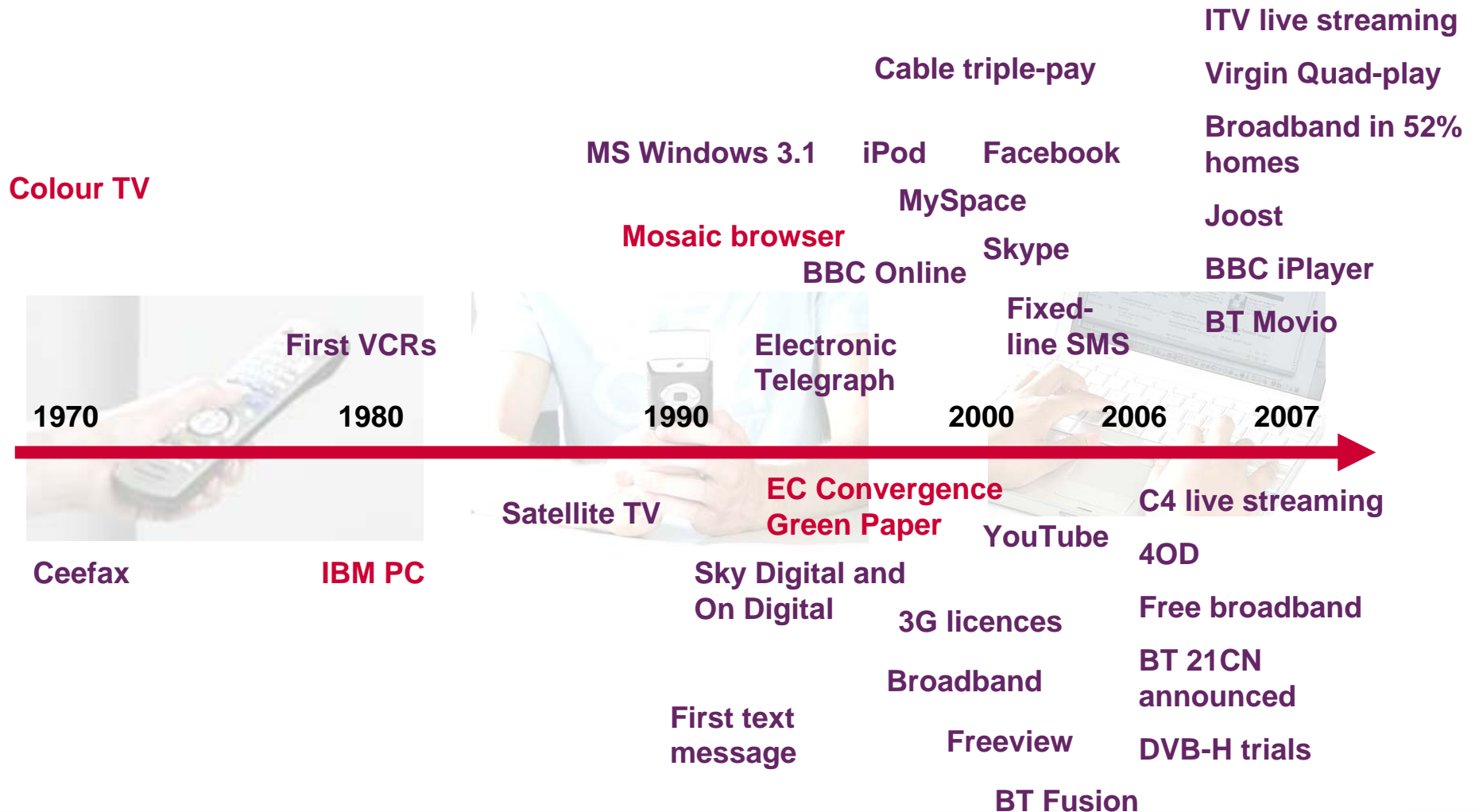


# **Ofcom's Draft Annual Plan 2008/09**

## Stakeholder meeting

29 January 2008  
London – Riverside House

# Convergence continues to drive change in the communication sector



## Ofcom's aim is to regulate *for* convergence

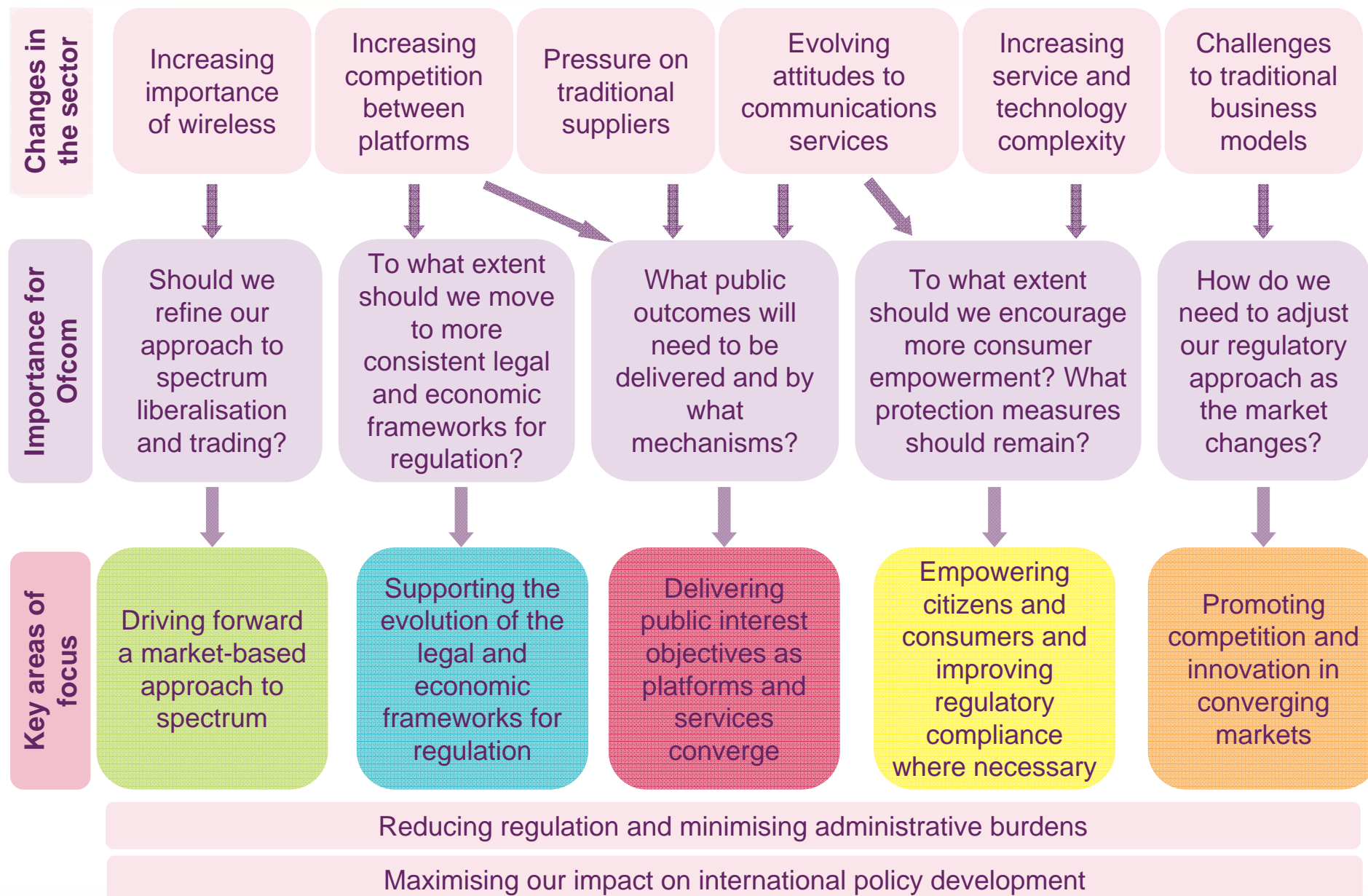
- Ofcom created in the wake of convergence
- Regulation can impact
  - the **speed** of convergence
  - how **widely** its benefits are felt
- Strategic framework seeks to **maximise the benefits of convergence**





## Reflecting on Ofcom's strategic framework

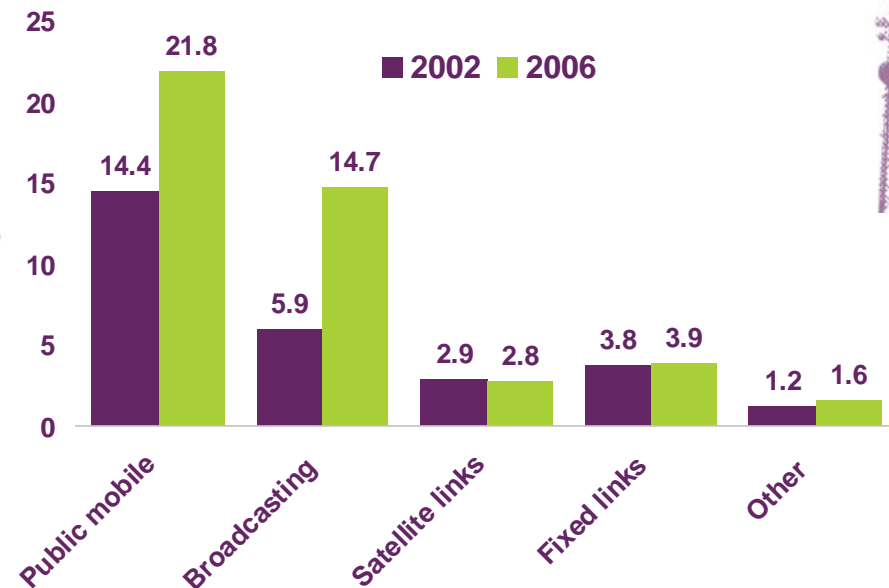
# Three-year strategic framework



## Demand for spectrum will continue to increase

- Spectrum a scarce resource
- Value of wireless is growing
- Use of new services on the increase
- Spectrum a major enabler of innovation

Value generated by the use of spectrum

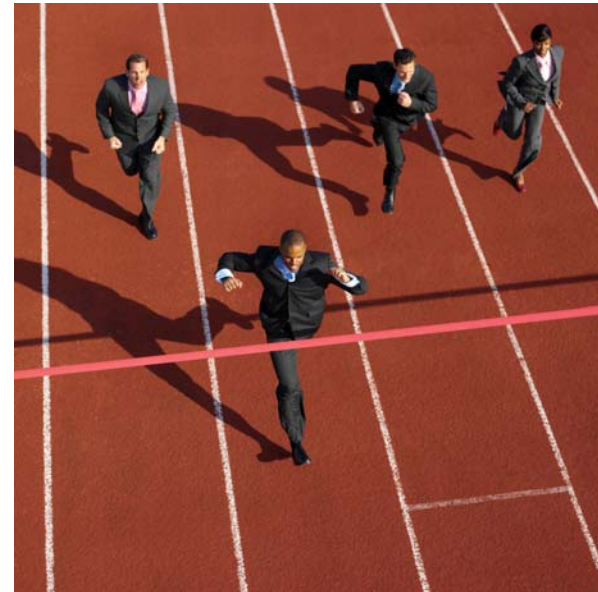


Source: Europe Economics, March 2006

**Ofcom's has duty to ensure optimal use of spectrum - best achieved through a market-based approach**

## Competition and innovation will drive consumer benefits

- Competition key to delivering benefits of convergence
  - Growing choice of services and providers
  - Prices continue to fall
- Traditional competition issues remain important
- Potential for new bottlenecks to emerge



**Promoting competition is at the heart of Ofcom's duties and key to our strategic framework**

## New challenges for delivering on public interest objectives

- Attitudes to communications are evolving
- Audiences are fragmenting
- Pressures on public service broadcasting
- Radio is facing rapid change



**We must consider how public interest objectives can be most effectively delivered in a convergent world**



## Consumer needs are evolving

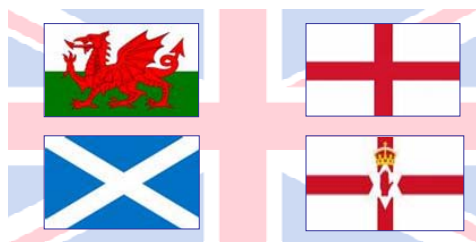
- Number of new offers growing
- Propositions increasingly complex
- Consumer information and easy switching vital to exercising choice
- Media literacy is a growing focus
- Traditional protection remains important



**Empowering consumers and maintaining regulatory compliance is key to meeting the consumer interest**

## Legal and economic frameworks will evolve

- Multiple, competing communications platforms
- Growing diversity in service delivery and use
- UK Nations and regions have specific needs
- International developments shaping UK environment



**Ofcom has a specific role to play in the evolution of legal and regulatory frameworks**

# Three-year strategic framework

Driving forward a market-based approach to spectrum

Promoting competition and innovation in converging markets

Delivering public interest objectives as platforms and services converge

Empowering citizens and consumers and improving regulatory compliance where necessary

Supporting the evolution of the legal and economic frameworks for regulation

Reducing regulation and minimising administrative burdens

Maximising our impact on international policy development

## **Work programme and top priorities 2008/09**



# Work programme for 2008/09

Elements of the framework	Driving forward a market-based approach to spectrum	Promoting competition and innovation in converging markets	Delivering public interest objectives as platforms and services converge	Empowering citizens and consumers and improving regulatory compliance where necessary	Supporting the evolution of the legal and economic frameworks for regulation
Ongoing implementation	<ul style="list-style-type: none"> <li>Driving forward spectrum liberalisation and trading</li> <li>Delivering international spectrum goals</li> </ul>	<ul style="list-style-type: none"> <li>Implementing Ofcom's strategy for fixed telecoms</li> </ul>	<ul style="list-style-type: none"> <li>Promoting access and inclusion</li> <li>Supporting Digital Switchover</li> </ul>	<ul style="list-style-type: none"> <li>Promoting media literacy</li> <li>Developing and enforcing consumer protection policies</li> <li>Enforcing competition and resolving disputes</li> </ul>	
Current policy development (1-2 years)	<ul style="list-style-type: none"> <li>Releasing spectrum to enable new services, including the Digital Dividend Review</li> </ul>	<ul style="list-style-type: none"> <li>Preparing for next generation core and access networks</li> <li>Promoting competition in pay TV</li> </ul>	<ul style="list-style-type: none"> <li>Reviewing models for public service broadcasting</li> <li>Developing an approach to the evolution of radio</li> </ul>	<ul style="list-style-type: none"> <li>Promoting consumer information and ensuring consumers can switch providers quickly and easily</li> <li>Promoting trust in broadcasting</li> </ul>	<ul style="list-style-type: none"> <li>Developing approaches to content regulation in the internet age</li> <li>Engaging in development of new EU legislation</li> </ul>
Forward thinking (2 years +)		<ul style="list-style-type: none"> <li>Developing Ofcom's approach to mobile</li> <li>Examining the potential for new competition issues to emerge</li> </ul>			<ul style="list-style-type: none"> <li>Examining the impact of convergence on regulatory frameworks</li> <li>Institutional change in Scotland, Wales and Northern Ireland</li> </ul>
Reducing regulation and minimising administrative burdens					
Maximising our impact on international policy development					



## Top priority areas for 2008/09

- Digital Dividend Review

- Implementing Ofcom's strategy for fixed telecoms
- Preparing for next generation core and access networks
- Promoting competition in Pay TV
- Developing Ofcom's approach to mobile

- Promoting access and inclusion
- Reviewing models for public service broadcasting
- Developing an approach to the evolution of radio

- Promoting media literacy
- Developing and enforcing consumer protection policies

- Engaging in development of new EU legislation



## Major areas of work

- Driving forward spectrum liberalisation and trading
- Delivering international spectrum goals
- Releasing spectrum to enable new services

- Examining the potential for new competition issues to emerge

- Supporting Digital Switchover

- Enforcing competition and resolving disputes
- Promoting consumer information and ensuring consumers can switch providers quickly and easily
- Promoting trust in broadcasting

- Developing approaches to content regulation in the internet age
- Examining the impact of convergence on regulatory frameworks
- Institutional change in Scotland, Wales and Northern Ireland



## Continued focus on delivering services to stakeholders

- Keeping spectrum free of interference
- Licensing access to spectrum
- Responding to public enquiries and complaints
- Allocating telephone number ranges
- Providing information services
- Publishing market research and analysis





## Delivering value for stakeholders

- Budget reduced every year since 2003
- Initiatives to further enhance value for money next year
- Ofcom will finish repaying set-up loan in 2008/09



## Annual Plan - next steps

- Consultation closes on 19 February
- Stakeholder events across the UK
- Final Annual Plan in early April

