

# The Bigger Picture

- FCS in 2011
- Europe Digital Agenda
- UK- implementing the revised EU Framework
- UK- government changes
- Ofcom 2011-12 annual Plan

## FCS in 2011

- ❑ FCS has 315 members and 50 Associates
- ❑ FCS 30 year anniversary celebrations on 16 June, London
- ❑ FCS awards- deadline for entries 20 May
  - ❑ business radio,
  - ❑ green awards for large and small telcos,
  - ❑ installers,
  - ❑ reseller and SPs
- ❑ Events
  - ❑ Comms Installer- 19 May, Daventry
  - ❑ Comms Provider- 20 October, London
  - ❑ Business Radio-17 November, Daventry
- ❑ Details on [www.fcs.org.uk](http://www.fcs.org.uk) contact [fcs@fcs.org.uk](mailto:fcs@fcs.org.uk)

# FCS in 2011

## FCS 2011 survey February 2011

- All sectors report a worsening economic climate but most companies predict to grow
- Main telephony issues:
  - Openreach performance and service delivery deteriorating
  - NGA and access to broadband services needed
  - Access to wholesale mobile products
  - Number portability needs to be more effective
- Main spectrum and radio issues
  - Growth in digital product- business opportunities
  - Access to spectrum from Ofcom and MoD
  - Public awareness of radio services
  - Ofcom policies including spectrum trading and leasing

# Europe- Digital Agenda

## **Priorities for Neelie Kroes- Vice President European Commission**

**EC 2020 strategy for high employment, low carbon economy,  
higher productivity and social cohesion**

**Europe ICT = £540 billion pa= 5% EU GDP**

All EU citizens to

- Have access to broadband internet by 2013
- Use their mobile phones as a mobile wallet
- Have access to all public services online by 2015

## Europe- Digital Agenda

Problems now across the EU:

- Fragmented digital markets
- Lack of interoperability
- Rising cyber crime and low trust in networks
- Lack of network investment
- Insufficient research
- Lack of digital literacy and skills

## Europe- Digital Agenda-101 actions

- Copyright management and cross border licensing
- Completion of Single Euro Payment Area- and eInvoicing framework
- In 2011 revise e-Signature Directive
- Review EU data protection regulatory framework
- Harmonisation
  - of numbering resources
  - EU radio spectrum policy programme- co-ordinate technical and regulatory conditions, including harmonising spectrum bands

# Europe- Digital Agenda- 101 actions

- ICT interoperability, including reform of standards fora [including ex ante IPR disclosure]
- New high level network and information security policy
- Action on cyber crime including an EU centre
- Ultra fast internet access- broadband to all EU by 2013; 50% households to have access to 1000Mbps by 2020
- Adopt a broadband communication
  - NGA recommendation
  - Investment risk taken into account when setting cost-oriented prices
  - NRAs can impose access remedies, allowing a reasonable investment pace for alternative operators
  - Co-investments and risk sharing mechanisms

# Europe- Digital Agenda-101 actions

- Voice and data roaming
- Secure online access to medical health data by 2015- widespread telemedicine by 2020
- Increase the speed of takeup of Intelligent Transport Systems
- Common air traffic control- Single European Sky
- Directive for e-maritime services
- European rail traffic management system

## Europe- BEREC

### **EC must take account of BEREC- Ofcom likely to agree with BEREC recommendations**

**Body of European Regulators for Electronic Communications-**  
<http://www.erg.eu.int/>

### **2011 Work Programme**

- **Harmonisation-** international roaming: next generation access: conformity across NRAs: benchmarking: regulatory accounting
- **Emerging challenges-** business services market: convergence: cross-border enforcement e.g. of numbers subject to fraud: co-operation with RSPG: future of USO: disabled accessibility and non discrimination; network neutrality; access to value added services [PRS and SMS]; promotion of broadband
- **Changes to the legal regulatory framework-** functional separation: expert reports: switching providers

# The revised Framework Directive

Changes to the Framework Directive to become law in UK  
by 25 May 2011:

- 1 day number portability
- Consumer contracts- 24 months maximum
- Better consumer information about supply and tariffs;  
easier migration
- Protecting internet access
- Minimum network quality
- Consumer protection against personal data breaches  
and spam

# The revised Framework Directive

- Better access to emergency services
- New EU authority- BEREC, set up from the existing European Regulators Group active from January 2010
- Commission to have a say on competition in national markets
- Functional separation a tool for European regulators
- Liberalisation of spectrum markets
- Accelerating broadband access
- Encouraging competition and investment in next generation access – including access to poles and ducts

# UK implementation of the revised Framework Directive

## BIS consultation – in autumn 2010

The Framework changes many of the rules for telecoms companies and BIS asked for feedback specifically on:

- Appeals against Ofcom decisions- in particular to minimise the constant referrals to the CAT
- Facilities sharing
- Security and resilience
- Dissuasive sanctions- how much should Ofcom fine a company for not complying with one of its rules such as not supplying information on telecoms or spectrum licences?
- Equivalence for disabled end-users
- Personal data breach and enforcement
- “cookies”

Government statement “soon”; new legislation needed

# UK implementation of the revised Framework Directive



Ofcom is consulting until 7 April on changes to

- 21 GCs with new definitions
- GC 3 (Proper and Effective Functioning of the Network);
- GC 4 (Emergency Call Numbers);
- GC 9 (Requirement to Offer Contracts with Minimum Terms);
- GC 10 (Transparency and Publication of Information);
- GC 15 (Special Measures for End-Users with Disabilities);
- GC 17 (Allocation, adoption and use of telephone numbers, including time limit);
- GC 18 (Number Portability);
- GC 20 (Access to numbers and services)

# Changes to the General Conditions

## Contract terms- GC9

- **Consumer is a natural person** who uses or requests a publically available electronic service outside their business
- CPs to provide additional info to end users, including all business customers, on request such as access to emergency services and location info; this might include data allowances for mobile internet or call barred numbers
- Subscribers can withdraw from contracts penalty-free following notice of contract modifications
- Maximum term of *initial contracts* is 2 years for consumers and ALL users must be offered an option to contract for a max of 12 months
- Contract termination conditions and procedures must not be a disincentive against switching providers

# Changes to the General Conditions

## Contract terms- GC9

Ofcom consulting to 12 May

To amend GC9 to prohibit “opt out processes” for rolling over contracts at the end of the minimum contract period

# UK implementation of the revised Framework Directive



## FCS members concerns:

- 24 month contract limit- EC say a consumer is an individual; the Comms Act says this also includes businesses with up to 10 employees- NOW RESOLVED
- Lack of proportionate appeals mechanism against Ofcom by small telecoms companies – WAITING FOR OUTCOME
- 1 day number porting- what does this mean- problems with fixed number porting leading to ports of up to 7 months- NEED TO ASSESS WHETHER PROBLEMS CONTINUE
- The compensation scheme for porting problems is new- just 7 weeks to implement
- Spectrum leasing rules must take into account existing commercial practices- NO CONSULTATION YET
- Ofcom will have greater powers to fine CPs who do not supply information when asked
- Minimum security standards must be applied proportionately and not to the smallest reseller

## UK government

- Telecoms regulation now with Department of Culture- SoS Jeremy Hunt and Minister Ed Vaizey
- Promise of a new Communications Act
- Changes to the Digital Economy Act under review

# New Communications Act

Jeremy Hunt – SoS DCMS said on 19 January 2011

- Objective: encouraging investment in creativity, quality and choice. And an innovation-friendly environment for intellectual property that protects the rights of creators without preserving current business models in aspic
- A new Communications Act can create regulatory certainty
- Content more important than delivery
- Look at platform neutral approach to regulation
- How can regulation enhance the market by 2025
- Possibly redesigning the current system
- Input from stakeholders sought
- Green paper by end 2011 setting out the full scope of the bill
- Comms Act to be in place by 2015 and last until 2025

# New Communications Act

## What changes in regulation does FCS want?

- Continuing focus on competition
- Incorporate EU Framework changes – ensure equal access to all new technologies
- Support platform neutral approach to regulation- to take account of technology changes
- Spectrum- sensible spectrum management rules- treat commercial spectrum and critical spectrum differently; move spectrum legislation to 1 WT Act
- Consumer support important but move to single consumer protection act for all utilities
- Effective regulatory enforcement, particularly anti fraud and anti crime measures
- Consistent service delivery rules [general conditions]- no need for separate PRS regulation- delete section 120 of the CA 2003
- Industry co regulation- comms and spectrum- to implement policy- more efficient and effective regulation
- Recognition of services competition and the value of CPs and resellers
- Wholesale access to infrastructure
- Separate legislation for connectivity and content
- Avoid overlap of regulators and resolve conflicts between regulators

This is an opportunity for blue skies thinking in support of the market- a challenge for all FCS members  
FCS has set up a Comms Act Working Group to input into the Green Paper-  
contact [jbrookes@fcs.org.uk](mailto:jbrookes@fcs.org.uk) to get involved

## Ofcom annual plan 2011-12

Ofcom will

- Cut its spending by 28% in the next 4 years; has £116 million budget for 2011-12
- Lose 170 staff
- Report to Department for Culture
- Reduce its advisory committees including the Consumer Panel
- Take over regulation of Postcomm
- Implement the Digital Economy Act

**Many issues raised by FCS have been acknowledged**

# Ofcom priorities-1

## ▪ **Effective and sustainable competition**

- promote competition in Pay TV and in investment and delivery of superfast broadband
- Ofcom will work closely with BT, OTA and industry to ensure that BT's wholesale products – VULA and access to ducts and poles- are specified and delivered

**Expected Outcomes: significant availability from at least 2 providers and wholesale bb products taken up by 3<sup>rd</sup> parties**

## ▪ **Efficient use of public assets**

Spectrum clearance followed by auction of 600 MHz, 800 MHz and 2.6 GHz spectrum bands

- Consult on assessment of future competition in mobile markets
- Mandatory wholesale access is being considered
- Design the auction
- Run the auction in 2012
- Licences issued end July 2012
- Launch next generation mobile bb networks by 2014
- Deliver spectrum guarantees for the 2012 Olympics
- Develop a medium term spectrum policy work programme

## Ofcom priorities-2

- **Help markets to work for consumers**
  - No undue barriers to switching for single services and for bundles
  - Switching processes not to get in the way of suppliers competing
  - Switching Working Group to develop **gaining provider** processes, preferred by Ofcom
  - Consult on reformed processes in summer 2011 for fixed and broadband
  - Investigate whether rollover contracts are harmful to competition
  - Enforcement of rules on early termination charges
  - Ensure CPs deliver clear information on broadband speeds to consumers
- **Broadcast standards**
  - High trust in services delivering content and high audience satisfaction
- **Public policy**
  - New regulation of postal services
  - Implement Digital Economy Act 2010 - copyright infringement and infrastructure reports
  - Report to Government on channels 3 and 5 after 2014
  - Increased availability and takeup of digital services
  - Wide availability and choice of public services content and safeguard plurality in media

# Ofcom major projects 2011-12

## **Competition**

- Implement regulatory proposals and new charge controls:
  - Mobile termination rates
  - Mobile number portability including new compensation scheme
  - WLR
  - LLU
  - ISDN30
  - WBA
- Simplify regulation of non geographic services
- Undertake market reviews under the European Framework including the business connectivity market
- Enforce competition
- Implement a new disputes framework

# Ofcom major projects 2011-12

## ***Public assets***

- Ensure wide availability of telephone number ranges- consult again in 2011
- Simplify spectrum trading and introduce leasing- end 2011
- Review Ofcom's management of fixed links spectrum
- Enable white space spectrum devices
- Effective spectrum licensing work
- International harmonisation of spectrum licensing in EU/RSP and WRC
- Spectrum enforcement- including clamping down on business radio licensees who do not pay licence fees on time

# Ofcom major projects 2011-12

## **Consumers**

- Ensure services for the hearing impaired
- Protection against unfair terms and practices by CPs- silent calls, mis-selling, slamming, monitor rules on complaints handling compliance
- Publish consumer research
- Ensure effective complaints handling by ADR schemes
- Promote investment in mobile phone not spots, better coverage information and spectrum release

## **Contribute to public policy**

- Implement new regulatory duties from the European Telecoms Framework
- Provide technical support and advice to government
- Support digital switchover
- Represent the nations, older and disabled users
- International engagement in BEREC, CEPT, ITU
- Conduct first infrastructure review- 1<sup>st</sup> report August 2011 including the degree of infrastructure sharing and wholesale access
- Report on climate change adaption



# Bigger Picture session

Thank you  
Any questions?

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