

Representing the Communication Services Industry



Fixed Narrowband Market Review and Network Charge Control
Issued 17 May 2012

FCS response- 28 June 2012

Contact for response:
Michael Eagle

Federation of Communication Services Ltd
Burnhill Business Centre,
Provident House,
Burrell Row,
Beckenham, Kent
BR3 1AT
Tel: 020 8249 6363
E-mail: fcs@fcs.org.uk
Web: www.fcs.org.uk

Introduction

The [Federation of Communication Services](#) represents over 300 businesses delivering products and services via wireless, copper and fibre technology. Over 50% FCS members are smaller CPs and new entrants that deliver telephony services into the residential and business markets; this sector is growing. This response has been prepared on behalf of the Fixed Service Providers Group within the Federation.

Overview

We welcome the opportunity of responding to this call for inputs to Ofcom's forthcoming Fixed Narrowband Market Review and Network Charge Control. The remedies provided via earlier market reviews at both wholesale and retail level have been essential in supporting effective competition in the fixed sector. The obligation to provide, for example, WLR has been critical in delivering diversity and innovation in this market.

We have restricted our response at this stage to a few general observations and responses to selected questions.

The narrowband market essentially equates to the market for provision of voice services in a market whose boundaries are becoming blurred; a point which Ofcom implicitly recognises in considering the impact of possible substitution by mobile and VoIP services.

The key development in this environment since the last review is the ongoing roll out of Openreach's fibre network. It is important, therefore, that Ofcom considers the impact of this major technology change on the future provision of wholesale voice products.

Specifically, FCS members have had major concerns relating to Openreach's strategy on the provision of voice in fibre only areas. The Fibre Voice Access (FVA) product which has been proposed by Openreach is not suitable for CPs who operate a Service Provider or Reseller model.

BT Wholesale has recently announced its intention to provide a WLR/Wholesale Calls type product for fibre areas but it is important for the maintenance of effective competition that this new product is fit for purpose and featured in a way which allows meaningful competition with larger CPs using FVA. We believe strongly that these developments should be considered within the context of the market review.

Ofcom consultation questions

Question 11: Do you consider that individual CPs number ranges are a relevant factor in defining the relevant market in call termination?

As noted in the current Ofcom document, a proportion of the range holder CPs who would be affected by this change do not operate their own access networks, implying that these are small operations. We are concerned, therefore, to ensure that any changes to the regulation in these areas does not impose a disproportionate additional regulatory burden on these smaller CPs.

Question 12: Do you consider that there have been any changes in the markets for fixed call termination that would be relevant in our assessment of SMP in these markets.

Further changes to the market may arise from the forthcoming statement on Non Geographic Calls Services (NGCS) and it would be prudent to await a clearer indication of the outcomes and the consequent direction of travel before deciding on any changes.

Question 14: To what extent has competition in the Single Transit market changed since the 2009 review?

As noted in our response to Question 12, it is likely that further changes to the market will arise from the NGCS review and that this issue should be considered when the outcomes are clearer.

Question 17: Where there is SMP, what do you consider to be an appropriate notice period for the services covered by this review?

We believe that notice periods for any wholesale services must be adequate to allow all participants in the supply chain to implement the necessary changes with their own customers (this is not an issue which is specific to SMP remedies). Any reduction in the current 90 day notice period is likely to make this more difficult.