

COMMUNICATION WORKERS UNION RESPONSE TO THE IRG/ERG* WORK PROGRAMME 2008

The Communication Workers' Union (CWU) has over 70,000 members working in the UK telecommunications sector. Around three quarters are employed in BT, with the remainder spread over 30 telecommunications companies.

We welcome the opportunity to respond to Work Programme 2008, which we believe sets out a positive strategy for encouraging innovation and investment as well as protecting and empowering consumers in the communications sector. However, we are concerned that the IRG/ERG has overlooked some important issues especially in relation to workforce training and telecommunications universal service provision.

As a trade union representing telecommunications workers, we are particularly interested in those areas that deal with the telecommunications industry. However, with the accelerating trend towards the convergence of the broadcast media and telecommunications industries, issues relating to broadcasting are of increasing importance to us. Therefore we welcome the programme outlined in paragraph 3.2.

The CWU welcomes the commitment to securing a common position on competition and efficient investment in next generation networks as in paragraph 3.1. This will be a key driver of growth in the telecommunications market, integral to the provision of new products and services such as broadband television, VoIP, wireless broadband among other services. The right incentives are instrumental to securing investment in the development of NGN which promises major benefits for the citizen and consumer as well as boosting the UK's economic competitiveness.

We would suggest that those incentives should include allowing interconnection prices to be set at a level which allows a return on investment.

The CWU is of the view that the communications industry's greatest resource is its people so we regret that the plan fails to take account of the interests of the workforce and the need to secure quality skills and training, whilst promoting decent labour standards and practices throughout the industry. It is clear that one of the essential elements that will enable the swift and successful development of the market, and NGN in particular, is the need to guarantee adequate training and skills in the telecoms sector.

The rapid convergence and proliferation of new platforms alongside the merging of boundaries between broadcasting and telecoms heightens the need for sufficient high-quality workforce training across the entire unified sector.

Convergence is “exposing the differences between the frameworks under which radio, TV and fixed and mobile telecoms are regulated” (Ofcom draft Annual Plan 07/08). Pursuant to this, the CWU believes that the gradual merging of platforms and services highlights more than ever the need for a more strategic and concerted approach to workforce training, so essential to ensuring the growth and development of the industry all stakeholders wish to see.

We propose that the IRG/ERG through the offices of The Commission addresses the skills gap by facilitating discussions with stakeholders in order to define the skills required to deliver maximum economic and consumer benefit from NGN. We further suggest that IRG/ERG supports and promotes training amongst the telecoms workforce who are key to delivering quality telecoms services and world class next generation networks. Promotion and co-ordination of such training will be required if Europe is to meet the objectives of i2010.

It is not only skills within the telecommunications sector that are lacking, but technological skills in the business sector as a whole. We believe that IRG/ERG can help to generate interest and growth in the take up of new telecoms products and services by promoting the business benefits of telecoms technology in order to dispel perceptions of a ‘lack of need or benefit’ in the business community, especially amongst SMEs.

We believe that a greater commitment is required to delivering public outcomes as platforms and services converge, particularly the consideration of the role of public intervention in extending availability of broadband services with regards to a USO.

The CWU’s view is that public intervention is needed to improve business compliance or realise a public outcome. From a communications perspective there are few more important policy goals than ensuring that all citizens have access to broadband, an increasingly important means of participating in the information society which facilitates access to new broadband services such as online public services and broadband television. Such public outcomes can produce a more inclusive market bringing social and economic benefits with heightened participation in e-commerce, e-democracy, e-education and e-health.

In addition the issue of public intervention raises the question of whether the Member States might need to invest to allow competitive tendering to supply broadband in remote areas where it is not economically viable or attractive to do so.

We consider the role of public intervention in extending availability of broadband services as a necessity to meet the goals of i2010. The CWU's view is that public intervention is necessary to create wider access to high speed broadband, an increasingly important tool for participation in the information society while Government investment will be required to encourage the supply of broadband in rural and remote areas where it is not economically attractive for the market to operate.

We will continue to follow the review of the USO closely, particularly the review of the costs and benefits of fulfilling the obligations. Moreover we believe that mobile and broadband services should be included within the scope of the USO.

The argument has been made in some quarters that a USO cannot be introduced for broadband because EU policy says that there is no rationale for a broadband USO at present. The CWU's position is that EU policy does not prevent national governments from funding wider access to broadband if necessary; a good example of this is the question of government funding for better access to broadband in remote areas. It should be the objective to have a more inclusive and cohesive society and that the benefits of e-commerce, e-democracy, e-education and e-health should not be solely available to areas of high population density.

Furthermore, the preeminence of mobile and broadband services in the market place has now reached the stage where the IRG/ERG through the offices of The Commission should be looking to encompass them within the scope of the USO. We urge the IRG/ERG to make representations to the European Commission in this regard.

We support the IRG/ERG aim of maximising its impact on international policy development, particularly its continued contribution to debates on EU policy such as the Convergence and VoIP. The current regulatory regime is highly uneven across the European market and as a result some operators are experiencing barriers to market entry in some countries.

It is in the interest of operators wishing to expand across Europe that the IRG/ERG argues for greater powers to be retained at an EU level – while ensuring appropriate powers remain at national level – with the objective of ensuring a more consistent and transparent approach to regulation across Europe. This should involve a significant social dialogue element and wide consultation with a focus on investment in new networks, user access to services and universal service.

Whilst consumer protection is mentioned in the Chairman's preamble, we are concerned by the lack of any activity around consumer protection, especially in relation to switching easily and quickly to new providers. We urge the IRG/ERG to ensure that its activity in this area applies across all the different products and services in a converged marketplace, whether they are fixed, mobile or broadband.

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*Note:

IRG refers to the Independent Regulators Group.

The Independent Regulators Group - IRG - was established in 1997 as a group of European National Telecommunications Regulatory Authorities (NRAs) to share experiences and points of views among its members on issues of common interest such as interconnection, prices, universal service, and other important issues relating to the regulation and development of the European telecommunications market.

ERG refers to the European Regulators Group

The European Regulators Group - ERG - for electronic communications networks and services has been set up by the UN Commission to provide a suitable mechanism for encouraging co-operation and coordination between national regulatory authorities and the Commission, in order to promote the development of the internal market for electronic communications networks and services, and to seek to achieve consistent application, in all Member States, of the provisions set out in the Directives of the new regulatory framework.

OFCOM is represented in both groups.