 <b>Regulatory Policy Committee</b>	<b>Opinion</b>	
<b>Impact Assessment (IA)</b>	Switching of bundled services (communications review)	
<b>Lead Department/Agency</b>	Department for Culture, Media and Sport	
<b>Stage</b>	Consultation	
<b>IA Number</b>	DCMS077	
<b>Origin</b>	Domestic	
<b>Expected date of implementation (and SNR number)</b>	May 2014 (SNR No. 7)	
<b>Date submitted to RPC</b>	10/5/2013	
<b>RPC Opinion date and reference</b>	13/6/2013	RPC13-DCMS-1791
<b>Overall Assessment</b>	<b>GREEN</b>	
<p><b>RPC comments</b></p> <p>The IA is fit for purpose. The IA could set out more clearly the extent to which the proposal will address the barriers to competition which are identified in Figure 4.</p>		
<p><b>Background (extracts from IA)</b></p> <p><b>What is the problem under consideration? Why is government intervention necessary?</b></p> <p>Electronic Communications Services (ECSs) are increasingly sold in bundles with other goods, such as Pay TV. Differences between the regulation of ECS goods and non-ECSs goods has meant that the switching processes for a bundle can differ. This means that the process of switching providers of bundled services can be complex and time consuming. We want the switching of providers to be as straight-forward as possible - supporting competition.</p> <p><b>What are the policy objectives and the intended effects?</b></p> <p>To improve the consumer experience of switching bundles of services and increase competition between providers as customers are enabled to switch readily between them.</p>		
<p><b>Identification of costs and benefits, and the impacts on business, civil society organisations, the public sector and individuals, and reflection of these in the choice of options</b></p> <p><i>Addressing barriers to competition.</i> The extent to which the final proposal will be able to be considered as a pro-competition measure will be dependent upon the extent to which it could remove the barriers to switching (set out in figures 4 and 5 of the IA). The IA could benefit from further detail on if and how the proposal will address each of these issues.</p> <p><i>Costs to business.</i> The IA provides estimates, based on information from Ofcom, of the necessary investment needed for business to implement the required system changes. These estimates ought to be tested during the consultation process so that they can be strengthened, if necessary, at the final stage. It would be helpful for</p>		

these to be broken down clearly between the transitional and ongoing costs of implementation and compliance.

**Comments on the robustness of the Small & Micro Business Assessment (SMBA)**

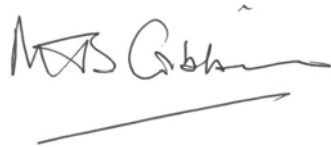
The proposal regulates business and is intended to come into force after 1 April 2014 and therefore the SMBA is applicable. However, the IA does not include a specific discussion on how the proposal would impact upon small and micro businesses. From July 2013, this would result in the IA being considered 'not fit for purpose'.

As a pro-competition measure, it appears that the proposal can be reasonably expected to improve the ability of providers, including small and micro-businesses, to enter markets which may have previously had barriers to entry.

**Comments on the robustness of the OITO assessment.**

The IA says that this is a regulatory proposal which is in scope of OITO, but that the costs relate to pro-competition aspects of the proposal and as such should be considered as an 'IN' with Zero Net Cost for OITO purposes. Based on the evidence presented this is consistent with the current Better Regulation Framework Manual (paragraph 2.9.14) and provides a reasonable assessment of the likely direction of impacts. The impacts of the proposal should be more fully assessed and presented in the final stage IA. In particular, the evidence supporting the assessment of the proposal as pro-competition will have to be strengthened for it to be validated as a zero net cost IN at final stage.

**Signed**

A handwritten signature in black ink, appearing to read "Michael Gibbons", with a long horizontal line underneath it.

**Michael Gibbons, Chairman**