

Enterprise, Energy and Tourism Directorate

Energy and Telecommunications Division

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Dear Mr Clarkson

Ofcom Consultation – Review of the Wholesale Broadband Access Markets 2006/07

The Telecoms Policy unit within the Scottish Government welcomes the opportunity to contribute further to Ofcom's consultation.

The Scottish Government largely agrees with Ofcom's approach to market definition in terms of geographic dimension and product dimension.

We are generally in agreement with Ofcom's market power findings for the Hull area, and Market 1. However, as communicated in our earlier response to the consultation, we believe that Market 2 may benefit from further segmentation into smaller subsets.

We agree with Ofcom's approach to market power assessment in Market 3 and its conclusion that there is no SMP currently identified. We believe that Market 3 should be monitored over the next few months, particularly as LLU operators offer bundled services. We agree with Ofcom's proposals for Market 3.

We agree with Ofcom's proposed regulatory remedies for Hull, Market 1 and Market 2.

Additional Comments

The Scottish Government reiterates request that customers currently served by Exchange Activate technology be considered in any proposed regulatory changes affecting Market 1 and that the customers served by these exchanges are not disadvantaged by any such changes.

Yours sincerely

Brian Hilferty
Telecommunications Policy

