

Open internet access

Department for Culture, Media and Sport

RPC rating: confirmed as a non-qualifying regulatory provision

Description of proposal

The proposal will designate Ofcom as the National Regulatory Authority (NRA) for the purposes of EU Regulatory Framework for Electronic Communications, relating to open internet access. Ofcom will monitor compliance with the Regulations and be able to issue penalties for breaches.

The directly applicable EU regulations require internet service providers to ensure 'net neutrality', for example internet service providers should treat all online content equally without blocking or slowing down specific traffic on purpose or allowing companies to pay for preferential treatment. The intention is to stop larger businesses buying or leveraging content prioritisation at the expense of others. There are some exemptions to the requirements, for example in relation to illegal activity or content to ensure these can be blocked where appropriate, management of network congestion or enabling priority for some specialised services where permitted by the NRA.

Impacts of proposal

The IA states that all major UK providers of internet services already comply with the open internet access requirements, in line with the existing voluntary framework. The IA identifies that there may be some costs associated with Ofcom data monitoring and collection. The IA states that feedback from industry suggests that the cost of providing the data is expected to be limited. This is on the basis that the timing of data requests are aligned with existing requests, as the data will be generated as a matter of course for the purpose of operators' network management.

Quality of submission

The Department has provided sufficient information to support the assessment of the proposal as an EU origin non-qualifying regulatory provision. The evidence provided also suggests that the direct costs associated with the proposal are likely to be limited. However, the scale of the costs appear to be dependent on Ofcom aligning data requests with existing processes, and on the assumption that information

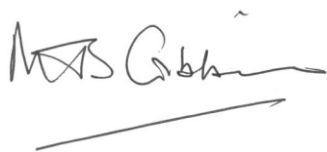
requests are proportionate. The published IA would benefit from providing further detail on how the proportionality criteria will be applied to avoid significant costs. The published IA would also benefit from including further discussion on the extent to which the use of data generated as a matter of course for network management may be of varying quality, or not directly comparable, when provided by different businesses.

Departmental assessment

Classification	Non-qualifying regulatory provision (EU)
Equivalent annual net cost to business (EANCB)	Not applicable (fast track non-qualifying regulatory provision)

RPC assessment

Classification	Non-qualifying regulatory provision (EU)
Small and micro business assessment	Not required (fast track low-cost regulation)



Michael Gibbons CBE, Chairman