

Ofcom's Draft Annual Plan 2011/12

Verizon Business¹ ("Verizon") welcomes the opportunity to respond to the consultation on Ofcom's Draft Annual Plan 2011/12. Verizon Business is the global IT solutions partner to business and government. As part of Verizon Communications – a company with nearly \$108 billion in annual revenue – Verizon Business serves 98 percent of the Fortune 500. Verizon Business caters to large and medium business and government agencies and is connecting systems, machines, ideas and people around the world for altogether better outcomes.

We recognise that the prioritisation of Ofcom's resources will be of even greater importance during a period of significant reduction in spending. Verizon welcomes Ofcom's high prioritisation of *ex ante* competition in the coming year, though we urge Ofcom to address the competition concerns of business providers. Business markets are key for the communications industry and Verizon urges Ofcom to allocate greater amounts of time and resources to these areas than the Draft Annual Plan currently indicates.

1. Increased focus on competition issues

Although competition is highlighted, overall in the Draft Annual Plan there is a central focus on consumer (i.e. private individual) users and on consumer regulation. The communications project designated as a "particular priority" is NGA. No specific NGA work streams are indicated in the Draft Annual Plan. Verizon is keen to see Ofcom address the particularly promising prospects for NGA to transform communications for businesses. Without this, there is in our view a danger of citing the importance of competition-driven outcomes but in practice focusing on consumer issues. For example, Ofcom's current consultation 'Simplifying Non-Geographic Number Ranges' focuses on end-user outcomes as solutions to what Verizon perceives as network issues.

2. Resource allocation

In Verizon's view, resource on business projects needs to be maintained. Ofcom's work programme looks reasonably sensible at the overview level. However, it has also committed to a reduction of its total spend by over 28%. Telecoms revenue must be spent on telecoms projects, not for example on broadcasting. It is important to ensure that all Ofcom contributions from communications providers are ring-fenced for telecoms as required by the Authorisation Directive. If Ofcom becomes more efficient in the area of telecoms, communication's providers' administrative charges should presumably be reduced rather than be diverted to priorities in other areas.

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3. Business markets are key

Business markets are essential to the industry and in Verizon's view merit a specific business-facing project from Ofcom; with terms of reference to ensure competition in business markets. While the BCMR work stream is clearly mentioned (although even here the substantive work will not be conducted until 2012), apart from that there is very little focus on issues of importance from a business-provider's perspective.

4. Ofcom's wider policy role should be clearly limited

In the Draft Annual Plan Ofcom highlights broader public policy work as a key priority. This groups together a whole range of issues from the Digital Economy Act (illegal file sharing, national infrastructure reports), through liaison with the EC, to representing the nations. This wider policy role has not previously been highlighted at this level (i.e. as a strategic priority) and Verizon is concerned that time and resources devoted to this work should be limited, especially given the spending constraints Ofcom faces in 2011.