

**Question 1: When do you consider it would be timely and efficient for next generation access investment to take place in the UK?:**

We believe that such investment should take place as soon as possible. We believe this because the issue of next generation access is not only or even primarily a technological issue but is about satisfying the appetite of citizens and consumers for content, especially moving image content ? as demonstrated for example by the way in which short-form video services on the internet, such as YouTube, have been embraced so quickly and enthusiastically by end-users.

The roll-out of next generation access is essential to assist the development of legitimate digital services - streaming and download - services delivering films. These services will deliver benefits to citizens and consumers since they will allow service providers to offer a much wider range of films (the so-called ?Long Tail? effect) because the physical constraint of shelf space does not exist in a digital environment. Such new services will also help to stimulate the development of new business models within the UK film industry thereby significantly benefiting the creative economy. They will also help to stem piracy by providing a legitimate offer meet consumer demand. At present the take-up of legitimate services offering films is slow, and we strongly suspect that slow broadband speeds are a contributory factor.

**Question 2: Do you agree with the principles outlined for regulating next generation access?:**

Yes, we support these five principles ? contestability, maximising potential for innovation, equivalence, reflecting risk in returns and regulatory certainty. In particular, we think that strong emphasis should be placed on encouraging innovation so as to maximise the benefits of the digital age for all.

**Question 3: How should Ofcom reflect risk in regulated access terms?:**

We do not have a view on this.

**Question 4: Do you agree with the need for both passive and active access remedies to promote competition?:**

We do not have a view on this.

**Question 5: Do you consider there to be a role of direct regulatory or public policy intervention to create artificial incentives for earlier investment in next generation access?:**

Yes, we believe that regulatory and public policy interventions should play an active and enabling role in stimulating early investment in next generation access wherever they such interventions will help to optimise benefits to citizens and consumers. We

look forward to Ofcom spelling out in more detail its approach to the application of its regulatory principles in its planned statement in the Spring. We are puzzled however by the use of the term "artificial" to describe public sector "incentives" - this seems to us a misleading and potentially prejudicial word.