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for Culture
Media & Sport

Connectivity, Content and Consumers

Britain's digital platform for growth



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Foreword

It can, at times, be hard to remember what life was like before smartphones, social networking and catch-up television. The internet has transformed our lives and, as well as changing the way we interact with each other, new technologies like these – and the digital infrastructure upon which they rely – underpin the UK's economic ambitions for the future.


The UK has built strong digital foundations, and we are reaping the benefits, but in the face of rapid change, we cannot afford to be complacent. Following a two year review of the media and telecommunications sectors, this paper identifies four areas for action:

- 1) **World-class connectivity** – As new technologies emerge, from cloud computing to connected TVs, there is an ever greater demand for bandwidths and faster connection speeds. We will continue to deliver the digital infrastructure to support this.
- 2) **World-beating innovative content** – Our Public Service Broadcasters are the envy of the world, and are still the driving force behind much of the high-quality UK-produced programming that is in demand at home and abroad. As the online environment changes how we watch TV, we will act to maintain our model of Public Service Broadcasting and we will continue to support wider investment in high-quality, UK content.
- 3) **Consumer safety** – The internet has brought information, knowledge and opportunities, but it can also cause confusion and concern. For example, parents want to know that their children are safe when they are online, just as they want to know they are safe when playing outside. We will act to provide the protections and the standards that people want and expect.
- 4) **Cost of living** – In challenging economic circumstances, it is even more important that households are able to choose from a range of innovative and affordable media and telecommunications products and services. We will act to ensure that people have access to the information they need to be able to make the right choices for them, and understand their options for recourse.

The actions in this paper, many of them delivered in partnership with industry and regulators, will ensure that people and businesses throughout the UK are able to make the most of the digital age.



Maria Miller
Secretary of State for Culture,
Media & Sport



Ed Vaizey
Minister for Culture, Communications
and Creative Industries



Executive summary

The UK's media and telecommunications sectors have a proven track record as drivers of economic growth. These sectors increasingly shape – as well as reflect – all aspects of modern British life, and provide a platform to showcase Britain to the world.

The Government's overriding objective is to equip the UK to succeed in the global race, to secure a stronger economy and a fairer society and to help people who aspire and work hard to get on. In the twenty-first century, the world order is being decided by which countries are able to harness these new transformational technologies.

Over the past two years we have reviewed the legislative framework governing the media and telecommunications sectors to ensure that it remains appropriate for the digital age.

Our discussions with industry and others demonstrated that the present framework is broadly working well, supporting economic growth and innovation, and the things that we value as a society: high-quality news, radio, and TV programmes. We are better connected now than we have ever been, and no longer limited by our physical location. Nearly all households and businesses can access at least current generation broadband and we have some of the lowest priced broadband in the EU. We are producing content that is in demand both at home and abroad: we have a great history of Public Service Broadcasting and the BBC, ITV, S4C and Channels 4 and 5 now invest over £3 billion a year in UK content. Increasingly our commercial broadcasters are commissioning UK programmes with investment in excess of £600 million per annum – and we are seeing increased inward investment in programmes made in the UK.

However, media and telecommunications are fast moving sectors. In 2003, when the last piece of major legislation governing the sector was enacted, YouTube didn't even exist. Yet today over 100 hours of video is uploaded to the site every minute, and more than a billion people visit the site each month. Now some 33 million UK adults access the internet every day; more than double the number that did so in 2006. We are embracing new technologies and new online services: it is estimated that in 2010, the digital economy accounted for over 8% of GDP – a greater proportion than in any other G20 country¹.

Businesses that are taking advantage of high-speed broadband and that have built a strong presence online are growing more than twice as fast as those that are not². Even the language we use is changing, we now talk of Google-ing, trending, and the app-economy, and the new meaning of the word 'tweet' has now made it into the Oxford English Dictionary.

Success has brought new challenges: how we keep pace with the demand for ever greater connectivity, maintain investment in high-quality UK content and in the area of

¹ Boston Consulting Group

² McKinsey Global Institute: Internet matters: The Net's sweeping impact on growth, jobs, and prosperity, May 2011.

consumer protection. In each of these areas there is more to be achieved. We want fast, reliable connectivity to be available for all. In an increasingly globalised content market, we must ensure that people can access high-quality content that they can trust. We must also ensure that adequate protections apply in the online world just as they do offline. And the Government understands the tough economic challenges for families, so we are determined to do everything we can to help technology support increased employment and ensure there is greater choice, competition and transparency in the market place.

Our strategic priorities are therefore to:

- Establish **world-class connectivity** throughout the UK;
- Support the production of **world-beating innovative content** and services that originate here in the UK, but that are in demand across the globe;
- Ensure **consumer safety** in an increasingly online world; and
- Help to keep the **cost of living** down by ensuring consumers have choice about the range of communications and media services available to them

There is much that Government can do outside of regulation, working in partnership with industry and others. Indeed, the rapid pace of change demands that those at the cutting-edge of technological change, the industry itself, take ownership and show leadership. Nevertheless, where necessary, we are proposing some targeted updates to our legislative framework. Working in partnership with others, we have therefore set out what we want to see and a flexible, principle-based approach to achieve it.

1: World-class connectivity and digital inclusion

The UK has built strong digital foundations, and we are reaping the economic benefits. It is also important to us as a society, providing us with new opportunities and new challenges for how we learn, organise our lives, and participate in cultural life. We are already making great strides in developing our digital communications infrastructure, but we want to enable everyone to access world-class, high-speed, reliable internet services wherever they are. To do this we are:

- **Investing in broadband:** With local authorities and the devolved administrations, we have so far committed to investing £1.6 billion of public funds to extend superfast broadband to 95% of premises by 2017³. And as announced in the Spending Review, we are exploring with industry how to expand coverage further, using more innovative fixed, wireless and mobile broadband solutions, to reach at least 99% of premises in the UK by 2018.
- **Supporting mobile telecommunications:** Through the spectrum auction for 4G services earlier this year, we have paved the way for quicker and competitively priced mobile internet access to 99% of the population; and we are working with the University of Surrey, industry and the wider research community, to establish the world's first test bed for 5G technologies and services. We are investing up to £150 million to improve mobile voice coverage across the UK, in poorly-served, mainly rural areas. We will aim to cover as many not-spots as possible, providing a boost to local economies and equal access to mobile services across the UK.

³ The £1.6bn figure is comprised of £1.2bn of local and national funding for rural areas, £150m Urban Broadband Fund, and the £250m announced in the Spending Review, to be locally match-funded, to extend superfast broadband to 95% of UK premises by 2017.

- **Making infrastructure deployment easier:** We will remove barriers and red tape so that rollout of this vital infrastructure is not unnecessarily delayed by planning refusals, or confusion when carrying out street works, or by long running legal issues over access to private land.
- **Making better use of spectrum:** We will set out a 10 year plan to deliver greater public value from the use of electromagnetic spectrum – the invisible airwaves that transmit data through the air upon which many innovations including TV broadcasts, radio, satellite, Wi-Fi, GPS devices, tablets and smartphones depend. This will look across public and private sector users. We will also legislate to support its efficient management, for example, by allowing Ofcom to run incentive auctions for the release of spectrum, and to facilitate dynamic spectrum access, so that if spectrum is not in use by its primary user, it can be flexibly reallocated to others, for example, by using white space technologies. In parallel, work is continuing to deliver our target of releasing 500MHz spectrum from public sector use by 2020.
- **Supporting digital inclusion:** Infrastructure isn't the only story when it comes to getting people connected. Even today some 16 million people do not have the basic online skills to communicate, find and share information safely. Whether someone is getting online for the first time or a Facebook fanatic, we want everyone to have the opportunities, skills, and knowledge to make the most of online services and digital connectivity. That is why Martha Lane-Fox, the Government's Digital Champion, and Go On UK have been working hard to ensure that this is the case, and we want this important work to continue. In addition, the Government Digital Service in the Cabinet Office is establishing a cross-Government Digital Inclusion Team which will develop a delivery-focused strategy, co-ordinate and embed central Government's activity on digital inclusion and work closely with Go On UK, as well as public, private and voluntary sector stakeholders to drive opportunities for shared programmes of work. We also want the benefits that new services bring to be enjoyed equally by everyone, including those with disabilities and the elderly, and so we are working with the eAccessibility Forum to encourage industry to explore inclusive design and to develop and share best practice across all sectors to improve access of online services. We will continue to work with Ofcom and the Authority for TV on Demand (ATVOD) to ensure that everyone can get the most from online services.
- **Working to develop a UK digital communications infrastructure strategy:** As technology continues to develop, there is an ever greater demand on bandwidths and for ever faster connection speeds. According to Intel, by 2020 there will be some 31 billion 'connected devices', from mobile phones to connected appliances. From smart boilers that can be switched on and off remotely, to sensors on cattle that inform farmers when an animal is sick or pregnant, the 'internet of things' will continue to drive innovation, productivity and economic growth. We need to plan long-term to have the digital infrastructure to support this. Working in partnership with industry experts, we will develop a UK strategy for our digital infrastructure. This will consider the measures needed, from Government and others, to ensure that the UK continues to benefit from world-class communications networks as technology and the digital economy develop further. As part of this, we will invite leading thinkers to contribute expert analysis. We will draw this work together by the end of 2014.

2: World-beating content

The great TV we produce and consume continues to define us as a nation, and is increasingly in demand around the world. The revenue generated from international sales of TV and associated activities grew by 9% between 2010 and 2011 to £1.4 billion. This is supporting jobs and growth across the UK's creative industries as well as those moments when we gather together around the TV to watch great sporting achievements or the latest instalment of our favourite soap. To maintain this success we will:

- **Support our Public Service Broadcasters to continue to deliver high-quality content that we value by:**
 - i. Legislating to maintain the prominence of Public Service Broadcasters (PSBs) – the BBC, ITV, S4C, Channels 4 and 5 – at the top of Electronic Programme Guides, the TV listing services that signpost people to what's on TV. At present, the Public Service Broadcasters occupy the top slots, and this is achieved by legislation. But as viewers move away from traditional numerical channel lists, standard definition formats, and viewing at the time of broadcast, we want to ensure that the programmes UK audiences know and love – from Coronation Street to EastEnders – continue to be easy to find and access. This will support the ability of our Public Service Broadcasters to raise revenue to invest in original UK content, so that they can continue to deliver the quality and variety of content enjoyed by UK viewers, from trustworthy and impartial news and current affairs, to high quality and original programming reflecting the breadth and variety of the culture, languages and viewpoints that we have in the UK;
 - ii. Being clear that where our PSBs offer their programmes to commercial satellite or cable platforms free of charge for transmission to their audiences, we do not expect the platform to charge the PSBs any costs associated with transmission – in recognition of the value of the content they have been given. We will also look at the protection of the Public Service Broadcasters' intellectual property online. This will maximise the revenue available to PSBs to support investment in UK programmes;
 - iii. Working with industry to maximise the efficient use of spectrum, facing up to the challenges of increasing competition for spectrum; and
 - iv. Scaling back Ofcom's duties in relation to Public Service Broadcasters, to reduce unnecessary burdens.
- **Support wider investment in high-quality content:** Through tax breaks for animation, and high-end TV, we are supporting UK digital media content. Tax relief for video games production will be introduced shortly. We are also making the UK a more competitive place to invest by working with UKTI and as part of the GREAT campaign to promote UK content on a global scale. At the local level, we are creating a network of local TV services which will create a thriving industry of local services, creating jobs and supporting the development of local talent. We are working with the industry-led Creative Industries Council to explore what more can be done to improve our competitiveness in this sector.
- **Protecting intellectual property (IP):** The ability to protect intellectual property goes to the heart of the success of our creative industries, providing the means by which rights holders can generate value from their works. We will continue to work with industry to, for example, remove payment facilities from sites dedicated to infringing copyright, and discourage respectable brands from advertising on such sites. We have set up a new unit within the City of London Police aimed at targetting intellectual property crime.

- **Supporting digital radio:** Radio services are trusted brands playing an important role both at a national level and in local communities. Digital platforms offer much more scope for the radio industry's growth than analogue radio, because of their capacity for many more radio stations and the potential for increased revenue opportunities to sell apps and digital programmes in the UK and overseas. We have said that we will be setting out our plans to support digital radio at the end of the year. We will also review regulations for community radio to see if they can better reflect the challenging economic climate that it now operates in.

3: Consumer confidence and safety

We want the UK to be a nation of confident and safe consumers, able to make the most of the opportunities that the digital world has to offer. To support this, we will make sure that people are equipped with the tools they need to navigate the range of new digital products and services safely, and to understand the protections that apply should things go wrong.

- **Standards in the digital world:** In a connected world, the internet's role in delivering content is expanding. From news and celebrity gossip to their favourite TV shows or music, people are increasingly accessing content from their smartphone, tablet or connected-TV. But in this changing world, people still expect different standards from their TV, radio, newspapers and social media. Each type of media is governed by different levels and methods of regulation. As the boundaries between these types of media continue to blur it can be confusing to work out what level of regulation applies to a given service or piece of content. For example, 'TV-like' content over the internet will not necessarily be subject to the same standards as programmes broadcast on TV. In preparation for a more converged future, we want industry and regulators to work together on a voluntary basis to develop a more common framework for media standards, so that a more consistent approach applies across different media, reducing the likelihood of people getting caught out.
- **Illegal material:** There are some kinds of written material, images and videos, such as images of child abuse and material promoting terrorism, which are unacceptable in any circumstances. We are clear that there should be no forum for this – online, offline or via any other medium – and we will pursue, shut down, and prosecute those who are involved with it. Ensuring that the sector is doing everything it can to remove or block illegal material online and working collaboratively with law enforcement agencies to do so, is a clear priority for Government. The Prime Minister and Maria Miller have made clear that the Government expects to see a step-change in action to tackle child abuse images and protect children online, including:
 - A new proactive role for the Internet Watch Foundation in searching for images of child abuse on the internet, working closely with the Child Exploitation and Online Protection Centre (CEOP) and industry to ensure those images are removed, victims are identified and perpetrators prosecuted. This work will be supported by funding from our four largest internet service providers – Virgin Media, BSkyB, BT and TalkTalk – and Google.
 - The adoption of 'splash pages', wherever child abuse sites have been identified and taken down. Where someone arrives at one of these sites, the 'splash page' will warn them that the page contained illegal images. We also want these pages to clearly set out the consequences of accessing such images, and direct people to the charity campaign 'Stop It Now', which can help people change their behaviour

anonymously. In parallel, Google, Microsoft and Yahoo are engaged in a major campaign to deter people from searching for child abuse images.

- Action by search engines to ensure that searches are routed to legitimate sites – for example, on child sex education – as opposed to providing pathways to illegal images, and for a 'blacklist' of unacceptable terms to be established so that where the intent of the searcher is clear, no search results are returned at all.
- Linking databases across police forces to produce a single, secure database of illegal images of children to help police work together effectively to close the net on paedophiles, and a new UK-US taskforce to maximise international efforts to stamp out these images.

The Prime Minister has called for a progress report from search engines in October. If progress is slow, we will consider legislating.

- **Inappropriate and harmful material:** We are also determined to protect children from content that is meant for adults. Parents have primary responsibility for protecting their children whether online or offline, but to help them do this they need to have the right tools; tools that are easy to use and appropriate to different types of media.
- **Online:** Across the internet value chain, we expect industry – from retailers to device manufacturers – to ensure that all internet-enabled devices, whether a TV, games console or smart phone, are supplied with the tools to keep children safe as a standard feature. All mobile phone operators have now agreed to apply adult content filters on their phones automatically. Inside the home, the four main internet service providers, who together cover 9 out of 10 homes, have agreed that by the end of this year, when a new customer sets up a broadband account the settings to install family friendly filters will be automatically selected. And once installed these filters will cover every internet connected device in the home, providing one click protection. By the end of next year those providers will also have contacted all of their existing customers and presented them with an unavoidable decision about whether or not to install family-friendly content filters. On public Wi-Fi, the 6 main providers, covering 90% of the network, have also committed to apply family friendly filters wherever children are likely to be present. And, we are keen to introduce a "family-friendly Wi-Fi symbol" which retailers, hotels and transport companies can use to show that their public Wi-Fi is filtered.
- **Catch-up TV and video on demand:** We want to make sure that the living room remains a safe space and we will work with industry, and at a European level, to ensure that people can be confident in the standard of content accessed on their TV – whether viewed at the time of broadcast, or on demand. We will legislate to clarify and strengthen the rules for regulated on demand services to ensure that R18 material (hard copies of which could only be sold in licenced sex shops) is put behind access controls, and material that could not be sold even in licensed sex shops is not sold on these services. We are also closing a loophole in the Criminal Justice and Immigration Act 2008, so that it is a criminal offence to possess extreme pornography that depicts rape.
- **Advertising:** We must ensure that advertising and other marketing methods in the digital world are appropriate, in terms of who they target, where they are shown, and in the methods they use. As the shape of advertising changes in response to the changing behaviours of audiences, we will work to ensure that the self-regulatory structures in place to support this, notably the Advertising Standards Authority, are equipped to do so.

As consumer behaviour, and therefore advertising, steadily moves online, it will be important to ensure that the self-regulatory regime that underpins the industry has sufficient support from Government, and is adequately self-funded by the industry, via a levy, to remain sufficiently flexible and nimble in the coming years.

- **Privacy:** As online services become increasingly personalised, we need to make sure people understand and have control over the way their personal data is used. At the same time, targeted advertising is an important revenue generator for industry and is welcomed by many consumers. We have extended the role of the Information Commissioner's Office to ensure that it has the tools it needs to carry out its regulatory duties effectively in the digital age, and are working with the European Commission on its review of the EU Data Protection Directive to make sure that the needs of businesses and consumers are properly balanced.
- **Nuisance calls:** Whilst direct marketing is a legitimate activity, unwanted marketing calls and text messages selling a service can be a persistent and unwelcome feature of everyday life. It is a nuisance, but it can also cause anxiety and distress. We will enable Ofcom to share information more readily with the Information Commissioner's Office and the Insolvency Service so that it can more effectively take action against companies making nuisance calls. We will continue to work with industry and regulators to address unwanted marketing calls and text messages through better enforcement, and if necessary review the regulatory landscape to better target those who break the law. We also welcome the Culture, Media and Sport Select Committee's inquiry into nuisance calls.

4: Cost of living

In challenging economic circumstances, it is even more important that consumers are able to choose from a range of innovative and affordable media and telecommunications products and services, have the right information at their disposal to enable them to exercise those choices, and understand their options for recourse should they be misinformed.

Actions to underpin this include:

- **Switching:** We recognise that switching processes work better for consumers when only one call needs to be made to the company the consumer wishes to switch to for the switch to happen, and there is no need for consumers to contact their existing provider (so called 'gaining-provider led' switching). Working with Ofcom, we will do everything we can to move towards a system of gaining-provider led switching across the board. Consumers are increasingly buying services in bundles, for example, phone, broadband and pay-TV. This can make switching providers more difficult as there are different switching processes attached to each component of a bundle. We will legislate to give Ofcom a duty to ensure a consistent and effective experience for consumers switching between bundles.
- **Internet traffic management:** Cisco predicts that internet traffic will reach 1.4 zettabytes (a zettabyte is equal to a trillion gigabytes) a year in 2017, which is the equivalent to all the films ever made crossing global networks every 3 minutes. As the amount of data exchanged increases we want to ensure that consumers are aware at the point of sale of the internet traffic management policies that their internet service provider or mobile network operator has in place. For example, some mobile network operators block the use of apps like 'Skype', although this may be reflected in cheaper contracts. We think it should be for consumers to decide what best meets their needs,

so, in the first instance, we have asked Ofcom to work with internet service providers to encourage them to make their traffic management policies more transparent on a voluntary basis – the challenge for industry will be to do this in a way that is clear and understandable to consumers. Where there is evidence of consumers not being made sufficiently aware, Ofcom will act to require operators to make their traffic management policies more transparent. We believe in the principle of an open internet and will keep this area under review.

- **Bill shock:** With the proliferation of mobile devices and data consumption, there is a risk that people will receive unexpectedly high bills. We want industry to play a greater role in reducing instances of 'bill shock' through the establishment of a code of practice, including for example, limiting people's liability for costs of calls made from stolen phones, and ensuring that people are notified when they are reaching the data limit under the terms of their contract.
- **Premium rate services:** There has been an increase in premium rate services (PRS), where payments for goods or services are charged to a phone bill or pre-paid account, and tend to cost more than a normal phone call or text message. This has been fuelled by the take-off in TV participation services (like TV voting via text), subscription services such as those to online gaming or dating websites, and the increasing use of apps. But some providers are not making the costs clear or are using misleading promotional material. This is a breach of the Code of Practice. To deter such breaches, we will clarify legislation so that it is clear that companies could face the maximum penalty of £250,000 for each and every breach of the Code, reflecting the level of potential consumer harm that may arise.
- **Consumer rights:** We are developing a suite of reforms to simplify and modernise consumer law, including a Consumer Rights Bill, which proposes the introduction of a new category of digital content in consumer law, together with a set of statutory rights for the quality standards that this content should meet, and the remedies available to consumers when digital content does not meet these standards.
- **Competition:** A thriving competitive industry drives innovation, greater choice and lower prices for consumers. The broadcasting landscape has changed considerably since broadcasting competition legislation was introduced: an explosion in the number of TV channels; converged devices allowing us to access different types of content on a single platform; more of us signing up for 'triple play' bundles of TV, phone and broadband services from a single supplier; and services such as those offered by LOVEFiLM and Blinkbox who have taken advantage of higher broadband penetration to develop new ways of retailing audio-visual content. We will therefore consult on the effectiveness of the *ex-ante* competition regime for broadcasting. In parallel, the case for streamlining the communications regulatory appeals process is being looked at as part of a wider examination of appeals against decisions of economic regulators which is being led by the Department for Business, Innovations and Skills.

Closely linked to this work, the Government published a National Cyber Security Strategy⁴ in 2011, which sets out how the UK will support economic prosperity, protect national security and safeguard the public's way of life by building a more trusted and resilient digital environment. The Government also recently published its Information Economy Strategy, developed in partnership with industry and academia, which sets out our vision for the success of the wider information economy.

⁴ <https://www.gov.uk/government/publications/cyber-security-strategy>

Next steps

We have set out the actions necessary to achieve our vision of:

- **World-class connectivity** throughout the UK;
- **World-beating innovative content** and services that originate here in the UK, but that are in demand across the globe;
- **Consumer confidence and safety** in an increasingly online world; and
- And helping to keep down the **cost of living**.

Given the pace of change, it is clear that we will need to keep the legislative framework for the sector under review. Rather than making sweeping changes to legislation, instead we are proposing to make incremental changes – updating the framework of 2003 as necessary. This paper includes the first set of such incremental changes, to reflect this evolutionary rather than revolutionary approach. Where indicated, we will be bringing forward legislative provisions, and we will invite comments on these over the coming months. In addition, there are some areas where further views from stakeholders would be beneficial in order to develop legislative proposals, and we will be launching consultations in support of these shortly.

1: World-class connectivity and digital inclusion

Chapter summary

The UK has built strong digital foundations and we are reaping the economic benefits. It is estimated that in 2010, the digital economy accounted for over 8% of GDP – a greater proportion than in any other G20 country, but as the technology develops further, the potential is ever greater. We want to retain Britain's pole position and to enable everyone to benefit from the opportunities that come with world-class connectivity.

To do this we are:

- **Investing in broadband:** With local authorities and the devolved administrations, £1.6 billion of public funds have been committed to date to support private investment and extend superfast broadband to 95% of UK premises by 2017. And as announced in the Spending Review, we are exploring with industry how to expand coverage further, using more innovative fixed, wireless and mobile broadband solutions, to reach at least 99% of premises in the UK by 2018.
- **Supporting mobile telecommunications:** Through the spectrum auction for 4G services earlier this year, we have paved the way for quicker and competitively priced mobile internet access to 99% of the population. To prepare for even faster mobile coverage, we will establish the world's first test bed for 5G technologies and services. We are investing up to £150 million to improve mobile services in the UK in areas where coverage is poor or non-existent.
- **Making better use of spectrum:** We will be setting out a 10-year plan to deliver greater value from the use of spectrum – the invisible airwaves that transmit data, for example, to phones, tablets or other portable smart devices. This will look across public and private sector users. We will also give Ofcom new powers to manage spectrum more efficiently, enabling more spectrum to be freed up. Work is continuing to deliver our target of 500MHz of public sector spectrum release by 2020.
- **Making infrastructure deployment easier:** We will remove barriers and red tape so that rollout of this vital infrastructure is not unnecessarily delayed by planning refusals, or confusion when carrying out street works, or by long running legal issues over access to private land.
- **Supporting digital inclusion:** We are working closely with Go On UK, the BBC, the Big Lottery Fund and the public library network to support people, businesses, charities and communities to take full advantage of the web. The Government Digital Service in the Cabinet Office is establishing a cross-Government Digital Inclusion Team which will develop a delivery-focused strategy, co-ordinate and embed central Government's activity on digital inclusion and work closely with

Go On UK, as well as public, private and voluntary sector stakeholders to drive opportunities for shared programmes of work. In addition, we are working with the eAccessibility Forum to encourage industry to explore issues of inclusive design and share best practice across all sectors to improve access to online services for disabled people.

- **Working to develop a UK digital communications infrastructure strategy:**

This will consider the measures needed, from Government and others, to ensure that the UK continues to benefit from world-class communications networks as technology and the digital economy develop further.

Fast, reliable, competitively-priced digital connectivity is crucial to economic growth. It enables businesses to reach new markets, strengthen relationships with their customers and suppliers, and create new products and services. Businesses that are taking advantage of high-speed broadband and building a strong online presence are growing more than twice as fast as those that are not⁵. Future growth right across the economy will be based on connectivity, and a modern digital infrastructure is crucial to enabling us to compete internationally. There are wider benefits beyond this too: as individuals, our day to day chores like shopping and banking are becoming easier; as communities we are increasingly able to share and learn regardless of our location; and as a society, the digitisation of public services is improving their efficiency and extending their reach, as well as making it easier for all of us to engage with the democratic process.

In relative terms, Britain is already well connected. For example, nearly 100% of households can access at least current generation broadband, and mobile networks reach over 99% of households⁶.

But developing technology is placing an ever greater demand on bandwidths and call for faster and faster connection speeds, from an ever wider range of connected devices. By 2020, it is predicted that there will be some 31 billion connected devices: mobile phones, tablets, connected appliances and other smart machines⁷. Other estimates are even higher. This evolving technology will allow machine to machine communications to provide an on demand service anytime and anywhere in the world. Whether it helps a driver find an allocated car parking space, or a public authority to know when 'smart bins' needs to be emptied, the 'internet of things' will drive innovation, productivity and growth – provided there is the connectivity to support it. Higher speed connectivity is also required to enable us to fully take advantage of new technologies like 'cloud' computing, remote data storage and software services which allow individuals and businesses to access their data – such as photos, documents, or films – anytime, anywhere, at little or no cost. Both fixed and mobile networks have a crucial role in facilitating this, and will increasingly interact with each other to ensure anytime anywhere coverage.

⁵ McKinsey Global Institute: Internet matters: The Net's sweeping impact on growth, jobs, and prosperity, May 2011.

⁶ <http://stakeholders.ofcom.org.uk/market-data-research/other/telecoms-research/broadband-speeds/infrastructure-report-2012/>

⁷ Intel

Broadband

Superfast fixed broadband networks are a key plank of our digital infrastructure, not only providing high-speed fixed connectivity but facilitating wireless connectivity too. Superfast broadband provides the sorts of speeds which will mean that households with numerous connected devices – tablets, phones, TV's, PCs, and games consoles – can simultaneously upload and download content with ease.

The market has been successful in delivering broadband at increasingly fast speeds at a reasonable cost to much of the population. BT is bringing superfast broadband to 100,000 new homes and businesses each week⁸. Virgin Media offers services of up to 100Mbps to its entire network (approximately 50% of households), with 40% of its network being offered up to 120Mbps. Our flagship businesses are tapping into global markets, and our consumers enjoy excellent choice and services when choosing their broadband service.

But there are areas in which the provision of superfast broadband is not commercially viable. For this reason, the Government has been making significant investments in broadband right across the UK since 2010. Through an investment programme of £1.6 billion of public money committed to date, and through working in partnership with industry, the UK will achieve a transformation in broadband. Speeds will be dramatically higher, and superfast fixed and mobile broadband will be widespread.

Some £1.2 billion of public funds (from central Government, local authorities and the devolved administrations) is being invested to bring broadband to rural communities – arguably those who need it the most. We have made significant progress: all projects should have completed their procurement phase by the end of summer, moving rapidly to spades in the ground. The current programme will support coverage for 90% of UK households, but we want to go further, and have announced as part of the recent Spending Round a further £250 million investment, to be locally match-funded, to extend superfast broadband to 95% of UK premises by 2017. And, as announced in the Spending Review, we are exploring with industry how to develop the more innovative fixed, wireless and mobile broadband solutions required to move to at least 99% superfast coverage by 2018.

And through our £150 million Urban Broadband Fund, and working closely with local authorities and the private sector, we are establishing some of Europe's best connected cities which can compete with the best in the world⁹, stimulating the market to go further and at a faster pace than it might have done otherwise. We want to support growth in our cities through a number of interventions. We aim to fund the connection costs for SMEs and other target groups through a connection voucher scheme where the market will not deliver or where high installation costs prevent take-up. We will provide spaces in publicly owned buildings with free high-speed wireless connectivity and remove the barriers to rapid private sector deployment through, for example, upgrading street furniture for wireless services. We will invest in capital projects that will demonstrate the economic benefits of high-speed connections, increasing demand and skills.

⁸ <http://www.btplc.com/news/articles/showarticle.cfm?ArticleID=5e7e4f67-e594-44e2-986a-bfcc825889f2>

⁹ Further details can be found on the DCMS website

http://www.culture.gov.uk/what_we_do/telecommunications_and_online/8830.aspx

Mobile telecoms

As well as fixed connectivity, increasingly we need world-class wireless communications infrastructure – so we can access what we want, wherever we happen to be.

We cannot forget in the clamour for new technologies, the basic voice services that most of us take for granted. It has been some 40 years since the first mobile phone call was made¹⁰, and despite the exponential advances in the way that we communicate with one another, voice calls still do matter. We believe that it is important to get a mobile signal wherever you are in the UK. Impressively, coverage currently stands at over 99% of premises but even today there are some 80,000 premises in 'complete not-spots' where coverage doesn't yet exist, and the majority of these are in rural areas. In 2011, we announced up to £150 million of funding to improve mobile coverage and quality across the UK¹¹. The Mobile Infrastructure Project will improve coverage through building additional mobile infrastructure and providing state of the art coverage in areas currently with none. We will cover as many of these not-spots as possible, as well as key roads without continuous coverage. Arqiva was appointed to provide the MIP Infrastructure in May and is working closely with local authorities and other key organisations to ensure that local issues are considered as necessary throughout the design and installation of the new infrastructure.

The successful auction earlier this year of licences for spectrum for 4G services paved the way for people across the UK to benefit from quicker and competitively priced mobile internet access. In addition to EE's 4G services which have been available since October 2012, other operators are now too preparing for their nationwide rollouts. Following its success at auction, Telefonica O2 has announced that it intends to provide indoor 4G reception covering at least 98% of the population by end 2015, two years faster than required by its licence, and other operators are looking to match or better this. And to make preparations for even faster mobile connectivity, we are working with the University of Surrey, industry and the wider research community, to establish the world's first test bed for 5G technologies and services, which we want to act as the catalyst for a nationwide effort to achieve our ambition to be a world-leader in the development of 5G technology.

Spectrum management

The roll out of 4G services and the demand to go further with 5G has highlighted the increasing value of spectrum and it is important that we manage it as efficiently as possible.

It is predicted that global mobile data traffic will increase 18 fold between 2011 and 2016¹². Furthermore, some predict that by 2014, traffic from wireless devices will exceed traffic from wired devices¹³. Such uses have a direct impact on the economy and Analysys Mason recently estimated that spectrum's contribution to GDP was £52 billion in 2011, representing an increase of 25% in real terms since 2006¹⁴ – mostly delivered through mobile communications.

¹⁰ The telegraph <http://www.telegraph.co.uk/technology/mobile-phones/9968173/Mobile-phone-at-40-so-much-more-than-talking.html>

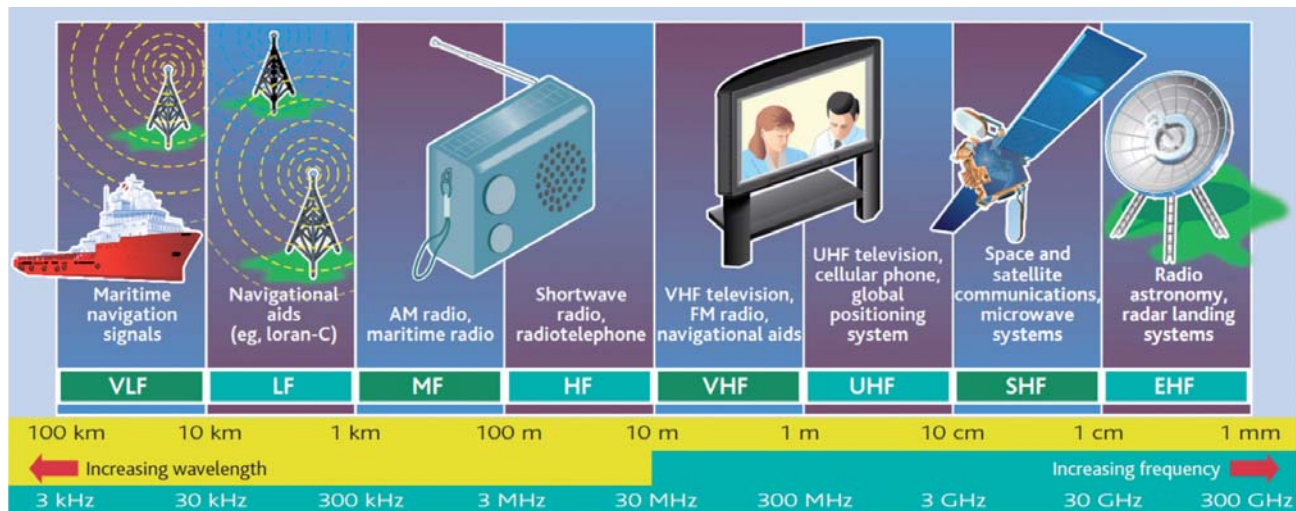
¹¹ <https://www.gov.uk/government/news/chancellor-announces-increase-in-mobile-phone-coverage-in-the-uk>

¹² Cisco: <http://newsroom.cisco.com/press-release-content?articleId=668380>

¹³ Cisco, Visual Networking Index: Forecast and Methodology, 2011-2016 May 30 2012 http://www.cisco.com/en/US/solutions/collateral/ns341/ns525/ns537/ns705/ns827/white_paper_c11-481360_ns827_Networking_Solutions_White_Paper.html

¹⁴ Analysys Mason, Impact of Radio Spectrum on the UK Economy and Factors Influencing Future Spectrum Demand (2012) <http://www.culture.gov.uk/publications/9498.aspx>

Figure 1: From TV sets, to smart phones and from tablets to sat navs, the transmission of data through the 'air' is reliant on spectrum.



Adapted with permission from: 'Telecommunications media'. Encyclopaedia Britannica Online © 2001 Encyclopaedia Britannica, Inc.

In the near term, we will make a number of targeted amendments to legislation to improve spectrum management:

- We will facilitate dynamic spectrum access which makes spectrum available to other users as and when it is unused by the primary user(s). This promises to provide much improved access to spectrum through sharing, for example, through the use of white space technologies.
- We will give spectrum licensees the right incentives to surrender all or part of their rights to spectrum for other uses where it is no longer needed or is being under-used, by giving Ofcom the power to run auctions where some of the proceeds are shared with the licensees that have surrendered their spectrum rights.
- We will enable more strategic decisions to be taken about the spectrum currently used by terrestrial television by allowing Ofcom, with the Secretary of State's consent, to align the end dates of TV multiplex operator and Public Service Broadcast licences between 2024 and 2026, and ensure that they remain aligned in the future. We will also remove the statutory duty on Ofcom to do all it can to secure the provision of a public Teletext service, which ceased in December 2009, and free up the spectrum that is currently reserved for it for other uses.
- We will make it easier for the Secretary of State to direct Ofcom on spectrum matters so as to implement broader Government policy. We used this power in 2010 ahead of the 4G auction but with spectrum playing an increasing part in supporting Government policy we need to be able to work with Ofcom in a timely fashion.
- We will enable Ofcom to act more flexibly in its enforcement of Wireless Telegraphy Act licences by allowing it to apply monetary penalties, instead of revocation of the licence, where appropriate for breaches. Revocation can cause issues for consumers, for example, they may be left without a service, and it can be disproportionate for a breach of a condition such as a coverage obligation. We also intend to make other minor amendments to the Wireless Telegraphy Act 2006 to remove anomalies and improve the effectiveness of enforcement, for example changing the Suspended Enforcement Period for Fixed Penalty Notices from one month to 28 days, bringing it in line with practice in the criminal and civil jurisdictions.

UK Spectrum Strategy

In our Information Economy Strategy, published in June¹⁵, we said we would set out how we would take an innovative approach to spectrum management. Working with Ofcom and spectrum users, we will develop the UK Spectrum Strategy. This will set out the key changes that we believe will be necessary over the next ten to fifteen years. It will continue to promote market mechanisms to drive greater value from spectrum, whilst recognising social value where appropriate. It will also detail the steps likely to be required to achieve those goals. It will cover all UK spectrum use and set this within an international context. It will clearly set out the roles and responsibilities of Government – its responsibility for spectrum policy and set this in the context of the Government's broader policies for the economy and society more widely – and those for Ofcom and spectrum users.

Specifically, it will include: the timeframe for key decisions on the potential future clearance of 700MHz; the public sector release programme with the planned sales and sharing opportunities for 500MHz below 5GHz by 2020; the spectrum requirements of the emergency services and how best to meet their future needs and improve on current practice; and, meeting the EU's objective for at least 1200MHz to be made available to mobile broadband.

We will also work with Ofcom and the UK Space Agency to ensure that there is sufficient spectrum available to the satellite sector, and that they are incentivised to make best use of it. We recognise that the international nature of satellite spectrum, which supports export services from the UK, can result in tensions between terrestrial and satellite operators where they compete for access to the same spectrum.

We expect the strategy to be published in early 2014.

We welcome the industry's proposals to establish a Spectrum Forum to act as a sounding board for proposals from Government and Ofcom, and to challenge the priorities that we have identified for effective management of spectrum. It is equally important that the Government and Ofcom are able to implement the spectrum policy, as set out in the Strategy, quickly and effectively.

Making infrastructure deployment easier

We have been looking at other ways in which we can support the significant private investment by operators. We will remove barriers and red tape, as we cannot allow rollout of this vital infrastructure to be delayed by planning refusals, or confusion when carrying out street works, or by long running legal issues over access to private land.

In 2012, we announced a package of measures designed to cut red tape and speed up the deployment of superfast broadband by removing restrictions on planning, wayleaves, street works and power supply, and to lower the cost to communications providers and reduce uncertainty around delivery timetables¹⁶. We announced that, for a period of 5 years, with the exception of Sites of Special Scientific Interest, broadband street cabinets and other infrastructure, including new overhead lines, can be installed without the need for prior approval from local planning authorities. We have already made the necessary changes to secondary legislation to make this a reality.

¹⁵ <https://www.gov.uk/government/publications/information-economy-strategy>

¹⁶ BDUK Programme Delivery Model <http://www.culture.gov.uk/publications/8482.aspx>

We also committed to ensuring that broadband companies will face less cost and bureaucracy in laying cables in streets and the Department for Transport has already issued revised guidance to help with this. Furthermore, we committed ourselves to consider ways in which the planning process might be streamlined to support the deployment of mobile infrastructure, and pledged to facilitate discussions between communications providers and power companies to unblock problems around power supplies.

We will also amend the Electronic Communications Code, which governs access to land by communications providers and compensation to landowners, to allow easier deployment of broadband infrastructure. The Law Commission has reviewed the Code; we are considering its report and will legislate as needed.

We committed to finding more ways to support the deployment of mobile infrastructure, and have consulted on a series of measures to streamline the planning process for mobile equipment. These measures aim to support the swifter rollout of 4G high-speed mobile broadband technology, and provide greater capacity and connectivity for 2G (voice only) and 3G services. They will encourage mobile infrastructure-sharing, extend and clarify permitted development rights and allow for faster upgrading and replacement of existing mobile communications equipment which in turn will provide greater access to networks in rural areas where connectivity is currently the most limited.

Digital inclusion

Infrastructure isn't the only story when it comes to getting people connected. There are still a large number of people who for a variety of reasons are not making the most of the opportunities that the digital world has to offer. Go On UK, the charity which aims to make the UK the world's most digitally skilled nation, estimates that some 16 million people do not have basic online skills, such as the ability to communicate, find things and share information safely. Even today, one in five adults do not have the internet at home and, whilst 86% of adults online now describe themselves as confident internet users, the level of activity and confidence in activities like shopping, communicating and interacting with government is much lower¹⁷.

This is why the Government is working closely with Go On UK, the BBC, the Big Lottery Fund and the public library network to support people, charities and communities to take full advantage of the web by providing resources such as 'learn my way' and 'webwise' and by encouraging a movement of digital champions to get active in their communities. Alongside the delivery of the major digital communications infrastructure projects that are connecting communities, we are also working with local authorities to improve digital capability and highlight the benefits and opportunities that better connectivity can offer to people and businesses. The Government also supports the UK Online Centre network comprised of 3,800 community partners who support people to get online and become confident online internet, enabling them to progress to further learning, employment and active citizenship. In addition, the Government Digital Service in the Cabinet Office is establishing a cross-Government Digital Inclusion Team, which will develop a delivery-focused strategy, co-ordinate and embed central Government's activity on digital inclusion and work closely with Go On UK, as well as public, private and voluntary sector stakeholders to drive opportunities for shared programmes of work.

¹⁷ Ofcom, Adult's media use and attitudes report, April 2013
<http://stakeholders.ofcom.org.uk/binaries/research/tv-research/946687/Protecting-audiences.pdf>

We want the benefits that new services bring to be enjoyed by everyone on an equal basis, including people who find it more difficult to use new technologies, such as those with disabilities and the elderly. As part of the Government's work to make the online environment accessible to as many people as possible, we are working with the eAccessibility Forum to encourage industry to explore and understand issues of inclusive design and develop and share best practice across all sectors to improve access to online services for disabled people.

The UK is a world-leader in the extent and the quality of access services available and in having broadcasters and other content providers who have committed to meet the needs of disabled people. We want to make sure that this remains the case. The Public Service broadcasters, excluding Channel 5, have a voluntary agreement to provide audio description on 20% of programmes aired, and the Government is working with Ofcom and stakeholders to increase the levels of audio description by non-PSBs in line with this. We support Ofcom's increasing focus on implementation of Electronic Programme Guides having, for example, clearly labelled and easy to find channels, and a complaints process for when this fails. The technical challenges to delivering this are being tackled by the industry-led Digital Television Group. Furthermore, we will work with the Authority for Television on Demand (ATVOD), the UK's independent co-regulator for the editorial content of video-on-demand (VoD) services, to increase the levels of subtitles and audio-description for on-demand content and we will monitor progress through its annual survey. If it is clear that progress isn't being made in three years' time – a reasonable timeframe in our view – we will consider legislation.

BT currently provides a text relay service to communication providers – which allows hearing-impaired and/or speech-impaired to communicate with others through a relay assistant that will convert speech to text and vice versa. This provides an important means of accessibility to communications services, in particular voice telephony, for many people, including the elderly. Last year, Ofcom announced a package of improvements to existing service provision. This included the introduction of Next Generation Text Relay – an improved and extended text relay service available 24/7, enabling support for two way communication (which allows users to interrupt) with live captions or text. BT is due to launch its next generation service in April 2014, and is working with other communications providers to take up that service. We have held discussions with communications providers and large businesses on video relay services (VRS) which allow people to communicate via a sign language interpreter, so that they can communicate with hearing impaired customers. As a result, BT, Lloyds TSB, Halifax and the Bank of Scotland have already implemented VRS schemes, and several other companies are now looking at introducing schemes too. We would like to see more businesses, with front facing customer services, exploring how they can meet the needs of their disabled and older customers. This will involve developing a mix of accessible contact strategies so they can contact customers via email, SMS, instant messenger, text relay and Video Relay Services.

UK digital communications infrastructure strategy

Our existing programmes will ensure that over the next few years UK has widely available fast, high quality fixed and mobile connections, but technology and demands for connectivity will continue to develop. We need to plan long-term now if we are to have the digital infrastructure to support the technological advances that will be the platform for growth and opportunity in the UK.

We will work in partnership with industry experts to develop a UK strategy for our digital communications infrastructure from 2015 to 2025. This will consider the measures needed, from Government and others, to ensure that the UK continues to benefit from world-class communications networks as technology and the digital economy develop further. It will be underpinned by a technology-neutral approach, since fixed, fixed-wireless, mobile and satellite communications networks all have a part to play in achieving world-class connectivity. We will be particularly interested in technologies that can help to boost connectivity in all parts of the UK, for example satellite broadband can deliver connections of up to 10Mb/s to remote communities today and may play a greater part in future.

As part of this ambition, we will be inviting leading thinkers in the communications industry to contribute expert analysis. We will ask professional technology bodies to advise on where technology might take us, and we will ask the Broadband Stakeholder Group to look at the commercial requirements. We will draw on the work of the Future of Innovation in Television Technology Taskforce which will report for the Digital Television Group in spring 2014. The Spectrum Forum, as part of the Spectrum Strategy, will provide insight on the future demands and opportunities from use of spectrum. We will draw this work together by the end of 2014.

2: World-beating content

Chapter Summary

The content we produce and consume continues to define us as a nation, and is increasingly in demand around the world, with the revenue generated from international sales of TV and associated activities growing by 9% between 2010 and 2011 to £1.4 billion. This is supporting jobs and growth across the creative industries as well as those moments when we gather together around the TV to watch great sporting achievements or the latest instalment of our favourite soap. To maintain this success we will:

- **Support investment by our Public Service Broadcasters (PSBs):** By legislating to maintain the prominence of Public Service Broadcasters at the top of Electronic Programme Guides: TV listing services that signpost people to what's on; by being clear that where Public Service Broadcasters offer their programmes to commercial platforms free of charge for transmission to their audiences, we do not expect the platform to charge the PSBs any costs associated with transmission – in recognition of the value of the content they have been given. We want to see the PSBs facing up to the challenges of increasing competition for spectrum by working with us to maximise its efficient use. We are scaling back Ofcom's duties in this area, to reduce unnecessary burdens on Public Service Broadcasters. We will also consider what steps can be taken to protect the intellectual property of Public Service Broadcasters online.
- **Support wider investment in content:** Through the tax breaks for animation, high-end TV and video games; by working with UKTI and as part of the GREAT campaign to promote UK content on a global scale; through the creation of a network of local TV services; and by working with the Creative Industries Council to improve the competitiveness of the sector.
- **Protecting intellectual property (IP):** We will continue to work with industry, for example, to remove payment facilities from sites dedicated to infringing copyright and discourage respectable brands from advertising on such sites, as well as the establishment of a new unit within the City of London Police aimed at targetting IP crime.
- **Supporting radio:** We have said that will be setting out our plans for how we will support a digital future for radio at the end of the year; and we will support the community radio sector by reviewing regulations to better reflect the challenging economic climate it now operates in.

Great connectivity is nothing without great content, and thanks to our system of Public Service Broadcasting, our thriving independent production sector, and our innovative creative industries, Britain's content is in high demand. The total revenue generated from the export of UK TV is estimated to be nearly £1.4 billion¹⁸. And industry is embracing new technologies – for example, revenue from online TV is increasing 51% year on year¹⁹.

Public Service Broadcasting

Public Service Broadcasters (PSBs) are still the driving force behind much of the original high-quality UK-produced programmes that are in demand at home and abroad. The BBC, ITV, and Channels 4 and 5 now invest over £3 billion a year in UK content – from David Attenborough's Frozen Planet series or Channel 4's award winning coverage of the London 2012 Paralympic Games – and the channels attract over half of all TV viewing hours. This investment by the public service broadcasters supports the wider creative industries – with Deloitte estimating that the BBC generated £8 billion for the UK economy, equating to about two pounds being added to the UK economy for every pound of licence fee. Last year, the Secretary of State agreed the renewal of the licences for Channels 3 and 5 for another 10 years, providing licensees with the stability and certainty to continue to invest in public service programming for the years ahead²⁰.

The UK's successful model of Public Service Broadcasting is built on the following:

- i) **Obligations:** for example, the quality, accessibility and variety of their programming – from news to current affairs; and how it is made – for example what proportion is made in different regions and how much is produced by independent companies; and the requirement to "offer" its content to UK TV networks.
- ii) **Privileges:** for example, funding from the licence fee, access to spectrum, a high level of prominence on electronic programme guides: the TV channel listing services that signpost people to what's on; and the obligation on UK TV networks to "carry" PSB content.

This framework faces challenges as the online environment changes how we watch TV – both in terms of how we discover programmes, and in terms of the platforms through which we access them, such as the BBC's iPlayer or Virgin Media's TiVo – and as the spectrum on which TV is broadcast faces ever greater demand.

Public service discoverability

The availability of programmes across a growing range of platforms creates a further challenge for PSBs. It is not so long ago that TVs could only provide access to the PSB channels, but although still hugely important in terms of their output, they now represent a small proportion of the channels available. TVs now provide access to a very wide range of channels, as well as catch-up and other on-demand services. What's more, TV content can also now be accessed online and via a range of devices – like smartphones, tablets and games consoles – with new navigation tools that can, for example, provide channel listing by category or sort by programme rather than by channel. The PSBs must continue to be easily accessible and discoverable by audiences so that they can continue to invest in high quality, UK originated programming.

¹⁸ PACT, UK Television Exports 2011, (2012)

¹⁹ Ofcom Communications Market Report, July 2012

²⁰ DCMS Press Release http://www.culture.gov.uk/news/news_stories/9536.aspx

The vast majority of people find the programmes they want to watch by using the Electronic Programme Guide (EPG) on their TV: the channel listing service that signposts viewers to what's on. The more prominently a channel is placed on an EPG, the more likely that a given viewer will settle on that channel, because it is easier to find and access. PSB programmes are relatively easy to discover because their channels are placed at the top of the listing services, meaning that no scrolling is required to watch *EastEnders* or *Coronation Street*. This prominence on traditional TV is secured in legislation. But as technology develops, this regime is at risk of becoming obsolete. There are now multiple new ways of discovering and accessing TV programmes online, for example, through SkyGo, or Virgin Media's TiVo. As a result, we need to look again how the prominence of PSBs can be maintained as viewers move away from standard definition formats, viewing at the time of broadcast and traditional numerical channel lists, to a world of high-definition, catch up TV with more dynamic and tailored menus. We also wish to look again at whether the right channels are being made easily discoverable, particularly in the area of children's and local TV programming. We will launch a consultation on this in the autumn, before bringing forward new legislative proposals.

Access to Public Service programmes

PSB channels are brought to our living rooms by various TV platforms, such as Freeview, Sky, Virgin, and Freesat. Platforms benefit from having must-see content distributed across their services, while broadcasters benefit from having access to mass market audiences. But there is a growing debate around the payments that are made between broadcasters and platforms. The Government wants to see zero net charges, where the fees for access to the main platforms and for PSB channels cancel each other out. This is not too far removed from the current market position, and recognises the benefits to platforms, the PSBs, and audiences from being able to access award-winning, PSB content. This mirrors the arrangement already in place for PSBs and cable platforms, where no charges are made – an arrangement that we want to see preserved. We are looking closely at how we can help achieve this without allowing other kinds of online services to exploit PSB content, with no benefit flowing to the PSB. We will launch a consultation on this in the autumn, before bringing forward legislative proposals if required.

Spectrum

The spectrum used for broadcasting PSB services has historically not been subject to charges. However, with the UK leading the world in the amount of mobile data we consume, already over 400MB per connection each month²¹, the competition for spectrum is increasing rapidly. There is no doubt that with spectrum in such high demand we face new challenges. We want to make sure that in responding to these challenges the framework underpinning the PSB model is not undermined.

To do this, industry will need to face the challenge head on; looking at the range of existing and possible future technologies and models for delivering content, by aiming to diversify delivery options and by making the most efficient use of spectrum. If we get this right then we will have the best of all possible worlds – the protection of everything we value in TV, with the added benefits of greater choice and seamless interconnectivity for viewers – whilst maintaining the strong framework that supports our PSBs.

²¹ Ofcom, International Communications Market Report (2012)

Ofcom Reforms

As part of the Government's drive to increase the efficiency, transparency and accountability of public bodies, we are legislating to roll back the unnecessary red tape to which the industry is currently subject. We will amend Ofcom's duties to review PSBs at least every 5 years and to assess Channel 3 networking arrangements. We will remove the requirement that PSBs provide annual statements of programme policy and we will amend Ofcom's duty to review a change of control of a Channel 3 or Channel 5 licence so that one is not automatically required. These changes, which will be implemented through secondary legislation, will reduce the regulatory burden on our PSBs, ensuring they can focus on creating the world-class content which viewers demand and expect.

Wider investment in content

The creative industries – such as music, film, games and publishing – have seen above average growth in the UK in recent years²². We have a global reputation, and the success of the 2012 London Olympic Games and Paralympic Games has focused the world's attention on this creativity. We want the creative content industry as a whole to continue to grow and remain world-leading.

We want to create a thriving local TV sector that will support new jobs and give local communities the choice of programmes that is relevant to them. So far, 19 local TV stations have been licenced, and the first stations are due to begin broadcasting at the end of this year²³.

More widely, we have established the Creative Industries Council (CIC), a partnership of industry and Government, to help inform our work to drive growth in this sector and ensure that the UK remains a global centre of excellence for these industries. Access to start-up or development funding is crucial for the creative industries to grow. As well as the Seed Enterprise Investment Scheme and research and development tax reliefs available to all small and medium-sized enterprises, in April, we introduced tax reliefs for animation and high-end TV, and we remain committed to introducing tax relief for video games production as soon as possible. This will allow eligible companies in these industries to claim an additional deduction in computing their taxable profits. This is alongside those reliefs available for the film industry which has encouraged many big budget pictures to be made in the UK, helping to raise more than £1 billion of inward investment, and to sustain a level of international production that has enabled our film infrastructure to invest and expand. Film tax relief is at the heart of our drive to support the production of films reflecting British culture within a sustainable and vibrant industry. With the tax reliefs in place we expect to see investment in UK production increase, reversing the transfer that we have seen in recent years of UK productions being made overseas, with foreign companies instead being attracted to make programmes here in the UK. And we are working with UKTI and as part of the GREAT campaign to promote UK content on a global scale.

A skilled workforce is crucial to the quality of our productions. But there is a risk that the expansion in demand for skilled workers that is anticipated to flow from the tax reliefs' may outstrip supply. So in the 2013 Budget we introduced a short-term financial

²² DCMS, Creative Industries Economic Estimates (2011)

<http://www.culture.gov.uk/images/research/Creative-Industries-Economic-Estimates-Report-2011-update.pdf>

²³ <http://licensing.ofcom.org.uk/tv-broadcast-licences/local/awards/>

boost – £8 million match funding each year over the next two years – to support entry-level and professional-level skills development in TV, animation, games and film²⁴, extending the £6 million scheme announced in 2012.

The Budget also announced a £15 million competition to be run by the Technology Strategy Board, inviting bids to support digital content production through partnership with industry, including specialist SMEs, educational research facilities and training providers. This will be a great boost for cross-platform production in the UK.

Intellectual Property

The ability to protect intellectual property (IP) goes to the very heart of the success of our creative industries, providing an incentive to develop, invest in and exploit valuable works. The UK's IP framework is therefore an essential consideration for potential investors. As part of the Government's wider programme of modernising the copyright system to meet the challenges of the 21st century following the Hargreaves Review of IP and growth, we are working with all parts of the creative economy to explore ways to make it less easy to access websites that are based on infringing copyright or that promote illegal activity. We are encouraging industry to develop its own solutions in collaboration with enforcement authorities and key areas where we are seeing progress include:

- **Payment:** Credit card operators and other payment facilitators such as PayPal are working with enforcement authorities and business to remove such facilities where there is clear evidence that sites are deliberately and criminally infringing copyright. This is a voluntary approach, involving payment companies and the City of London police. Pioneered by the music industry, it is now being adopted more widely and appears to be working well.
- **Advertising:** The Digital Trading Standards Group (DTSG) has launched new self-regulating principles²⁵ for the digital advertising industry, and copyright owners are working with the Police to draw up a register of infringing sites from which brands may want to disassociate. DTSG's principles will encourage increased transparency between advertising organisations and brands about placement of ads. Brands will have greater opportunity to instruct advertising agencies not to place their ads on any site on the infringement register, which will be managed by the National Fraud Intelligence Bureau.
- **Search:** Google has amended its algorithm and says that it now takes into account the number of takedown notices received for websites. This has, according to Google, resulted in a significant improvement on searches for "artist, song", with infringing sites now appearing lower down the search results. Copyright owners remain concerned when an artist's name is associated with a term such as "MP3 download", and we will keep this under review. We expect to see Google, as well as other search engines, working with copyright owners to explore additional improvements.
- **Site blocking:** Copyright owners are now increasingly using s97A of the Copyright, Designs and Patents Act 1988 to tackle infringing sites by seeking injunctions that require ISPs to block access, for example, to *The Pirate Bay*. This takes time and money, but with more cases the court procedure is becoming increasingly streamlined, and that means that we have been able to announce that we will remove legislation that largely

²⁴ DCMS Press Release http://www.culture.gov.uk/news/media_releases/9575.aspx

²⁵ <http://www.abc.org.uk/-News-And-Views-/News/Digital-Trading-Standards-Group-agrees-new-principles-for-brand-safety/>

duplicates these provisions from the statute book. It is important that the standard of evidence required and the discipline of requiring a court judgement is maintained so that the process retains the confidence of both ISPs and the general public.

- **International:** The ability to encourage creators of content to start and grow their businesses in the UK depends on supportive legislative and regulatory frameworks across the EU. We closely monitor the critical work that occurs in Brussels and beyond. The European Commission launched a structured stakeholder dialogue in 2013 to deliver rapid progress through practical industry-led solutions in: cross-border access and the portability of services; user-generated content, and licensing for small-scale users of protected material; facilitating the deposit and online accessibility of films in the EU; and, promoting efficient text and data mining for scientific research purposes. A review of the EU framework for legal copyright is on-going, with a view to a decision in 2014 on whether legislative reform is needed.

In addition, the Government announced on 28th June 2013 that it was investing £2.5 million over 2 years to set up a dedicated new police unit, within the City of London Police, aimed at targeting intellectual property crime. The unit will be dedicated to tackling online piracy and other forms of intellectual property crime such as counterfeit goods. It will be one of the first units of its kind in the world, ensuring that the UK stays at the forefront of intellectual property enforcement.

This is the right approach. And, in parallel, the Government continues to implement the Digital Economy Act 2010, whilst encouraging industry-led alternatives, to ensure the message reaches those who are infringing. We will keep progress under review.

Taking action against infringement is only half of the picture. The legitimate market must also keep up to speed with consumer's expectations. Legitimate offers need to be compelling and material needs to be made available in attractive, affordable and competitive ways to reduce the attractiveness of illegal offers. Education can play an important role here, and industry needs to keep up their efforts to communicate their messages, particularly to young people.

Radio

Radio is a hugely popular and important part of the UK's cultural landscape – from the enduring popularity of The Archers to newer shows like Jarvis Cocker's Sunday Service and Ronnie Wood on Absolute Rock. However, radio is changing. Digital listening already accounts for 34% of all radio listening²⁶ and on current trends is set to reach 50% at the end of 2015. Digital offers significant scope for growth in the radio industry because of its capacity for many more radio stations and the increased opportunities to develop new revenue streams, and crucially provide ever greater choice of content that people want to access.

It is important that the transition to digital is consumer-led and carefully managed. That is why in 2010 we launched the Digital Radio Action Plan to develop a clear plan for a transition from analogue to digital radio for national and regional FM and AM services, and to set out how this can be delivered in a way which benefits consumers. To ensure there is clarity around the longer-term future of analogue and digital radio, we are committed to making a decision in-principle on a radio switchover at the end of this year.

²⁶ Radio Joint Audience Research, *Quarterly Summary Figures Q1 2013*
http://www.rajar.co.uk/docs/news/RAJAR_DataRelease_InfographicQ12013.pdf

Given that the next steps for the transition to digital are not yet set out we do not believe it is necessary or appropriate to look at changes to the regulatory framework at this time. However, as the transition to digital continues we will need to keep the framework under review, particularly the requirements for locally made and locally relevant programming and the licence terms for stations remaining on FM.

As we continue to prepare for the decision on switchover later this year there are two particular areas where we want to signal some changes that we expect, should we take the decision to announce a switchover to digital for all major stations.

Last year we consulted on the criteria the Government would apply when determining which radio stations would have the option of remaining on FM after a radio switchover. We proposed that radio stations that can be accessed by a large number of households in a defined geographical area – that is, stations which cover at least 40% of an overlapping local multiplex area²⁷ – would switch to digital. Radio stations below that level, which cater for a very local market, will be able to choose to stay on FM. Having considered the representations received, we are minded to introduce the 40% threshold, but we will confirm the position when we make the in-principle decision on switchover.

We will look to see how we can further help to drive the sector forward, for example, a positive decision would open the way for the licensing of a second national commercial DAB network, known as the D2 multiplex, to increase national DAB capacity.

We are also very conscious of the position of the community radio sector. More than 200 community stations operate around the UK and they have a very positive impact on local engagement and volunteering. However, financial pressures have left many stations struggling to survive. There are a variety of reasons why the sector has seen a fall in revenues, but the complex and restrictive financing regulations, which were put in place to ensure community radio remains distinct from commercial radio are particularly damaging. These restrictions need to reflect the more challenging climate in which community radio now operates and to reflect decisions later this year on digital switchover, and so we will consult on changes to this framework before the autumn and bring forward changes to the regulations where change is justified.

²⁷ The 40% threshold refers to the extent of overlapping population, rather than geographical coverage.

3: Consumer confidence and safety

Chapter Summary

We want the UK to be a nation of confident and safe consumers, able to make the most of the opportunities that the digital world has to offer. To support this, we will make sure that people are equipped with the tools they need to navigate the range of new digital products and services safely, and to understand the protections that apply should things go wrong.

- **Standards in the digital world:** In preparation for a more converged future, we want industry and regulators to work together on a voluntary basis to ensure that there is a common framework for media standards, so that a more consistent approach applies across different media, and to work together to make sure consumers understand what content has been regulated.
- **Illegal Material:** We are clear that there should be no forum for illegal material such as images of child abuse and material promoting terrorism. This material is wholly unacceptable whether in the form of written material, images or videos – and whether it is accessed online, offline or via any other medium. We will pursue, shut down, and seek to prosecute those who are involved with it.
- **Inappropriate and harmful material:**
 - **Online:** across the internet value chain we expect industry – from retailers to device manufacturers – to ensure that all internet-enabled devices, whether a TV, a games console or a smart phone, are supplied with the tools to keep children safe as a standard feature.
 - **Catch-up TV and video on demand:** We want to make sure that the living room remains a safe space for children and we will work with industry and in Europe to ensure that parents can be confident in the standard of content accessed on their TV – whether it is viewed at the time of broadcast, or on-demand. We will legislate to clarify and strengthen the rules for regulated on demand services to ensure that R18 material (that could only be sold in licenced sex shops in hard copy) is put behind access controls and material that could not be sold even in licensed sex shops is not sold on these services. We will also close a loophole in the Criminal Justice and Immigration Act 2008, so that it is a criminal offence to possess extreme pornography that depicts rape.
- **Advertising:** We will also ensure that advertising and other marketing methods in the digital world are appropriate, in terms of who they target, where they are shown, and in the methods they use.
- **Privacy:** As online services become increasingly personalised, we need to make sure people understand and have control over the way their personal data is used. At the

same time targeted advertising is an important revenue generator for industry and is welcomed by many consumers. We have extended the role of the Information Commissioner's Office to ensure that it has the tools it needs to carry out its regulatory duties effectively in the digital age, and are working with the European Commission on its review of the EU Data Protection Directive to achieve this aim.

- **Nuisance calls:** We will continue to work with industry and regulators to address unwanted marketing and sales calls and text messages through better enforcement and if necessary review the regulatory landscape to better target those that break the law.

The UK is ahead of the curve in adopting new technologies. We have higher levels of participation online and spend more money online per person than anywhere else in the world²⁸, and we use mobile and connected devices to get online more than anywhere else in Europe. UK households each have on average three different types of internet-enabled devices: smart phones, tablets, laptops, PCs, games consoles, TVs and more. The recent growth in social networking has been one of the most significant changes to the way in which we communicate online. In 2012, almost half of all adults used social networking sites such as Facebook and Twitter, and a third of adults accessing social networking websites or applications did so via a mobile phone or other handheld device²⁹.

We want to make sure that in this increasingly connected world, people are as safe and as confident navigating the online world as they are when offline. The same principles must apply equally to both: freedom of expression remains paramount, but anything which is illegal offline should not be tolerated online; people have a responsibility to protect themselves and their families – but they need the right framework, tools, and information to do this and they need to know they have the protection of the law. The level of protection in law that applies should – whether on or offline – be informed by public expectations.

We will therefore be working with industry to:

- Make sure that across different media, there is a basic common framework of standards and that people have the tools and the information they need to navigate content confidently and safely;
- Crack down on illegal content regardless of where it is found; and
- Make sure that material that can be harmful or inappropriate is behind the right protections, so that we can be confident our children are safe.

Standards in the digital world

In our connected world, the internet's role in delivering content is expanding. People are increasingly accessing content of different kinds – on demand TV programmes, newspaper journalists' articles, music, blogs, from the latest news stories to celebrity gossip – from their smartphone, tablet or connected-TV. Greater connectivity is also changing the way content and services are created too. For example, the latest news stories no longer depend on the news channel getting a TV camera out in time to catch the action, but instead individuals with mobile devices to hand have become 'citizen journalists', capturing and uploading events as they happen for the world to see.

²⁸ Boston Consulting Group, 2010 'The Connected Kingdom'

²⁹ The Office of National Statistics http://www.ons.gov.uk/ons/dcp171778_301822.pdf

But even in this changing world, people still have a clear idea of what they expect, and what they expect is different depending on the kind of content they are accessing. For example, we expect impartial news coverage on a TV news bulletin, but not on social media where people are often actively seeking different viewpoints. We expect traditional broadcast television to meet a 'gold standard' of accuracy and impartiality, whereas when we find a video online we know to be more circumspect³⁰. Our expectations are clearly linked to the present regulatory regime:

- Standards for broadcast TV and radio are set out in the Broadcasting Code, overseen by Ofcom, and in the case of the BBC, in its Editorial Guidelines;
- Regulation of film and video games is delivered in the form of ratings systems which are labels applied to content after it is made;
- Since 2010, regulation has also applied to video on demand services like LOVEFiLM, or 4OD; and
- Wider internet content is not generally subject to regulation beyond the general law.

Despite this, there can be times when it can be confusing for people to work out what type of content they are accessing online, and consequently the level of regulation that applies, for example, when accessing a video on YouTube or Facebook, versus a video on LOVEFiLM.

We want people to understand the protections that apply to different types of content accessed online, and for them to know which regulatory body to turn to if they have a concern or complaint. We look to industry and regulators to provide this clarity.

This should be underpinned by a basic, common set of media standards, building on existing standards that already apply in many places. We would expect this to include:

- **Protection of minors:** including protecting children's exposure to material that seeks to sexualise them, strong sexual content, violence, imitable and dangerous behaviour, any specific health priorities, safety of children in content and protecting against commercial influence.
- **Hatred:** preventing incitement to violence and extremism, abuse, discrimination, and propaganda.
- **Consumer protection:** including protection from, for example, financial harm, health and medical risks, misleading content.
- **Protecting individuals:** avoiding unwarranted infringements of privacy and ensuring right of reply and fair representation.

Illegal material

We are clear that there should be no forum for illegal material such as images of child abuse and material promoting terrorism. This material is wholly unacceptable whether in the form of written material, images or videos – and whether it is accessed online, offline or via any other medium.

The Prime Minister has convened an Extremism Task Force which will be looking closely, in the coming months, at the role the communications industry can and should play in reducing the availability of material promoting terrorism online.

³⁰ Ofcom, Protecting Audiences in a Converged World (2012)

The Prime Minister and the Secretary of State for Culture, Media and Sport have made clear that the Government expects to see a step-change in action to tackle child abuse images and protect children online, including:

- A new proactive role for the Internet Watch Foundation in searching for images of child abuse on the internet, working closely with the Child Exploitation and Online Protection Centre (CEOP) and industry to ensure that those images are removed, and that victims are identified and perpetrators are prosecuted. This work will be supported by funding from our four largest internet service providers – Virgin Media, BSkyB, BT and TalkTalk – and Google.
- The adoption of 'splash pages', wherever child abuse sites have been identified and taken down. Where someone arrives at one of these sites, the 'splash page' will warn them that the page had contained illegal images. We also want these pages to clearly set out the consequences of accessing such images, and direct people to the charity campaign 'Stop It Now', which can help people change their behaviour anonymously. In parallel, Google, Microsoft and Yahoo are engaged in a major campaign to deter people from searching for child abuse images.
- Action by search engines to ensure that searches are routed to legitimate sites – for example, on child sex education – as opposed to providing pathways to illegal images, and for a 'blacklist' of unacceptable terms to be established, so that where the intent of the searcher is clear, no search results are returned at all.
- Linking up databases across police forces to produce a single, secure database of illegal images of children to help police work together effectively to close the net on paedophiles, and a new UK-US taskforce to maximise international efforts to stamp out these images.

The Prime Minister has called for a progress report from the search engines in October. If progress is slow, we will consider legislating.

Inappropriate and harmful material

As a society we want to make sure the right measures are in place to prevent particularly children from seeing inappropriate and harmful material. We also want to ensure that parents have the knowledge and confidence to play their part in protecting their children from this type of content.

Connected TV

We want to ensure that the living room remains a safe space for children.

TV remains central to our lives, with people in the UK watching on average more than four hours of broadcast TV every day³¹. Families still get together to sit around the television and watch the latest period drama, talent competition, or catch the latest episode of their favourite soap.

But increasingly, set-top boxes and TVs connected to the internet enable programmes and films to be viewed on-demand, to fit viewing around our own schedules. These can fall outside of regulatory frameworks. People tend to consider connected TVs to be a TV-like experience and expect to be more protected than they are from content accessed through PCs and laptops³². Yet, the technology means that it is easy to flick

³¹ Ofcom Communications Market Report, July 2012

³² <http://stakeholders.ofcom.org.uk/binaries/research/tv-research/946687/Protecting-audiences.pdf>

between regulated and unregulated spaces. Since this is not always clear, this increases the risk of people inadvertently accessing content that may be offensive, inappropriate, or harmful to children.

The technology is already available to enable people to be provided with more information about programmes, and for 'locks' to be put in place to prevent post-watershed programmes from being viewed by children on-demand. But more needs to be done to make sure that these practices are adopted more widely, and to make sure that tools, like pin-protection, are straightforward and easy for people to use.

We also want it to be clear to people when they are watching TV in a protected, regulated space, and when they move with just a few clicks to an unregulated area of the internet. We want industry – broadcasters, manufacturers and platform providers – to lead the development of consumer tools in this area, working with regulators to consider what mechanisms can be applied to clearly label regulated and unregulated content. One such mechanism, may be, for example, using the electronic programme guide itself to define the protected space. We will work with industry to ensure that best practice is developed and can be shared and standardised. Given this is an area where we are seeing rapid developments, we will keep progress under close review, and if necessary, we will consider the case for legislation to ensure that audiences are protected to the level that they choose.

R18 content on video-on-demand

The popularity of video-on-demand services (VoD) has grown dramatically in recent years, providing consumers with great new choices about what they want to watch when and where. But with this new opportunity comes risk, and this is particularly the case when it comes to harmful content that is now more readily available. In hard copy, content rated R18 by the British Board of Film Classification (BBFC) is only available in licensed sex shops and content that was even stronger is banned outright. The VOD regulations in this area do not currently provide the same level of certainty and protection as on the high street. As on-demand services become increasingly prevalent we want to make sure that regulation of on-demand content is as robust as regulation of content on a DVD, bringing the online world into line with the high street.

We will legislate to ensure that material that would be rated R18 by the British Board of Film Classification is put behind access controls on regulated services and we will ban outright content on regulated services that is illegal even in licensed sex shops. We will also close a loophole in the Criminal Justice and Immigration Act 2008, so that it is a criminal offence to possess extreme pornography that depicts rape.

Online

Currently 91% of children live in households with internet access and a greater proportion of children aged 12-15 own smartphones than adults³³. While consenting adults should be free to watch the legal content they choose, children and young people are important consumers of digital content and their ability to access harmful and age inappropriate content should be limited as far as possible.

The Government has been working through the UK Council for Child Internet Safety (UKCCIS), which brings together more than 200 organisations across the information and communication industries, law enforcement, regulators, academia, and charities –

³³ Ofcom Children and parents: media use and attitudes report, October 2012, <http://stakeholders.ofcom.org.uk/binaries/research/media-literacy/oct2012/main.pdf>

to pursue a voluntary approach to child internet safety and has called on industry to make the right tools available to allow parents to protect children online.

We are seeing good progress in this area:

- Where children could be accessing the internet, we need good filters that are preselected to be on, and we need parents aware and engaged in the setting of those filters. By the end of this year, when someone sets up a new broadband account, the settings to install family friendly filters will be automatically selected; if you just click next or enter, then the filters are automatically on.
- By the end of next year ISPs will have prompted all existing customers to make an unavoidable decision about whether to apply family friendly filters.
- Only adult account holders will be able to change these filters once applied.
- All mobile phone operators will apply adult filters to their phones.
- 90% of public Wi-Fi will have family friendly filters applied to wherever children are likely to be present.
- Ofcom will regularly review the efficacy of these filters.

But we are clear that industry must go further:

- We expect the smaller ISPs to follow the lead being set by the larger providers.
- We want industry to continue to refine and improve their filters to ensure they do not – even unintentionally – filter out legitimate content.
- We want to see mobile network operators develop their child safety services further; for example, filtering by handset rather than by contract would provide greater flexibility for parents as they work to keep their children safe online.

And while Government looks to the industry to deliver, through the self-regulatory mechanisms already established under UKCCIS, we are clear that if momentum is not maintained, we will consider whether alternative regulatory powers can deliver a culture of universally-available, family-friendly internet access that is easy to use.

Advertising

It is important that advertising and other marketing methods in the digital world are appropriate, in terms of who they target, where they are shown, and in the methods they use.

The UK benefits from a healthy and successful advertising sector, underpinned by an exemplar of successful self-regulation, the Advertising Standards Authority (ASA). The ASA administers a system which is flexible and responsive, and is industry funded, through a 0.1% levy on non-broadcast advertising spend levied by the Advertising Standards Board of Finance (ASBOF). This levy is voluntary, but is well supported by industry; however, it will be important to ensure that this continues to be sustainable in the future. The relatively recent extension of the ASA's online remit to cover marketing on companies' own websites and on social media demonstrates the increasing importance of online advertising, and advertising spend in the future is likely to increase its focus on these online markets. Therefore, it will be important to ensure that this self-regulatory, industry-funded model remains sustainable for the future, and that the regulation of online and offline advertising alike can continue to be supported by the industry levy. Some concerns have been raised over the degree to which collection of the levy in the digital world has kept pace with the rate at which advertisers are now operating there. We think it is incumbent upon all parts of the industry, including the digital media, to safeguard this continued funding by playing their part in the collection of the levy.

Privacy

Privacy and data protection are fundamental issues in an online world. Data is crucial to the success of online businesses, and we must therefore strike the right balance between the protection of consumers – making sure that they know how their data is being used – and the ability of business to use data to deliver products and services that people want.

Given the increasing value of data and the growing uses to which it can be put, the Government recognises the challenge of finding the right balance between harnessing that potential while offering appropriate protections. When online, consumers often expect services that are free, instant and tailored to them. They do not always understand that in order for these expectations to be met some of their web browsing activity data may need to be used to give them the experience they want.³⁴ Although many users may be prepared to give up some of their privacy when they go online, they still want a number of rules to apply.

In 2011, the Government implemented revisions to the e-Privacy Directive; an EU Directive intended to improve protection of personal data online. These changes have introduced new measures to address the concerns that people have about their personal data and include:

- A duty on providers of electronic communications services to notify personal data breaches to the competent national authority (in the UK, this is the ICO);
- Penalties, including criminal penalties as appropriate, for breaches of the Directive; and
- A requirement for the informed “consent” of the user for the placing or accessing of cookies onto their machine.

We have also extended the powers of the Information Commissioner's Office to ensure that it has the tools that it needs to carry out its regulatory duties effectively in a digital age.

In addition, the Ministry of Justice is currently engaged in negotiations with regards to the European Commission's review of the EU Data Protection Directive. Our aim is to ensure that any future data protection measures adopted in Europe do not unnecessarily constrain growth or limit the ability of business in Europe to transfer data, or, for example, take full advantage of the cloud. There is also a strong role for industry in behaving responsibly and ensuring that consumers have proper control over their personal data. But whilst consumers should have full and proper control over their personal data, the measures that underpin this control should be pragmatic and proportionate.

Nuisance calls

Direct marketing in the UK is a legitimate activity. However, unwanted marketing calls and text messages can be a persistent and unwelcome feature of everyday life. Recent research by Ofcom showed that 82% of people surveyed had received an unwanted call, and on average those people received two nuisance calls a week. These can be live marketing calls, silent calls, abandoned calls, and recorded marketing message calls. More often than not, it is perceived as a nuisance, but it can also cause anxiety, inconvenience and distress.

³⁴ In a study conducted by the Internet Advertising Bureau, 46 per cent of people were unaware that advertisers can provide relevant internet adverts based on previous web surfing behaviour.

The Information Commissioner's Office (ICO) and Ofcom are both taking action on this issue. The ICO served its first monetary penalty for live unsolicited marketing calls in March 2013, and is now placing the names of the most complained about companies on its website, with further action to follow. Ofcom is using the full range of its powers to tackle silent and abandoned calls and, since April 2012, has issued fines totalling £1.56 million for companies breaking the rules on silent or abandoned calls. Additionally, Ofcom, with other regulators and consumer groups, has published a clear guide for consumers³⁵, which has been viewed 159,000 times. We also welcome the work done by Which? in conjunction with the regulators to develop a new webpage³⁶ that provides helpful information for consumers on the options available to them to help reduce the number of nuisance calls they receive, whilst also directing consumer concerns to the appropriate regulator.

We want to see more joined-up action by regulators to tackle this issue and welcome the joint Ofcom/ICO initiative that will be announced in the summer. We will also legislate to enable Ofcom to more easily share information about companies undertaking such activities with the ICO and the Insolvency Service, just as it does with other regulatory bodies such as the Office of Fair Trading. We are also working with regulators to explore other options to remove barriers to enforcement, such as the ability of nuisance callers to conceal the telephone number which they are calling from, and the scope to lower the legal threshold that needs to be met before ICO can take action. We are also considering whether there is scope to improve clarity around the securing of consumer consent. Additionally, to reduce the incidence of nuisance calls, we will be exploring whether there is scope to improve practice in call centres, for example, by tightening procedures around call lists.

We believe that significant improvements can be made in this area as a result of the range of initiatives now underway and we will look to detail regulatory action taken and further measures to be implemented on nuisance calls in the autumn. We will also keep this issue under review and if we cannot see clear progress we will consider further legislation, for example, to license call centres, and/or bring together functions to tackle nuisance calls and texts under a single regulator.

We welcome the announcement of an inquiry into nuisance calls and text messages by the House of Commons Culture, Media and Sport Select Committee.

³⁵ <http://consumers.ofcom.org.uk/files/2012/09/all-guides-small.pdf>

³⁶ <http://www.which.co.uk/campaigns/nuisance-calls-and-texts/>

4: Cost of living

Chapter Summary

In challenging economic circumstances, it is even more important that consumers are able to choose from a range of innovative and affordable media and telecommunications products and services, and have the right information at their disposal to enable them to exercise those choices, and need to understand their options for recourse should they be misinformed.

To achieve this we are taking the following action:

- **Switching:** We want it to be as easy as possible for consumers to switch providers and take advantage of the deal that best suits them. We will legislate to provide Ofcom with a duty to ensure a consistent and effective experience for consumers looking to switch away from a bundle. We will consult with industry on the mechanism to be adopted.
- **Internet traffic management:** It is important that when people enter into a contract with an internet service provider, or a mobile phone operator, they understand the traffic management policies in place – in particular if any services are blocked. We have asked Ofcom to work with internet service providers to encourage them to make their traffic management policies more transparent on a voluntary basis. Where there is evidence of consumers not being made sufficiently aware, Ofcom will act to require operators to make their traffic management policies more transparent.
- **Bill shock:** We will work with the mobile operators to establish a code of practice which will ensure that industry plays a greater role in reducing instances of 'bill shock' – where people receive unexpectedly high bills, as a result of costs and charges not being clear, for example, in relation to data consumption.
- **Premium rate services:** We will clarify legislation so that it is clear that companies can face the maximum penalty of £250,000 for each breach of the Code of Practice for premium rate services, reflecting the level of potential consumer harm, when, for example, consumers are not told about the costs of such services.
- **Consumer rights:** We are developing a suite of reforms to simplify and modernise consumer law, including a Consumer Rights Bill which will introduce a new category of digital content in consumer law.
- **Broadcasting competition regime:** We will consult on the effectiveness of the ex-ante competition regime for broadcasting to ensure that it is fit for purpose in a multi-channel world, in which people will be accessing content over the internet from a range of providers, for example, Netflix or LOVEFiLM, as opposed to just licensed broadcasters.

- **Appeals:** We will be examining the case for streamlining the communications regulatory appeals process as part of a wider examination of appeals against decisions of economic regulators.

The Government understands how tough it can be for families to make ends meet, particularly at the present time. We are determined to do everything we can to help people with the cost of living. We also want to make sure that consumers are provided with greater choice, competition and transparency. Wherever possible we believe in seeking industry-led solutions to the issues – but we are clear that we will act where necessary to ensure consumers get a good deal.

Switching

The ability to switch providers easily is essential in order for consumers to take advantage of new offers, and to stimulate competition between providers.

We want the switching process to be as easy and straightforward as possible for consumers. We recognise that switching processes work better for consumers when only one call needs to be made to the company the consumer wishes to switch to for the switch to happen, and there is no need for consumers to contact their existing provider (so called 'gaining-provider led' switching). Working with Ofcom, we will do everything we can to move towards a system of gaining-provider led switching across the board.

Increasingly, we are buying 'bundles' of media and telecommunications services from a single provider, for example, triple-play bundles of phone, broadband and pay-TV, or even quad bundles, which include mobile phones³⁷. This has brought clear benefits to consumers in terms of price and convenience, but it can also make switching providers more difficult. Bundles bring together services which are subject to different regulatory regimes³⁸, and have inconsistent switching processes – so to switch a triple-play bundle a householder may need to follow three separate processes. It is therefore unsurprising that people switching triple-play bundles of telephone, broadband and pay-TV report higher levels of major problems with the switching process than double-play customers³⁹. We will legislate to give Ofcom a duty to ensure a consistent and effective experience for consumers switching between bundles. We will consult on this mechanism.

Internet traffic management

Many new services are bandwidth hungry and, as demand for data increases, challenges arise for operators on the best ways to manage the traffic over their networks; whether

³⁷ Between 2005 and 2013, the number of people taking a bundle of two or more services from the same provider more than doubled (from 29% to 60%) and the latest data shows take-up of 'triple play' bundles – fixed voice, broadband and pay-TV – at 19%. See Ofcom's Consumer Experience Report <http://stakeholders.ofcom.org.uk/market-data-research/market-data/consumer-experience-reports/consumer-experience/>

³⁸ Telecoms services are typically regulated as 'Electronic Communications Networks/ Services' (ECN/S), while other services (e.g. pay-TV content) may be subject to broadcast licensing or simply generic consumer protection and competition law.

³⁹ See Ofcom research on customer retention and interoperability http://stakeholders.ofcom.org.uk/binaries/research/telecoms-research/customer-retention/CRI_Report_Final.pdf.

Ofcom's Strategic Review of Consumer Switching identified that, other things being equal, gaining provider led switching processes are better for the consumer experience and for competition than losing provider led processes. See <http://stakeholders.ofcom.org.uk/consultations/consumer-switching/>.

to prioritise certain services over others; whether they should offer restricted access packages and, importantly, how consumers can most effectively be informed on the service they are paying for.

Traffic management is commonly used by all internet service providers and mobile network operators to manage their networks efficiently, reduce congestion and ensure a good service for users. In order to do this, firms may prioritise time-sensitive services like video streaming or voice calls over the internet – such as the type of services offered by Skype – over other content which is not as sensitive to time delay, such as email. While Government accepts that traffic management is a necessary part of managing communications networks, we believe that the principle of an open internet is important, and that consumers should understand the traffic management policies in place at the point at which they enter into a contract for a particular service.

Transparency is important because there is potential for providers to implement unreasonable traffic management practices which may have the effect of blocking legitimate content or services. However, as noted by Ofcom when it published its approach on the open internet, market forces should be sufficient to prevent consumer detriment.

Ofcom already has powers to assess whether the information provided to consumers is sufficient, and is in the process of carrying out research in this area. If evidence emerges that consumers do not believe they are sufficiently aware, Ofcom has statutory powers, under its General Conditions, to require operators to make their traffic management policies more transparent. In the first instance, we will work with Ofcom to deliver a successful voluntary approach. However, should this not occur, action will be taken to ensure consumers have the information they need to make informed decisions.

Bill shock

With the proliferation of internet-enabled mobile devices, like smartphones and tablets, and an exponential increase in data consumption, consumers can find themselves facing bills that far exceed the amounts they expect. 'Bill shock', or unexpectedly high bills, is commonly reported by mobile contract consumers and can occur, for example, when people use their mobile phones for voice calls or downloading data when they are abroad. Inadvertent roaming can also be an issue on the Northern Ireland/Republic of Ireland border, and elsewhere. However, there are other causes of bill shock, such as exceeding contracted call or data allowances when in the UK, intentional misuse of lost or stolen phones, use of premium rate services (whether knowingly or otherwise), and unintentional 'in-app' purchases.

Mobile operators have adopted various measures to help reduce instances of bill shock, for example, by sending text message alerts to people when they are reaching their data limit. However, we think more could be done. For example, we are concerned that people are liable for charges for calls and data use when their phone is stolen up to the point at which they notify their operator. This is in contrast to financial services, where debit and credit card customers are protected by a statutory £50 liability cap from the moment the card is used illegitimately⁴⁰. Also, many insurance policies for mobile

⁴⁰ The liability caps were originally set out in the Consumer Credit Act 1974 and the Banking Code (now the Lending Code). The current provisions are based on sections 83 and 84 of the Consumer Credit Act 1974 and Articles 60 and 61 of the Payment Services Directive <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2007:319:0001:0036:EN:PDF> and Sections 60 and 61 of the associated UK regulations http://www.hm-reasury.gov.uk/d/si_payment_services_regulations100209.pdf.

devices either do not offer protection against unauthorised use, or provide only limited cover. While there are steps that people can take to help protect themselves, such as using password protection and locking their handsets, it must be recognised that these are not fail safes.

We expect mobile operators to develop and use a consistent approach to limit bill shock. We will encourage them to adopt the measures set out by Ofcom⁴¹ including: the introduction of text alerts to advise people when they approach their call limit and notification of the costs of making further calls; the promotion of account management tools to enable customers to track their usage easily; and information about other steps that people can take to help themselves⁴². We will work with Ofcom and the industry to establish a voluntary but strict Code of Practice, setting out the steps that must be taken to protect consumers from bill shock. In addition to the measures specified by Ofcom, this could include the introduction of processes to monitor unusual use patterns and hence to detect unauthorised use of mobile phones. It could also include the introduction of a maximum liability for consumers whose phones are stolen or subject to unauthorised use, similar to that applied to credit and debit cards bills.

Premium rate services

Low value transactions through mobile phones and tablets are becoming increasingly prevalent. This has been fuelled by the take-off in television participation services (like TV voting via text message or through the red button on a TV remote), subscription services such as online gaming or dating websites, the increasing use of apps, and services for downloading films, books and music, for example.

Where payments for goods or services or certain donations to charities, like a donation via text message to Comic Relief's Red Nose Day campaign, are charged to people's phone bill or pre-paid account, it is treated as a controlled premium rate service (CPRS), and such services are regulated by PhonepayPlus (PPP). While many of these services act within the law, some companies do not. For example, they may use intentionally misleading promotional material or fail to provide clear pricing information, leaving consumers out of pocket. PPP is active in holding companies to account for breaches of its Code of Practice, but we want to make sure that companies that breach the Code are issued with penalties that reflect the level of profit that can be made from such activities. We will therefore legislate to make it absolutely clear that the £250,000 maximum penalty for breaches of the Code of Practice is on a per breach, rather than a per case, basis, removing any doubt that where a company infringes several of the Code's rules, that they may be subject to a penalty of up to £250,000 for each breach.

Consumer rights

Consumer confidence begins with clear rights. But the UK's consumer law is complex and difficult for consumers and businesses to understand. As much of our consumer law was written some time ago, it does not clearly cover digital content like music, software or games. It is therefore currently not clear what rights consumers have when they buy digital content. In 2011, over 16 million people experienced problems with digital content so we want to bring the law up to date.

⁴¹ <http://stakeholders.ofcom.org.uk/binaries/consultations/unexpectedly-high-bills/statement/report.pdf>

⁴² See for example the advice set out in Ofcom's consumer guides at <http://consumers.ofcom.org.uk/2013/03/guide-to-preventing-bill-shock-when-using-your-mobile-phone/>

The Government is proposing the introduction of a new category of digital content in the draft Consumer Rights Bill together with a set of statutory rights to the quality standards that this content should meet, and remedies available to consumers when digital content does not meet these standards. The proposals include:

- The right to get what you pay for;
- The right that digital content is fit for purpose; and
- The right that faults in what you buy will be put right free of charge, or a refund or replacement provided.

We will also ensure that consumers get clear and honest information before they buy digital content (including about the functionality and interoperability of the digital content), through the implementation of the Consumer Rights Directive.

These proposals are intended to create a simple and modern framework written in plain language that consumers and businesses can confidently use for themselves.

Broadcasting competition regime

Competition is important to all parts of the economy. It can encourage innovation, improve consumer choice, and boost growth.

All markets are subject to *ex-post* competition law, which is designed to be applied when there is evidence of a legal infraction. It identifies any misconduct and imposes penalties where appropriate. However, in a number of specific sectors, including broadcasting and telecoms, *ex-ante* competition powers also apply. Their purpose is to deal with enduring economic bottlenecks or those competition concerns which cannot be addressed effectively or in a timely manner through action under *ex-post* competition powers. *Ex-ante* powers work on the basis that prevention is better than cure. They, therefore, set a different basis for intervention into markets by seeking to prevent consumer harm in the future. Under them, it may not be necessary to demonstrate the existence of anti-competitive behaviour by market participants before intervening into markets to protect consumers, but rather that there are characteristics in the market which may make competition ineffective.

The existing *ex-ante* competition regime for broadcasting has its origins in the Broadcasting Act 1990 and, as part of the broadcast licence regime, applies to licensed broadcasters, such as Channel 4 and Sky. The original legislation included provisions to “ensure fair and effective competition” in the provision of licensed services. The regime was effectively transferred to Ofcom under the Communications Act 2003, reflecting the fact that features of the broadcasting market (for example, wide availability of PSB services, content standards and protection) still made it necessary for *ex-post* Competition Act powers to be supplemented by an *ex-ante* competition regime. Since 2003, Ofcom’s powers have been used, by inserting licence conditions or putting in place broadcasting codes, to ensure effective competition in, for example, access to capacity for digital terrestrial TV broadcasting.

However, the broadcasting landscape has evolved rapidly since 2003. Increasingly we can access different types of content, when we want, where we want; not just on the main TV in our living room but on a range of devices. For example, we can now access programmes on-demand through services such as iPlayer and Sky Go on our smartphones and tablets, along with video content embedded in newspaper articles. The development in technology has enabled new entrants to experiment with new business models, for example, LOVEFiLM and Blinkbox are taking advantage of

broadband availability to develop new ways of retailing content. The way in which media services are packaged is also changing, with increasing prevalence of 'triple play' bundles of TV, phone and broadband services. Telecommunications companies are now providing TV content and TV providers have started to supply phone and broadband services. The development of a converged market in this way is likely to have a positive effect on competition, to the benefit of consumers.

However, in other respects, many of the key features of the broadcasting sector which led to the introduction of an *ex-ante* competition regime endure. For example, despite the growth in video on-demand and new devices, viewing of traditional TV remains stable, with the average adult watching over four hours of TV a day. In addition, almost 75% of that viewing continues to be attributable to Public Service Broadcasters (the BBC, ITV, Channel 4 and Channel 5). Concentration continues to be a feature of other important aspects of the sector, for example: the vast majority of homes primarily watch TV over the three main platforms (Freeview, Sky and Virgin Media); and key content rights, such as for live sports events, are held by a small number of broadcasters.

Convergence in retail markets also invites comparisons to be made between the *ex-ante* competition regime for broadcasting and the regime for telecoms. While both are *ex-ante* regimes encouraging greater choice and investment, there are some differences. The telecoms regime is more prescriptive; it follows the EU Framework which aims to harmonise telecoms regulation across EU member states. For example, it imposes an obligation on regulators to review the progress of competition in specified telecoms markets every three years, requiring the imposition of remedies in markets where significant market power is found. The broadcasting regime is designed to address concerns of fair and effective competition in the context of the particular characteristics of the sector and the licence regime within which it sits. In terms of outcomes, the telecoms regime has proved itself to be effective; UK consumers have benefitted from significant reductions in broadband prices over the last few years with these prices typically being the lowest within the five major European economies (France, Germany, Italy, Spain and the UK). However, we do not consider that full alignment between the telecoms and broadcasting regimes would be appropriate. Rather, we should ensure that any broadcasting regime is as effective as the telecoms regime. This is especially important in converging markets – if firms regulated under the telecommunication regime are more or less effectively regulated than those under the broadcasting regime, then the converged market may be distorted.

An effective *ex-ante* regime should bring certainty to a market. It should protect the interests of consumers, providing them with choice at competitive prices. Industry and the regulators should expect a clear articulation of what regulatory action can be taken and in what circumstances, and not expect a drawn out process for issues to be settled.

We recognise that the changes in the market that have taken place may cause people to have views about the appropriate approach to *ex-ante* regulation. As there are a number of enduring features of broadcasting markets that continue to have the potential to restrict fair and effective competition, our assumption is that the *ex-ante* system is still needed. However, changes in the sector raise questions about whether the existing regime provides sufficient certainty and continues to be appropriate and effective. Issues we wish to consider include, for example:

- **Objective of the regime:** Convergence may suggest that there is benefit in greater alignment of the duty to "ensure fair and effective competition" with Ofcom's principal duty to further the interests of consumers, "where appropriate by promoting competition", as is explicitly the case for the *ex-ante* telecoms regime.

- **Types of services which the regime applies to:** Increasing convergence and take-up of unlicensed video on-demand services highlights the potential limitations of focusing only on licensed services, placing greater importance on clarity of the definition of 'connected' services in the existing provisions.
- **Features which the regime should consider:** Greater certainty may be provided by identifying the types of features which require attention, such as: high concentration levels and significant market power (for example, in access to premium content); failures in the market (for example, caused by lack of interoperability and challenges in co-ordinating technological standards); and whether aspects of policy or regulation may create barriers to entry or have other unintended consequences.
- **Available remedies under the regime:** Greater certainty may be provided by setting out a specified list of remedies available under the regime.
- **Time limits for action under the regime:** Greater effectiveness and more timely intervention may be facilitated by introducing time limits into the regime.

We will launch our consultation on these issues shortly.

Appeals

Since decisions taken by Ofcom can have a considerable impact on industry and consumers, it is imperative that its decisions can be open to scrutiny and subject to appeal.

Whilst the right to appeal must remain, the Government is concerned that the length of the appeal process and the intensity of scrutiny is excessive, reducing the effectiveness of the process and hampering Ofcom's ability to make timely decisions. This issue is particularly acute in the telecoms sector where EU requirements for the merits of a case to be *duly taken into account* have been over-implemented in UK legislation. This has been exacerbated by the extremely competitive nature of the sector, in which companies have a strong commercial incentive to appeal if an alternative analysis of facts can result in a more favourable outcome for them.

The Government has considered communications appeals as part of the wider review of the regulatory appeals framework for all economic regulatory and competition decisions. This review has also looked at the diverse range of appeal routes, standards and bodies involved in regulatory appeals which makes the current structure inefficient and confusing. We are now consulting on a package of reforms⁴³ aimed at streamlining the appeals process and providing greater consistency across the different sectors.

We are seeking views on moving from the current standard of review for communication appeals to either judicial review or a specified grounds approach. Whilst judicial review is sufficiently flexible to accommodate requirements of EU law, the specified grounds approach overtly binds an appeal to the issue of materiality and removes the ability for companies to appeal simply because they disagree with a decision by Ofcom. In light of this a specified grounds approach may be more effective in achieving faster, less costly and more focused appeals. The consultation also invites views on proposals to reduce the incentives of making unmeritorious appeals. This includes: clarifying rules on the admissibility of new evidence; increasing the use of confidentiality rings to enable sharing of confidential information with stakeholders at

⁴³ <https://www.gov.uk/government/consultations/regulatory-and-competition-appeals-options-for-reform>

Ofcom's decision making stage; encouraging regulators to claim their full costs; introducing, and where they exist, reducing, target time limits or fast track processes.

The consultation was launched on 19th June and the Government will look to implement any changes at the earliest opportunity.

We would like to thank the wide variety of organisations and individuals that have contributed to this review over the past two years, in response to the Open Letter, our seminar series, discussion papers, and online discussions, and expert guidance including:

Absolute Radio
 Ackerman, Roy, Freshone
 Acland Bracewell Surveyors
 Action on HearingLoss
 action4
 Advertising Association
 Advertising Standards Authority
 Alcatel-Lucent
 All3Media
 Alliance Against IP Theft
 Amazon
 Analysys Mason
 APPG on Children's Media & the Arts
 Apple
 Arqiva
 Associated Newspapers
 ATVOD
 Avalon
 Avanti communications
 BAE Systems
 Barnett, Steven, University of Westminster
 BBC
 BBC Trust
 BBFC
 Beard, Daniel
 BECTU
 BEIRG
 BFI
 Blink Box
 BPI
 British Library
 British Video Association
 Broadband Stakeholder Group
 Brock, George, Head of Journalism,
 City Uni
 Brooke, Magnus, ITV
 BSAC
 BSG
 BSkyB
 BT
 C8 Associates
 Cable and Wireless Worldwide
 Canis Media Ventures ltd
 Cave, Martin
 CBI
 Central Association of Agricultural Valuers
 Channel 4
 Channel 5
 Christian Broadcasting Council
 Citizens Advice Bureau
 Coalition for a digital economy (Coadec)
 COBA
 Colt
 Communication Workers Union
 Communications Commission (Isle of Man)
 Communications Consumer Panel
 Communications Management Association
 Community Media Association
 Consumer Focus
 Consumer Focus Scotland
 Consumer Focus Wales
 Consumer Forum for Communications
 Cowboys or Indies
 CPBF
 Creative England
 Creative Skillset
 Darlington, Roger
 David Hall systems ltd.
 Denton, Joel Red Arrow
 Digital Radio UK
 Digital TV Group
 Director, Community Media Association
 Directors UK
 Discovery
 Disney
 DMA
 D-Media Network
 DMOL
 ECB
 Edwards Wildman Palmer
 Endemol
 Enders Analysis
 Equity
 Ericsson
 Evans, Claire, BBC
 Everything Everywhere
 Exeter University
 Facebook
 FCS
 Federation of Small Businesses
 FEH Media Insight
 FIVE
 Flame TV
 Forde, Steve, Channel 4
 Freedman, Des, Goldsmiths University
 Freeman, Jonathan

Freesat
 Freeview
 Fremantle Media
 FTI Consulting
 Garrett, Stephen
 Gaskell, Victoria, Olswang LLP
 GEO
 Global Crossing
 Global Radio
 Goldsmiths College, UL
 Goodall, Chris, Enders
 Goodman Derrick
 Google
 Graham, Alex, Wall to Wall
 Grant Thornton
 Great Meadow
 GreySky Consulting
 Guardian Media Group
 Halton, Richard, YouView
 Hartswood Films
 Hogan Lovells
 Horsman, Matthew
 Hughes, Janice, RedShift
 IAB
 ICOMP (Initiative for a Competitive Online Marketplace)
 Icon Films
 Illuminated Films
 Inflection Point
 Inmarsat
 Institution of Engineering and Technology
 Intel
 Intellect
 International Broadcasting Trust
 ISBA
 ISPA
 ITN
 ITV
 Jenkins, Bethan, Plaid Cymru
 Jet Set Films
 Jill Hulley,
 Joint Radio Company Ltd
 Justice, Matthew Bigtalk
 KCOM Group
 kgbdeals
 Kudos Film and TV
 Lincs FM Group
 Lindsay-Davies, Richard, Digital TV Group
 Listen to the Listener
 Lords Select Committee on Communications
 Love Film
 LSE
 Magic Light Pictures
 Marsden, Chris, Director EXCCCEL, Essex University
 MBG
 Media Standards Trust
 Mediatique
 MEF
 Microsoft
 Minns, Adam, COBA
 Mobile Broadband Group
 Mobile Operators Assoc
 Moore, Charles, Wiggin
 Motorola Solutions
 MPA
 NBC Universal
 NESTA
 Netflix
 Neul
 News Corporation
 NI Screen
 Nokia
 Nominet
 NUJ
 O2
 Ofcom
 Ofcom Consumer Panel
 Oliver and Ohlbaum
 Oliver, Mark. Oliver and Ohlbaum
 Olswang
 Ombudsman Sevices
 Orion Media
 PACT
 Paramount
 Payne, Michael, Which?
 PCC
 Pearson Plc
 Phoneability
 Phonepay Plus
 Policy Exchange
 Portland
 Premier League
 Pricey Media
 Production Guild
 Prospect
 PRS music
 Publishers Association
 Pumfrey, Alex , DMOL
 Purvis, Stewart
 QualComm
 QVC
 Radio Independents Group
 Radio Jackie
 Radio Society of Great Britain

RadioCentre	Three
Red Arrow	TIGA
Research in Motion	Tiger Aspect
Respublica	Time Warner
Reuters Institute	Trafalgar 1 Ltd.
RIM	True North
RNIB	TUC
RSMTenon	UK Broadband
S4C	UK competitive telecommunications Assn
Samsung	UK Music
Save Kid's TV	UKIE
Scottish and Southern Energy	UKRD Group
Sense	UKTV
Sharples, Adam, Which?	ULT
Shed/Warners	United Radio Consultants
Sign language broadcasting trust	University of Edinburgh
Silver Springs networks	University of Manchester
Skillset	University of Oxford
Sonar Entertainment	University of Westminster
Sony	UTV
Sorenson Communications	Vera Productions
Sound Start Group	Viacom
Spotify	Virgin Media
STV	Vodafone
TAC	Voice of the Listener and Viewer
TAG	Voice on the Net
Talent TV	Warner Bros
Talk Talk	Warner, Bob, Communications Consumer Panel
Tambini, Damian, LSE	Welsh Assembly
Telco Consulting	Wheeldon, David B SkyB
Telefonica	Which?
Tern TV	Yahoo! Inc
The Church and Media Network	Yiu, Chris
The Newspaper Society	YouTube
The Number	YouView
The Publishers Association	

For more details on the Open Letter and responses to it, please see here:

<http://webarchive.nationalarchives.gov.uk/20130106104333/>
<http://www.culture.gov.uk/consultations/8636.aspx>

And for details of our seminar series and discussion papers, please see here:

<http://dcmscommsreview.readandcomment.com/>

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