

About ISPA

1. The Internet Services Providers' Association (ISPA) is the trade association for companies involved in the provision of Internet Services in the UK with around 200 members from across the sector.

Introduction

2. ISPA welcomes the opportunity to respond to the Ofcom Strategic Review terms of reference. As an organisation that represents a broad range of CSPs, including a large number of B2B and smaller providers as well as the large consumer-facing ISPs, hosts and content platforms, ISPA has a strong cross-industry voice. Ten years on from the previous review, now is the right time to consider what the future communications landscape could and should be aiming for, how industry can get there and how a regulatory framework can best support this.
3. The communications sector is the key enabler for the economy and society - be it through communications, data, delivery of content, payment processing and more besides - it is crucial that the right conditions are in place so this can develop further. The future of UK businesses and the knowledge-based, connected and innovative economy the UK needs is dependent on the communications sector.
4. The review is running alongside other important areas of work facing the sector, including further government rollout of broadband and an ambitious programme of work in Europe to further expand and develop the Digital Single Market to remove barriers to digital goods and services. It is important that a joined up approach is taken by regulators and government to get this right.

The Review

5. The communications sector is fast-moving and dynamic, making it difficult to accurately forecast the changes likely to take place. As identified in the terms of reference, since the previous review the communications landscape has changed dramatically with increased use of over-the-top applications for communications and content delivery, the popularity of smartphones, changing role of a service provider, quad play services and take up of broadband. CSPs have evolved dramatically with significant investment from ISPA members leading to average broadband speeds increasing from 5Mbps to more than 20Mbps, superfast broadband now available to more than three quarters of the country and investment in LLU and networks, all whilst prices have continued to fall.
6. Notwithstanding the difficulty in accurately forecasting future developments and trends, it is likely that future markets will be based on a number of key demand-side themes, including: an even greater reliance on communications services by consumers and business; greater IP content delivery and on-demand content consumption; technological innovation, connected devices and 'smart' cities; greater use and consumption of data; faster 'gigabit connectivity'; more-and-more services delivered online by default, including government services; wider use of OTT services; and more broadband rollout in rural and urban areas.

7. Despite the positive outcomes and trends of the past ten years, and to ensure that future trends can be delivered, particularly from a demand perspective, the review should be used to identify and address issues that are holding back the sector. One priority area to address is how to ensure the regulatory environment promotes long term investment in UK infrastructure rather than focus merely on short term consumer price. The UK needs industry to deliver high quality superfast connectivity. The review must prioritise the promotion of investment in infrastructure so that the high quality services the UK needs can be rolled out and paid for through realistic pricing.
8. The difficulty in predicting future trends means that rather than picking specific technologies and services, ISPA is setting out a number of principles to underpin the review that should support a vision of a future communications landscape that encourages competition and investment and delivers for both businesses and consumers.

ISPA's principles to guide the Strategic Review

9. Ofcom's vision for the future digital communications market in the next ten years should be based on the following set of principles. These principles represent the outcomes that ISPA wants to see and are to guide and underpin the more detailed discussions and decisions that will take place during the review process. By adhering to their spirit, the review process will meet the expectations and needs of consumers and business by giving industry the freedom and flexibility to continue to invest, innovate and compete. We call on Ofcom to test its review strategy and the market against these principles.

1. Meeting strong consumer and business expectations through high-quality, realistically-priced services

- Ubiquitous superfast connectivity across the UK, with technology neutral, targeted investment from government to address the hardest to reach areas to enable the UK economy to reap the benefits of fast and efficient data-driven next generation services
- Confident and informed consumer and business users backed up by a strong remit for Ofcom and government to educate and provide the necessary skills and guidance to make the most of the opportunities communications services bring
- A clear focus and vision on the business communications sector to ensure that the market is providing for business of all sizes and business-specific concerns can be adequately identified and remedied

2. A cross-platform regulatory framework that supports optimum, long-term investment in infrastructure and high-quality services

- A regulatory framework based on regulatory certainty, realistic pricing, asset sharing, flexibility and the removal of planning and building restrictions
- Evidence-based, cross-platform regulation that consults with industry, responds to market developments and new services and with regulators given the necessary tools available to identify and address bottlenecks
- A bias towards deregulation to boost competition

- Reassessment of how Ofcom regulates, including a review of the Communications Act to ensure that Ofcom has the powers and flexibility to act both reactively and proactively to address bottlenecks and adequately oversee a dynamic and innovative sector
- A level playing field for smaller companies to raise complaints and concerns with Ofcom regardless of access to resources so as not to be disadvantaged

3. Competition between providers through effective wholesale regulation

- Competition between providers to support continued investment in services but maintain the UK's status as one of the leaders for high quality broadband, with Ofcom facilitating competition as deep in the network as appropriate
- Effective wholesale regulation that promotes availability, quality of service, non-discrimination and fair pricing, and has strong mechanisms to address complaints
- Promotion of an open Internet with no blocking of legal internet services to enable new entrants and innovation, but flexibility to allow and support specialist managed services