Department for
Digital, Culture,
Media & Sport

Statement of Strategic Priorities for telecommunications, the management of radio spectrum, and postal services

The Secretary of State for Digital, Culture, Media and Sport designated this statement for the purposes of section 2A of the Communications Act 2003 on 29 October 2019.

The requirements set out in section 2C of the Act have been satisfied.

Introduction

1. The Government has set out clear, ambitious targets for the availability of new digital networks in the UK. Those targets include:

- Nationwide deployment of gigabit-capable broadband networks at pace;
- Increasing mobile coverage to 95% of the UK by 2022 to address 'not-spots' and improving the connectivity on the UK's main roads and railways; and
- Becoming a world leader in the next generation of 5G mobile technology, with deployment to the majority of the country by 2027.

2. The Future Telecoms Infrastructure Review (FTIR)[1] set out the changes that need to be made to the UK telecoms market and policy framework to help secure world-class digital infrastructure. The FTIR's conclusions support the UK Digital Strategy's[2] ambition for this country to be the world's best place to start and grow a digital business. They also underpin the UK's modern Industrial Strategy, which set out four Grand Challenges in areas where the UK can lead the global technological revolution[3].

3. The FTIR's recommendations form the basis of this Statement of Strategic Priorities (SSP) for telecommunications and the management of radio spectrum. The SSP also sets out the Government's strategic priorities and outcomes in relation to safeguarding the interests of telecoms consumers, the security and resilience of telecoms networks, and postal services. In relation to consumers, the Government is determined to work with Ofcom, industry and other stakeholders to improve the quality of consumer experiences in the sector.

4. The power for the Government to designate an SSP for telecommunications, management of radio spectrum, and postal services was introduced by the Digital Economy Act 2017. This is the first time the Government is exercising this power.

5. Ofcom must have regard to the statement when exercising its regulatory functions. The introduction of this power brings the legislative framework for Ofcom into line with other sectors such as energy and water, where the

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[1] https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/732496/Future_Telecoms_Infrastructure_Review.pdf

[2] https://www.gov.uk/government/publications/uk-digital-strategy

[3] https://www.gov.uk/government/topical-events/the-uks-industrial-strategy

Government also has the power to designate a Statement of Strategic Priorities. Further detail on the legislative framework for the SSP is set out below.

6. If Ofcom is unable to consider regulatory options that would contribute to achieving the strategic priorities set out in this SSP due to the existing statutory framework, the Government will consider bringing forward legislation to allow it to do so.

The legislative framework

The Digital Economy Act 2017 inserted new sections 2A - 2C into the Communications Act 2003, which set out the legislative framework for the Statement of Strategic Priorities.

Under section 2A, the Secretary of State may designate a statement that sets out the Government's strategic priorities relating to telecommunications, the management of the radio spectrum, and postal services. The statement cannot be amended within five years unless there is a general election or a significant change in Government policy, or the Secretary of State considers that the statement, or a part of it, conflicts with Ofcom's general duties. Section 2A also provides that the statement may set out particular outcomes identified with a view to achieving the strategic priorities.

Under section 2C, before designating a statement, the Secretary of State must consult Ofcom and such other persons as he considers appropriate on a draft of the statement for at least 40 days. The Secretary of State must then make any changes to the draft that appear to him to be necessary in view of responses to the consultation and lay the draft before Parliament for a 40-day period, excluding Parliamentary recesses. The Secretary of State may then designate the statement unless either House of Parliament resolves not to approve the draft within that period.

Under section 2B, Ofcom must have regard to the statement when exercising relevant functions. Ofcom must explain what they propose to do in consequence of the statement within 40 days of the designation of the statement or such longer period as the Secretary of State may allow. Ofcom must also, as soon as practicable after a period of 12 months from the designation of the statement and after every subsequent period of 12 months, publish a review of what they have done in the period in question in consequence of the statement.

Statement of Strategic Priorities

7. This statement sets out the Government's strategic priorities in relation to telecommunications, the management of radio spectrum, and postal services.

8. The Government has identified the following strategic priority areas to be covered by the SSP:

- **Section 1: World-class digital infrastructure**
  The Government's commitment to world-class digital infrastructure for the UK, reflecting the conclusions of the FTIR.

- **Section 2: Furthering the interests of telecoms consumers**
  The Government's commitment to safeguarding the interests of telecoms consumers, including the vulnerable and less engaged, by ensuring they are better informed and protected.

- **Section 3: Secure and resilient telecoms infrastructure**
  The Government's commitment to ensuring the UK's telecoms networks and services are secure and resilient.

- **Section 4: Postal services**
  The Government's commitment to a universal postal service and need for industry and Ofcom to work together to secure the long-term sustainability of the sector.

Section 1: World-class digital infrastructure

9. The Government is committed to providing the UK with world-class digital connectivity that is gigabit-capable, reliable, secure and widely available across the UK. We want the nationwide deployment of gigabit-capable broadband networks at pace. We also want to be a world leader in the next generation of 5G mobile technology, with deployment to the majority of the country by 2027.

10. In July 2018, the Government published the FTIR, which set out the changes that need to be made to the UK telecoms market and policy environment to help secure these goals. The FTIR concluded that the most effective way to deliver nationwide gigabit-capable connectivity at pace is to promote competition and commercial investment where possible, and to intervene where necessary.

1.1 Full Fibre Connectivity

11. The FTIR outlined the following strategic priorities to deliver the Government's connectivity ambitions:

● Making the cost of deploying full fibre networks as low as possible by addressing barriers to deployment. The Government has launched a Barrier Busting Taskforce, with the objective of reducing the cost of deploying networks by identifying and removing barriers. We will propose legislative and non-legislative measures to tackle the biggest barriers to deployment;

● Supporting market entry and expansion by alternative network operators through effective access to Openreach's ducts and poles, complemented by access to other utility infrastructure, for example, sewers;

● Stable and long-term regulation that incentivises network investment and ensures fair and effective competition between new and existing network operators;

● An 'outside in' approach to deployment that means gigabit-capable connectivity across all of the UK is achieved on a similar timescale, and no areas are left behind; and

● A switchover process to enable consumer migration to gigabit-capable services.

12. The following sections explain these strategic priorities, focusing primarily on those that are relevant to Ofcom's regulatory functions (the last four bullets above).

1.2 Effective Access to Passive Infrastructure in telecoms and other utilities

13. The largest expense incurred when deploying networks is typically that of laying passive infrastructure such as ducts and poles. Sharing such infrastructure can reduce roll-out time, costs and disruption, while supporting market entry from alternative networks.

14. The Government regards effective access to Openreach's national network of underground ducts and poles as a key enabler of competitive network deployment. Ofcom improved access to Openreach's national network of underground ducts and telegraph poles, through enhanced access remedies in its 2018 Wholesale Access Review[4]. In June 2019, Ofcom issued a statement, confirming the introduction of unrestricted access to Openreach's physical infrastructure[5]. Companies will now have greater flexibility to lay fibre networks that serve residential or business customers, including mobile backhaul services, using Openreach's ducts and poles.

15. Ofcom recognises that duct and pole access comprises a number of processes and products, and it therefore applies a "no undue discrimination" condition on Openreach. Openreach is required to provide physical infrastructure access to all communications providers on equivalent terms, unless Openreach can demonstrate that a difference is justified in any particular case. Ensuring the availability of a workable and scalable model for access to ducts and poles will require rigorous and close monitoring by Ofcom. It is the Government's view that if the duct and pole remedies imposed by Ofcom are not being fully implemented by Openreach, then all options should be considered to ensure compliance.

16. Where access to Openreach's ducts and poles network is not available or effective, there should be other options to support competitive network deployment, for example dark fibre access. In the FTIR, the Government encouraged Ofcom to consider regulatory options in these circumstances, in a way that does not undermine the case for operators to invest in their own networks using duct and pole access.

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[4] https://www.ofcom.org.uk/consultations-and-statements/category-1/wholesale-local-access-market-review

[5] https://www.ofcom.org.uk/about-ofcom/latest/media/media-releases/2019/ofcom-confirms-new-rules-for-business-networks?utm_medium=email&utm_campaign=Ofcom%20confirms%20new%20rules%20for%20business%20networks&utm_content=Ofcom%20confirms%20new%20rules%20for%20business%20networks+CID_a55ee490fef635418b6f6f3d63da9ffe&utm_source=updates&utm_term=news%20release

17. Access to telecoms infrastructure can be complemented by access to passive infrastructure owned by other utilities (for example water or energy) and by transport infrastructure providers such as Network Rail. The Government would like Ofcom to work collaboratively with other regulators, including through the UK Regulators' Network, to ensure opportunities for passive infrastructure sharing with other utilities are explored and barriers addressed.

1.3 Stable and long-term regulation that encourages network investment

18. The Government's aim is to promote investment and competition in world-class digital networks, to as many people and businesses as possible. Investment in new networks by BT and alternative providers is key to improving consumer outcomes, in terms of choice, service quality, and innovation. The Government's view is that promoting investment should be prioritised over interventions to further reduce retail prices in the near term.[6]

19. We regard competition where possible as a key driver of network roll-out. It is essential that competition is fair and effective between existing network operators and new entrants, and we expect Ofcom to adopt an engaged, proactive approach to monitoring any anti-competitive behaviour. Ofcom has powers at its disposal - including information gathering, audit enforcement and penalty powers - to perform this role.

20. The Government has identified a set of desired outcomes in relation to the strategic priority of stable and long-term regulation. These are set out below:

● Greater regulatory stability and clarity through at least five year market review periods;

● Regulation only where and to the extent necessary to address competition concerns, and ensure the interests of consumers are safeguarded as fibre markets become more competitive. It is the Government's view that regulatory forbearance, where appropriate, should be considered by Ofcom in developing its regulatory approach to incentivise the roll-out of full fibre networks;

● Take account of differences in competitive conditions in geographic areas when designing network regulation[7]. For areas where there is effective competition between networks, the Government would not anticipate the need for regulation

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[6] Ofcom's, *Pricing Trends for Communications Service in the UK*, found that between 2006 and 2016, average household spend on telecoms and TV services fell 8% overall in real terms, May 2018, Page 8.
[7] This could include network access regulation and pricing regulation.

as competitive pressures should shape investment and pricing decisions. For other areas, the Government would expect the regulatory model to evolve over time as networks are established. If market power emerges, network regulation may be needed to address competition concerns. However, this may not be necessary in the near term if there are regulated copper-based superfast products available to customers. These detailed regulatory decisions are for Ofcom to take;

- The regulatory environment should ensure there is clarity regarding the application of the 'fair bet' principle over an extended time scale. The Government's view is that an effective 'fair bet' regime would be one that allows firms making large and risky investments to have confidence that any regulation will reflect a fair return on investment, commensurate to the level of risk incurred at the time of making the investment decision. Ofcom should publish clear guidance that sets out the approach and information it will use in determining a 'fair bet' return; and

- It is important that firms are able to agree appropriate commercial deals that share the risks and gains from network deployment to support investment. There should be flexibility for firms to develop new approaches to reduce deployment costs and manage risks through commercial risk-sharing and co-investment arrangements. Although these will be commercial decisions for operators, the Government expects Ofcom to play a role in facilitating such arrangements where appropriate.

21. The FTIR set out the Government's interest in how greater transparency of Openreach's build plans could help to accelerate and expand network deployment. Since then, Openreach has voluntarily agreed to publish more transparent data on its build plans. We will continue to consider this issue as we implement Article 22 of the new European Electronic Communications Code in UK law.

22. The FTIR identified that there are likely to be geographic areas that, whilst commercially viable for one operator, may not benefit from investment without further intervention. There are a range of possible approaches, for example, a regulated asset base model or 'competition for the market' mechanisms. Ofcom should consider the full range of options to support the nationwide availability of gigabit-capable networks.

1.4 An 'Outside In' Approach to Deployment

23. The Government has a commitment to ensuring the universal availability of decent broadband services. This will be delivered via the broadband Universal Service Obligation (USO), which Ofcom will implement by 2020 (following the laying of the necessary secondary legislation in March 2018, specifying the design)[8]. The USO will provide a legal right to request a broadband connection with a minimum download speed of 10 Mbps. The USO speed and other specification requirements will be kept under review.

24. The Government wants nationwide deployment of gigabit-capable broadband networks at pace. It is likely that there will be areas - estimated to be around 10% of UK premises in the FTIR - where it will not be commercially viable to deploy networks and public funding will be required. The Government will pursue an 'outside in' strategy to support the deployment of networks in these hard to reach areas, starting at the same time as the market deploys to commercially viable areas.

25. The Government will work with Ofcom to ensure effective alignment between the USO programme and our longer-term connectivity ambitions.

1.5 Switchover Process

26. As full fibre networks are rolled out, maximising the number of people using them will secure the benefits of the new technology. This will involve Internet Service Providers (ISPs) and their customers moving onto new fibre networks. The retirement of legacy copper networks will enable cost savings and de-risk fibre investments.

27. The Government is clear that switchover should be led by industry, working closely with Ofcom and the Government to ensure the process is consistent with policy and regulatory goals. To aid the migration of consumers, we would expect fibre networks to have suitable 'entry level' products at prices similar to those provided on copper networks, including voice-only services for those who want them. We also expect ISPs to take-up and promote newly available fibre products to drive consumer take-up.

28. Ofcom will have an important role to play to ensure industry readiness for switchover and that a clear and transparent process is followed. Ofcom will need to protect the interests of consumers (see section 2 below), safeguard competition, and ensure that switching processes are easy, reliable, and transparent, including where consumers switch between ISPs on different fibre

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[8] http://www.legislation.gov.uk/uksi/2018/445/contents/made

networks (i.e. 'cross-platform' switching). This is important at the retail level for consumers and at the wholesale level for retail ISPs.

1.6 Mobile and 5G Connectivity

29. The Government wants the UK to have high quality mobile coverage where people live, work and travel. We are committed to extending geographic mobile coverage to 95% of the UK by 2022, as well as providing an uninterrupted mobile signal on all major roads. While there have been significant improvements in coverage overall, coverage levels are poorer in rural areas (in some cases significantly poorer), and some transport modes like road and rail also face particular challenges.

30. The Government believes that the 700 MHz spectrum auction presents an important opportunity to materially improve mobile coverage across the UK, particularly in rural areas and on the UK's major roads - and this should, if necessary, be the key priority in the conduct of that auction.

31. Roaming[9] in rural areas also has the potential to improve consumer choice and address partial not-spots (where one or more operators are present, but all four are not). Ofcom should consider the costs and benefits of this coverage method, and maintain the option of requiring roaming by including appropriate provisions when granting rights of use for spectrum.

32. Alongside improving 4G coverage to meet existing mobile demand, the Government wants the UK to be a world leader in 5G, and for the majority of the population to have 5G coverage by 2027. 5G is expected to deliver faster and better mobile broadband services to customers and businesses, and to enable new services for industry sectors, including manufacturing, logistics and immersive technologies.

33. 5G creates an opportunity for market expansion - in the type of wireless services available and in the number of providers of networks and services. The Government's view is that there would be strategic advantages in a model that maintains the benefits of network competition between multiple mobile network operators, while enabling new solutions to connectivity challenges, including in-building coverage, rural coverage and industrial applications. The Government has identified four strategic priorities to help create the conditions for a competitive mobile market that supports investment and innovation in 5G:

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[9] Roaming between Mobile Network Operators (MNOs) is where operator A's customers can access operator B's network in areas where B has a coverage footprint but A does not.

- Make it easier and cheaper to deploy mobile infrastructure, including the implementation of the wide-ranging reforms of the Electronic Communications Code (ECC), improving access to the public sector estate and consulting on proposals to simplify the planning regime in England;

- Support the growth of infrastructure models (including 'neutral host' wholesale providers) that promote competition and investment in network densification and extension;

- Fund new 5G use-cases through the Government's £200 million 5G Testbeds and Trials Programme; and

- Promote new 5G services from existing and new players, through the release of additional spectrum. This is covered in section 1.7 below.

34. Mobile investment should be closely monitored by Ofcom and appropriate options considered if it becomes clear the current market structure is not supporting investment in 5G at sustainable levels.

1.7 Spectrum Management

35. Spectrum is a valuable national asset and the Government wants to maximise the economic and social value for the UK from its use. The Government's key objectives in relation to spectrum are: ensuring the efficient use of spectrum (including preventing under-utilisation of spectrum); improving mobile coverage to meet current demands; encouraging innovation and investment in new 5G services to meet future demands; and promoting competition in mobile markets.

36. As set out in the FTIR, the Government regards the introduction of flexible, shared spectrum models and the release of additional public sector spectrum as strategic priorities, and a means by which it could secure its objectives. Spectrum sharing models could enable new players, alongside existing mobile operators, to access spectrum and invest in new business models. They could help increase the availability of services and unlock opportunities for innovative new applications, including:

- Coverage extensions to rural communities and in-buildings;

- Private 4G LTE/5G networks to support innovation in the industrial internet of things, including wireless automation and robotics; and

- Fixed wireless access to premises in local, often rural, areas.

37. The Government considers that its strategic priorities can be met in the following ways:

- Meeting and going beyond the EECC requirement to release 1 GHz of spectrum in the 26 GHz band in a timely manner;

- Completing the award of the 700 MHz and 3.6 – 3.8 GHz bands in a timely manner;

- Assessing the feasibility, costs and benefits of flexible licensing models in the 3.6-4.2 GHz bands; and

- Developing licensing arrangements between public and private sector uses which facilitate restricted spectrum sharing, to assist the Government in releasing public sector spectrum for new uses.

38. In addition, the EECC contains express powers that will enable competent authorities to impose and enforce 'use or lose it' conditions related to individual spectrum rights, subject to the usual constraints on the grant of spectrum rights, such as proportionality. The Government considers that this obligation will form an important incentive for Mobile Network Operators to utilise, share or lease spectrum. In anticipation of these express powers being implemented, we would expect that Ofcom include appropriate provisions when granting rights of use for spectrum.

39. To identify the opportunities for spectrum sharing in the mobile bands and the extent to which spectrum sharing policies are increasing the utilisation of spectrum, Ofcom should report on the utilisation - as a minimum on a geographic basis - of spectrum in mobile bands. This information will identify the parts of the UK where spectrum in each mobile band is and is not being fully utilised.

40. More broadly, the Government believes that there should be greater liquidity in the spectrum market and barriers to spectrum trading should be removed. The Government would like Ofcom to clarify, through amendments to its Spectrum Trading Guidance Notes, that leasing or pooling of spectrum is not prohibited under the Wireless Telegraphy (Mobile Spectrum Trading) Regulations 2011 (as amended).

41. As the UK leaves the EU, the Government is strengthening the country's global role and reinforcing our active engagement in international bodies covering

communications policy. International coordination is an essential element of making it technically and economically possible to utilise spectrum in the UK.

42. Ofcom provides representation on behalf of the Government at a number of international bodies on radiocommunications, including the International Telecommunication Union (ITU) and European Conference of Postal and Telecommunications Administrations (CEPT). It is important that this representation reflects the Government's strategic priorities. Ofcom, DCMS and other government departments should work together to ensure that spectrum harmonisation and cooperation decisions support, as far as possible, the UK's interests.

1.8 Convergence between Full Fibre and 5G networks

43. The Government expects to see greater convergence in the telecoms sector. Fixed fibre networks and 5G are complementary technologies. In some areas and for some consumers, 5G could also provide a viable alternative to a fixed fibre connection. It is important that fibre networks and associated passive infrastructure is provisioned to meet the demands of 5G network densification, including sufficient backhaul capacity to meet data demands. It is also important that firms investing in new networks can offer a range of services over a common underlying network to both homes and businesses.

44. The policy and regulatory framework should be sufficiently flexible and forward-looking to support convergence between fixed and mobile networks, through:

● Removing practical obstacles or barriers to the deployment of converged networks. The Government would like network operators and mobile operators, working with local authorities and other relevant parties, to design infrastructure architecture that can meet the requirements of 5G roll-out;

● Single, unified access market reviews that recognise the capability of new fibre access networks to serve business, residential and mobile requirements; and

● As Ofcom has set out in their Physical Infrastructure Market Review (PIMR), allowing operators to benefit from unrestricted access to Openreach's passive infrastructure for the provision of backhaul services.

Section 2: Furthering the interests of telecoms consumers

45. Consumers rely more than ever on fixed and mobile connectivity in their everyday lives. However, the consumer experience in the telecoms sector is lagging behind that of other essential services.

46. The Government's strategic priorities for current and future telecoms consumers are to:

● Tackle harmful industry practices and improve the support available to vulnerable consumers, who can pay more than others;

● Address the difficulties that consumers experience in navigating the communications market by giving them the right data, information and support to boost their engagement;

● Remove barriers that consumers face to switching products and services, and ensure that all consumers get better outcomes, even if they are not actively searching for the best deal all of the time; and

● Improve the overall quality of service for telecoms consumers.

47. The July 2018 UK Customer Satisfaction Index[10] produced by the Institute of Customer Service ranked telecommunications and media as the worst performing sector apart from transport. Ofcom's second annual service quality report, published in May 2018[11], found that overall satisfaction of broadband customers has fallen since 2016, although the proportion of mobile customers satisfied with their service has remained stable. Ofcom's third annual service quality report[12] indicated a continuation of these trends. Ofcom's work on Consumer Engagement with Communication Services found that consumers often struggle to engage with, and navigate a complex market, and suffer unfair practices and poor quality service as a result.[13] Ofcom's recent report on Pricing

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[10] https://www.instituteofcustomerservice.com/research-insight/uk-customer-satisfaction-index

[11] https://www.ofcom.org.uk/phones-telecoms-and-internet/advice-for-consumers/quality-of-service/report

[12] https://www.ofcom.org.uk/__data/assets/pdf_file/0022/145525/comparing-service-quality-2018.pdf

[13]https://www.ofcom.org.uk/research-and-data/multi-sector-research/general-communications/consumer-engagement-with-communication-services

Trends for Communications found that loyal customers who do not shop around typically pay higher prices than more engaged consumers.[14]

48. The 'loyalty penalty' in the broadband and mobile markets (but also the insurance, mortgage and savings markets) was also the subject of a super-complaint by Citizens Advice to the Competition and Markets Authority (CMA). The CMA's response to the super-complaint found a significant loyalty penalty in telecoms.[15]

49. In their response to the super-complaint, the CMA made a number of recommendations to Ofcom and the Government, which are reflected in this SSP, and Ofcom should take account of these in developing regulation in this area.

50. The deployment of faster, more reliable and resilient fixed and mobile networks should help to improve customer satisfaction over the longer-term. However, the Government believes that further action is required now to improve telecoms consumers' experience. As the Government set out in its Consumer Green Paper and the CMA in its response to Citizens Advice super-complaint, simply relying on "engaging" consumers by providing them with more information has been shown not to be sufficient.[16] In its more recent letter to the CMA[17], the Government set out its view that bolder use of existing enforcement and regulatory powers are needed to address the loyalty penalty.

51. The Government's Consumer Forum, which brings together Ministers and the CEOs of regulators, is key to coordinating our efforts to support consumers and we welcome Ofcom's continued engagement in this forum.

2.1. Addressing harmful business practices

52. The Government enhanced Ofcom's powers to protect consumers through the Digital Economy Act 2017, and Ofcom has used these powers to improve the consumer experience in telecoms in a number of areas[18]. It has also consulted on proposals to ensure fairer, more transparent prices for mobile consumers who pay for handsets and airtime within the same contract. At the current time, many consumers, if they do not switch at the end of the minimum contract period, end

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[14] https://www.ofcom.org.uk/__data/assets/pdf_file/0030/113898/pricing-report-2018.pdf
[15] https://www.gov.uk/cma-cases/loyalty-penalty-super-complaint#response-to-super-complaint
[16] https://www.gov.uk/government/consultations/consumer-green-paper-modernising-consumer-markets
[17]

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/809592/Tackling_the_loyalty_penalty_SoS_letter.pdf
[18] For example, it has introduced a text to switch reform; introduced automatic compensation for broadband and landline users; and published its second Quality of Service report, which included data gathered using its new information gathering powers

up paying for a handset they have already paid off, which the Government regards as unfair. In its response to the Citizens Advice super-complaint, the CMA also highlighted this issue. The Government agrees that this situation needs to change and will consider legislation if this is necessary to address this issue.

53. Similarly, Ofcom should continue to examine the large gap between the best broadband deals enjoyed by the most engaged consumers and the worst deals. This is difficult to justify, particularly where those consumers getting the worst deals are vulnerable or in areas poorly served by competition. Ofcom should consider all the available evidence, including from their recent consultations and other studies, to address consumer detriment in this area. In considering potential remedies, Ofcom should also take into account the CMA's recommendations.

2.2 Access to better data & information for consumers

54. Giving consumers and third party intermediaries access to a range of reliable data is key to ensure consumers can choose products and services that best meet their needs. As part of this, Ofcom should continue to use its powers, including those arising from the Digital Economy Act 2017, to:

● Improve the quality and availability of address-level broadband data and mobile coverage data, to better inform consumers on the level of service they could benefit from in particular locations (including at home, at work or while on the move) and allow third party players to monitor the quality of service and coverage of telecoms networks; and

● Continue to improve its Quality of Service reports, in particular by including data on consumer complaints made directly to telecoms providers as well as to Ofcom, and work with the UK Regulators Network (UKRN) to introduce performance scorecards for all communications providers and digital comparison tools.

55. The Government launched the Smart Data Review to accelerate the development of new data-driven technologies and services to improve consumer outcomes in regulated markets. It is the Government's view that data portability[19] has a potentially transformative role to play in telecoms, including enabling innovations such as automatic and/or collective switching. This was also the view of the CMA in its response to the Citizens Advice super-complaint, which argued

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[19] Data portability allows people to have their personal usage data given to them or a third party of their choice in a commonly used machine-readable format.

it should be "pushed forward" in telecoms. We are currently consulting on our Smart Data proposals, which include the launch of an Open Communications initiative to promote innovation and improve the consumer experience in the telecoms market. Open Communications would put consumers in control of the data that communications providers hold about them, and enable consumers to simply and securely share this data with third parties to enable them to provide innovative services. We propose that Ofcom, supported by new legislation, should lead the implementation of Open Communications, drawing on the conclusions of our Smart Data Review and lessons from other regulated markets.

56. The UK's Digital Strategy made clear that Government would work with regulators and industry to ensure broadband advertising more accurately reflects the speeds consumers can expect to receive and accurately describes the technology used. The Government welcomes the reforms that the Advertising Standards Authority (ASA) has made to the way broadband speed claims can be advertised, which came into force on 23 May 2018, and Ofcom's changes to its Code of Practice on Broadband Speed, which came into force in March 2019. In the context of the strategic objective to secure the roll-out of full fibre broadband, Government would ask Ofcom to consider whether the information available to consumers about the characteristics of different types of broadband services, and in particular full fibre broadband, is helping consumers make informed choices.

2.3 Improve consumer switching

57. As set out in paragraph 28, Ofcom should continue to improve industry processes for broadband switching, including across platforms. Ofcom should also continue to prioritise their work on how to support consumers to engage more actively with the market.

2.4 Supporting telecoms consumers, including the most vulnerable

58. Ofcom should continue to take all opportunities to improve the consumer experience in the telecoms sector, particularly for vulnerable consumers, including those with disabilities. Ofcom should play a full role in taking forward the work set out in the Government's Consumer Green Paper[20], including:

● Looking at opportunities for non-financial data sharing on vulnerability between companies, and reviewing companies' policies and approaches from across

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[20]https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/699937/modernising-consumer-markets-green-paper.pdf

sectors to assess the effectiveness of different approaches to supporting vulnerable consumers;

● Exploring benefits, including through the UKRN, from the introduction of minimum standards that consumers with mental ill health, cognitive impairments and dementia should expect to receive, and to explore best practice for supporting these consumers; and

● Supporting the Government's work exploring the consumer advocacy arrangements in the telecoms sector, both in the short-term with measures to strengthen the current Communications Consumer Panel and on options for longer-term reform, including reviewing the resources allocated to supporting consumers in telecoms in comparison to consumers in other regulated markets.

Section 3: Secure and resilient telecoms infrastructure

59. The security and resilience of the UK's telecoms networks is of paramount importance and a strategic priority for the Government.

60. Under the Communications Act 2003, Ofcom are responsible for ensuring that network and service providers take appropriate measures to manage cyber security risks, including to the confidentiality of communications and data, the integrity of networks and services, and network availability. Given the importance of protecting the UK's critical telecoms and internet infrastructure, the Government supports an engaged, pro-active regulatory approach to the security of communications networks and services. This should incentivise network and service providers to respond to identified threats and risks, and lead to higher standards and better practices across the sector in the management of network security and resilience.

61. Ofcom has powers at its disposal - including information gathering, audit, enforcement and penalty powers - to ensure providers comply with their statutory duties to manage security risks. We welcome the strengthening of Ofcom's capability, skills and resources in order to perform an enhanced cyber role to:

● Ensure appropriate risk understanding, ownership, and mitigation by communications service and network providers;

● Lead a cyber penetration testing (T-BEST) programme, working collaboratively with DCMS, NCSC and network providers to undertake intelligence-led vulnerability penetration tests as an integral part of cyber security management; and

● Strengthen engagement with providers and suppliers, including on sector-wide cyber security and supply chain arrangements.

62. Next generation networks like 5G raise security risks as well as economic opportunities. The Government is reviewing the supply arrangements for the UK's telecoms infrastructure[21], to ensure we have an effective policy and regulatory framework in place for the secure and resilient deployment of new

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[21]https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/754741/20181108_Telecoms_Supply_Chain_Review_Terms_of_Reference.pdf

fixed and 5G networks. Ofcom are likely to play an important role in the implementation of the review and, as part of this, the Government may consider strengthening Ofcom's statutory powers in relation to network security and resilience.

Section 4: Postal services

63. The Government put in place a framework for Ofcom to deliver our primary objective to secure the provision of a financially sustainable and efficient universal postal service in the UK. Subject to this, we want a postal services market that is competitive and delivering good outcomes for consumers and other users of postal services.

64. Changes in consumer behaviour have led to a structural decline in letters and increasing online shopping, meaning Royal Mail, and the sector more widely, needs to plan, invest and operate to meet the needs of people and businesses in a way which offers best value for money over the long-term.

65. Risks to resilience go wider than changes in consumer behaviour. Royal Mail's network, under the Government's Critical National Infrastructure regime, needs to be able to protect itself from and respond effectively to the range of hazards and threats that in the short-term could have an impact on service provision. Where Ofcom does not have assurance that Royal Mail is planning and investing appropriately, as part of its strategy to achieve long-term resilience, for example in the event of a significant failure to meet quality of service targets, we expect that it will review Royal Mail's contingency plans and mitigating actions, to make sure that the needs of current and future customers will be met effectively and efficiently.