

Marvin Luttrell
Floor 4
Ofcom
Riverside House
2A Southwark Bridge Road
London SE1 9HA

Email marvin.luttrell@ofcom.org.uk

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Dear Marvin

Consultation on a variation to BT's Undertakings related to Fibre-to-the-Cabinet

This response has been prepared on behalf of the Fixed Service Providers group of the Federation of Communications Services, which represents more than 140 service providers and resellers of fixed telephony services including Wholesale Line Rental (WLR), calls packages and broadband. A list of our members can be found on the FCS website - www.fcs.org.uk

We welcome the opportunity to respond this consultation which proposes a significant change to Openreach's remit.

In light of the benefits of active super-fast broadband for end-users and the role of active wholesale products in facilitating a speedy rollout of the technology, which are highlighted in the Ofcom's statement published on 3 March, we support the general proposal that the Undertakings be amended to enable Openreach to install and operate the equipment necessary to provide these services. However we have a few comments to make on how this should be managed.

We suggest that equal weight must be given to options supporting passive inputs which we believe are more likely to lead to differentiation and innovation in the reseller space. Accordingly, the requirement and criteria for accommodating the necessary infrastructure in street cabinets by Openreach to support this obligation should be more clearly defined. Phrases such as "where practical" do not provide sufficient comfort in this respect.

Due consideration needs to be given to any new migration processes which may be required following implementation of the new infrastructure and new products based on it, to ensure ease of end-user switching and competition.

In the light of the pricing flexibility granted to Openreach in this area and the possibility of anti-competitive outcomes which may arise, as identified in the March statement, we fully support the need for continuing Ofcom monitoring in this area. Ofcom must be ready to intervene earlier than proposed review date of 2011 should the need arise.

Implementation of this new technology is a significant development in the market for competitive telecoms and we fully support the need for full consultation and communication with all sections of industry including the reseller sector that we represent, as the new technology is rolled out. This should be an ongoing and inclusive process involving both Openreach and Ofcom and should make full use of the existing industry groups and fora available to the sector.

Finally, we would like to note that there may be implications for Openreach's Service Harmonisation project in adding new products based on super-fast broadband to the portfolio.

We trust that the above is helpful and our members would be happy to meet with Ofcom to discuss any of the issues raised in greater detail.

Yours sincerely

A handwritten signature in blue ink that reads "Michael Eagle". The signature is written in a cursive, slightly slanted style.

Michael Eagle
General Manager