



Mark Isherwood AM  
Chair  
Legislation Committee No.5  
Legislation Office  
National Assembly for Wales  
Cardiff Bay  
CF99 1NA

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20 March 2009

Dear Mr Isherwood AM,

**The National Assembly for Wales (Legislative Competence) (Welsh Language) Order 2009**

Virgin Media is grateful for the opportunity to submit written evidence to the Legislation Committee No.5 on the proposed Order outlined above.

To briefly provide background on Virgin Media, we are the UK's first quad-play provider of TV, broadband, phone and mobile with almost 10 million customers. Virgin Media is the largest residential broadband provider in the country, delivering next-generation internet access with ultrafast speeds of up to 50Mb using its unique fibre-optic cable network. Virgin Media has the UK's most advanced TV on demand service and is the only TV platform to carry BBC iPlayer. Virgin Media was the first company to launch a high definition TV service and offers a high-specification, HD-ready V+ personal video recorder. Virgin Media is the second-largest provider of pay TV and home phone in the UK and the largest virtual mobile network operator.

Virgin Media in principle supports the proposal to confer power on the National Assembly for Wales to legislate on the promotion and use of the Welsh language and which services the public should be able to receive bilingually. These proposals are consistent with the principle of devolved Welsh governance.

We do feel however, that it is worth outlining at this stage our views on the potential impact of a legal obligation on private companies to provide information bilingually. It is not clear from contact with our customers that there is an overwhelming customer demand from them to communicate with Virgin Media bilingually. Virgin Media employ a number of Welsh speakers in our customer call centres in Wales, providing the option for customers to communicate with us in Welsh should they so wish. However, demand for their services over the years has been exceptionally limited. Moreover, neither a lack of a bilingual option in our call centres and billing centres, nor the absence of an option to receive bills or other written communications in Welsh, have arisen as points of contention with customers.

Our starting point when looking at legislative proposals is to examine the potential consequences of those proposals on our customers. Should it become compulsory for telecom companies to supply individual bills in Welsh or be obliged to provide Welsh speaking customer service representatives in their call centres, this would add significant additional costs to our operations in Wales. In an exceptionally competitive marketplace, this additional cost of operation in Wales may have a number of unintended consequences.

In an extreme case, a difficult economic climate combined with the additional cost of implementing these measures might dissuade some companies from investing in Wales. The consequence of this might be to reduce competition and innovation in the telecommunications or other markets in Wales, which may ultimately lead to consumer harm through reduced innovative services or a lack of competition between competing companies, potentially leading to higher prices.

The exceptionally competitive nature of the telecommunications industry in the UK means that the cost of any compulsory scheme to produce bills in Welsh, even if the option for billing in Welsh benefits a small minority of customers, may lead to higher bills for the vast majority of customers in Wales.

Given the pressures that exist on the family budget in these difficult economic times, increased prices could mean that families who currently take telecommunications services may decide to sacrifice these services in favour of non discretionary services such as gas, electricity, water or food.

For the significant minority of households currently offline, the price of communications services may be one of the more significant barriers when considering whether or not to sign up for services. As such, price rises that come as a result of this measure may prevent some families from entering agreements for such services. Therefore, potential unintended consequences of this well meaning legislation may in fact run counter to initiatives which sit at the heart of Government and Assembly policy, to promote digital inclusion and reduce social exclusion in Wales.

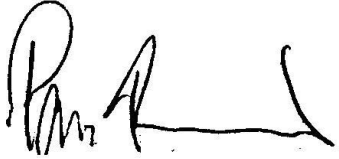
Virgin Media believes that telecom services should be available to as many people as possible, as cheaply as possible. That is why we have recently announced plans to upgrade all of our 2Mb tier customers (the majority of our entire customer base) to our new 10Mb entry level tier; that is why we have recently partnered with the e-Learning Foundation and UK Online centres to provide hundreds of low income families with 12 months free connectivity; and that is also why we provide exceptional value products such as our £8.50 monthly mobile tariff – the most competitively priced service in the UK.

This belief is based on our experience of the capacity of the internet to educate, entertain, inspire and transform customer's lives as well as saving them money and time through the use of a diverse range of online services. As such, we would be disappointed if opportunities offered by the online world, the range of websites and resources online which might enable celebration of the Welsh Language and culture, were placed out of reach of consumers by a well-meaning measure which inadvertently priced families off the internet.

Virgin Media believe that a much better alternative might be to identify ways in which private companies might be persuaded of the benefits of offering services in Welsh when doing business in Wales. Virgin Media are not yet convinced that the provision of billing and customer service in Welsh is something that our customers want.

Beyond that, a wider public interest to promote the Welsh language should in the first instance be furthered through a close dialogue between the Welsh government and operators who offer services in Wales.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Paul Richmond', with a stylized flourish at the end.

Paul Richmond

Director of Corporate Affairs & Media  
Virgin Media