

Ofcom Advisory Committee for Wales

Response to Call for Inputs

Ofcom 2014/2015 Annual Plan

The ACW welcomes the opportunity to input into the planning process for 2014/2015. The committee applauds the commitment to the Nations shown in Ofcom's 2013/2014 work programme and the progress made in achieving specific goals. The ACW particularly welcomes the Nations-specific measures contained in the 4G spectrum awards, the contributions made to improved fixed-line broadband provision, the licensing of new local radio and TV services, and the publishing of the report on *The Availability of Communications Services in the UK*.

Ongoing work

The ACW believes that some tasks identified in 2013/2014 require ongoing work and it is essential that these should be prioritised in 2014/2015.

1. Secure the provision of the universal postal service

Following privatisation, there is renewed concern that the USO could be respecified in ways that reduce service in both rural and other deprived areas. The ACW has suggested previously that research be conducted to establish the external value of social benefits provided by the existing USO, and that the results should inform any future policy. We are not aware of any such research: it is now essential.

2. Exercise Ofcom's Media Plurality duty, especially in the Welsh context

The ACW has responded separately to the UK Government consultation on the measurement framework for media plurality following Lord Justice Leveson's recommendations in his report in November 2012 and Ofcom's media plurality report to the Secretary of State for Culture, Media & Sport. The ACW refers particularly to the question of whether a plurality framework should take into account different audiences, other than UK audiences, such as local communities. Ofcom should consider a formal review of the situation in Wales.

3. Ensure Wales' needs are met in DAB migration

Wales has the lowest level of existing DAB provision in the UK (*The Availability of Communications Services in the UK* places Wales 12th out of 12 UK regions). This situation is exacerbated by the placing of the national BBC services (Radio Cymru and Radio Wales) on the commercial multiplex. A Welsh national coverage requirement before switch-over should be mandated at the same level as that for the UK as a whole. No derogation below this limit should be permitted as radio news and current affairs programming contribute a major part of the limited existing plurality (see above). Ofcom should develop a suite of policies to assist in achieving the requirement, including a reassessment of spectrum allocation and multiplex content.

4. Provide advice to the Welsh Government in support of its Digital Wales commitments

Ofcom must continue to provide appropriate regulatory and technical advice which the Welsh Government requires to achieve its 'Digital Wales' policy commitments for superfast broadband by 2015. Concern has been expressed by AMs and stakeholders at the lack of transparency in certain contracts. Ofcom should

provide any assistance needed so as to properly monitor the build-out of the fixed-line superfast and the 4G mobile networks to enable small businesses to plan their future activity.

5. Encourage innovative solutions to NGA and LTE connectivity issues and facilitate trials in Wales

Wales has amongst the lowest level of data connectivity provision in the UK (*The Availability of Communications Services in the UK* places Wales in 10th, 11th or 12th position out of 12 UK regions). Ofcom should conduct specific research into the reasons for the failure of the market in so many sectors, and establish remedial policies. Stakeholders including at least the business and university sectors should be consulted on the desirability and nature of innovative solutions and hardware trials.

Other issues specific to Wales

6. Demand Stimulation, Digital Participation and e-Government

In reviewing the Welsh Government's 'Digital Wales' superfast broadband policy commitments, the ACW has become aware of concerns expressed by AMs and stakeholders that the demand side of the programme has insufficient emphasis. Ofcom and others have shown that key sectors demonstrate lack of understanding and demand for broadband services, even where they are available. Full use is not made by many SMEs, potentially limiting growth. Take-up is also low in deprived households which will be subject to e-government initiatives.

The ACW recommends that Ofcom develop a suite of suggestions based on best-practice in the UK's regions and a programme of awareness-raising. Policy advice should also be developed for sharing with UK and devolved governments so as to inform e-government initiatives and prevent harm to disadvantaged communities.

7. Mobile Coverage in Wales

The ACW remains concerned at the level of 2G and 3G coverage in Wales as not all consumers will choose or afford to upgrade to 4G. The current mast rationalisation programmes have raised concerns that provision may decline rather than improve. The ACW recommends that Ofcom continue to monitor the situation and intervene actively if required to at least maintain provision. The ACW has long argued that mobile provision should be measured by area rather than premises served. Recent Ofcom research has included a small sample of roads in Wales and an overview by area. The data appear to justify the ACW's concern and the committee now believes that wider research is needed to measure the communications needs and experiences of rural consumers in Wales.

8. Originated Nations Output and Plurality of Supply & Viewpoint

In addition to the recommendations in 2, above, the ACW recommends that Ofcom policy in the coming years pays full account of the democratic deficit in Wales and the wider UK caused by lack of representation of Welsh news, current affairs and culture on the PSB networks. The ACW welcomes the decision to create a Wales-only Channel 3 licence so that the broadcaster can reflect Wales' specific needs and meet its public service obligations towards Wales. The ACW has also responded to the consultation on the renewal of the C4 licence, making several recommendations for increased quotas and representation. The ACW recommends that Ofcom conduct further research (similar to that conducted for the BBC by King et al) into the way that the Nations are represented and develop policies suitable for the continuing devolution agenda.

Other issues affecting the Nations collectively

9. The business consumer experience

The ACW recommends that the segmentation exercise proposed in the consultation paper be developed rigourously and that research programmes in the coming year place more emphasis on the business consumer experience, especially SMEs. Policy should ensure more effective competition in business connectivity markets.

10. Revisit the Ofcom strategic purposes

The ACW recommends that Ofcom revisit its strategic purposes to specifically report on each separate market; the level of imperfection in that market; and the interventions which are available to address the market imperfection. The report on *The Availability of Communications Services in the UK* describes, inter alia, how market failures in telecoms have been largely predictable, both in geographical extent and approximate time. The report goes on to say that the case has been strengthened for early planning of interventions to avoid further disadvantage in the affected areas. The ACW recommends that a formal policy be developed for this process.

Ian Clarke

Chair, Advisory Committee for Wales

For and on behalf of the Ofcom ACW

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