched On, page 29

<sup>6</sup> Virgin Media notes that Ofcom hopes to be able to set an application date for late March 2009 for the auction for 2.6GHz (subject obviously to the Courts judgement).

With regard to the four scenarios presented by Ofcom in the consultation document Virgin Media agrees with Ofcom that it is more likely that what we will see is a combination of the scenarios that Ofcom puts forward rather than a winner takes all situation of one of the scenarios occurring to the exclusion of all others.

### **8.1 Should Ofcom do more to promote competition in mobile and wireless markets?**

Virgin Media's view is that Ofcom needs to ensure that the regulatory conditions allow for the continued growth of competition within the mobile sector. In that regard Ofcom's spectrum policy is a fundamental building block which is likely to allow for the introduction of new competitors and the ability of existing operators to develop new and innovative services.

In considering its spectrum plans particularly for the digital dividend spectrum Virgin Media suggests that one step that Ofcom could take in order to promote more innovation in the mobile and wireless markets is to allow for an innovation licence that would allow players to innovate on the edges of mobility. As an MVNO with a fixed network for example there are a number of areas in which Virgin Media could potentially innovate within the home that would require use of low powered spectrum (but not roaming rights).

A low powered licence offered within for example the digital dividend spectrum (similar to the licence issued in the 2G guardband spectrum) would allow this innovation to occur. Virgin Media notes Ofcom's recent consultation on the innovation licence to be initially offered within spectrum managed by the Ministry of Defence. Whilst the concept is right, Virgin believes that within such bands only limited innovation will occur because of the requirement for the development of bespoke handsets.

As Ofcom is well aware the costs of development of mobile kit and equipment is largely driven by issues of international standards and the ability of vendors to develop equipment for international markets. Adopting an innovation licence that would require the development of bespoke handsets or kit would be likely to prove prohibitively expensive and would be a barrier to the development of innovative services.

### **8.2 Ofcom's strategy in telecommunications is to promote competition at the deepest level of infrastructure that is effective and sustainable. How might this strategy be applied given future developments in the mobile sector? Under what circumstances, if ever, would it make sense to consider access regulation for mobile platforms?**

Virgin Media agrees with Ofcom's strategy of promoting competition at the deepest level of infrastructure that is effective and sustainable.

Virgin Media sees no evidence that there is any basis currently for considering access regulation for mobile platforms. Access regulation should only be introduced in circumstances where there is an evidenced market failure. As Ofcom itself indicates in its consultation paper there is no current basis for thinking that there is currently a market failure given the number of MVNO agreements which have been able to be successfully negotiated with the mobile network operators within the UK.

Additionally there is no evidence that the entry of new MVNOs entering the UK marketplace is merely historical. New MVNOs continue to enter the marketplace as the recent entry of Ikea and LycaMobile illustrates. Nor is there any reason to think that the MVNO agreements that are negotiated are restricted to basic voice and text. Virgin Mobile for example offers mobile broadband as part of its MVNO arrangement and Gamma Telecom is offering voice and data services to business customers under its MVNO agreement with H3G. Similarly the roaming deal negotiated between Orange and Cable & Wireless illustrates that operators are willing to make commercial deals outside the scope of traditional MVNO deals.

**8.3 What role can competition play in ensuring that future development of the mobile internet provides an open and flexible environment for a wide range of services? Should Ofcom explore open access requirements to ensure opportunities for innovation? What role might net neutrality play in the mobile sector?**

Virgin Media's position on the mobile internet is similar to its position on the fixed internet in that it supports transparency for customers as to the service capabilities, and uses and level of service quality that they should expect. However proposals to limit quality of service differentiation or mandate non discriminatory treatment of network traffic may have unintended consequences that act against consumer's interests.

Virgin Media believes that both the fixed internet and mobile internet have so far developed in an open environment characterised by competition and that mandating service levels and non discriminatory treatment is unlikely to enhance customer choice but may instead lead to decreased flexibility and less effective network management and reduced choice for consumers.

**8.4 What role might competition play in addressing questions about transparency of prices, services and contractual conditions offered to consumers of mobile and wireless services? What role should regulation play in addressing these questions?**

Virgin Media believes that in the first place competition should deliver to consumers on transparency of prices, services and contractual conditions backed up by general consumer legislation. Transparency and simplicity of message about services and conditions can be a key competitive tool. Virgin Mobile for example was awarded the 2008 award for Best Online Retailer reflecting Virgin's ability to deliver a simple and straightforward message to its customers.

With the coming into force of the Consumer Protection from Unfair Trading Regulations (CPRs) in May 2008 alongside the Unfair Terms Regulations there is now a comprehensive package of regulations to protect consumers from unfair terms and from aggressive and unfair sales and marketing practices regardless of industry. Virgin Media believes that in the first place this and competition should be relied upon. Sector specific regulation should be a last resort only where the combination of competition and generally applicable law has clearly failed to deliver the best outcomes for consumers.

**8.5 What is the best way to promote content standards and ensure privacy protection for increasingly complex content and transaction services? How will privacy issues fare in a world where services are more personal and more complex?**

Virgin agrees with Ofcom that the growth of increasingly complex content and transaction services is likely to represent a challenge that cuts across a number of sectors rather than falling solely within Ofcom's remit. For example the development of banking services on mobile devices cuts across both the banking and mobile sectors and should be dealt with in a holistic manner rather than through the adoption of piecemeal sectoral regulation.

**8.6 Will the mobile termination rate regime need to evolve or change more fundamentally? What is the best approach to adopt?**

Virgin Media notes firstly that any discussion of mobile termination within the United Kingdom must have due regard to the development of the current European proposals.

The current mobile voice termination regime has resulted in the reduction in voice termination rates from 16ppm to 6ppm over the last 10 years. The use of price controls combined with the use of glide paths has allowed for the reduction of termination rates without causing extensive shock for the mobile operators and has delivered benefits for consumers and citizens alike in terms of continued investment alongside falling prices. As such Virgin Media believes the current regime has served the industry and consumers well.



One area where the current regime has lacked transparency is in relation to compliance with the relevant price caps. Virgin Media notes that following Ofcom's withdrawal of condition MA6 (compliance with the charge control) there has been a lack of transparency as to whether mobile operators are indeed complying with their charge controls. The problems that Ofcom identified which encouraged them to introduce MA6 in the firstplace still remain and Virgin Media suggests that any application of a new charge control must therefore include appropriate provisions for transparency and to ensure compliance.

Similarly a future price control might need to consider in more depth the definition of mobile termination and which operators (ie wimax etc) would be subject to the mobile termination regime.

### **Future Options.**

In relation to the more radical options put forward by Ofcom in the consultation paper, at this stage it is difficult for Virgin Media to see, that the option of no regulation of mobile termination is an option that will be open to Ofcom within the foreseeable future. This is based on the fact that currently there do not seem to be any likely market developments that would mean that it is likely that voice mobile termination will cease to be a service in which the relevant MNOs have market power immediately following the expiry of the current price control.

The option to narrow the categories of cost that are able to be reflected in the mobile termination regime obviously reflects the proposal of the European Commission which has itself attracted heavy criticism from mobile operators and regulators alike. The progress of the Commission's proposal will obviously heavily influence not only Ofcom's ability to pursue this option but to pursue other options as well.

In relation to Ofcom's proposed option of moving to a bill and keep regime the impact of this on other industry players and on consumers generally is likely to be significant.

Whilst one UK operator has clearly argued that they will not introduce charges for customers to receive calls, other UK operators have clearly indicated that they believe that the reduction in termination rates will be directly reflected either in charges for customers to receive calls or through reductions in handset subsidies, the introduction of minimum monthly charges or other tariff changes that will result in an overall increase in the underlying cost of mobile ownership. The impact of an increase in the underlying cost of mobile ownership may as Ofcom recognises have a particular impact on certain pockets of consumers (particularly those on prepay).

A move to a bill and keep regime based on the idea of zero cost for mobile calls also raises questions of principle as to whether such an approach would deter future investment because operators would feel that they would not be permitted to recover their true costs of termination including common costs.

Virgin Media suggests that the benefits of any such radical change to the termination rate methodology would clearly need to outweigh the costs and likely significant industry and consumer disruption that a move to a bill and keep would bring. Additionally it would need to be established that such a proposal was consistent with all of Ofcom's regulatory duties and paid due regard to encouraging investment and innovation in relevant markets.

If Ofcom engages on a far reaching review of mobile termination Virgin suggests that the review will also need to incorporate thinking about what will happen to SMS/data termination given that each of these services utilise the network and there will be common costs between all three. Similarly in any radical reshaping of the mobile voice termination regime it will also be important for Ofcom to recognise the question of what constitutes mobile termination. Will new wifi and wimax services be subject to any bill and keep regime?

**8.7 If competition does not reduce international roaming charges sufficiently, how should regulators respond, if at all?**

In relation to roaming Virgin Media queries how much scope there will be for individual European Union countries to intervene on roaming given the European Commission's proposal to extend the current roaming regulation not only to cover SMS and data roaming but also to extend the regulation on voice roaming.

**8.8 How might universal service and universal access need to adapt in a world where we increasingly rely on mobile services? What role might mobile play in a universal access delivery in future?**

Virgin notes that the Commission is also currently examining how the universal service obligation might be amended. Whilst the Commission's proposal will obviously reflect the position across the EU generally, within the scope given to it by the directive Ofcom needs to reflect the particular circumstances of the UK and the growing trends towards fixed to mobile substitution for both calls and potentially broadband services.

Rather than thinking about the concept of whether there needs to be a universal service for fixed, mobile or broadband in Virgin's view the universal service obligation should primarily be about ensuring that there is **universal access to service** without regard to the underlying infrastructure that is used to deliver that service. Where there is a requirement for a universal service obligation that obligation should be able to be met in the most efficient and cost effective manner.

**8.9 Can markets and commercial agreements address issues such as not spots and emergency access? If not, what role might be played by a regulator to address these issues?**

Virgin Media agrees that with the increasing trend towards fixed to mobile substitution and growth amongst young people of usage of mobile phones, there will be a growing trend for people to look to mobile phones as the means to access the emergency services. Indeed some 11% of all UK households are mobile only meaning that these households already rely on mobile phones for their 999 access<sup>7</sup>.

Virgin Media believes that this growth in the substitution of mobile services for fixed services is likely to lead to moves on a commercial basis that will address not spots and roaming on 999.

Indeed Virgin Media notes that in T-Mobile and 3's press release announcing the creation of their joint venture company Mobile Broadband Network Limited, the parties announced that they would be in a position to provide blanket UK population coverage capable of supporting high speed 3G mobile broadband services within 2 years.

Virgin Media also suggests that it is important not to underestimate the extent of network rollout that has already been achieved with 68% of postcode districts being covered by at least four 3G operators.<sup>8</sup>

**8.10 How might access for particular groups (such as the elderly and disabled users) need to evolve in future? What role can competition play in addressing these questions?**

Virgin Media's view is that access and inclusion issues need to be looked at on a holistic basis rather than in terms of the mobile sector or the fixed or broadband sector. Digital literacy issues raise far broader issues than can be dealt with by small segments of the UK

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<sup>7</sup> Communication Market Report 2008 p 298

<sup>8</sup> Ofcom, The Consumer Experience-Telecoms, Internet and Digital Broadcasting 2007, 20 November 2007-para 2.1.3

communications industry alone. There are also likely to be broader cultural and social issues that will require broader cooperation between industry and government as well as others.

To give some examples, Virgin Media as a group is actively involved in addressing inclusion issues for three groups –kids, young adults and the elderly. Virgin Media has a partnership with the e-Learning foundation which is a charity dedicated to helping children from low income families get online. In 2008 Virgin intends to provide free broadband and support to 1000 families in five cities whose children have access to a computer and the internet at school but not at home. In addition Virgin will be teaming up with UK online centres that were set up by the Department of Education and Skills to widen online access for individuals, families and communities.

In relation to young adults Virgin is raising funds for the Foyer Federation which will go towards developing Media Centre programmes, exploring how young people can engage in learning and overcome exclusion using media technology.

Virgin's work with Digital Unite is addressed towards helping older people get online. Virgin supports their Silver Surfers Day campaign and has additionally selected 17 sheltered housing schemes to receive a get online package including hardware, software, training and broadband service.

The success of each of these initiatives involves more than just the provision of technology or access.