

**Question 1: What are your views on Ofcom's proposed three-year strategic policy framework?:**

We agree that the five key areas that Ofcom has identified, supported by its aims to reduce regulation and influence international policy developments, are the key areas given Ofcom's statutory duties. Since one of SSE's developing areas of business is retail telephony service provision, we are particularly interested in the promotion and support of competition in the relevant retail and wholesale markets.

**Question 2: What are your views on Ofcom's proposed priorities for 2007/8? In particular::**

**Question 2a: What are your views on the work which Ofcom should do in 2007/8 to drive a market-based approach to spectrum?:**

**Question 2b: What are your views on the work which Ofcom should do in 2007/8 to develop new ways to deliver public outcomes as platforms and services converge? :**

**Question 2c: What are your views on the work which Ofcom should do in 2007/8 to improve business compliance and empower consumers? :**

**Question 2d: What are your views on the work which Ofcom should do in 2007/8 to promote competition and innovation in converging markets?:**

We agree with Ofcom that the telecommunications markets are set for significant technological change and increasing complexity in product offerings and that this poses some challenges in the development of regulation. We believe that strong competition at the retail level will bring benefits to customers through the service and product innovation. However, competition at this level has to be supported by: wholesale products that provide and continue to provide an equivalent basis for all retailers in the market; a form of independent, industry-owned governance for key documents and processes that provides transparency and a voice for all industry participants; and customer switching processes that are simple for the customer and economical for retail service providers to use.

We therefore particularly support the emphasis in Ofcom's workplan on monitoring compliance with BT's Undertakings, engaging with NGNuk on the issues of technical and commercial interconnection arrangements for next generation networks and examining the sources of market power that may develop through the bundling of products. We advocate that any industry fora that are convened to consider these issues include a representative cross section of industry participants, including service providers who do not own any communications infrastructure.

**Question 3: Are there additional areas where Ofcom should reduce regulation and minimise administrative burdens? Please provide specific examples.:**

We support the steps that Ofcom has set out in this area in its draft plan. In particular, we believe that a review of the general conditions may allow some simplification of these. For example, we consider that there is scope for Ofcom to reduce the administrative burden on retail service providers that is represented by the very detailed codes of practice guidelines that have been added to General Conditions in the last year or two. The policy objectives of requiring service providers to behave in certain ways and provide certain types of information to customers would, in our view, be best dealt with under self or co-regulatory arrangements. This would allow the detail of the agreed framework to be described in other documents, while the General Conditions refer to the over-arching principles and mandate membership of the relevant self-or co-regulatory arrangements. It would also allow development of the detailed frameworks to take place more quickly and with less involvement from Ofcom than required for changes to the General Conditions themselves.

**Comments:**

We note, in the chapter on delivery of service to stakeholders, that Ofcom is planning to develop its website and we welcome this. We suggest that one area that Ofcom could consider is to develop the part of its website that provides information to industry ? in other words to service providers. As Ofcom has outlined, developments to the communications market and to regulatory obligations are likely to be complex and fast moving. We therefore believe that Ofcom would add considerable benefit to the transparency of these developments if it could host recent minutes and papers associated with key industry meetings where such developments are discussed ? such as the CPS/WLR Commercial Group meetings - on its website. We are not advocating that Ofcom becomes involved in the administration or secretariat of such meetings, just that webspace is provided for content which is relevant to the wider community of service providers.