



Internet Telephony Services Providers' Association

ITSPA Response to DCMS Consultation on Reforming Consumer Advocacy in Telecoms

About

The Internet Telephony Services Providers' Association ("ITSPA") represents over 100 UK businesses involved with the supply of next generation communication services over data networks to industry and residential customers within the UK. Our traditional core members are IP networks and service providers. ITSPA pays close attention to both market and regulatory framework developments on a worldwide basis in order to ensure that the UK internet telephony industry is as competitive as it can be within both national and international markets.

Please note that certain aspects of the ITSPA response may not necessarily be supported by all ITSPA members. Individual members may respond separately to this consultation where a position differs. However, the ITSPA Council is confident that this response reflects the views of the overwhelming majority of ITSPA members.

A full list of ITSPA members can be found at <http://www.itspa.org.uk/>.

Response

ITSPA welcomes the Consultation by the Department for Culture, Media and Sport ("DCMS"). We have no doubt that Citizens Advice will provide a much-needed enhancement to the Communications Consumer Panel ("CCP") in relation to the advocacy needs of *residential subscribers*.

Unfortunately, the Communications Act 2003 ("CA2003") not only defines the remit of the CCP to be encompassing of small businesses¹, it is clear from the forthcoming transposition of the European Electronic Communications Code ("EECC")² that there will be pressure to increase the current statutory definition of small business in the CA2003.

We would respectfully suggest that, whilst an excellent organisation, Citizens Advice is not a body capable of providing advocacy to on behalf of business users of telecommunications, which places DCMS' preferred option at odds with the statutory remit of the CCP.

If it is DCMS' intent that the focus of the CCP and the voice of Citizens Advice is to be purely for residential users, then legislation should be brought before Parliament to amend Section 16 of the CA2003 to remove the reference to small businesses.

However, if it is the intent that, indeed, the views of small businesses are to be taken into account, then this project needs to consider the impact of the transposition of the EECC on any definitions, and consider the body best for advocacy of that stakeholder group. We would suggest, given the inherent conflict between the needs of business and residential users communities, it cannot be the same body. Due consideration should be given to the inclusion of the Chambers of Commerce, Institute of Directors or Federation of Small Businesses as an advocacy body alongside Citizens Advice.

This brings us onto the funding arrangements for the CCP and advocacy. Our members, which almost exclusively are either wholesalers to, or supply directly the business telecommunications market, are

¹ [Communications Act 2003](#)

² [European Electronic Communications Code](#)



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seriously concerned at the prospect of the Office of Communications (“Ofcom”) using its levy raising powers to collect fees from them for residential communications activities. This amounts to a cross-subsidy of horizontally integrated communications providers by their business communications only competitors and would be wholly unacceptable.

That said, ITSPA notes that there has been little change in the telecoms advocacy landscape since the inception of the CCP in 2003 and consider there is merit in reviewing the arrangements. We note the disparity (albeit entirely justified by reference to household expenditure and residential user data) between our sector and others in advocacy. However, the entire economy operates on the back of the telecommunications networks our members, and others, operate. It is therefore important that DCMS consider a holistic view of the advocacy arrangements to ensure that every stakeholder has appropriate representation.

We note that Ofcom are very fond of justifying (which we often disagree with) that businesses with up to 10 employees³ have insufficient bargaining power nor the knowledge or capabilities to be treated differently to residential consumers. It is therefore very surprising that the proposals do not consider giving equal weight to small business’ voice through the CCP.

As ever, we are at your disposal to discuss the matters we raise further.

³ [Ofcom Business services guide](#)