

FCS around the UK Bristol



Programme for the day

10.30 **Telephony Session**

12.00 **The Bigger Picture**

13.00 **Lunch & Networking**

14.00 **Radio and Wireless Session**



Telephony Session

Programme for this session

10.30 Welcome and introductions

10.35 FCS News & Updates

10.45 Future of Voice

11.00 Migrations

11.15 Numbers

11.30 Premium Rate

11.45 Mobile Market

Michael Eagle

Michael Eagle

Michael Eagle

Michael Eagle & Jacqui Brookes

Michael Eagle & Jacqui Brookes

Jacqui Brookes

Jacqui Brookes



FCS New & Updates

- FCS - the Trade Association for the UK communication services industry
- FCS member survey
- Regulated codes of practice - changes
- Minimum security standards



FCS Member Survey

- Small but well established businesses
- Mainly resellers
- WLR3, number portability and access to mobile are the key issues of concern
- Optimistic about outlook
- Representation is most important FCS role
- Information services via email are most valued
- Standard contracts and training

Codes of Practice

- Changes to requirements on Sales & Marketing come into effect in March (new General Condition)
- Call recording requirements & information on transfer deferred – will now be part of Ofcom migrations project
- New requirements on complaints handling will be introduced later this year (based on Ofcom guidelines)

Minimum Security Standards

- Government recognition that telecoms is part of critical national infrastructure
- Code of practice published - already signed by some large companies
- Will apply to companies tendering for government contracts (incl e.g. local authorities)
- May become part of interconnect agreements
- Must be proportionate
- Must not disadvantage smaller players
- FCS engaged with NGNuk

Future of Voice

- WLR
- NGA and VoNGA
- NGA – the Reseller Perspective
- 21CN

WLR

- WLR will continue to be crucial
- WLR3 baseline delivered by July 2010 but continues to generate “in life” issues
- FSP group will continue to engage with Openreach on detail
- Service Harmonisation
- New “core” WLR service –July 2010
- WLR2 – final withdrawal by June 2011
- WLR contract changes in pipeline

Next Generation Access

- “Super Fast Broadband” (Openreach)
- Next Generation Access (fibre)
- Fibre to the Premise “FTTP”
- Fibre to the cabinet “FTTC”
- Voice over NGA “VoNGA”
- Ofcom’s Wholesale Local Access review
 - Competition in mixed fibre-copper world
 - duct access
- **Not just hype – over 2,000 users now live in trial areas**

NGA - Reseller perspective

- Infrastructure operators v resellers
- Importance of the role of the reseller
- “Wires Only” may introduce barriers to switching
- Access to VoNGA based on WLR/EMP model
- Infrastructure based competition but soft switching for transfers
- Choice of broadband providers (business grade)
- Battery back up
- Working with Openreach

Delivery of 21CN

- Voice Migration paused at 75,000 in South Wales
- Further migrations planned in July
- Delivery of Broadband continues – 50% availability across UK (75% by March 2011)
- 550,000 customers now live
- Information on availability via BT Wholesale website
- New products
 - Wholesale Broadband Connect (WBC)
 - Wholesale Broadband Managed Connect (WBMC)
 - No new voice services planned

Migrations

- Ofcom strategy
- OTA projects
- BSG “COTS” project

Ofcom strategy

- Improved consumer switching experience
- Single process for all transferable products
- Ongoing research including other countries and other industries
- Number portability in scope
- Includes consumer protection (mis-selling)
- Consultation expected in summer

OTA Projects



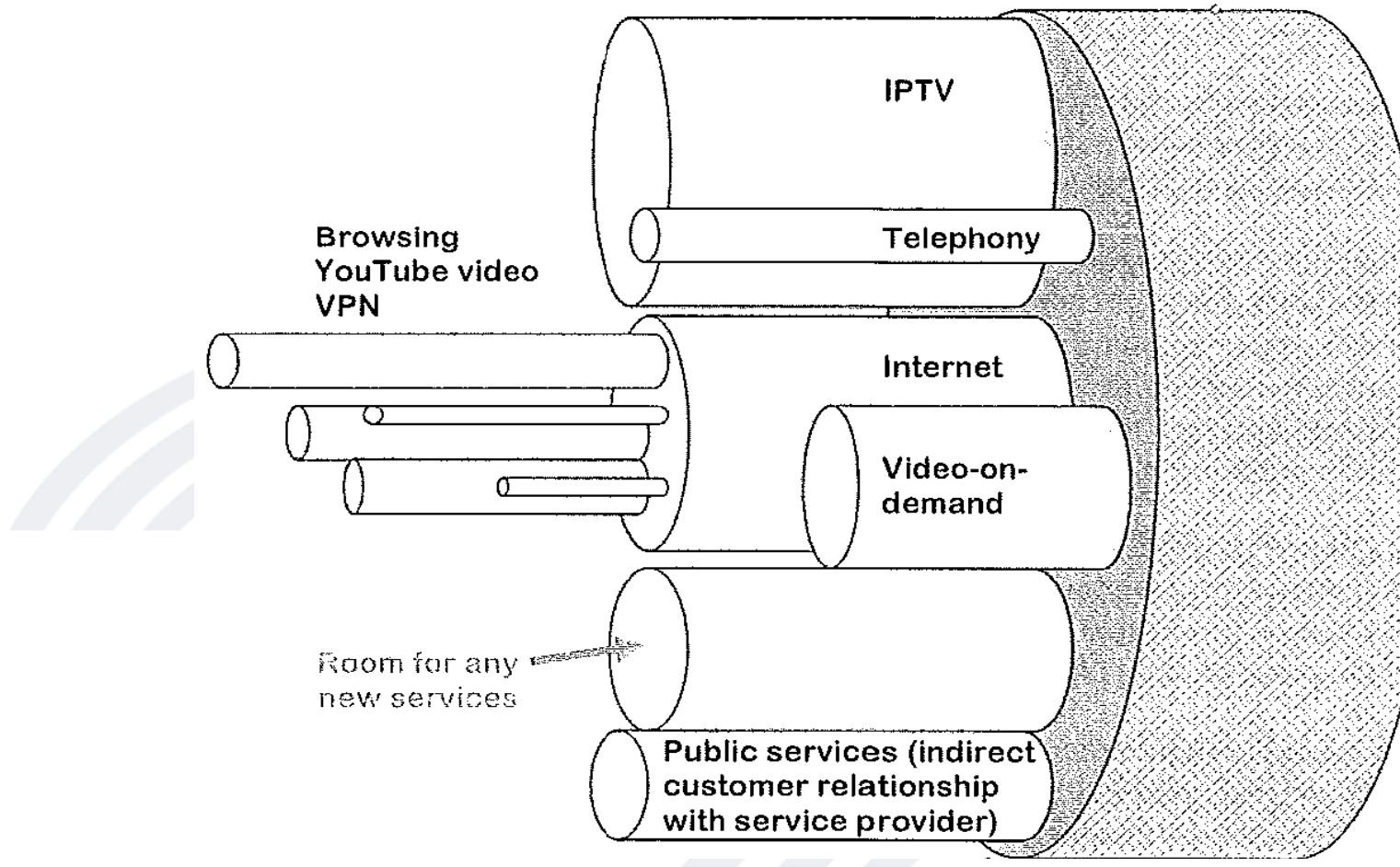
- Requested by Ofcom to address current problems
- Focusing on current processes
- Identify improvements and short term wins
 - **AOT (letter facilitation process)**
 - **MAC process**
 - **Erroneous transfers**
 - **Emergency restoration**

BSG 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

Migrations- future requirements- FCS proposals



Numbers

- Ofcom NTS review (08 ranges)
- Number Portability

Ofcom's NTS Review

- Call price transparency
- Consultation document expected Easter 2010
- BT concerned that they have no margin when they pass through NTS
- May conclude with a loss of margin for the terminating operators and a threat to the business models for many FCS members

Numbering- NTS Review- issues

- What is in scope? e.g. 03 range? 0871 is now PRS
- Need for stability for planning purposes (current uncertainty affects both CPs and customers)
- What lessons have been learned from 0870 intervention? No direct substitute for 0870 now available (re. e.g. international access)
- What is planned for 0844 and 0845? Must be proportionate.
- What is the structure and logic overall – how does this fit with the more coherent approach set out in the Numbering Review?
- What approach is Ofcom taking to the review – controls to be pricing or regulatory driven? What are the problems? Is there good evidence for any consumer harm?
- Changes in wholesale pricing is affecting originating CPs and resellers. We want an equivalent approach and a level playing field.
- Need to consider technical issues and equipment compatibility

Number Portability

- 1 day porting EU obligation from May 2011

- Mobile- Ofcom consulted in August 2009
 - Expected to propose short term fix for the porting process- 2 hour recipient led
 - Roll mobile process into the major migrations project
 - Currently new entrants can join the mno- owned mnp process

Number Portability

- Fixed – FCS report to Ofcom in October 2009
 - Reform of process needed
 - Customer detriment- due to delay and uncertainty as to when a port will occur
 - Loss of service worst when porting from LLU
 - Particular concern for VoIP providers
 - Seek central database for porting and end to bilateral agreements
 - Investigation by OTA and ITSPA

Premium Rate Services

- PRS Scope review
- What is PRS?
- 0871
- New PhonepayPlus code

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PRS Scope Review

PRS scope review- October 2009

- Introduces a mandatory registration scheme for the PRS industry
- Strengthens PRS advertising requirements to align with Ofcom's approach to the use of PRS in TV programmes
- PPP code to include minimum standards for complaints handling across the PRS industry.

What is PRS?

Currently Controlled PRS is:

- a PRS which costs more than 10p per minute
- a PRS using a 'Special Services Number', e.g. 0871, which costs more than 5p per minute
- a Chatline Service
- a Sexual Entertainment Service
- an internet dialler.

What is PRS?

Now, irrespective of number range, Ofcom will examine services or categories- do they risk causing harm? and look at:

- The consumer's Originating Communications Provider *is* the actual supplier of the PRS.
- There is a complex, fragmented value chain, with large numbers of suppliers operating at different levels in the chain.
- Barriers to entry and exit are relatively low at the Information Provider level.
- Consumers are only able to ascertain the quality of the PRS at the point at which it is consumed.
- The price of the PRS is relatively low, potentially discouraging consumers from seeking redress.
- The purchase process involves little or no authentication, thus encouraging consumers to purchase on impulse.
- The PRS is likely to involve inappropriate or offensive content.
- The PRS is likely to be marketed to children or likely to have a particular appeal to children

What is PRS?

To test these characteristics the PPP ILP is asking Ofcom to determine whether the following are PRS:

1. Pay for it
2. On portal and third party services delivered by Sky, Tiscali and BT
3. 070 services
4. Reverse charging facilities- which number ranges do these apply to?
5. 03 services that link to an 09 number

0871

“Since August 2009 the 0871 market has contracted significantly”

Do you agree?

New PhonepayPlus Code

- Shorter
- Rules based on outcomes and guidance
- Responsibility throughout value chain
- Registration of PRS providers
- Improved complaints handling process
- Revised informal procedure
- New sanctions for wilful poor performers
- Consultation March 2010- in force January 2011

Mobile

- Ofcom mobile policy
- Mobile Spectrum
- Mobile call termination rates
- Where next for FCS members?

Ofcom mobile policy

Mobile policy as at December 2009

- Regulating wholesale services (as we do in fixed telecoms) is not appropriate (nor do we need a wider market review) at this point;
- We should put more focus on the enforcement of rules promoting competition;
- We should continue our spectrum liberalisation programme; and
- We should use competition law as appropriate to assess future market changes
- The **statement can be found at:**
<http://www.ofcom.org.uk/consult/condocs/msa/statement/>

Mobile spectrum

- BIS consultation on spectrum refarming between current mnos- FCS response
- Now subject to judicial review
- Mobile broadband not until after 2014 as 2.7 GHz spectrum occupied by radar services
- Ofcom plans auctions of relevant spectrum

Mobile Termination Rates.



The Opportunity:

“Reduce termination rates to around 1p or less”

Make calling cheaper for everyone

- 130,000 signatories to the petition
- 262 MPs signed an EDM representing over 18 million voters
- 65 partners, including 41 Councils
- Other network operators continue to resist





Where next for FCS members?

- FCS lobbying for wholesale access continues
- Via responses to BIS and Ofcom
- In conjunction with other bodies



Telephony session

Thank you

Any Questions or Issues?