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By EMAIL

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Ofcom's Draft Annual Plan

Dear Stuart

Sky recognises the important role that Ofcom has in ensuring that the communications sector works well for consumers and citizens. Sky has reviewed Ofcom's draft Annual Plan and its proposed priorities and work plan for the year ahead. Whilst Sky is supportive of many of Ofcom's priorities, Sky wishes to highlight a few important issues.

Sky notes the emphasis on addressing matters considered to inflict consumer harm, within Ofcom's plan of work. Generally, it is Sky's view that consumer interests are best served through a vibrant and competitive market.. Furthermore, Sky considers that overly prescriptive interventions and micro managing providers' processes are likely to lead to an overburdened, and unresponsive, industry stifled of innovation. – to the detriment of consumers.

Accordingly, it is surprising therefore that Ofcom has chosen to ignore the on-going, systemic poor quality of service provided by Openreach which affects nearly every CP and their customers. Sky and others have for over a year been bringing the matter of poor service in both provisioning and assurance to Ofcom's attention and seeking its engagement to address this significant consumer impacting matter.

As a result of the very poor service experienced during much of 2010 and first half of 2011, Ofcom tasked the OTA to broker a voluntary service level agreement (SLA) between Openreach and the industry. However, this new SLA addresses only a subset of Openreach's products and is considered by many to be insufficient an incentive on Openreach to deliver the necessary and sustained improvements needed.

It is still Sky's considered view that a comprehensive review of the SLA regime across all regulated products is needed. The likely improvements that could be achieved would deliver far more benefits to consumers than many of the other consumer focused programs presently occupying Ofcom's priorities, such as consumer switching. Sky believes that current regulation needs to embrace a new, innovative, approach to regulating for quality and we would welcome the opportunity to work with Ofcom and other stakeholders to develop this.

Sky looks forward to continued engagement with Ofcom in relation to many of its priorities and other areas in the coming year.

Kind regards

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BSkyB

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