

# The Bigger Picture

- FCS in 2011
- Europe Digital Agenda
- UK- implementing the revised EU Framework
- UK- government policy
- Ofcom



# FCS in 2011

- ❑ New FCS chairman is Justin Orde and Dave Dadds is Deputy chairman
- ❑ FCS has 315 members and 50 Associates
- ❑ FCS 30 year anniversary celebrations on 16 June, London
- ❑ FCS awards 2011 winners
  - ❑ business radio- **AWCSL**
  - ❑ green award for large company- **The Phone Co-op**
  - ❑ green award for small telcos- **Genuine Solutions**
  - ❑ installers- **Avian Mobile**
  - ❑ reseller – **The Phone Co-op**
  - ❑ communication provider- **Gradwell**
- ❑ Events
  - ❑ Comms Installer- 19 May, Daventry
  - ❑ Comms Provider- 13 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 surveys in February and August

- All sectors report a worsening economic climate but most companies predict to grow, although there will be consolidation
- Main telephony issues:
  - Openreach performance and service delivery
  - NGA and access to broadband services needed
  - Access to wholesale mobile products needed
  - Number portability needs to be more effective
  - Non geo number review
- 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 basic broadband internet by 2013 and above 30 Mbps by 2020 with 50% access to above 100Mbps
- Use their mobile phones as a mobile wallet
- Have access to all public services online by 2015

## 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- coordinate 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- total cost up to €250 billion
- 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- new announcements- July 2011
- 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

Also governance of the Internet of Things- 50 billion devices interconnected by 2020

## 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 became law in UK on 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-to introduce Openreach type organisations
- Liberalisation of spectrum markets – introduction of licence trading and leasing
- Accelerating broadband access
- Encouraging competition and investment in next generation access – including access to poles and ducts

# UK implementation of the revised Framework Directive



In addition to changes to the General Conditions there are new rules on:

- Appeals against Ofcom decisions- in particular to minimise the constant referrals to the CAT- **new consultation issued august 2011**
- 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”- website owners to ask users to opt in

## UK government

- ❑ From January 2011 telecoms and spectrum regulation with Department of Culture- SoS Jeremy Hunt and Minister Ed Vaizey
- ❑ New Communications Act review
- ❑ Broadband delivery to final third
- ❑ Open Internet

# 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- consultation ended 30 June
- 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

**DCMS speaker at CP11 on 13 October**

# New Communications Act

## FCS Communications Act Working Group set FCS principles:

- ❑ Continuing focus on fair retail 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 et al 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

# New Communications Act

## FCS Communications Act Working Group input to Government- June 2011

### ❑ Comms Act 2003 is unwieldy:

- Simplify the next Comms Act
- Remove all spectrum clauses to a single Wireless Telegraphy Act
- Remove PRS clauses- regulation of the mobile wallet should be by FSA
- Redefine a “consumer” as an individual, rather than including small business
- Introduce a proportionate and speedy appeals regime for all industry participants
- Add in a new body- a self/co-regulatory body set up by Ofcom

### ❑ Ofcom:

- Independent regulator but should be subject to government policy where national interest dictates

### ❑ Co-regulation to support the multi-supplier market

- All stakeholders involved in process decisions
- Transparent
- Single point of contact for Ofcom

# New Communications Act

## FCS Communications Act Working Group input to Government- June 2011

- ❑ Platform neutral regulation
  - Same principles of utility regulation for all infrastructure and platforms
  - Long term solution is a “fat pipe” available for wholesale access
- ❑ Fair and competitive access to platforms
  - Enable new and small players to deliver services
- ❑ Effective enforcement targeting fraud and criminality- clear guidance on compliance
- ❑ General Conditions- keep but rationalise the definitions to avoid current confusion
- ❑ Proportionate appeals mechanism against Ofcom decisions that is not too expensive for smaller players

## Broadband delivery

**Commercial networks-** i.e. Openreach, Virgin Media and the national MNOs – uneconomic to deliver broadband to the final third of the UK: Ofcom broadband map at <http://maps.ofcom.org.uk/broadband/>

**Broadband gap** between urban and rural areas

**Government** encouraging local communities to set up own projects to build own fibre or wireless networks

**Broadband delivery UK** has £530 million state aid available to help local projects — e.g. Wiltshire, Norfolk, Devon and Somerset share £50 million

See: [http://www.culture.gov.uk/what\\_we\\_do/telecommunications\\_and\\_online/7781.aspx](http://www.culture.gov.uk/what_we_do/telecommunications_and_online/7781.aspx)

**Co-ordination** - need for co-ordination across all local projects and access by CPs to local pipes to deliver services

## Open internet

- ❑ Content providers want all platforms to deliver their content
- ❑ ISPs want to manage traffic and sometimes promote their own content
- ❑ Minister round table in March 2011- UK policy to be:
  - Access to legal content
  - No discrimination against content providers on the basis of commercial rivalry
  - ISP traffic management policies should be clear and transparent
- ❑ ISP voluntary code on traffic management- setting key indicators  
See: <http://www.broadbanduk.org/content/view/479/7/-are> small ISPs involved?
- ❑ BSG leading discussions with content providers and industry to consider whether consensus can be reached- looking at:
  - Transparency
  - Discrimination and managed services
  - Access to legal content
  - Governance

## Ofcom in 2011

- Cut its spending by 28% over the next 4 years; has £116 million budget for 2011-12
- Lost 170 staff, but is still recruiting
- Reports to Department for Culture
- Reduced its advisory committees including the Consumer Panel, although this awaits the outcome of the Public Bodies Bill, now in Parliament
- Take over regulation of Postcomm in October 2011
- Implement the Digital Economy Act

**Many issues raised by FCS have been acknowledged in the 2011/12 annual plan**



# Bigger Picture session

Thank you  
Any questions?

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