

BT Response to the PhonepayPlus Business Plan & Budget 2011/12 A PhonepayPlus Consultation

PUBLIC CONSULTATION

Comments can be addressed via:

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Executive summary

BT broadly supports the 2011/12 Business Plan and Budget for PPP.

Our main comments are:

- That the budget needs to allow PPP to regulate the PRS marketplace effectively.
- That the budget for communication needs to ensure that the introduction of the 12th Code is effectively explained to all participants on the market, particularly the newly responsible L2s.

This response reflects BT's view. Our response can be treated as non-confidential

BT Response to PPP Consultation questions

Q1. What information or evidence do you have about market trends and about the overall size of the phone-paid services market in 2010/11?

We agree with the widely reported contraction of the PRS market.

Q2. What information or evidence do you have about any specific segments or content areas and their potential for real growth or decline over 2010/11?

No response. We have focussed our response on the budgetary questions.

Q3. How do you see the phone-paid services market developing in 2011/12? In particular, do you have any insight into how PRS might develop on social media or smartphones?

No response. We have focussed our response on the budgetary questions.

Q4. What comments do you have on the priorities for 2011/12? Are there other projects or issues that you think PhonepayPlus should consider for the coming year?

We believe that the priorities for 2011/12 are broadly correct provided the reductions do not undermine the ability of PhonepayPlus to regulate the market effectively or push the burden of enforcing the code onto industry. Please see our response to the PhonepayPlus 3yr Strategic Plan.

The need for the successful launch and implementation of the new code and registration scheme is clearly important. PPP needs to be clear about how they propose to measure this success. How does PPP plan to do this? We also refer PPP to our separate response on the Guidance to support PPP's proposed new Code of Practice. For example, it is not appropriate, in our view, for the Network Operator to police the market on behalf of PPP (see paragraph 1.1. of the Executive Summary to this consultation).

We support the move to either pre-empt non-compliance or deal with appropriate non-compliance in an informal manner.

We believe that PPP should concentrate promotional / educational activity and spend on PRS users and adult PRS and non-PRS users rather than on school children. Given the

change in regulatory responsibility in the 12th Code, there needs to be significant effort in educating the new L2 organisations on their responsibilities. Given the reduction in the Code Compliance and Development budget from 2010/11, PPP need to ensure that the communication is effective.

We believe that PPP should support the creation of a level playing field in UK PRS as envisaged in a number of the proposals in the current Ofcom Non-geographic Services Consultation.

Q5. Do you support our proposed budget changes for 2011/12, having regard to the activities and strategy that drives the changes? If not, please explain why.

We support the reduction in the overall budget reflecting the reduction in the size of the market. The split of Enforcement into Complaint Resolution and Investigation will be useful in reflecting the priority of the activities and focus the different behaviours appropriate to the different areas. It is important that both these areas are effective.

As above the reduction in the Code Development budget needs to allow for sufficient communication of the new Code and its implications to encourage and enable widespread compliance among Network Operators, L1s and L2s.

END