

Ofcom's Draft Annual Plan 2007/08

About National Grid Wireless

National Grid Wireless is a wholly owned subsidiary of National Grid and is the leading independent provider of infrastructure to the mobile telecommunications operators in the UK. We are also one of two UK providers of terrestrial infrastructure for the transmission of analogue and digital television and radio broadcasts in the UK and as such we achieve over 98% population coverage. In addition to the traditional analogue services, we have a strong position in the growing digital television market. As a founder member of Freeview, we own and operate two of the six digital terrestrial television licences, providing infrastructure services to all the Freeview channels including the BBC and BSkyB.

Introduction

National Grid Wireless ("NGW") welcomes the opportunity provided by Ofcom to share our comments on its proposed Draft Annual Plan 2007/8. Ofcom's proposals are published in the consultation document entitled "Draft Annual Plan 2007/8."

Question 1

What are your views on Ofcom's proposed three-year strategic policy framework?

NGW is generally in agreement with Ofcom's assessment of the changes in the communications sector and the way in which these changes have influenced both the proposed three year strategic policy framework and the scope of policy priorities outlined in the Draft Plan.

Question 2

What are your views on the work Ofcom should do in 2007/8 to:

- *drive a market-based approach to spectrum?*
- *develop new ways to deliver public outcomes as platforms and services converge?*
- *improve business compliance and empower consumers?*
- *promote competition and innovation in converging markets?*
- *maximise our impact on international policy development?*
- *reduce regulation and minimize administrative burdens?*

Market-based approach to spectrum

NGW welcomes Ofcom's intent to drive forward spectrum liberalisation and trading. We encourage the release of all available spectrum to the market in open, cost effective and uncomplicated methods, in order to ensure that this valuable, finite resource is put to the most efficient use.

Competition and innovation in converging markets

We encourage the review of the wholesale digital TV platforms market and of the rules to promote fair and effective competition in relation to DTT multiplexes. In particular this market review needs to take into account the future uncertainties that relate to the competitive landscape in which this platform operates; the Digital Switchover Process itself, the increased fragmentation in television viewing, the proposed introduction of Administered Incentive Pricing (AIP) and the significant long term investments-commitments being made by the multiplex operators to this platform.

We are particularly supportive of the proposed new priority to take a more strategic view of the development of certain wireless platforms, specifically mobile TV and wireless broadband to understand how they will contribute to further convergence. We encourage the development of a competitive mobile telecoms market, and to that end, we encourage the timely publication of market research. To promote clarity in data platforms in the UK, NGW wishes to request SMS and MMS volumes as separate items in the quarterly Telecommunications Market Data Tables that Ofcom publishes.

Moving toward more consistent legal and economic frameworks which governs different platforms.

We are in full support of a move towards greater consistency between the legal and economic frameworks which govern different platforms. We recognise that in order to achieve economies of scale, this may be dependent on international coordination.

To that end, we encourage Ofcom's involvement in international policy development. We think it is important that Ofcom participates in core EU negotiations and take a leading role in shaping the European spectrum agenda through the Radio Spectrum Committee, Radio Spectrum Policy Group and other forums.

Reducing regulation and minimising administrative burdens

NGW would welcome the reduction of regulation and minimisation of administrative burdens; in particular in the context of DTT we are concerned of the risk of increased administrative burden in relation to this platform as a consequence of the DSO process.

Furthermore, NGW is of the view that Ofcom should, wherever possible, review its approach with a view to reducing burdensome legislation in order to allow the market to develop effectively. Furthermore, we are keen that a consistent regulatory regime is applied where spectrum supports the same market context whether released through auction or by allocation.

In conclusion, NGW believes that the general thrust of Ofcom's Draft Annual Plan is conducive to the development of a competitive communications market.