

FCS around the UK - Perth

Welcome

FCS at 30

1981 – 2011

Comms Provider 11

Thursday 13 Oct, London

Business Radio 11

Thursday 17 Nov, Daventry

Thanks to

SSE

12 July 2011

Nine Telecom

FCS Regional Meeting - Perth

Team Telecom

FCS around the UK - Perth

Programme for the day

- 
- 10.30** **Telephony Session**
 - 11.50** **Break**
 - 12.00** **The Bigger Picture**
 - 13.00** **Lunch & Networking**
 - 14.00** **Business Radio Session**

Telephony Session

Programme for this session

10.30 Introductions

10.35 Meeting with Openreach CEO Michael Eagle

- NGA update
- WLR update
- Ofcom switching review

10.55 Numbers and mobile Jacqui Brookes

11.15 General Conditions Michael Eagle

11.50 Break

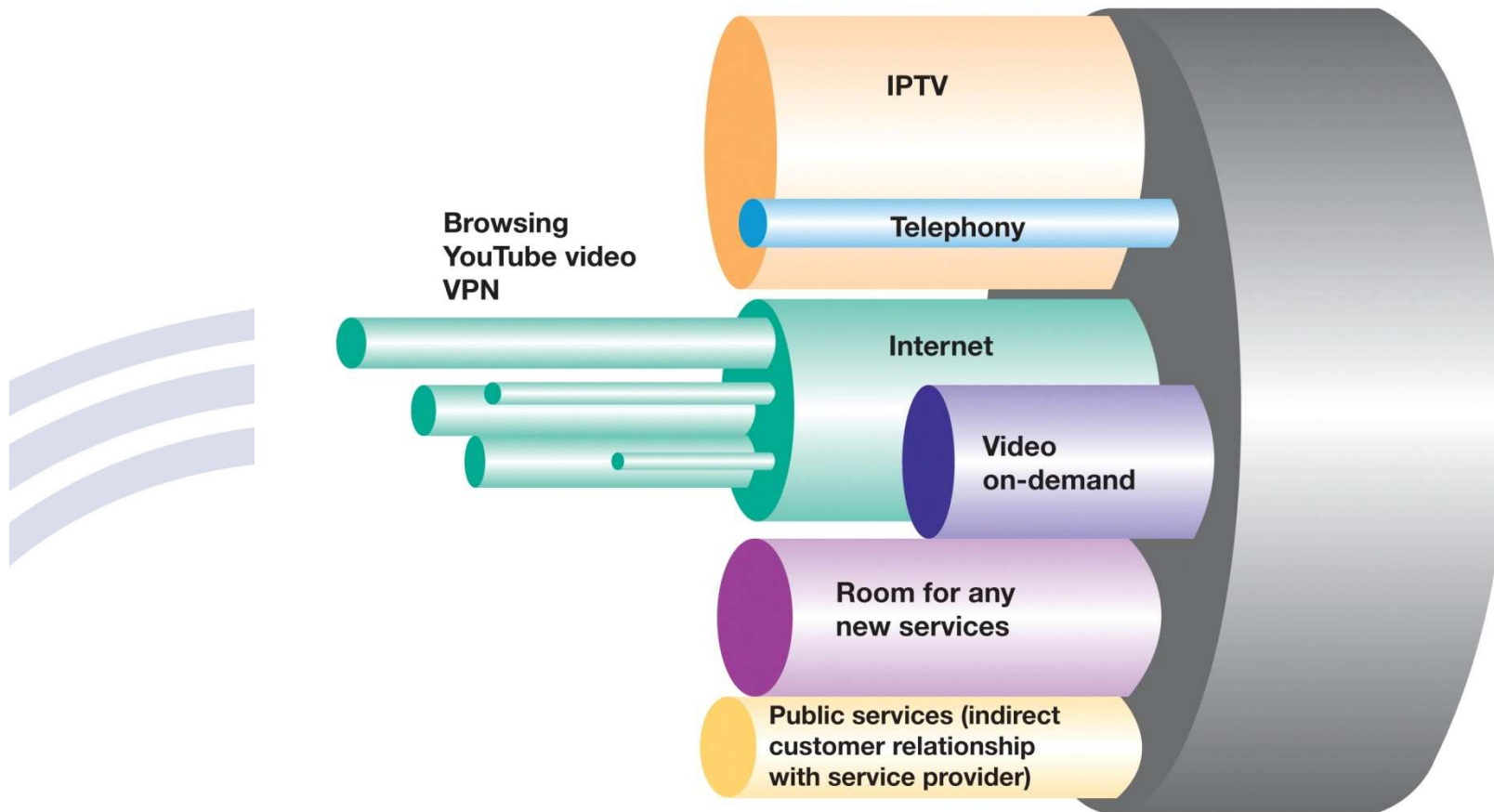
Meeting with Openreach CEO

- Next Generation Access
- Service Delivery
- WLR3 Transition
- WLR Contract
- WLR Charge Controls

NGA - FCS position

- Welcome the roll out of fibre and opportunities it brings
- Ensure NGA products do not break the market and allow new monopolies to prevail- reducing consumer choice
- The infrastructure competition model is limited
- Support required for competition at the retail level -by providing suitable reseller products.
- Main issue is voice over fibre
- The multichannel pipe model allows the widest range of service models
- Regulated wholesale products are preferred by resellers

NGA – Multi service pipe model



NGA – Importance of Resellers

- 9 million UK business connections (Ofcom stats)
- 3 million (non BT) WLR business lines
- Mostly provided by independent service providers resellers
- 27% of 500 SMEs sampled in FCS YouGov survey in 2010 use independent Service Providers
- Most important attributes were: Responsive, Sympathetic, Flexible and tuned into the needs of small businesses
- Independent SPs scored better than national providers in all of these areas
- Customers more likely to recommend independent SPs

Engagement with Ofcom

- Ofcom Wholesale Local Access review focused on infrastructure based competition
- Ofcom proposed new service - “**Virtual Unbundled Local Access**” (VULA) (fibre version of LLU)
- “Wires Only” option is a concern
- Openreach delivering Generic Ethernet Access (GEA) to meet VULA requirements and Fibre Voice Access (FVA)
- FCS Engagement with Ofcom now focused on Wholesale Fixed Exchange Line review – Ofcom recognises BT has SMP in this market (including fibre)
- Ongoing dialogue with Ofcom who recognise FCS concerns and has asked to be kept informed of discussions with BT
- Formal dispute is a possible outcome

Engagement with BT

- Initial discussions with Openreach around its VoNGA consultation
- VoNGA withdrawn due to “lack of commercial demand”
- Subsequent discussions with BT Wholesale on voice product based on consumption of openreach’s FVA
- FCS also wrote to BT CEO to note that engagement is in the context of BT Group’s SMP obligation
- BT Wholesale unable to produce a viable business case for FVA based product
- Revisited with Openreach CEO but VoNGA not on agenda
- Approach BT Retail about possible reuse or consumption of product developed for BTR

Openreach Fibre roll out

- Mix is 75% FTTC and 25% FTTP
- 386 exchanges are already enabled (typically 80% of cabinets in each exchange area “ready for service”)
- Information on exchange status publicly available (at exchange level) on the “Superfast Broadband” microsite
- Openreach regard fibre as Premium product – max 20% take up over next 10 years (WLR will be maintained)
- Openreach considering pilot fibre only exchange by 2014
- Openreach products (GEA and FVA) require Point of presence and backhaul
- Fibre Voice Access will be delivered for FTTP in 2012
- Currently, copper connection delivered where FTTP Greenfield deployed (to be reviewed post FVA)

Local fibre networks

- How to connect with the “Patchwork Quilt” of local networks
- COTS project sponsored by Broadband Stakeholders Group- Government Advisory body on broadband
- COTS = Commercial, Operational and Technical Standards
- For the “final third” community networks
- FCS engagement on Executive
- www.broadbanduk.org/COTSprogress
- Openreach will provide in Cornwall

NGA Next steps

- Complete engagement with BT
- Survey to get feedback on (voice) requirements from members (for business and residential customers)
- Paper to Ofcom to support demand for formal dispute
- Monitor access to local networks

WLR - here to stay

- WLR is continuing to grow
- Total (non BT) WLR channels now stands at over 6.2 million
- Small ongoing falls in ISDN2 and ISDN30
- Move to Basic from Premium (but premium still growing)
- Total business lines in excess of 3 million
- WLR to remain for 10 years (Openreach CEO)
- Needs to be maintained fit for purpose

WLR2 withdrawal

- SPG closed down on 30 June
- Over 98% of WLR2 base now transitioned
- Contingency arrangements for “stranded” assets now in place
- No charge where CP has been unable to transition
- FSP group continuing to work with Openreach on WLR3 issues
- Sub 8 channel ISDN30

WLR Contract Review

- WLR contract review ongoing since September
- FCS is representing its members in negotiations
- Schedule of issues agreed with Openreach and circulated to members
- Original end date March but progress very slow
- Still no agreement on several issues:
 - **Time after which Openreach can charge CPs**
 - **Incorporate TRC charging into contract**
- Decision on whether to go to dispute at CPCG on 20 July

Openreach Service Delivery

- Lead times for provision and repair have largely returned to BAU levels
- Concerns now about quality of work
- Escalations and Bridge Case management also very poor
- Disappointed about failure by Openreach to provide requested public branded briefing
- Clarify policy for re-use of cancelled appointments
- Ongoing discussions to agree SLAs and SLGs for new providers

WLR –Ongoing work

- FCS Fixed Service Providers group meets monthly
- Rolling issues list to address day to day CP experience and escalate issues where necessary
- Monitoring and generation of industry Statements of Requirement
- Engage with Openreach on e.g. introduction of flexible demarcation
- Also generates consultation responses, reviews and explains impact of new regulation

Customer Switching review

- Ofcom consultation published September 2010
- Objective is to improve consumer switching experience (particularly for bundles)
- Fixed, broadband, mobile and pay TV in scope
- Underplays importance of number portability
- Focus on consumers -residential & small business
- Aim is a single process for all transferable products
- Ofcom favours Gaining Provider led process

Customer switching -strategy

- Industry working group established to consider options for GP led processes
- Now expanded to include consideration of a Losing Provider led process
- Initial focus on fixed and broadband
- Cease and provide (i.e. cable) now also in phase 1
- Additional work on Number Portability (fixed) and Working Line Takeover

Customer switching -options

- Detailed process work on two GP led and one LP led options:
- **Universal Service Number** (a variant of the “Code on Bill” process used in the energy industry)
- **Third Party Verification** (interactive)
- **Transfer Code** (MAC type process)
- All options envisage automated code generation and electronic communication via a central hub

Customer switching roadmap

- Second consultation on process options for calls and broadband (copper) in September 2011
- Statement in May 2012
- Implementation of new process April 2013
- New Number Port and WLTO processes in April 2013
- Cable process in January 2014
- Mobile and Pay TV in December 2014

General Conditions

Several changes in regulation

- Sales and marketing (new GC24)
- Complaints handling and ADR (GC14)
- European Framework
 - GC9 – Contract Terms
 - C18 – Number Portability
- Automatically Renewable Contracts

GC14 - Complaints Handling

- New requirements came into force on 22 January 2011
- The new requirement is for a standalone code based on Ofcom guidelines
- Ofcom also published specific requirements on where to place the code on CP websites
- Requirement to proactively offer access to Alternative Dispute Resolution (after 8 weeks) and to provide information on ADR on paper bills (domestic customers only) come into force in July 2011

GC14 - Codes of Practice

- Requirements on call recording & information to be provided at point of transfer have been deferred and will now be part of Ofcom's "customer switching" project (i.e. will depend on new process adopted)
- Other GC14 requirements unchanged – provision of a "basic code" information on brands, products and terms of business – plus codes on PRS, NTS and VoIP

GC9 – Contract Terms

- Maximum duration of contracts
 - 2 year max for residential customers
 - Only for contracts after 25 May 2011
- Offer of option to contract for 12 months
 - All users – business and residential
 - On request only
- Ability to withdraw without penalty following contract modifications
 - Applies to “Subscribers” business and residential
 - Only if “material detriment”
- Prohibition of automatically renewable contracts likely

GC18 - Number Portability

- One day porting
 - Clock starts after completion of transfer process and consumer protection (e.g. 10 days for WLR to MPF)
- Schemes to compensate subscribers for delays or faults with porting
 - Not automatic - payment on request only
 - Reasonable compensation is one days rental per day delay
 - “Industry” preference is for GP to pay and absorb cost
 - Claims for loss of service dealt with separately
 - FCS will coordinate with ADR providers
 - Ofcom will review after 12 months

Thank you

Any Questions or Issues?

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