

Minutes of the fortieth meeting of the Ofcom Consumer Panel

Tuesday 18 September 2007 at 10.00 hours

Ofcom, Riverside House, 2A Southwark Bridge Road, London SE1 9HA

Present:

Consumer Panel

Colette Bowe (Chairman)
Ruth Evans (Deputy Chairman)
Fiona Ballantyne
Roger Darlington
Simon Gibson
Kevin McLaughlin
Jeremy Mitchell
Kate O'Rourke
Bob Twitchin
Allan Williams

In attendance

David Currie, Ofcom Chairman (item 13)
Ian Hargreaves, Senior Partner, Ofcom (item 13)
Ed Richards, Chief Executive, Ofcom (item 13)
Philip Rutnam, Partner, Spectrum Policy, Ofcom (item 5)
David Edwards (Consumer Panel Secretary)
Julia Guasch (Consumer Panel Support Executive)
Dominic Ridley (Acting Consumer Panel Manager)
Ben Wallis (Policy Executive to the Panel)

1. Welcome and introductions

1.1 The Chairman welcomed Panel members to the meeting. Apologies were received from Graham Mather. Philip Rutnam would join the meeting to discuss mobile liberalisation. The Panel meeting would conclude with a lunch discussion with David Currie, Ed Richards and Ian Hargreaves. In the afternoon the Panel would host a meeting of the Consumer Forum on Communications (CFC).

2. Declaration of members' interests

2.1 Allan Williams was about to take up appointment as Head of Policy and Research at Action with Communities in Rural England (ACRE).

AP1 Secretary to amend Allan Williams' details on the Panel website.

3. Minutes of the meeting on 10 July 2007 and matters arising

3.1 Minutes of the previous meeting were agreed, subject to minor

amendment. Dominic Ridley had attended a Cultures of Consumption seminar at the National Audit Office, covering issues related to how and why consumers buy goods. He had obtained copies of related publications and had shared them with senior Ofcom colleagues. It was agreed that the Panel's research sub-group should discuss the Cultures of Consumption project and consider how best the Panel could engage with it. Participation TV was expected to be on the agenda of the November 2007 Panel meeting. The Panel had submitted an advice note to Ofcom on next generation access (NGA) issues. Related to NGA, Simon Gibson reported on the Utopia project in the United States. That project involved public investment and was expected to deliver high-speed links to homes and businesses, in the order of 100 Mbit/s and 1 Gbit/s respectively. He would keep Panel members informed of news and developments and where possible share documents. The Chairman, Roger Darlington and Dominic Ridley had met representatives from the Broadband Stakeholder Group (BSG), the Chairman, those members and Simon Gibson would continue to keep members informed of NGA developments. The Deputy Chairman, Fiona Ballantyne and Ben Wallis had met Digital UK to discuss the Panel's digital switchover (DSO) qualitative research report. The Panel had intended to publish the report during the Summer but after consideration it was agreed that it should be delayed until after analogue switch-off in Whitehaven, to take place on 17 October 2007. The three items on the CFC agenda would be the 'switched-on' industry campaign to inform consumers and businesses about migration to BT's next generation network (21CN); matters related to relay services; and additional charges levied by telecoms companies.

AP2 Secretary to make minor amendment to minutes of the previous meeting.

AP3 Panel research sub-group to consider how best the Panel can engage with Cultures of Consumption.

AP4 Simon Gibson to keep members informed of developments related to the Utopia project.

4. Chairman's report

4.1 The Chairman and Roger Darlington would be attending a BSG event that evening at which Stephen Timms MP, minister for competitiveness, would be speaking. An article in that day's Financial Times suggested that the government was willing to consider some form of limited public intervention to spur private-sector investment in 'ultra-fast' broadband networks.

4.2 The previous week the Chairman and Fiona Ballantyne had attended a meeting of Ofcom's Advisory Committee for Scotland (ACS). The Chairman spoke about Panel activities and following up a suggestion made by Jeremy Mitchell she proposed a Panel/ACS public event on communications issues and usage in rural areas that could also consider issues of public value. It would cover issues affecting rural communities in different parts of the UK but the event could be held in Scotland in late Spring 2008. The Chairman would discuss the event with the Panel support team and Dominic Ridley would share more details of the proposal with Panel members.

4.3 The Chairman concluded her report by saying that she would stand down as chairman before the end of her term of appointment, due to expire at the end of December 2008. It had been challenging and rewarding to lead the Panel from start-up and a particular milestone had been development of the Panel's Consumer Interest Toolkit. She would continue as chairman until Ofcom appointed a successor to lead the Panel into a new phase and with new membership. She had advised the Ofcom Chairman. On behalf of Panel members, the Deputy Chairman thanked Colette Bowe and acknowledged her achievements as Panel Chairman.

AP5 Chairman to discuss a Scotland public event with the support team, Dominic Ridley to share details/proposal with Panel members.

5. Mobile liberalisation

5.1 Members were briefed on Ofcom's planned consultation document. Philip Rutnam joined the meeting to discuss liberalisation of the 900MHz and 1800MHz spectrum bands, currently used by four mobile network operators to run their second generation (2G) networks. The issue for consultation was how to implement liberalisation, the effect of a European Union Radio Spectrum Committee Decision, to allow the spectrum to be used for 3G and other technologies. Liberalisation would bring benefits to citizens and consumers, lower frequencies were better at providing high quality mobile broadband services than high frequencies like the 2100MHz of current 3G services. Services would cost less to deliver, making good coverage in rural areas and inside buildings more feasible. Ofcom wished to ensure that competition would be promoted and that any changes to current arrangements did not degrade quality of service for 2G users. Panel members raised questions or made comments and Philip Rutnam responded as follows:

- in answer to a question about how the mobile operators had gained access to the 900MHz and 1800MHz spectrum bands in the past Philip Rutnam said that the right had been awarded administratively rather than by auction and that the mobile companies were licensed to use them;
- the answer to whether 2G liberalisation had been factored into Ofcom's wider work on strategic planning was in the affirmative;
- Ofcom's approach focused heavily on efficiency; this could be interpreted as about the industry benefits of liberalisation; it was suggested that the focus should also be on the consumer benefits that a well-functioning mobile market would bring about;
- the Chairman said that the consultation should set out Ofcom's vision and make clear what would be a successful outcome of liberalisation;
- Ofcom would be consulting on a range of approaches but it appeared to be difficult to compare economic consequences; a tabular presentation of economic and consumer benefits could be helpful;
- if some spectrum had to be released by existing users, did this raise the possibility of market entry? Philip Rutnam said that this option could allow two or three additional operators access to 900MHz via a transparent award process;

- concern was expressed that the current 900MHz 2G operators could incur costs in releasing spectrum; would these be borne by consumers? Philip Rutnam said that increased competition should result in prices closer to costs and that Ofcom did not believe that consumers would have to bear most of any one-off costs of liberalisation;
- if Ofcom expected that 2G services would continue to make use of most of the 900MHz and 1800MHz spectrum and that consumers would be able to continue to use their current handsets, this should be made clear; further points could be amplified, eg large reduction in mast sites that could result from liberalisation.

5.2 The Chairman drew discussion to a close and confirmed that the Panel would respond to the consultation. She emphasised the value in making clear the implications for improved rural mobile coverage, assuming Ofcom's modeling supported that view.

AP6 Dominic Ridley to draft a response to Ofcom's 2G liberalisation consultation document.

6. Members' updates

6.1 Bob Twitchin had met Ofcom colleagues to discuss issues related to Ofcom's Advisory Committee on Older and Disabled People (ACOD), BT TextDirect and relay services. Related to the relay service, Dominic Ridley would enquire about Ofcom plans to contact BT to raise ACOD concerns related to the relay service. Bob Twitchin and Roger Darlington had taken part in Ofcom's on-line discussion group, set up by Ofcom's consumer policy team to engage with consumer groups. Bob Twitchin had been in contact with a software company that had made a screen reader available as a free download from the internet. He would be attending the RNIB's Techshare 2007 event on adaptive technology related to ICT (information and communications technology) for people with a range of impairments. Simon Gibson had been in contact with the Panel Chairman on matters related to BT's 21CN. In South Wales BT had begun the process of migrating customers to the new network and Simon Gibson would raise 21CN issues with Ofcom's Advisory Committee for Wales which would meet place later in the week. It was agreed that Dominic Ridley would draft a note, in consultation with the Chairman, Simon Gibson and Roger Darlington, with questions to Ofcom related to BT's 21CN.

6.2 At the 12 June 2007 meeting of the Panel Allan Williams had agreed to write a paper on future options for the CFC. The paper would be available in time for discussion at the October 2007 Panel meeting. Fiona Ballantyne had attended a meeting of the Scottish Consumer Council's Chairs' Forum. The Scottish Consumer Council was conducting research on DSO and planned to publish a report in the late Autumn. The Scottish Government had established a Scottish Broadcasting Commission. It would conduct an independent investigation into the current state of television production and broadcasting in Scotland and define a strategic way forward for the industry. The Commission would publish its report in 2008. Fiona Ballantyne commented that the ACS was

making good use of video conferencing to engage with colleagues at Ofcom's headquarters at Riverside House – the Panel might wish to make use of the facility to engage with the Ofcom advisory committees in the Nations.

6.3 Kate O'Rourke, Roger Darlington and Ben Wallis had visited ICSTIS (the Independent Committee for the Supervision of Standards of the Telephone Information Services), the industry-funded regulator for all premium rate charged telecoms services. The ICSTIS Chief Executive would meet the Panel at its December 2007 meeting. In July 2007 Kevin McLaughlin and Bob Twitchin attended a meeting of ACOD and spoke about the Panel's *Children and the internet* research report. Kevin McLaughlin shared the research with the Northern Ireland Commissioner for Children and Young People and the Consumer Council for Northern Ireland. He mentioned that the Police Service of Northern Ireland and Tesco were distributing a leaflet about children and safety on the internet. Roger Darlington had met an Ofcom colleague to discuss Ofcom's on-line engagement activities. Roger Darlington also met the Chairman of the National Consumer Council and discussed the new model for consumer representation and redress ('Consumer Voice'). It seemed that draft legislation to create Consumer Voice indicated that there 'may' rather than 'will' be cross-membership between Consumer Voice and the Consumer Panel.

AP7 Dominic Ridley to enquire about Ofcom plans to contact BT about concerns related to the relay service.

AP8 Simon Gibson to raise 21CN with Ofcom's Advisory Committee for Wales.

AP9 Dominic Ridley to draft a note with questions to Ofcom related to 21CN.

AP10 Alan Williams to draft a paper on the CFC for discussion at the Panel's October meeting.

7. Update from Consumer Panel Manager

7.1 A tendering exercise had taken place for the Panel's qualitative 'Looking Ahead' research project and an agency had been selected. Field research was expected to begin shortly and findings would be discussed at the November 2007 Panel meeting. Dominic Ridley was asked to circulate details of the Panel's research plans for the remainder of the year.

AP11 Dominic Ridley to circulate details of the Panel's research plans.

8. Children and the internet policy recommendations

8.1 Members had received a draft workshop report, including policy recommendations. Simon Gibson suggested that reference be made to manufacturers and urged inclusion of web filtering mechanisms as standard settings on computer equipment, parents and others then being able to 'opt out' rather than the present scenario of having to actively choose and set security features. More generally, members welcomed the report and would forward any further drafting points or comments to Ben Wallis, who would revise the text for publication on the Panel's website.

AP12 Members to forward drafting points or comments on the children and the internet policy report to Ben Wallis who will then revise for publication.

9. Ofcom's strategic review

9.1 Members had received a discussion paper and supporting material from Ofcom colleagues. The Chairman and Deputy Chairman would be attending the Ofcom's annual strategy meeting with the Board, representatives from the Ofcom advisory committees and others on 9 October 2007. Linked to earlier discussion of children and the internet it was agreed that children would be the focus of the Panel's contribution to discussion at the strategy day, referring to the Panel's research and proposal for an Ofcom children's panel. The latter had already been explored with Ofcom colleagues at a workshop led by SHM Ltd. In response to the Ofcom discussion paper it was agreed that Dominic Ridley would draft a response to Ofcom, indicating that the Panel supported the general direction of Ofcom's strategic thinking and making a number of detailed points. He would also check whether the Communications Act 2003 made specific reference to children, in relation to the responsibilities of Ofcom and/or the Panel.

AP13 Chairman and Deputy Chairman to raise children as the Panel's main issue at Ofcom's October strategy event.

AP14 Dominic Ridley to draft an advice note to Ofcom on its strategic review.

AP15 Dominic Ridley to check whether the Communications Act made specific reference to children.

10. Consumer Panel stakeholder survey

10.1 Ofcom had commissioned a stakeholder survey resulting in a report containing comments and views on how the Panel had operated and making a number of suggestions on the future role of the Panel. The report had been shared with Panel members. Those interviewed included Ofcom colleagues and Board members, Panel members and external stakeholders, including a number of consumer representatives. The survey was not a performance review of the Panel's effectiveness but the terms of office of all on the Panel would come to an end over the next year and a half and Ofcom and the Panel had agreed that it would be useful to assess the Panel's role going forward.

10.2 Jeremy Mitchell had examined the summary of recommendations made by interviewees. Some were solely within the competence of the Panel. Others would require the Panel to consult with Ofcom at an operational level. Some would be for consideration at a high level within Ofcom and lie within its competence. Some might require amendment to the Memorandum of Understanding between Ofcom and the Panel. And some might require amendment to legislation. Fiona Ballantyne commented that missing from the report was an overall strategic vision for the operation of the Panel, she said that this would need attention ahead of the detail. There was brief discussion of the relationship between the Panel and Ofcom's advisory committees and whether cross-membership would be useful or practical, as opposed to the current observer status for Panel members. The Chairman suggested that closer formal

links with the committees could be useful but there would be governance issues to resolve. Kate O'Rourke said that it would be useful to give consideration to future Panel staff arrangements and whether these should be enhanced in some way to allow the Panel wider coverage of communications issues. The Deputy Chairman said that thinking of members' and staff roles would go together. If in the future the Chairman, Deputy Chairman and members were more like traditional board members and had a reduced time commitment, this would require staff to do more of the Panel's thinking in response to consumer issues and policies. The Chairman commented that Ofcom could find it difficult to recruit a new chairman able to provide the current time commitment of up to three days a week. An option could be a more senior role for the person leading the Panel support team.

10.3 It was agreed that there would be limited value in the Panel taking decisions on the recommendations in the report prior to appointment of a new chairman. His or her views could be quite different. It was agreed that members would provide their views in response to report recommendations and that these would form the basis for discussion with the Chairman's successor. Members would email Dominic Ridley with their different views and comments, including 'housekeeping' points, and he would compile them, for future discussion, rather than seek to produce something consensual. It was agreed that Dominic Ridley would draft a note from the Chairman to David Currie as the Panel's 'high-level' response to the stakeholder report, also bearing in mind that new communications legislation might not be far away.

AP16 Members to email Dominic Ridley by the end of the month with their comments on the stakeholder report on the Panel.

AP17 Dominic Ridley to compile comments and housekeeping points for a future Panel discussion with the incoming Panel Chairman.

AP18 Dominic Ridley to draft a note from the Chairman to David Currie as the Panel's response to the stakeholder report.

11. Other matters to note/agree

11.1 Members had been provided with a written report on Panel activities, Ofcom publications, policy projects and events and approaches to the Panel; its contents were noted.

12. Any other Business

12.1 There was no other business.

13. Discussion with David Currie, Ian Hargreaves and Ed Richards

13.1 There was discussion with David Currie, Ian Hargreaves and Ed Richards on the Consumer Panel stakeholder survey, about recruitment of a new Panel chairman and related issues.

.....Chairman

.....Date