

## Annex 1

# Ofcom's consultation principles

A1.1 Ofcom has published the following seven principles that it will follow for each public written consultation:

### Before the consultation

1. Where possible, we will hold informal talks with people and organisations before announcing a big consultation to find out whether we are thinking in the right direction. If we do not have enough time to do this, we will hold an open meeting to explain our proposals shortly after announcing the consultation.

### During the consultation

2. We will be clear about who we are consulting, why, on what questions and for how long.
3. We will make the consultation document as short and simple as possible with a summary of no more than two pages. We will try to make it as easy as possible to give us a written response. If the consultation is complicated, we may provide a shortened version for smaller organisations or individuals who would otherwise not be able to spare the time to share their views.
4. We will normally allow ten weeks for responses, other than on dispute resolution.
5. There will be a person within Ofcom who will be in charge of making sure we follow our own guidelines and reach out to the largest number of people and organisations interested in the outcome of our decisions. This individual (who we call the consultation champion) will also be the main person to contact with views on the way we run our consultations.
6. If we are not able to follow one of these principles, we will explain why. This may be because a particular issue is urgent. If we need to reduce the amount of time we have set aside for a consultation, we will let those concerned know beforehand that this is a 'red flag consultation' which needs their urgent attention.

### After the consultation

7. We will look at each response carefully and with an open mind. We will give reasons for our decisions and will give an account of how the views of those concerned helped shape those decisions.

## Annex 2

# Consultation response cover sheet

- A2.1 In the interests of transparency, we will publish all consultation responses in full on our website, [www.ofcom.org.uk](http://www.ofcom.org.uk), unless a respondent specifies that all or part of their response is confidential. We will also refer to the contents of a response when explaining our decision, without disclosing the specific information that you wish to remain confidential.
- A2.2 We have produced a cover sheet for responses (see below) and would be very grateful if you could send one with your response. This will speed up our processing of responses, and help to maintain confidentiality by allowing you to state very clearly what you don't want to be published. We will keep your completed cover sheets confidential.
- A2.3 The quality of consultation can be enhanced by publishing responses before the consultation period closes. In particular, this can help those individuals and organisations with limited resources or familiarity with the issues to respond in a more informed way. Therefore Ofcom would encourage respondents to complete their cover sheet in a way that allows Ofcom to publish their responses upon receipt, rather than waiting until the consultation period has ended.
- A2.4 We strongly prefer to receive responses in the form of a Microsoft Word attachment to an email. Our website therefore includes an electronic copy of this cover sheet, which you can download from the 'Consultations' section of our website.
- A2.5 Please put any confidential parts of your response in a separate annex to your response, so that they are clearly identified. This can include information such as your personal background and experience. If you want your name, address, other contact details, or job title to remain confidential, please provide them in your cover sheet only so that we don't have to edit your response.

## Cover sheet for response to an Ofcom consultation

### BASIC DETAILS

**Consultation title:**

**To (Ofcom contact):**

**Name of respondent:**

**Representing (self or organisation/s):**

**Address (if not received by email):**

### CONFIDENTIALITY

**What do you want Ofcom to keep confidential?**

Nothing

☐

Name/address/contact  
details/job title

☐

Whole response

☐

Organisation

☐

Part of the response

☐

If there is no separate annex, which parts?

Note that Ofcom may still refer to the contents of responses in general terms, without disclosing specific information that is confidential. Ofcom also reserves its powers to disclose any information it receives where this is required to carry out its functions. Ofcom will exercise due regard to the confidentiality of information supplied.

### DECLARATION

I confirm that the correspondence supplied with this cover sheet is a formal consultation response. It can be published in full on Ofcom's website, unless otherwise specified on this cover sheet, and I authorise Ofcom to make use of the information in this response to meet its legal requirements. If I have sent my response by email, Ofcom can disregard any standard e-mail text about not disclosing email contents and attachments.

Ofcom seeks to publish responses on receipt. If your response is non-confidential (in whole or in part), and you would prefer us to publish your response only once the consultation has ended, please tick here.

☐

Name

Signed (if hard copy)

## Annex 3

# Outline work programme for 2005/6

- A3.1 The list below sets out Ofcom's proposed work for 2005/6 in seven main categories:
1. Implementing the strategic reviews
  2. Opening up markets and encouraging innovation
  3. Addressing important citizen and consumer issues
  4. International engagement
  5. Taking opportunities to reduce regulation
  6. Working effectively
  7. Understanding future developments
- A3.2 Section 3 of the consultation document sets out the key priorities for 2005/6 – implementing the strategic reviews and addressing the other priority areas we have identified (categories 2 to 7 above). Details of the strands of work that fall within these categories are set out in figure A3.1. In many cases there are links between projects which will be taken into account by the project teams concerned.
- A3.3 The list of projects focuses on Ofcom's work which is externally facing. Internal support functions which underpin these activities are not described in any detail, although they are clearly important to Ofcom's operations.

**Figure A3.1 Ofcom 2005/6 proposed projects and programmes**

## 1. Implementing the strategic reviews

<b>Project</b>		<b>Objectives</b>
<b>Telecoms strategic review</b>  NB The proposed work to implement the review is subject to the outcome of our consultation on phase 2.	Telecoms review implementation	Monitor the overall implementation of the review to ensure that the conclusions reached are reflected in our ongoing work.
	Telecoms review co-ordination	Take forward the conclusions of the review by drafting specific policy statements and co-ordinating the resulting projects.
	Equivalence and governance	1. Preparatory work to achieve equivalence and behavioural change by BT, with further work dependent on our final conclusions. 2. Preparatory work for a possible Enterprise Act investigation. 3. Increase incentives on BT to comply with its regulatory obligations.
	Narrowband market reviews	Implement the telecoms strategic review through market reviews, removing regulation where appropriate.
	BT's 21 <sup>st</sup> Century Network (21CN)	1. Facilitate the migration to a 21CN through industry dialogue and intervention where necessary. 2. Develop a regulatory framework for 21CN.
	Network charge control	1. Implement (where appropriate) revised price controls for network services before the current controls end in September 2005. 2. Create a structure for charge controls that takes account of BT's change of network, and promotes market stability, incentives for investment and a pro-competitive outcome.
	Cost of copper	Assess the cost of access to BT's copper access network and create a framework to enable appropriate costs to be determined.
	Geographic market analysis	Develop a framework for analysing geographic markets at a sub-national level, focusing on the markets for wholesale broadband access, leased lines and wholesale call origination and transit.
	Carrier Pre-Selection and Wholesale Line Rental	Ensure fit-for-purpose wholesale line rental and carrier pre-selection products to promote effective competition in retail voice services.
	Wholesale broadband	Promote effective competition from network operators using BT's DataStream wholesale product.
	Local Loop Unbundling	Promote effective competition from network operators using Local Loop Unbundling.
	Voice over broadband	Facilitate the development of new voice services (such as voice over broadband), while ensuring that consumers are suitably informed and protected.

## 1. Implementing the strategic reviews

Project		Objectives
	Review of OfTel guidelines	Review and update OfTel guidelines on a range of regulatory matters, including access obligations, the Competition Act and telephone numbering.
<b>Public service television broadcasting (PSB) review</b>  NB The proposed work to implement the review is subject to the outcome of our consultation on phase 2.	Implementation	Ensure effective implementation of the PSB review recommendations through: <ul style="list-style-type: none"> <li>• input to the final stages of the commercial TV licence renewal work;</li> <li>• continuing dialogue with Channel 4;</li> <li>• more detailed work on the Public Service Publisher proposal;</li> <li>• input to the BBC Charter Review; and</li> <li>• a more converged approach to PSB by bringing together TV and radio work.</li> </ul>
	Tier 2 quotas	1. Set sustainable production and output quotas, taking account of the interests of citizens and consumers, as well as licensees' available resources. 2. Consider current quotas in the light of the reviews of PSB and the production sector and implement changes where appropriate.
	Tier 3 requirements	1. Allow ITV, Channel 4 and Five maximum scope to deliver effective self-assessment of compliance with their Tier 3 PSB requirements. 2. Develop Ofcom procedures for assessment and tracking of PSB delivery and a consistent framework for reporting publicly to citizen-consumers.
<b>Spectrum Framework Review</b>  NB The proposed work to implement the review is subject to the outcome of our consultation.	Implementation	Support achievement of a successfully functioning market in spectrum through: <ul style="list-style-type: none"> <li>• a strategic approach to new spectrum release;</li> <li>• tradable spectrum rights;</li> <li>• redefining spectrum rights; and</li> <li>• influencing developments in the international spectrum framework.</li> </ul> Further details of the work Ofcom will be doing in relation to spectrum are set out under priority 2.
<b>Radio review</b>	Radio Review Implementation	Refine our view of how best to achieve 'public purposes' in radio, develop a plan for licensing further digital radio, implement the new analogue localness regulations and work with Europe to promote digital radio.
	Develop our approach to radio regulation	1. Oversee output regulation of localness. 2. Deepen our understanding of radio content, including different music and speech formats, to underpin format regulation. 3. Respond to complaints about format 'drift' and lack of required local content.

## 2. Opening up markets and encouraging innovation

<b>Project</b>		<b>Objectives</b>
<b>Promoting competition in broadcasting</b>	Review of broadcasting competition	Develop overall strategic framework within which to take key competition and regulatory decisions about broadcasting markets over the next 2 to 3 years, taking account of consumer demands, market structures, emerging gateways, the competitive environment, rights management and State Aid rules.
	Channel 3 competition issues	1. Ensure Ofcom effectively fulfils our statutory duties in relation to Channel 3 competition issues, including implementation of a new set of networking arrangements. 2. Determine whether it is necessary to review the operation of the Contract Rights Renewal remedy and the TV advertising market more generally.
<b>Telecoms issues not directly related to the strategic review</b>	Internet and Number Translation Services (NTS)	Promote competition and innovation in the provision of NTS and narrowband Internet access, while ensuring adequate consumer protection and information.
	Mobile call termination market review	Define an appropriate remedy – whether market-based or regulatory – to address any continued positions of significant market power in mobile termination.
	Wholesale international roaming market review	1. Review the wholesale international roaming market. 2. Play a leading role in developing European Regulators Group's thinking in this area.
	Regulatory finance programme	Develop a more fit for purpose financial reporting regime to address specific bottlenecks and to provide improved information for ex post interventions.
	Investigations programme	1. Reduce and deter anti-competitive behaviour by investigating complaints. 2. Directly protect consumers by targeted enforcement of consumer protection legislation.
	Number allocation and policy development	1. Allocate telephone numbers and effectively manage the available UK numbering resource. 2. Ensure that the UK harmonises where possible with European and international numbering developments, and seek to ensure that these developments are in the best interests of UK consumers. 3. Formalise numbering administration procedures for the Channel Islands and the Isle of Man. 4. Implement a new and more efficient number allocation database. 5. Ensure that the UK has a future-proof numbering strategy. 6. Maximise the scope for number portability to enhance fixed and mobile competition in

## 2. Opening up markets and encouraging innovation

Project		Objectives
<b>Releasing spectrum and promoting efficient use of spectrum</b>	Spectrum awards, trading and spectrum liberalisation – policy development and implementation	<p>the UK.</p> <ol style="list-style-type: none"> <li>1. Increase awareness, knowledge and understanding of the opportunities created by spectrum trading.</li> <li>2. Introduce spectrum trading for wide area Private Business Radio and digital Public Access Mobile Radio.</li> <li>3. Deliver a programme of new spectrum awards, including through auctions of some spectrum bands.</li> <li>4. Preparatory work to allow trading to be extended to other licence classes in 2006 and 2007.</li> <li>5. Define benchmark interference levels for licences.</li> <li>6. Consolidate existing business radio licence classes.</li> <li>7. Develop a coherent approach to the management of spectrum designated for mobile and broadband services.</li> <li>8. Work on licence exemption regulations.</li> </ol>
	Digital Switchover	<ol style="list-style-type: none"> <li>1. Ensure mechanisms in place to achieve switchover between 2007 and 2012 and that the resulting release of spectrum is dealt with in a way that is market driven as far as possible and consistent with Ofcom's strategic approach.</li> <li>2. Ensure that the implications for the TV broadcasting, manufacturing and distribution industries are handled in a co-ordinated way.</li> </ol>
	Spectrum pricing	<p>Prepare proposals relating to:</p> <ul style="list-style-type: none"> <li>• the application of administrative incentive pricing to TV and radio broadcasting; and</li> <li>• trading and liberalisation.</li> </ul>
	Recognised spectrum access (RSA)	Address issues relating to the introduction of Recognised Spectrum Access for satellite services.
	National spectrum allocation policy	<ol style="list-style-type: none"> <li>1. Increase the amount of spectrum available for release by Ofcom.</li> <li>2. Maintain an authoritative record of spectrum allocations.</li> <li>3. Ensure adequate protection for existing users and manage the relationship with the Ministry of Defence as holders of significant spectrum resources.</li> </ol>
	Independent audit of major spectrum holdings	Support the independent audit of major spectrum holdings being undertaken by Professor Martin Cave.
	Spectrum Access Programme	Licence spectrum to users, collect income and deal with customers queries.
<b>Spectrum monitoring and enforcement</b>	Field Operations	<ol style="list-style-type: none"> <li>1. Keep spectrum clear of interference through light touch enforcement.</li> <li>2. Ensure that the spectrum assets are fit for purpose and available to those who need</li> </ol>



## 2. Opening up markets and encouraging innovation

Project		Objectives
		<p>them.</p> <p>3. Make best use of remote monitoring and direction finding, as well as unattended monitoring systems.</p>
	Baldock Monitoring Station Programme	<p>1. Develop new spectrum monitoring services to support Ofcom's strategic objective of moving away from a centralised command and control model towards spectrum management led by the market.</p> <p>2. Maintain a 24 hours a day central interference reporting and resolution team for national and international interference complaints.</p> <p>3. Provide a specialist interference investigation service.</p>
<b>Radio &amp; TV broadcasting</b>	Radio licensing	<p>1. Successful and timely award of new commercial analogue FM licences.</p> <p>2. Complete first-round award of new Community Radio Licences and start second round.</p> <p>3. Start making grants from the Community Radio Fund once established.</p> <p>4. Maintain throughput of Restricted Service Licences.</p> <p>5. Technical work to maintain licensed services.</p> <p>6. Respond to digital licensing requests.</p>
	Support for radio licensing	<p>1. Provide appropriate advice to the Radio Licensing Committee on the feasibility, desirability and impact of proposed formats for FM/AM new licences.</p> <p>2. Provide appropriate content-related advice about Community Radio Applications.</p> <p>3. Conduct timely consultations and provide advice about change of formats.</p>
	TV licensing	<p>1. License TV services across all platforms efficiently.</p> <p>2. Restructure the Wireless Telegraphy Act licences and pricing arrangements.</p>

### 3. Addressing important citizen and consumer issues

Project		Objectives
Key priorities	Universal service	1. Ensure that basic telephony services are available to everybody upon reasonable request and at an affordable price. 2. Feed into 2005/2006 EC review of the Universal Service Directive.
	Media literacy agenda setting	Identify areas of concern relating to emerging communications technology and services, particularly relating to fixed and mobile internet content, and encourage public debate.
	Media literacy labelling	Establish viewer preferences with regard to information about audio visual content.
	Protection of children from harmful content including revision of ad rules concerning food and children	1. Work to understand and assess options for protecting children from harmful content in broadcast and other media. 2. Together with the newly-formed Broadcasting Committee of Advertising Practice (BCAP), complete a review of the BCAP's Broadcast Advertising Standards Code relating to food advertising to children.
	Consumer information	Implement Ofcom's approach to the provision of information to citizens and consumers, the key element being encouraging communications providers to supply information to their customers to enable them to make informed decisions, take advantage of choice and more effectively seek redress when things go wrong.
	Consumer protection	Ensure that consumers are protected from a range of potential nuisances, that they are aware of their rights and that they have access to services that communications providers should supply. Review consumer protection measures to ensure that they continue to be necessary.
Radio and television	Media Ownership Review	Review of the media ownership rules contained in the Communications Act, focusing on how they are working in practice.
	Plan for reviews in event of change of control of radio licences	Carry out speedy and authoritative reviews in the event of the change of control of radio licences.
	TV Access Code	1. Review code to ensure appropriate provision of access services by broadcasters. 2. Provide standards guidance. 3. Set statutory audio description target.
	Electronic Programme Guide Code (EPGs)	Ensure that the Code on EPGs effectively implements Ofcom's statutory obligations e.g. on appropriate prominence for PSBs and on accessibility.
	Revised rules on advertising	Revise rules on the amount and distribution of advertising.

### 3. Addressing important citizen and consumer issues

Project		Objectives
Developing the regulatory framework	Implement advertising co-regulation	Monitor the performance and effectiveness of the Advertising Standards Authority and the new Broadcast Committee of Advertising Practice in relation to the contracted-out activities of broadcast advertising regulation.
	Implement broadcast training co-regulation	Implement the proposals for a co-regulatory system for training and development in broadcasting.
Serving citizens and consumers	Ofcom Contact Centre	<ol style="list-style-type: none"> <li>1. Provide a high quality service in response to complaints from a broad range of viewers, listeners, customers of telecoms companies and users of wireless services.</li> <li>2. Put pressure on suppliers to resolve complaints directly and first time with their customers.</li> <li>3. Develop contact centre processes to maximise operational efficiency.</li> </ol>
	Review complaint & sanctions process	<ol style="list-style-type: none"> <li>1. Encourage broadcasters to handle appropriate content complaints in the first instance ('broadcaster first').</li> <li>2. Develop and implement effective procedures for handling complaints about standards, fairness and privacy and in relation to sanctions.</li> </ol>
	Encouraging the development of equipment and services that are easy for consumers to use	Working with partners in the private and public sectors, identify future priorities for action in consultation with the Consumer Panel and the Advisory Committee on Older and Disabled People.

## 4. International engagement

Projects	Objectives
EU and International Relations	Plan and implement a programme of EU and international relations.
International and European Spectrum Policy	<ol style="list-style-type: none"> <li>1. Seek European decisions (EU and CEPT) consistent with our spectrum framework review.</li> <li>2. Seek an international framework, European and global, which facilitates a light-touch framework with the minimum regulatory constraints.</li> <li>3. Develop co-operative relationships with other countries to maximise influence and support.</li> </ol>
International telecoms policy	In general, promote a harmonised EU approach in the implementation of electronic communications legislation.
Working with IRG and ERG	<p>Ensure Ofcom continues to engage with the further development of electronic communications policy in the EU. Specifically, increase Ofcom's commitment to the European Regulators' Group (ERG) and the Independent Regulators' Group (IRG) by:</p> <ul style="list-style-type: none"> <li>• contributing to the debate about how to increase the two groups' effectiveness (despite their increasing size);</li> <li>• supporting any consequent changes to the procedures of ERG and IRG with the necessary resources.</li> </ul>
Regional radio conference 2006	Seek to achieve a new ITU Plan for digital broadcasting that fully meets UK/Ofcom needs, including adequate provision for digital radio and television broadcasting, realising the 'digital dividend' and protecting the interests of other users of the broadcasting spectrum.
Review of Television Without Frontiers (TWF) Directive	Contribute to the development of an appropriately revised TWF Directive.
International Policy	Contribute to the UK Presidency of the EU in 2005, involving all relevant Ofcom activities on an integrated basis.

## 5. Taking opportunities to reduce regulation

Projects	Objectives
Reducing the burden of regulation	<p>1. Across all projects look for opportunities to reduce regulation. The following are examples of areas where it may be possible to reduce regulation:</p> <ul style="list-style-type: none"> <li>the spectrum framework review is expected to lead to spectrum licences being changed to allow more trading and more flexible use;</li> <li>our 'broadcaster first' initiative should result in fewer broadcasting complaints being resolved by the regulator;</li> <li>implementation of the telecoms strategic review may lead to exploration of de-regulation of BT's large business pricing and retail price controls;</li> <li>our review of public service broadcasting will result in a move away from genre-by-genre quotas to a new approach based on "purposes and values", with specific obligations on commercial broadcasters also likely to be reduced.</li> </ul> <p>2. Identify and realise opportunities to reduce regulation, with a particular focus on ensuring that market opening initiatives are not obstructed.</p> <p>3. Assess Ofcom's success in reducing the burden of regulation.</p> <p>4. Align regulatory interventions to Ofcom regulatory principles.</p> <p>5. Develop effective working relationships with self- and co-regulatory bodies.</p>
Impact assessments	Roll-out and implement our guidelines on impact assessments, a key part of which will be constructive engagement with stakeholders.
Convergence	Develop an understanding of convergence and what it might mean for the future of the communications market, thus enabling Ofcom to regulate in a more converged way and to identify opportunities for de-regulation that may be forthcoming.
Regulatory Approach	<p>Assess developments in regulatory thinking and practice in the UK and around the world, not just in the communications sector, focusing in particular on:</p> <ul style="list-style-type: none"> <li>reasons for intervention in markets where the existence of significant market power is not the determining factor; and</li> <li>models of regulatory funding in dynamic, changing markets.</li> </ul>
Innovation	Consider Ofcom's role in stimulating innovation, considering the possible actions it could take and how the duty to encourage innovation should be balanced against other duties.
Economic peer reviews	Ensure Ofcom's economic analysis is robust and defensible by providing an independent internal review process that challenges economic analysis and ensures a range of options have been considered. In particular, any proposals for increased regulation should be subjected to rigorous scrutiny.

## 6. Working effectively

<b>Projects</b>		<b>Objectives</b>
<b>Developmental research</b>	Audit of Nations and Regions	Analyse the current state of the communications sector by Nation and by Region and assess how our regulatory approach should be tailored to each Nation and Region.
	Digital rights	Investigate how premium TV, film & music services could further broadband take up and the potential barriers to the development of these services.
	Content technology	Track key technological developments and identify their potential impact on the consumer, the market and regulation e.g. mobile multi-media technologies, High Definition TV and Personal Video Recorders.
<b>Evidence base for policy-making</b>	Technology based analysis	<ol style="list-style-type: none"> <li>1. Understand emerging technologies and platforms.</li> <li>2. Minimise spectrum interference and maximise the availability of spectrum.</li> <li>3. Resolve technical issues associated with network resilience and interoperability.</li> </ol>
	Market research and intelligence	<ol style="list-style-type: none"> <li>1. Conduct research to provide the evidence for policy development across Ofcom.</li> <li>2. Gain a greater understanding of key attitudinal, behavioural and demographic/lifestyle differences across consumers and SMEs.</li> <li>3. Communicate to Ofcom stakeholders the state of the communications market.</li> </ol>
<b>Cross-Ofcom policy support</b>	Experience of implementing the Communications Act	Identify challenges in implementing the Communications Act and how these could be addressed.
	Strategic Plan	Set out Ofcom's key strategic operating priorities and plans for 2006/7 (and the following 2 to 3 years), its approach to regulation, future strategic thinking and financial status.
	Evaluation	<ol style="list-style-type: none"> <li>1. Evaluate Ofcom's performance and further develop the evaluation framework.</li> <li>2. Measure and monitor the full range of stakeholders' views of Ofcom in a consistent and comparable manner.</li> </ol>
	Liaison and engagement with Consumer Panel, National and other advisory committees	Ensure cross Ofcom engagement with Ofcom's panels and advisory committees to ensure that stakeholder groups can engage fully with Ofcom.
	Public, political and industry relations	Manage and implement a programme of public, political and industry relations.
	Diversity	<ol style="list-style-type: none"> <li>1. Implement and manage an internal integrated diversity strategy.</li> <li>2. Complete a Welsh Language Scheme to be agreed with the Welsh Language Board.</li> <li>3. Complete an equality scheme under the Northern Ireland Act.</li> </ol>

## 7. Understanding future developments

Project	Objectives
Second generation broadband	<ol style="list-style-type: none"> <li>1. Identify incentives and barriers to roll-out of second generation broadband, including content and digital rights issues.</li> <li>2. Map out a clear role for Ofcom in supporting an appropriate level of broadband development.</li> </ol>
Evolution of digital multi-media platforms & the implications for regulation	Ensure Ofcom understands likely developments in digital platforms and services and produce a framework to address the emerging regulatory and policy challenges – covering content delivery across different platforms, business models, consumer demand and options for regulation.
Review of content production and the independent sector	<ol style="list-style-type: none"> <li>1. Review the structure of the UK broadcasting content production sector, the prospects for growth, sources of funding, impact of regulation and the implications for future content production and regulation.</li> <li>2. In conjunction with the broader strategic review, carry out an assessment of current definitions of “qualifying independent” and “qualifying programmes”, review the operation of the 25% independent quota and codes of practice .</li> </ol>

## Annex 4

# Ofcom's launch costs

- A4.1 In this Annex we reiterate the background regarding Ofcom's launch costs, which was set out in Ofcom's Draft Statement of Charging Principles.
- A4.2 The initial costs incurred by Ofcom since its establishment under the Office of Communications Act 2002 have been met through loan funding of (GBP) £52.3m from the Department of Trade and Industry. These loans, which were made in the period from 31 March 2003 to 2 January 2004, are repayable in the period from March 2004 to March 2008.
- A4.3 The phasing of repayments is determined under the loan agreement with the DTI. We have allocated the launch costs for the complete repayment period until March 2008 on a proportionate basis to the amount of expenditure incurred by the legacy regulators in each Regulatory Sector. The result of this allocation is shown in Table A4.1.

**Table A4.1 Loan repayments**

Loan repayments (inc. interest)	2003/4 £' 000	2004/5 £' 000	2005/6 £' 000	2006/7 £' 000	2007/8 £' 000	Total £' 000
Networks & Services		2,723	2,592	2,672	2,560	10,547
TV Broadcasting		2,578	2,454	2,530	2,423	9,985
Radio		403	383	395	379	1,560
Other Sectors	7,328	13,948	13,425			34,701
<b>Total</b>	<b>7,328</b>	<b>19,652</b>	<b>18,854</b>	<b>5,597</b>	<b>5,362</b>	<b>56,793</b>

- A4.4 The recovery of these allocated costs is part of the costs for each Regulatory Sector or Tier.