

## FCS Response to Ofcom's Proposed Annual Plan 2019/20

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### Introduction

The Federation of Communication Services represents companies which provide professional communications solutions to business users. Our members deliver telecommunications services via mobile and fixed line telephony networks, broadband, satellite, wi-fi and business radio. Our members' customers range from SMEs, home-workers and micro-businesses up to the very largest national and international private enterprises and public sector users. FCS is the largest trade organisation in the professional communications arena, representing the interests of around 300 businesses who supply B2B services nationwide.

### Overview

We welcome the work that Ofcom commits to carrying out in the forthcoming year, particularly in the area of number portability and number management. The FCS has prepared a policy paper in this area which is currently being discussed with other Industry groups. We will, of course, be happy to share this with Ofcom and discuss the proposals in it in due course.

We believe that Ofcom should continue to encourage competition in the full fibre market and seek to avoid seeing large vertically integrated companies as the way forwards. Our members are keen to explore the possibility of getting their engineers accredited to allow them to work on the Openreach network – this would help the work of rolling out FTTP to all, reduce the workload on Openreach and allow CPs to build stronger relationships with their customers.

We think that there is a role for Ofcom in overseeing and coordinating the many projects that spring from Openreach's programme to cease WLR by 2025. This links inextricably to several of the items in the work plan and it is vital that there is a continuous overall view of the various programmes and how they link together.

Our comments below relate to the Work Plan as set out in Annex 2

### Future of consumer data

We would like to understand how Ofcom will define "consumer" for this work and ensure that unnecessary and onerous obligations are not put on B2B suppliers.

### Numbering Policy (including 07)

We understand that Ofcom wants to protect the use and cost of 070 numbers – whilst these are not often within our members portfolio, their beneficial uses (eg ads in Autotrader) should not be forgotten.

Consumer understanding of prefixes and their meanings has always been far behind what Ofcom hopes and aims for, so we would suggest that simplicity of prefixes and definitions would be ideal.

## **Regulatory Financial Reporting**

We would like to see much greater clarity between the reporting for BTG as a whole and the plans and ambitions for Openreach to help us understand what can be expected from them in the future.

## **Number portability**

The future of number portability is closely linked to Interconnection and number management, which Ofcom also identifies in its programme of work.

The FCS view is that any future number porting arrangements should not offer a competitive advantage to any Network Operator, range-holder or other stakeholder. A gaining provider led system (perhaps with use of PAC) where the end-user owns and controls their own number(s) should be the goal.

Any weight that Ofcom can put behind the efforts of the industry to successfully operate existing porting processes would be welcome, but ultimately the closure of the PSTN and the shift to IP should be the catalyst for an entirely new method of number porting. This includes moving from an onward-routing model to direct routing only with fully automated process that encompass CLI authentication and 999 updates.

## **Interconnection**

Direct routing as the preferred method, as already operating in the data world (eg LINX), should be established. Larger carriers should not be able to gain competitive advantage through interconnect arrangements; currently we are seeing BTW using IPEX to charge for inbound routing of geographic numbers and this sort of behaviour should be outlawed.

## **Number Management/blockchain**

We are pleased that Ofcom has the financial ability to investigate the use of blockchain as a means for management of numbers. However, we believe that several steps need to be completed before deciding that this road is the correct one to go down.

A database could be set up now to list and identify current range holders and hosting range holders and to validate numbers. Definitions need to be clear and should set out where responsibility lies – we believe that it should sit with parties that have interconnect. Many companies have number ranges but do not host them, many resellers take numbers but have no interconnect. The owner of the number is ultimately the end user and it is they have the say over where it is pointed: CPs simply enact these instructions.

The whole system of allocating numbers in 10k or 1k blocks should be reviewed and clear definitions set about ownership and management responsibilities.

## Radio Spectrum Solutions

The FCS remains keen to support Ofcom in its work to safeguard the radio spectrum used for critical applications, typically characterized by Business Radio systems. These systems are involved in the successful delivery or may essential services in a wide variety of sectors. These sectors include:

Aerospace, Airports, Banking, Biotechnology, Broadcasting, Chemicals, Construction, Defence, Distribution Logistics, Electronics, Emergency services, Entertainment, Environmental, Events, Finance, Healthcare, IT sector, Lifeboats, Local Government, Manufacturing, Marine, National Government, Oil Industries, Petroleum Terminals, Pharmaceuticals, Prisons, Ports, Public Safety, Retail Stores, Retail Centres, Security, Sport, Telecoms, Transport, Utilities.

Of course, there are many more.

Happily, most of the UK population is blissfully unaware of the existence of these radio systems. This is because the systems support (and will continue to support) critical and safety-related operational necessities, even in the most adverse of conditions. Thus, if (or when) something goes wrong with some vital process, the operational team can rely on these HIGH RESILIENCE radio communications to quickly re-establish the required service.

It is therefore no surprise that, despite widespread predictions of the end of Business Radio activities, the Business Radio sector continues to exhibit healthy growth, even in its oldest and most traditional forms. We note that the 2015/6 FCS survey into demand in the sector predicted this growth would continue for the foreseeable future. In November, a reputable research company reported that they had seen a 14% growth (worldwide) in system installation in 2017 - on target with the prediction in the survey. {Note: The FCS survey was provided to Ofcom in 2016.} The growth predicted for the use of data was, of course, much higher.

It is this growth that remains a key topic for Ofcom (and indeed the whole country) in the future. The radio spectrum is finite and with the utilisation of spectrum used for Business Radio rising more quickly than ever before, as evidenced by the recent growth in Light Licences, we must ensure that every opportunity is taken to maximise the efficiency of use.

The FCS is delighted that Ofcom has recently made some changes that have significantly improved the utilisation of the allocated radio spectrum. Doubtless the growth in data use and demand will be a topic for serious consideration over the next two years.

We are also grateful that Ofcom has undertaken certain projects to improve the flow of information through the on-line portal and also even improve processes for access to the radio spectrum through individual licensing. This is especially important because, as Ofcom experts well know, individual licensing is an essential component for success in HIGH RESILIENCE or related activity systems. Without proper information on use, there is little chance that Ofcom will be able to manage the radio spectrum for maximum efficiency as utilisation increases and the danger of congestion gets ever-closer.

As a consequence, the FCS strongly supports the content of sections 4.17 to 4.19 of the Annual Plan in the context of Business Radio and other critical or safety-related operational use of the radio spectrum. The FCS undertakes to support Ofcom in its work going forward.

### **Market Reviews**

We note and welcome the reviews that Ofcom plans to carry out in the forthcoming months. The regulated markets are no longer independent but are converging via IP so there needs to be overall project management of the transition, ensuring that competition is not disrupted, there is clear information for industry to make decisions, and no discrimination (financial, operational or competitive) to stakeholders on migration.

Ofcom must ensure that equivalence of access is maintained for all stakeholders.

### **Conclusion**

The FCS hopes that these comments are helpful to Ofcom in its considerations. We believe there is a significant co-ordinating role across the telecoms industry for Ofcom in the coming years and a need to keep encouraging competition whilst avoiding vertical integration.

We support the overall aims that Ofcom wants to achieve and are happy to work with Ofcom to develop any of the themes we have identified above.