



Llywodraeth Cynulliad Cymru
Welsh Assembly Government

Robindhra Mangtani

Competition Group
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Dear Robindhra Mangtani

Regulation of VoIP Services

I am providing the Welsh Assembly Government's response to Ofcom's further consultation on Next Generation Networks. We would like to thank Ofcom for the opportunity to provide a response on this issue.

We recognise that VoIP services could deliver substantial benefits to consumers, such as

- lower network costs, lower user prices and new pricing structures
- new features such as unified messaging, conferencing, video and personalised call handling
- greater choice of innovative and differentiated services as entry barriers fall and competition in the voice market increases
- more competition in broadband as ISPs will be able to offer consumers more compelling propositions combining voice with Internet access.

We agree that consumers benefit most when new technology can be adopted quickly, when regulatory rules do not prevent new services from being offered and when competition between old and new services occurs on a level playing field. Further, that as technology develops, measures to protect consumers are revised to ensure that they are still effective.

We therefore agree the three key objectives set out by OFCOM in its consultation document describing a proposed regulatory approach to VoIP services, namely:

1. Enabling innovation in a technological neutral way - to avoid creating and/or removing barriers to the development of VoIP services. We agree that the regulatory framework should not prevent different business models to enter the market and that Ofcom should seek to ensure that regulation is technology neutral, in order that new technologies are able to be deployed as soon as competitive forces dictate that consumers will benefit.



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2. Ensuring consumers are well informed - that any differences between VoIP services and PSTN-based services are well understood by both the purchasers of such services as well as the users of the service. We agree that the features and capabilities of any service must be properly described, including the dependency of the service on a power supply in the home and on the availability of a broadband connection, particularly in relation to 999 services. In the event of an emergency situation, it must be clear to the consumer and users of a VoIP service whether, and under what conditions, the VoIP service will provide 999 access to summon help.

3. Ensuring maximum availability of 999 services – because access to the emergency services is an important feature of existing telephone services. We agree that consumers and citizens in the UK currently enjoy high levels of 999 access in terms of the extent of fixed voice services with 999 access, the reliability of these services and the ability of these services to provide accurate location information to the emergency services. This level of access is highly valued by consumers or citizens and helps the emergency services in providing their high quality services and it is important that these benefits are not lost or reduced as a result of changes in services or technology.

We welcome the beginning of a programme of systematic activities to ensure that Ofcom can keep abreast of market developments and take appropriate remedial action to meet its objectives. We understand these to be

- customer education activities
- a proactive enforcement programme
- further research to assess customer understanding and attitudes to VoIP services
- research and analysis to understand the level and availability of 999 access

We hope that the research referred to here will lead to statistically valid research data for each region and nation.

We agree with that the approach to regulation of VoIP services proposed by Ofcom in this consultation document is the right approach at this time but also recognise that pace of change in this area is fast, and that this will require Ofcom to periodically review its approach.

Yours sincerely

Richard Sewell
Head of Telecommunications Policy