

Section One

Foreword

- 1.1 Ofcom has now been up and running for three years and during that time the communications sector has changed considerably. Convergence – the reason Ofcom was created – is becoming a reality.
- 1.2 For consumers, convergence is leading to greater choice. Communications services are now available on many different platforms. A good example of this is radio: listeners can hear programmes on traditional platforms, such as FM and AM, as well as on new platforms, such as DAB digital radio, digital terrestrial TV, and broadband, either streamed live or downloaded for later. Consumers can also choose bundles of services on the same platform, or obtain services on a range of platforms. For example, TV, radio, internet access and voice calls can all be supplied using a broadband connection, or can be supplied separately.
- 1.3 As convergence occurs, consumers are seeking increased control. They want to personalise the services they use, downloading programmes on demand, filtering content unsuitable for children, and using personal video recorders to create their own viewing schedules.
- 1.4 Consumers also value increased mobility and flexibility. Mobile phones and PDAs are central to many people's lives. Wireless home networks are increasingly popular. New services, such as mobile TV, offer the prospect of even more freedom.
- 1.5 Another feature of the new communications landscape is increasing participation. People are producing their own video clips and sharing them online. They are writing blogs and bypassing traditional media. They are forming communities, interacting and engaging online.
- 1.6 This era of convergence will also be characterised by disruption. Traditional business models are under threat – commercial broadcasters must compete for viewers and advertising in a world where there are dozens of channels, and fixed line phone services are being challenged by mobile and VoIP.
- 1.7 This disruption challenges the traditional ways of achieving public outcomes, by which we mean the provision of those services which are important to all of us as citizens of the UK. For example, in the future we may not be able to rely so much on BT to provide universal access to the telephone, and we will have to reformulate how we deliver public service broadcasting in a digital, internet age.
- 1.8 The changes which are under way can also cause anxiety. Lots of parents worry about how to protect their children in the online world, and many people are anxious about the switch to digital TV. Others may fear being excluded because of where they live, their level of income or their lack of technological know-how.
- 1.9 Convergence will bring significant benefits for consumers and citizens. They will be able to choose from an increased range of services that offer more flexibility and the chance to participate in society in new ways. Although these benefits will be provided by markets, Ofcom has a role in influencing the speed of convergence and how widely the benefits are enjoyed. We believe that the interests of citizens and consumers are served by regulating *for* convergence, which means promoting the competition and innovation that drives converging markets.

- 1.10 Regulating for convergence will also involve acting resolutely to protect people and ensuring that they have the knowledge and skills to use communications services effectively. As services become more complicated and markets become more competitive, Ofcom will have a crucial role in ensuring that people are confident and capable of benefiting from convergence.
- 1.11 In Ofcom's first three years, we completed strategic reviews of telecoms, public service broadcasting and the radio spectrum. In order to meet the challenges of convergence, it is now important for us to look forward and provide a clear sense of how we will respond to the changes which are happening in the communications sector. Our Draft Annual Plan for 2007/8 therefore sets out a three-year strategic policy framework, which describes our key areas of focus for the next three years. The Draft Annual Plan also describes our proposed policy priorities for 2007/8, which are a mixture of new and ongoing work.
- 1.12 Equally important is the range of services which we deliver to stakeholders. These services include responding to calls and emails from the public, licensing access to the radio spectrum, keeping the spectrum free from interference, and allocating phone numbers to service providers. Our Draft Annual Plan describes these services in more detail and explains what we will be doing to improve them.
- 1.13 We are keen to share and test our ideas and look forward to receiving your comments and opinions. We invite your written responses by 20 February 2007, which is the closing date of the consultation. There will also be a series of public events throughout the UK where you will be able to put forward your views. You can find details on our website:
http://www.ofcom.org.uk/consult/condocs/annual_plan2007/annual_plan200708/invite.

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