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Ofcom Annual Plan 2014/15 – Invitation to Comment

KCOM welcomes the opportunity to comment in advance of Ofcom publishing its draft Annual Plan for 2014/15.

KCOM is a member of the UK Competitive Telecommunications Association and we are fully supportive of the response submitted by UKCTA to the invitation to comment. The purpose of this response is to raise an additional issue of specific concern to KCOM which we believe warrants attention by Ofcom in its 2014/15 plan of work.

KCOM is the designated Universal Service Provider in the Hull area and, together with BT as Universal Service Provider in the rest of the UK, is subject to a number of specific conditions relating to the provision of telephony and functional internet services.

We believe that the universal service obligations are long overdue a review. Ofcom completed a review of the implementation of the USO in 2006 and in its 2009/10 Annual Plan indicated that it intended to assess the way the USO currently works, its fitness for purpose and the extent of any financial burden it imposes. We are aware that work did start on this however the project was not progressed. Since the USO was put in place there have been considerable changes in the market and it is important that a review is undertaken to ensure that it does remain relevant and fit for purpose.

In particular, we are concerned about continuing obligations with respect to payphones. We have seen significant declines in payphone usage driven by increased mobile usage yet still face a lengthy process to remove payphones which are unprofitable.

We are aware that BT called for a review of the USO in its response to Ofcom's draft 2013/14 Annual Plan with Ofcom responding that it was for Government to initiate a



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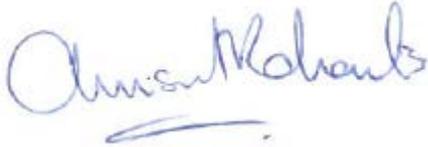
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review. We do not accept this and are unclear as to why Ofcom cannot initiate a review of the specific USO conditions with a view to making recommendations to Government if changes are necessary which require Government action.

Yours sincerely



Christine Roberts
Regulatory and Interconnect Policy Manager



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