



Updated Simplification Plan

Statement

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Introduction

- 1.1 In April this year Ofcom published its Annual Plan for 2006/7, which set out our priorities and the projects we would be undertaking. One of our priorities for 2006/7 is to continue to reduce regulation across the full range of Ofcom's responsibilities and, following the approach taken by Government departments, we published a Simplification Plan as an annex to the Annual Plan 2006/7. This set out details of the projects which were expected to lead to deregulation or reduced regulatory burdens.
- 1.2 We have now updated the Simplification Plan to reflect the activities which we have undertaken during the first half of the year, and to provide additional information about how our work will reduce the burdens on our stakeholders. The main change is that we have produced a detailed table which provides information about all of the projects which are expected to reduce regulatory burdens by removing or reducing regulation, or making regulation easier to comply with.
- 1.3 Reducing regulation will continue to be a priority that cuts across all our work. Our Draft Plan 2007/8 sets out a strategic policy framework which shows what our key areas of focus will be over the next three years. In some areas, such as spectrum liberalisation, we are proposing to make further significant reductions in regulation and administrative burdens. And increased competition and convergence are likely to create further opportunities to remove formal regulation and extend co- and self-regulation. In other areas, new rules may be needed, but in line with our regulatory principles, we will seek the least intrusive mechanisms available.

The Government's better regulation agenda

- 1.4 The Government's response to the Better Regulation Task Force report *Less is More* committed all Government departments to publishing rolling programmes of simplification. This means identifying regulations that can be simplified, repealed, reformed or consolidated, and making proposals for reducing burdens on stakeholders.
- 1.5 Ofcom welcomed the Task Force's report, together with Philip Hampton's report *Reducing Administrative Burdens: Effective Inspection and Enforcement*. In putting together our Simplification Plan, we have taken into account the latest regulatory thinking and guidance from the Cabinet Office.
- 1.6 In implementing the Task Force's recommendations, the Cabinet Office has estimated the administrative burdens placed on businesses, charities and the voluntary sector by both legislation and by the regulation imposed by independent regulators. Ofcom has contributed to this work and the results are detailed below.

Ofcom's statutory framework

- 1.7 Ofcom operates within a statutory framework created primarily by the Communications Act 2003 (the Act). Our principal duty 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.

1.8 The Act specifies certain outcomes which we must aim to achieve:

- a) the optimal use for wireless telegraphy of the electro-magnetic spectrum;
- b) the availability throughout the United Kingdom of a wide range of electronic communications services;
- c) the availability throughout the United Kingdom of a wide range of television and radio services which (taken as a whole) are both of high quality and calculated to appeal to a variety of tastes and interests;
- d) the maintenance of a sufficient plurality of providers of different television and radio services;
- e) the application, in the case of all television and radio services, of standards that provide adequate protection to members of the public from the inclusion of offensive and harmful material in such services;
- f) the application, in the case of all television and radio services, of standards that provide adequate protection to members of the public and all other persons from both:
 - i) unfair treatment in programmes included in such services; and
 - ii) unwarranted infringements of privacy resulting from activities carried on for the purposes of such services.

1.9 There are also a number of outcomes which the Act specifies as desirable for Ofcom to achieve:

- promoting the fulfilment of the purposes of public service television broadcasting in the United Kingdom;
- promoting competition in relevant markets;
- promoting and facilitating the development and use of effective forms of self-regulation;
- encouraging investment and innovation in relevant markets;
- encouraging the availability and use of high speed data transfer services throughout the United Kingdom; and
- preventing crime and disorder.

1.10 Ofcom also has a large number of specific statutory duties which we are required to fulfil (over 250 separate functions are mandated by the Communications Act, and over a hundred by the Broadcasting Acts).

1.11 The Communications Act was also one of the first major pieces of legislation to incorporate the better regulation principles developed by the Better Regulation Task Force. These principles require Ofcom to act in a way which is transparent,

accountable, proportionate, consistent and targeted. We must also have regard to any other principles representing best regulatory practice. This reflects Parliament's recognition that regulatory thinking would evolve.

- 1.12 Furthermore, we have a duty to ensure that regulation does not impose burdens which are unnecessary, or maintain burdens which have become unnecessary. We are also required to carry out impact assessments, a process which helps promote better policy-making.
- 1.13 In order to carry out our functions in accordance with best practice we have developed a set of regulatory principles, which are set out in figure 1.1.
- 1.14 In line with these principles, we operate with a bias against intervention and where intervention is necessary, use the least intrusive mechanism available. We have already taken substantial steps to reduce and simplify regulation and these deregulatory activities have been highlighted each year in our Annual Report.

Figure 1.1: 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.

Ofcom's strategic approach

- 1.15 An important element of Ofcom's approach to regulation has been to conduct major strategic reviews of telecoms, spectrum and public service broadcasting. In these reviews, we have considered how these sectors are likely to evolve and the key issues requiring regulatory action. In this way, we can target regulation more effectively and remove regulation which is no longer necessary, with any such reduction generally leading to a reduction in the administrative burdens on stakeholders. For example, our strategic review of telecoms led to targeted regulation

of BT to promote competition from other operators, and de-regulation in the form of the lifting of BT's retail price control.

- 1.16 We also seek to use the least intrusive means of achieving our objectives. For example, we have established adjudicators to speed up decision-making and facilitate industry-led solutions. The telecoms adjudicator has reduced the number of disputes about local loop unbundling and has helped deliver improved processes. The adjudicator for the television advertising market has also proved successful in resolving disputes between ITV and its advertising customers. Another example is our co-regulatory approach to handling complaints about TV and radio advertising. Responsibility for dealing with such complaints has been transferred to the Advertising Standards Authority. This had the effect of streamlining regulation, with all complaints about advertising now being handled by one body.
- 1.17 It is worth noting, however, that in order for us to perform our regulatory functions we have to impose some administrative burdens on our stakeholders, for example, by gathering the evidence needed to support our decisions.

The administrative burdens Ofcom imposes

- 1.18 The Cabinet Office has been seeking to quantify the administrative burdens imposed on businesses, charities and the voluntary sector by Government departments and regulators. The exercise involved the following key steps:
- Cabinet Office identified the legislative clauses which create an administrative burden by imposing an obligation to supply information. In relation to the communications sector, obligations are contained in the Communications Act, the Broadcasting Acts, and the Wireless Telegraphy Acts.
 - Ofcom estimated how often the information has to be provided.
 - Cabinet Office estimated the cost of supplying the information on each occasion by contacting businesses.
- 1.19 The intention is that this base information will enable Cabinet Office to calculate the annual cost of the administrative burden imposed:
- by each legislative requirement;
 - by each Government department and regulator; and
 - across Government as a whole.
- 1.20 Using the Cabinet Office's methodology, we estimate that the overall cost imposed on our stakeholders is around £6m. This takes account of obligations to both provide information directly to Ofcom and to provide information to third parties, for example, to publish price information.
- 1.21 However, we believe that there may be additional administrative burdens on our stakeholders which the Cabinet Office's approach has not identified. For example:
- where obligations are imposed through sectoral regulation (rather than being linked to a specific legislative clause), the associated administrative burden may not have been taken into account; and

- because the Cabinet Office's approach focuses on the burdens imposed by specific legislative provisions, the burden on stakeholders of responding to the wide range of consultations which we carry out may not have been reflected in full.
- 1.22 As a result, we believe that the total administrative burden on our stakeholders is likely to be significantly more than £6m. We believe that the most significant administrative burdens are in the following areas:
- the need for businesses to apply for a total of 57,000 Wireless Telegraphy Act licences each year, including new licences and renewals;
 - the financial reporting obligations on BT plc;
 - the work involved in responding to the consultation documents which we publish; and
 - the involvement of broadcasters in complaints about programmes, including retaining recordings of programmes.
- 1.23 It is important to note, however, that the policy benefits which result from our regulatory activities tend to be significantly greater than the administrative burdens on stakeholders. For example, we are currently implementing an ambitious programme to liberalise the use of spectrum. This would enable spectrum to be used more flexibly, paving the way for the development of innovative new applications. We estimate that the benefits of this approach could be several billions of pounds in net present value.

Removing and streamlining regulation

- 1.24 Before making changes to regulation, we consult widely with our stakeholders, in compliance with the Cabinet Office's Consultation Principles. We also carry out impact assessments for the great majority of our policy decisions. By observing regulatory best practice, we aim to ensure that our decisions take account of the interests of all our stakeholders, and specify how the interests of citizens and consumers will be ultimately served.
- 1.25 When consulting on a proposed decision, we will explain the extent to which regulatory burdens would be reduced. In most cases a proposed reduction in regulation will be subject to an impact assessment and where possible, we will quantify the costs and benefits associated with the proposed policy options, including the reduction in regulatory burdens. However, this is subject to a proportionality test, i.e. the depth of analysis we undertake and the amount of information we request from stakeholders in order to carry out the analysis must be proportionate. In many cases, the policy costs and benefits significantly exceed the administrative costs. Often the administrative costs are minor and fall on a small number of stakeholders.
- 1.26 Having said that, some of our regulatory activities do lead to administrative burdens on a significant number of stakeholders, notably spectrum licensing. In this area we are making significant changes, which involve a large number of projects, including large-scale improvements to the IS systems used to provide services to spectrum users.
- 1.27 Ofcom currently issues 208,000 licences every year, with most licences being renewed on an annual basis. We make 500,000 frequency assignments, as a single

licence can involve making multiple frequency assignments. We collect £40m in licence fee income, which is paid to Government.

1.28 We are taking a number of initiatives to simplify licensing:

- We are removing the need to apply for a licence altogether, e.g. 17,000 users of citizens' band radio.
- We are moving from annually renewable licences to lifetime licences, e.g. 63,000 users of amateur radio and 69,000 users of ships' radio.
- We are enabling licensees to trade spectrum and use it more flexibly, e.g. 30,000 private business radio users will have enhanced ability to change the use of the spectrum without Ofcom approval.
- Where licensing continues to be necessary, ensuring that the process is as straightforward as possible, for example, by ensuring that applications can be made online.

1.29 We are also making major investments in IS systems in order to streamline and improve the services that we offer to stakeholders. In particular, we are enabling spectrum users to apply for and receive their licences on-line and encouraging as many users as possible to use this facility, while maintaining a manual, paper-based system for those who prefer to make their applications by post.

1.30 We estimate that the total reduction in administrative burdens on spectrum users will be up to £2.7 million through removing the requirement to pay licence fees and £0.8m in time saved.

1.31 Linked to spectrum licensing is the work which Ofcom does to minimise the interference caused by users of the radio spectrum. We have made a major change to the way that we operate, targeting our resources at the most significant instances of interference and from March 2006, ending all routine compliance inspections. This has resulted in spectrum users experiencing a substantial reduction in regulatory burdens.

1.32 We are also carrying out work to reduce administrative burdens in the other three areas identified above. In these areas, the administrative burdens are felt by a smaller number of stakeholders and can be regarded as the cost of Ofcom fulfilling its statutory duties:

- Financial reporting obligations on BT – we are currently reviewing the obligations on BT in order to maximise the value of the financial information we obtain and minimise the burden on BT. We are already planning to reduce audit obligations, which are likely to result in savings for BT of approximately £0.2m, and are considering the scope for further reductions in burdens.
- Responding to consultation documents – responding to consultations does place a significant burden on our stakeholders, but consulting widely and transparently is important for two main reasons: to ensure that stakeholders have a chance to comment on and influence our decisions; and because stakeholders often have the information we need to make robust, evidence-based decisions. Nevertheless, we are exploring ways in which we can improve the way we consult and minimise the administrative burdens on stakeholders.

- Involvement of broadcasters in complaints about programmes – we will be reviewing the way we handle complaints about broadcasting standards, with a view to reducing the administrative burdens on broadcasters. In order to deal with complaints, however, we will still need them to retain copies of programmes which they broadcast.

1.33 The table which follows sets out those of our activities which are expected to reduce regulatory burdens. For projects where we estimate that administrative burdens are likely to be material, we have quantified the scope for savings as far as possible. Most of these projects relate to our work to liberalise the use of spectrum and come early in the table. For other projects we have identified the principal administrative burdens and described how policy changes are likely to affect them. For all the projects, the name of the person to contact for more information is shown. They can be emailed in the following way (firstname.secondname@ofcom.org.uk) or contacted via the Ofcom switchboard on 020 7981 3000.

Issue & planned simplification work	Policy objective & stakeholders who will benefit	Reasons for examining issue	Update on progress & key milestones	Estimated reduction in regulatory burdens	Contact
<p>Citizens' Band – to reduce the regulatory burden on users of Citizens' Band</p>	<p>To reduce regulatory burdens for users of Citizen's Band (CB) radio equipment.</p>	<p>Part of wider review of spectrum licensing aimed at reducing administrative burdens.</p>	<p>A consultation proposing to make CB, and Community Audio Distribution Services (see below), exempt from the need for a Wireless Telegraphy Act licence ended in September 2006. A second consultation on the draft Wireless Telegraphy Act Exemption Regulations closed in November 2006.</p> <p>The requisite statutory regulations will be adopted in December 2006, after which it will no longer be necessary to hold a Wireless Telegraphy Act licence in order to operate CB radio equipment, provided that the equipment is operated in accordance with the Wireless Telegraphy (Exemption) (Amendment) Regulations 2006.</p>	<p>Reduction in administrative burdens</p> <p>Ofcom has decided to make all CB radio use (including CADS) licence exempt. This will reduce the administrative burden for approximately 17,000 CB radio users who will no longer have to hold a Wireless Telegraphy Act licence in order to operate CB radio equipment.</p> <p>The cost to CB radio users will reduce by at least £0.3 million through the removal of licence fees.</p> <p>Furthermore, it will no longer be necessary for CB radio users to contact the regulator in order to apply for or maintain a CB radio licence. This compares with the existing system of annual licensing which requires the licensee to contact the regulator once each year. Assuming that applying for/renewing a licence previously took around 0.5 hours and valuing this at £9.48 /hour, results in an additional saving of around £0.08 million.</p> <p>The reform will also result in a significant reduction in Ofcom's operational costs.</p>	<p>Steve Roper</p>

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<p>Extending licence exemption – a broad range of exemptions beyond Citizens' Band</p>	<p>To reduce regulatory burden and enable access to spectrum for new equipment. Will bring benefits to spectrum users and consumers.</p>	<p>Reducing regulatory burdens and enabling the use of innovative new technologies form part of implementing Ofcom's Spectrum Framework.</p>	<p>Consultation closed in September. New regulations have now come into force.</p>	<p>Reduction in administrative burdens</p> <p>The result of our planned approach is that many new users will have access to a range of radio equipment without any requirement for licensing. This includes use of i-Trips (to link MP3 players to FM radios) as well as broadband satellite terminals. We estimate that by taking this approach rather than imposing licence fees we have avoided imposing administrative burdens of £1m to £6m per year.</p>	<p>Helen Hearn</p>

Issue & planned simplification work	Policy objective & stakeholders who will benefit	Reasons for examining issue	Update on progress & key milestones	Estimated reduction in regulatory burdens	Contact
<p>Amateur radio – implement a lighter licensing regime for amateur radio use.</p>	<p>To reduce administrative burdens for amateur radio licensees.</p>	<p>Part of wider review of spectrum licensing aimed at reducing administrative burdens.</p>	<p>The initial consultation ended in August 2005 and the policy statement was published in February 2006. The consultation on licence fee proposals ended in May 2006 and a policy statement was subsequently published in July 2006. A Notice of Ofcom's Proposal to Amend the Wireless Telegraphy (Exemption) Regulations 2003 was published in October 2006. The new fee structure will be implemented in December 2006, when the online licensing system comes into force.</p>	<p>Reduction in administrative burdens</p> <p>Approximately 60,000 amateur radio licensees will move from annual to lifetime licences. For those applying on-line for a licence, the licence fee will be reduced to zero.</p> <p>This may reduce the cost to amateur users by as much as £0.9 m through the removal of licence fees (depending on the number of users that choose to use the on-line licensing system).</p> <p>Furthermore, it will only be necessary for the licensee to contact the regulator once every five years in order to maintain the lifetime licence. This compares with the existing system of annual licensing which requires the licensee to contact the regulator once each year. Assuming that applying for / renewing / validating a licence takes around 0.5 hours and valuing this at £9.48 /hour, results in an additional saving of around £0.2 million. The reform will also result in a significant reduction in Ofcom's operational costs.</p>	<p>Steve Roper</p>

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<p>Ships' radio – implement lighter licensing regime for ships' radios.</p>	<p>To reduce administrative burdens for ships' radio licensees.</p>	<p>Part of wider review of spectrum licensing aimed at reducing administrative burdens.</p>	<p>The initial consultation ended in May 2005 and a policy statement was published in December 2005.</p> <p>The consultation on licence fee proposals ended in May 2006 and a policy statement was published in July 2006. A Notice of Ofcom's Proposal to Amend the Wireless Telegraphy (Exemption) Regulations 2003 was published in October 2006. The new fee structure will be implemented in December 2006, when the online licensing system comes into force.</p>	<p>Reduction in administrative burdens</p> <p>Approximately 70,000 ships' radio licensees (65,000 ships' radio and 5,000 portable ships' radio) will move from annual to lifetime licences. For those applying on-line, the licence fee will be reduced to zero.</p> <p>This may reduce the cost to ships' radio and portable ships' radio users by as much as £1.3m due to the removal of licence fees (depending on the number of users that choose to use the on-line licensing system).</p> <p>Furthermore, it will only be necessary for the licensee to contact the regulator once every ten years in order to maintain the lifetime licence. This compares with the existing system of annual licensing which requires the licensee to contact the regulator once each year. Assuming that applying for, renewing or validating a licence takes around half an hour and valuing this at £9.48 per hour, results in an additional saving of around £0.3 million.</p> <p>The reform will also result in a significant reduction in Ofcom's operational costs.</p>	<p>Steve Roper</p>

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<p>Business radio – simplifying current licensing arrangements</p>	<p>To simplify current licensing arrangements, reduce regulatory burdens on stakeholders, increase technical flexibility, and extend the spectrum market in this sector.</p> <p>Specifically Ofcom is proposing to:</p> <p>a) introduce significant additional liberalisation to the sector through the adoption of more flexible licences and spectrum management techniques;</p> <p>b) extend the ability to trade spectrum to a considerably increased range of licence classes and licensees; and</p> <p>c) simplify and rationalise our licensing arrangements to make them simpler and</p>	<p>The proposals form part of Ofcom's phased approach to introducing the recommendations of the Spectrum Framework Review (SFR).</p> <p>The proposals also exploit the opportunities offered by new IS systems which we are introducing. They will enable simplification and the provision of better services to stakeholders.</p>	<p>Consultation launched in July 2006.</p> <p>Expectation is that a phased implementation programme will commence in late 2007.</p> <p>Strong inter-dependencies with IS development may effect delivery timescale.</p>	<p>The current 21 licence types will be reduced to three basic types.</p> <p>35,000 licences will be simplified. Licensees will benefit from the ability to trade spectrum and from increased flexibility, e.g. the ability to change the use of the spectrum without Ofcom approval.</p> <p>15,000 licences will be streamlined even further, through a 'light licensing' regime in which Ofcom does not make any assignment and the user manages his own allocation. This process extends the renewal cycle from between 1 and 3 years to a standard 5 years, therefore reducing administrative burdens by around 50%. A 45 section (10 page) application form will be reduced to 2 sections on an online form.</p> <p>The cost to users of these categories of business radio licences should reduce by £0.2m due to reduced requirements for licence fees.</p> <p>Licensees will also benefit from simpler and less frequent licence application or renewal. Assuming that the time per application is reduced from two hours to one hour, and valuing this at £16 per hour, results in an additional saving of around £0.2m.</p>	<p>Russell Kent-Smith</p> <p>Paul Jarvis</p>

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	<p>more flexible, adopting more deregulatory approaches to authorisation where appropriate.</p> <p>The business radio sector encompasses a wide range of services and users from high street taxis and couriers to large businesses and the emergency services. Ofcom currently issues over 50,000 radio licences in this sector.</p>				
<p>Mobile spectrum trading and liberalisation – extending trading and liberalisation to mobile spectrum</p>	<p>To apply the policies of spectrum trading and liberalisation to licensed spectrum which is used or could be used for the provision of mobile services. Will benefit users of spectrum and consumers.</p>	<p>To secure more efficient use of the radio spectrum, promote competition and innovation, and thereby bring benefits to consumers.</p>	<p>Ongoing programme of work.</p>	<p>This work should lead to reductions in regulatory burdens as the process for securing a change of use of the spectrum or a change of ownership of the spectrum will be simpler and more market based in future.</p>	<p>Tim Cross</p>

Issue & planned simplification work	Policy objective & stakeholders who will benefit	Reasons for examining issue	Update on progress & key milestones	Estimated reduction in regulatory burdens	Contact
Spectrum awards (various projects) – award of new spectrum	To award various bands of spectrum, which will benefit the users of spectrum and consumers.	To secure more efficient use of the radio spectrum, promote competition and innovation, and thereby bring benefits to consumers.	412 MHz and 1785 MHz (NI) auctions to be held by end of 2006/07 L Band, 2.6 GHz and 10, 28 & 32 GHz auctions to be held by the end of 2007/08	The approach to the awards, in particular the technology neutral approach, the indefinite licences, and the introduction of trading for the licences, should result in less regulatory involvement in the management of this spectrum in the future, and so result reduced regulatory burdens.	Tim Cross

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<p>Spectrum information – making it easier for spectrum users to gain information</p>	<p>To further the development of a spectrum market through improved transparency and optimising the utilisation of resources. Will bring benefits to spectrum users and consumers.</p>	<p>We need a consistent policy on the provision of information about what is confidential and why. There is also scope to improve our approach to Freedom of Information (FOI) and streamline working practices. We also need to meet EU requirements.</p>	<p>July consultation on extending existing spectrum information register.</p>	<p>Facilitation of self-coordination and interference management amongst stakeholders will improve access to information and reduce the number of FOI requests and other requests for information.</p>	<p>Helen Hearn</p>

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<p>Implementation of the Independent Audit of Spectrum Holdings (Cave Audit) – encouraging the more efficient use of spectrum</p>	<p>To achieve more efficient use of the radio spectrum. The main stakeholders are public sector spectrum users, aeronautical and maritime users, and other private sector users.</p> <p>Main beneficiaries will be UK spectrum users, UK tax payers and UK businesses who develop innovative band sharing technologies.</p>	<p>This is a HM Treasury initiative to improve spectrum efficiency by introducing appropriate incentives in the aeronautical and maritime sectors, and by enabling and encouraging spectrum trading and greater band sharing for military and civil aeronautical, and maritime bands.</p>	<p>Work is progressing well in line with the Government's response to the Cave Audit. Government stakeholders are engaged and committed to achieving the goals set out in the response. Ofcom is on track to produce guidance to government departments, agencies and regulators on how spectrum trading and leasing will work for public sector spectrum by the end of 2006 and to put the legal framework in place in 2007. Technical studies on band sharing are under way and a study on applying incentive pricing has been initiated for aeronautical and maritime bands with a view to consultation in spring 2007 and implementation from 2008.</p>	<p>HMT estimate that £1bn in benefits will accrue from implementation of the Cave Audit's recommendations.</p> <p>There will be some costs involved in realising these benefits, including regulations to enable and encourage sharing and trading.</p> <p>However, the benefits are expected to significantly outweigh the costs.</p>	<p>Jeremy Cain</p>

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<p>Review of policy on licence-exemption – considering whether more spectrum could be made licence-exempt</p>	<p>To promote the more efficient use of licence-exempt spectrum. This will benefit all users of the spectrum, i.e. most people in the UK.</p>	<p>The need to gather evidence to inform future decisions about the designation of spectrum as licence-exempt.</p>	<p>Research studies are well underway and work on the consultation document has started.</p> <p>We will publish a consultation document in Q4 2006/7. A statement will then follow.</p>	<p>Difficult to predict. If it allows spectrum users to use licence-exempt spectrum rather than applying for a licence, then the regulatory burden will be reduced for these users.</p>	<p>William Webb</p> <p>Reza Karimi</p>
<p>Wireless Telegraphy Act consolidation – simplifying the legislation which governs wireless telegraphy</p> <p>NB This measure is also referred to in DTI's Simplification, but is included here as well because it forms part of Ofcom's work to liberalise use of the radio spectrum</p>	<p>To simplify and codify the law to make it more transparent, and easier to understand and interpret.</p> <p>All spectrum users and Ofcom will benefit from consolidating all legislation related to wireless telegraphy in one place.</p>	<p>At the moment, the relevant legislation is spread over 6 separate statutes dating back to 1949.</p>	<p>The Wireless Telegraphy Act 2006 was passed in November 2006, consolidating the legislation from six statutes into a single comprehensive one. Ofcom has played a major role in preparing the legislation and supporting the DTI during the parliamentary stages.</p>	<p>It is difficult to estimate the benefits and DTI did not do a Regulatory Impact Assessment because the Bill will not have any adverse impacts.</p>	<p>Laurence Green</p>

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<p>Reducing regulation of digital terrestrial TV platform – considering the scope for de-regulation</p>	<p>To review the restrictions on digital terrestrial TV (DTT) multiplexes.</p> <p>Consumers, DTT multiplex operators and broadcasters will benefit.</p>	<p>The DTT platform is currently subject to a high level of regulation compared to other TV platforms.</p>	<p>Removed Pay TV restrictions in March 2006.</p> <p>Published draft guidance on DTT data limits in July 2006.</p> <p>Guidance on DTT data limits to be published by Q1 2007/8.</p>	<p>Removal of the Pay TV restriction will allow the relevant multiplex operator to provide capacity for pay TV services.</p> <p>Guidance for DTT data limits will increase the clarity of existing regulation and hence reduce the uncertainty and regulatory costs of complying with it.</p>	<p>Justin Moore</p>

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<p>Regulation of mobile services on aircraft – considering the scope for de-regulation</p>	<p>To promote efficient use of the radio spectrum and encourage innovation by enabling new services to be provided.</p> <p>Mobile network operators, the airline industry and consumers will benefit.</p>	<p>Among the airline and telecommunications industries, there is considerable commercial interest in introducing public mobile communications on aircraft.</p> <p>Opening of new markets based on the existing GSM subscriber base is likely to generate consumer benefits and wider economic activity.</p>	<p>Ofcom opened discussions with UK stakeholders and consumers through a discussion document issued in April. Ofcom is now considering the responses with a view to publishing proposals for consultation and an interim statement in Q3 2006/7. This will be followed by:</p> <p>a) publication of ECC Decision in Q1 2007/8;</p> <p>b) publication of CEPT Technical Compatibility Report in Q1 2007/8; and</p> <p>c) publication of harmonised ETSI standard in Q1/2 2007/8.</p>	<p>Licensing the use of mobile phones on aircraft will remove a regulatory restriction on when and where people can use their mobile phones. The extent to which regulatory burdens will be reduced will depend on the approach which Ofcom decides to take. There are three main options:</p> <p>a) Licence-exemption: no additional burden on operators (but not clear how this fits with other aircraft licences).</p> <p>b) Licensed to the aircraft operator as part of the existing aircraft Wireless Telegraphy Act licence – minimal extra burden on existing aircraft licensees.</p> <p>c) Licensed to terrestrial operator – some additional licensing burden in that it will be necessary to extend the licences of mobile network operators and existing aircraft licences.</p>	<p>Peter Bury</p>
<p>Other review of spectrum policy: facilitating innovation</p>	<p>To facilitate access to spectrum for innovators. To provide a clear process for the evaluation of requests.</p>	<p>Need a framework for addressing requests.</p>	<p>Project scope defined and agreed by end September. Process to be implemented in Q1 2007</p>	<p>We will identify regulatory obstacles and, where possible, remove them.</p>	<p>Helen Hearn</p>

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Higher power for licence-exempt spectrum in rural areas – exploring the potential for removing regulation	Allow higher power use of licence-exempt spectrum in areas with little broadband infrastructure to enable increased availability of broadband.	Stakeholders have asked to be able to use higher power and there is evidence that consumers are using higher power illegally with apparently few problems.	Consultation published in July 2006. Awaiting responses to the consultation. Statement likely around Q3 2007/8.	Difficult to predict. If it allows providers of broadband in rural areas to use licence-exempt spectrum rather than apply for a licence it will reduce regulation for these users.	William Webb
Community Audio Distribution Services – to introduce a lighter licensing or licence-exempt regime for Community Audio Distribution Services (CADS).	To introduce a permanent scheme for Community Audio Distribution Services (CADS) with minimum licensing requirements. CADS allow live onward transmission of a community event (using CB radio equipment).	Part of wider review of spectrum licensing aimed at reducing administrative burdens.	A consultation proposing to make CB (and also CADS) exempt from the need for a Wireless Telegraphy Act licence ended in September 2006. A second consultation on the draft Wireless Telegraphy Act Exemption Regulations closed in November 2006. The requisite statutory regulations will be adopted in December 2006, after which it will no longer be necessary to hold a Wireless Telegraphy Act licence in order to operate CB (or CADS) radio	CADS will provide local communities with a useful facility that has not been previously available. The demand for CADS has arisen primarily from religious communities. Such services provide a way for housebound members of congregations to hear local religious services. This significant social benefit, particularly for vulnerable people, was the main reason for Ofcom making CADS permanently available. While we expect that initially CADS will be used mainly by religious communities, we expect other community groups to make use of these facilities for similar purposes.	Steve Roper

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			<p>equipment, providing that the equipment is operated in accordance with the Wireless Telegraphy (Exemption) (Amendment) Regulations 2006.</p> <p>A separate consultation proposing to make CADS exempt from the need for a Broadcasting Act licence was published in April 2006. The subsequent policy statement was published in September 2006.</p> <p>The DCMS consultation proposing to make CADS exempt from the need for a Broadcasting Act licence was published in October 2006 and closes in December 2006.</p>		

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<p>Spectrum usage rights – reducing restrictions on the use of spectrum</p>	<p>Ofcom's objectives in liberalising the spectrum are to maximise the value created by use of the radio spectrum while at the same time protecting existing users. Value will be maximised by encouraging innovation, by removing barriers to entry for new companies or technologies, and by minimising the time that spectrum sits unused.</p> <p>Stakeholders with spectrum holdings or who seek to acquire spectrum holdings could potentially benefit from the measures.</p>	<p>Specifying licence restrictions in terms of spectrum usage rights (SUR) could bring additional gains through extra flexibility of use and by making a technology or usage change easier, while continuing to ensure that significant interference does not occur.</p>	<p>Consultation setting out options and a proposed way forward published.</p> <p>Timing of introduction of SURs is to be determined based on responses to the initial consultation.</p> <p>Further consultation through a stakeholder workshop is planned in October.</p>	<p>Currently users are able to ask Ofcom to change their licence, for example to remove a restriction on the technologies which can be used, and Ofcom considers each request on its merits. Under these proposals, changes of use may be negotiated between neighbouring SUR holders with reduced involvement from the regulator.</p> <p>Under the existing regime, licence holders have rarely requested a change in licence terms. The main benefits of the changed policy come from the ability to use spectrum for new innovative applications more widely than would otherwise be possible. In our consultation document we estimated these as being potentially £0.9bn a year.</p>	<p>Joe Butler</p> <p>William Webb</p>

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<p>Aeronautical radio – identify ways to reduce the regulatory burden of spectrum licensing in the aeronautical sector.</p>	<p>To review aeronautical radio licensing policy to determine whether it is consistent with the level of regulatory intervention required to ensure the efficient use of aeronautical radio spectrum.</p> <p>Ofcom will consider the impact of any proposed reforms on both industry and on the regulator.</p>	<p>Part of wider review of spectrum licensing aimed at reducing administrative burdens.</p>	<p>Scoping document produced.</p> <p>Reforms to be implemented by the end of 2008.</p>	<p>Where appropriate, we will recommend and implement aeronautical radio licensing reforms. The extent to which regulatory burdens will be reduced will be determined during the feasibility study stage.</p>	<p>Steve Roper</p>
<p>Review of site clearance and National Frequency Assignment Panel (NFAP) procedures – review procedures relating to site clearance and NFAP in order to streamline the authorisation process.</p>	<p>To further reduce regulatory burdens by exempting certain classes of users or automating IS processes.</p>	<p>Long-standing processes have been criticised as over-cautious and resource-intensive.</p>	<p>Provisionally, we expect the changes to be implemented by the end of 2006/7, but this is dependent on the agreement of relevant government departments and development of alternative internal processes.</p>	<p>Exemption for certain classes of users. Procedures automated where still required.</p> <p>The number of users who will benefit is difficult to quantify until new criteria have been drawn up and approved by the Cabinet Office.</p>	<p>Mike Goddard</p>

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<p>Metering and billing – review of the process by which metering and billing systems are approved to enable end-user confidence in the changes imposed by providers. The purpose of the review is to minimise regulatory burdens.</p>	<p>To ensure that the Metering and Billing Approval Scheme remains fit for purpose and does not create unnecessary burdens on communications suppliers. Customers of these companies will benefit indirectly.</p>	<p>We decided to review the Scheme after it had been in force for three years to ensure that it kept pace with market changes.</p>	<p>We published statement in Q1 setting out the conclusions of the review. This was widely supported by stakeholders.</p> <p>We convened an industry experts' group to propose amendments to the Direction.</p> <p>The review has now been completed.</p>	<p>The main outcome of the review is that industry stakeholders now have a more active role in updating the Direction so that it is flexible enough to accommodate new services and products while continuing to ensure high standards of metering and billing accuracy. This will prevent the Direction creating unnecessary regulatory burdens which could deter innovation. The cost savings as a result of this less prescriptive approach are difficult to quantify in advance.</p>	<p>Frank Philips</p>

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<p>Broadcasting standards – review of the procedures for handling broadcasting standards cases.</p>	<p>To review Ofcom’s process for handling standards complaints and cases and the process for imposing sanctions in relation to broadcasting standards (including fairness and privacy), and consider the scope for streamlining. Broadcasters in particular will benefit from any reduction in burdens which will result. Viewers and listeners will also benefit in that complaints will be handled more efficiently.</p>	<p>We carried out a short consultation before the vesting of Ofcom’s powers and said that we would carry out a full consultation at a later date in the light of the experience of running the complaints handling system.</p>	<p>We expect to publish a consultation document by the end of Q3 2006/7 and a statement in Q1 2007/8.</p>	<p>The new procedures should offer a streamlined but transparent, consistent and proportionate approach to the handling of complaints and the imposition of sanctions.</p> <p>Subject to consultation, it is likely that a fast track sanctions process will be proposed for cases where we perceive there is potential for consumer detriment. This will result in a swifter resolution for the complainant and broadcaster.</p>	<p>Fran O’Brien</p>

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<p>Product placement – possible deregulation of prohibition on product placement in commercial television programmes.</p>	<p>To consider whether it is possible to allow TV broadcasters to use product placement to generate extra revenue while protecting editorial integrity. The main beneficiaries are likely to be broadcasters, advertisers and independent producers.</p>	<p>In line with Ofcom's duty to look for ways of removing unnecessary burdens on broadcasters. Also anticipates possible changes in EU legislation. Allows the views of UK stakeholders, including viewers, to be fully rehearsed and considered before the Government negotiates revisions to EU legislation.</p>	<p>Consultation closed in March 2006. Statement due to be published in Q3 2006/7. However, the timing for any implementation remains dependent on changes at European level and subsequent implementation of EU law by the UK Government.</p>	<p>Impact assessment suggested the value of the product placement market could be around £25 - 35m after around five years of deregulation. In terms of administrative burdens, permitting even a limited and controlled amount of product placement will still require rules to govern its use. However, the concepts likely to be included in any rules are already familiar to UK broadcasters.</p>	<p>Julie Myers</p>

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<p>Appeals for donations – possible removal of ban preventing commercial TV broadcasters from broadcasting appeals for donations to make programmes or fund services.</p>	<p>To consider whether to allow commercial TV broadcasters to use this extra source of revenue. This would create a level playing field for commercial TV and commercial radio (which is already allowed to broadcast such appeals). The main beneficiaries are likely to be religious, ethnic, local and community broadcasters.</p>	<p>In line with Ofcom's duty to look for ways of removing unnecessary burdens on broadcasters. Also potential benefits for viewers if removing the ban allowed broadcasters to provide programmes or services which would not otherwise be available, e.g. more religious programming.</p>	<p>Consultation closed in June. The responses are currently being considered and the policy statement is expected to be published Q3 2006/07.</p>	<p>The consultation document provided a range of estimates for the value of appeals and suggested that the most likely outcome was towards the bottom end of these i.e. £50,000 p.a. for a local/community channel, £150,000 p.a. for a religious/ethnic channel and £1.9m p.a. for Channel 4. However, Channel 4 has said that it has no plans to broadcast appeals and not many other channels have said that they would be interested in doing so either. Also, some new safeguards will be needed to protect viewers from fraud and exploitation which may add to the cost of administration for Ofcom and broadcasters.</p>	<p>Mike Johnson</p>

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Channel sponsorship – proposal to remove the prohibition on the sponsorship of television channels and radio stations.	To remove unnecessary regulation. Funding opportunities for broadcasters will be increased.	Desire of broadcasters to broaden broadcast sponsorship opportunities.	Consultation published in February 2006 and closed in April 2006. Policy statement with revised rules due to be published in Q3 2006/7.	Greater freedom for broadcasters to create sponsorship opportunities that best fit their service.	Suzanne Wright

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<p>Co-regulation of training and development - establishment of new co-regulatory system for training and the development of skills in TV and radio</p>	<p>To ensure an industry-led method of planning, organising, facilitating and measuring the delivery of training and retraining in the UK television and radio sector which is both cost-effective and fulfils the statutory requirements.</p> <p>To encourage cross-industry collaboration and the sharing of best practice.</p>	<p>The Communications Act places a number of requirements on Ofcom in relation to training in the broadcasting sector. Ofcom decided that a co-regulatory approach would be the best way of meeting these requirements, i.e. broadcasters should take responsibility for training decisions.</p>	<p>The Broadcast Training and Skills Regulator (BTSR) was established in June 2005 to oversee the new system and reports annually to Ofcom on their activities.</p>	<p>Broadcasters now have more influence over how they are regulated and the format of reporting on their activities. Reporting can now be aligned to their own internal business cycles, thus avoiding duplication of effort. They have been widely consulted and have participated in discussions on industry-wide training issues. They are also represented on the BTSR Board.</p> <p>A new self-evaluation system is being developed and is due to be introduced later in the year. This is expected to simplify the manner in which broadcasters plan and report on their training activities.</p>	<p>Juliette Brown</p>

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Convergent media – considering how content regulation should evolve, including the scope for greater self-regulation	To consider what form of content regulation is appropriate in a convergent world. Existing regulation is likely to be unsustainable so the aim is to develop a framework for reduced content regulation in certain areas, relying more upon media literacy to allow consumers to protect their own interests.	Existing regulation of content on traditional media will become increasingly difficult as similar services are provided – possibly to common devices – via new unregulated platforms.	Consultation due to be published by Q4 2006/7.	An increased emphasis on self-regulation by consumers would mean reduced regulatory burdens on broadcasters, but until we have consulted on proposed changes and considered the responses, it is too early to say precisely what will be the impact of any changes.	Peter Davies

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<p>Future of radio – looking at how the licensing regime could be simplified</p>	<p>To consider the future use of existing FM and AM spectrum with a view to releasing spectrum and migrating all radio listening to digital radio. This requires a rethink about how we re-license existing stations when their licences expire. We will also consider how we can relax analogue regulation as digital radio listening increases. Such changes would benefit broadcasters and ultimately consumers.</p>	<p>Existing FM licences begin to expire in 2009. New legislation may be required if we wish to take a different approach.</p>	<p>Con doc due to be published by Q3 2006/7. Statement in mid 2007.</p>	<p>Simplified licensing process and less content regulation</p>	<p>Peter Davies</p>

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Charging for numbers – consider whether market mechanisms might be used to avoid or reduce the need for more intrusive regulatory intervention	To mitigate or avoid interventions (e.g. overlay codes in specific geographic areas) that would be visible to consumers, in line with our Numbering Principles. This would reduce confusion among consumers and administrative inconvenience for telecoms operators.	The Numbering Strategy suggested that it was possible that overlay codes could be required in 6-11 geographic areas.	Consultation document on charging Q4 2006/7. Statement on charging 2007/8.	No existing burdens reduced, but the extent of future interventions to increase the supply of numbers might be reduced.	Stephen Gibson
Review of retail price control – review the existing price control for BT's retail services when it expires in July 2006, and to consider less intrusive options.	To facilitate effective competition in the market for retail voice calls leading to benefits for consumers, while mitigating the risks to low spending consumers, using the least intrusive regulatory means.	Part of Ofcom's approach to deregulation signalled in the Telecoms Strategic Review.	Statement published in July 2006. Review complete.	BT has been subject to retail price controls for over twenty years since it was privatised. The controls applied to 80% of residential customers and across seven defined markets. The revenues that were subject of these controls amounted to almost £4 billion in 04/05. From 1 August BT can determine its prices without any form of price control. In addition, measures such as formal reporting on compliance with the control have also been removed.	Neil Buckley

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<p>Review of market for wholesale international direct dial calls – review the wholesale market for international services</p>	<p>To review wholesale international direct dial market to consider whether BT and/or Cable & Wireless continued to have significant market power.</p>	<p>Part of Ofcom's approach to deregulation signalled in the Telecoms Strategic Review.</p>	<p>Statement published in July 2006. Review complete.</p>	<p>Regulation will be removed in all 112 regulated markets. Regulatory conditions being removed include:</p> <ul style="list-style-type: none"> a) requirement to provide network access on reasonable request; b) requirement not to unduly discriminate; c) requirement to publish a reference offer; and d) requirement to notify charges, terms and conditions. 	<p>Gareth Davies</p>

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<p>Wholesale broadband access market review – begin to review the wholesale broadband access market and consider the scope for reducing regulation.</p>	<p>To review the Wholesale Broadband Access market to ensure any remedies properly reflect the prevailing competitive conditions. Likely to benefit telecoms operators and ultimately consumers.</p>	<p>Part of Ofcom's approach to deregulation signalled in the Telecoms Strategic Review.</p> <p>There have been significant developments in the market since the last review, making it appropriate to carry out a further review.</p>	<p>Market review in progress. First consultation expected in Q3 06/07, with a second consultation expected Q4 06/07 and a statement in Q2 07/08.</p>	<p>The review will define markets (including the possibility of separate geographic markets) and within each market consider whether BT has significant market power. Where BT has significant market power Ofcom will consider the appropriate remedies. The review will consider whether there is scope for reducing regulation.</p>	<p>Dave Clarkson</p>

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<p>Business pricing – review the scope for further deregulation of retail business markets.</p>	<p>To ensure regulatory restrictions on BT as an operator with significant market power are appropriate in the light of market changes. Greater pricing freedom as a result of increased competition should lead to reduced prices for business consumers.</p>	<p>Part of Ofcom’s approach to deregulation signalled in the Telecoms Strategic Review.</p>	<p>Statement published in April 2006. Review complete.</p>	<p>Greater pricing freedom for BT to offer bespoke prices to businesses in specific circumstances, with no obligation to publish these prices.</p> <p>(Contingent on specific actions by BT which have not happened yet.)</p>	<p>Michael Richards on</p>
<p>Geographic leased lines – analyse geographic variations in competition conditions in leased lines markets, which could lead to more targeted regulation.</p>	<p>To ensure that markets are soundly defined and that regulation is appropriate.</p>	<p>Part of Ofcom’s approach to deregulation signalled in the Telecoms Strategic Review.</p>	<p>Discussion document on disaggregated markets published in March 2006. A summary of the responses to this discussion document will be published in Q3 2006/07 and will feed into a market review of leased lines in Q1 2007/08.</p>	<p>Although the market review is still at an early stage, it could lead to reduced regulation.</p>	<p>Gareth Davies</p>

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Cross-promotion code review – publish revised code on cross-promotion, with a view to reducing the amount of regulation where appropriate.	To ensure guidelines on cross-promotion are as unobtrusive as possible, while ensuring cross-promotion activities are distinct from advertising and do not prejudice fair and effective competition.	The original guidelines were published by the ITC and it was necessary to ensure these were still appropriate.	Statement published in May 2006. Review complete.	New codes are less prescriptive than old ones. All previous rules removed apart from: a) a requirement on all television broadcasting licensees to limit the subject of cross-promotions to broadcasting-related services; and b) a requirement on Channels 3, 4 and 5 to maintain neutrality between digital retail TV services and digital platforms.	Selina Chadha
BT financial reporting – review of BT's financial reporting regime, including scope for reducing obligations	To maximise the value of regulatory financial information and minimise the burden in meeting regulatory obligations.	Changes in markets have prompted a review of the information needed.	Consultation published May 2006. Statement on audit obligations published in Aug 2006. We will be carrying out a longer term review to assess the overall framework: consulting in Q3 2006/07 with a statement in Q1 2007/08 to allow changes in time for the 2006/07 regulatory financial statements.	Proposals include a reduction in audit obligations which could save BT approximately £0.2m. Our longer term review will examine the scope for further reductions in burdens.	David Brown

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<p>Telecoms framework review – press for the revised EU framework to reflect Ofcom’s objectives, in particular:</p> <p>a) Maintaining Ofcom’s current focused and light touch regime for telecommunications;</p> <p>b) Providing scope for deregulation where appropriate, e.g. in the list of recommended markets.</p> <p>c) Supporting liberalisation of spectrum licensing rules.</p>	<p>To ensure that the current review should lead to a regime which is firmly based on existing competition-based principles and which is able to respond to the challenges posed by market and technological evolution.</p> <p>This will benefit all European consumers, including those in the UK, and facilitate easier market entry for providers of electronic communications services.</p>	<p>A significant proportion of the Communications Act, 2003 transposes the EU framework into UK law. There is a legal requirement to review the operation of the EU Framework not less than 3 years from introduction. The “relevant markets” recommendation must also be “regularly reviewed”.</p>	<p>Joint UK response to the Commission was produced in February 2006. We also contributed to the response of the European Regulators’ Group (ERG) to the Commission in February 2006.</p> <p>We will be contributing Joint UK responses to the Commission’s Communication and to the revised recommendation on “relevant markets”. These responses will be submitted in Q3 2006/7.</p> <p>We will also be contributing to the responses of the ERG.</p>	<p>Ofcom is seeking to ensure that the Commission’s proposals for reform do not add to the regulatory burden on business. We aim to ensure that:</p> <p>a) regulatory remedies are targeted and proportionate, in line with Ofcom’s Strategic Review of Telecommunications;</p> <p>b) the market review process is not overly prescriptive and bureaucratic;</p> <p>c) there is targeted harmonisation of regulatory rules across the EU in the interests of UK businesses; and</p> <p>d) the review supports continued liberalisation of spectrum management.</p>	<p>Tom Kiedrowski</p>

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<p>Leadership to the European Regulators' Group – ensure that its work becomes more transparent.</p>	<p>To raise the overall quality and effectiveness of telecoms regulation across Europe.</p> <p>This will raise economic welfare for EU citizens and will benefit UK companies operating in other countries.</p> <p>An effective European Regulator's Group will forestall the case for other kinds of reform, such as inappropriately centralised regulation at EU level.</p>	<p>Ofcom is chairing ERG in 2006, providing an opportunity to promote reform. This coincides with the Commission's review of the operation of the EU communications framework, which will examine the quality of current regulatory outputs.</p>	<p>The plenary meeting of the ERG in October will consider and decide on proposals for reform.</p> <p>ERG will publicise reform commitments in time to feed into the meeting of the Council of Ministers in November, which will consider the Commission's proposals on the EU regulatory framework.</p>	<p>Direct benefits will flow to UK companies which operate across Europe from greater harmonisation of different national regulators' approaches to key policy issues. This will reduce regulatory burdens, as well as promoting more open, competitive markets.</p> <p>The ERG's reform programme will also encourage reductions in administrative burdens which result from disparate approaches to remedies and other regulatory requirements.</p>	<p>Vince Affleck</p>

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<p>International strategy on content/broadcasting – work with industry stakeholders to lead the debate on regulatory approaches and on scope for effective self-regulatory and co-regulatory models.</p>	<p>To promote effective, light-touch and low-cost self-regulation of audiovisual content.</p> <p>Such an approach has been proven to provide more effective protection for consumers than government or regulator-imposed regulation and also provides a less risky and more transparent framework for innovation and investment in new media services.</p>	<p>EU proposals for a new Audiovisual Media Services Directive do not at present provide the correct legal framework for ongoing effective self-regulation.</p>	<p>Input to Council Working Group and European Parliament consideration of draft Directive will consider throughout 2006 and into 2007.</p>	<p>The direct costs of imposing new regulation in this area across the EU as a whole have been estimated by Ofcom as being between £54m and £3.6bn, depending on the scope of the services caught by the proposals.</p> <p>In practice it is recognised that firms may seek to avoid such costs by moving off shore economic activities caught by the proposals to other jurisdictions, leading to significant indirect costs in terms of foregone economic activity within the EU.</p>	<p>Alex Blowers</p>

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Field operations business transformation – cease routine spectrum compliance inspections, focusing instead on targeted enforcement; and modernise the field force teams, and improve delivery, governance and quality of service.	To improve and simplify our processes we use to tackle spectrum interference. This will benefit all spectrum users, both commercial and domestic.	Recognition of the scope to increase efficiency and improve quality of service.	We ceased routine compliance inspections in March 2006. Our deadline for modernising the field force teams is the end of Q4 2006/7.	Spectrum stakeholders no longer have to undergo routine inspections and all spectrum users can expect to experience improved quality of service.	Robert Thelen-Bartholomew