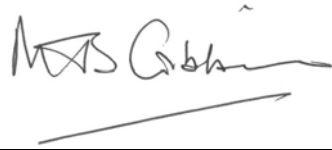
 Regulatory Policy Committee		OPINION	
Impact Assessment (IA)		Ofcom duties order	
Lead Department/Agency		Department for Culture Media and Sport	
Stage		Consultation	
Origin		Domestic	
Date submitted to RPC		18/10/2011	
RPC Opinion date and reference		11/11/2011	RPC11-DCMS-1113
Overall Assessment		AMBER	
<p>The IA is fit for purpose for consultation. The IA should be revised following consultation to firm up the estimated impacts of the proposed changes to the Order on the UK and in terms of One-in, One-out (OIOO).</p>			
<p>Identification of costs and benefits, and the impacts on small firms, public and third sector organisations, individuals and community groups and reflection of these in the choice of options</p>			
<p><i>Proposed fee.</i> The IA treats the revenue to Ofcom from the proposed fee to be introduced for satellite filings as a benefit because taxpayers will no longer finance the ‘filing’ costs. However, the IA does not record on its cover sheet that some of these fees will be costs to businesses operating in the UK. The IA should do this, otherwise the net benefit of the proposed fee introduction will be exaggerated.</p>			
<p>In addition, the proposed fee introduction may have an impact on the decision about whether to file with Ofcom or a regulator in a different country. The IA should discuss the implications of this.</p>			
<p><i>The impacts of the non-fee related proposals.</i> Whilst the IA discusses and estimates cost savings from the non-fee related proposals, it says relatively little about any potential lost benefits from these proposals. The IA says that, “..the communications industry is subject to many potential sources of market failure” and that the current regime is out of date because of market changes since 2003. However, most of the proposals (particularly e, f, and g) reduce the involvement of the Regulator, and indeed this is the source of the main cost savings. The IA should discuss in more detail what is being given up to obtain these cost savings.</p>			
<p>Further, the IA acknowledges (Page 9) that some of the proposals could result in more activity for Ofcom and so greater costs than under the current regime, but this is not reflected in the current costs or benefits of the proposal. The IA should include these in its estimates, for example, in terms of a range of potential cost impacts.</p>			
<p><i>Alternative Options.</i> The IA presents only one option but says on page 3 that there is an ongoing Communications Review being currently carried out by the department. This suggests that there is a viable option to delay the proposed change in the existing regime until this Review is complete. The IA should explain more clearly why this option is not being consulted on.</p>			
<p>Have the necessary burden reductions required by One-in, One-out been identified and are they robust?</p>			

The IA says the proposal is an OUT, under One-in, One-out. While some aspects of the proposal appear deregulatory, the proposed fee is a cost to business and the department should confirm with BRE that this fee is out of scope of OIOO. The value of the EANCB is recorded differently on page 2 compared to page 9 and will need to be more robust at the final stage.

Signed

A handwritten signature in black ink, appearing to read 'Michael Gibbons', with a long horizontal stroke extending to the right.

Michael Gibbons, Chairman