

Gideon Senensieb
Floor 4 (Competition Group)
Ofcom
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Dear Gideon

Next Generation Networks

This response has been prepared on behalf of the Industry Forum of the Federation of Communications Services, which represents more than 150 service providers and resellers of telephony services including fixed (e.g. WLR and CPS), mobile, broadband and IP based services and products. 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 is seeking feedback on issues raised by recent developments associated with Next Generation Networks (NGNs).

We agree with Ofcom's high level analysis and share its view that, largely as a consequence of changes in BT plans for implementation of 21CN, the move to NGNs will now be gradual, will involve other CP's NGNs to a much greater extent and will not be the step change which was initially anticipated.

We agree that, in this changed climate, it is appropriate for Ofcom to consider the implications for investment, competition and consumer protection and that Ofcom is right to seek industry feedback to inform its thinking rather than making specific proposals at this stage. We hope that this consultation represents the initiation of an ongoing engagement with industry to work out the details.

Question 1: *How do you envisage the model of competition changing over the next 3-5 years, and what sort of input products will be needed to support this competition?*

BT's change in focus for the delivery of 21CN and, specifically its announcement that it has suspended plans for the development of Wholesale Voice Connect, means that there will be no delivery of next generation voice products in the foreseeable future. Competition in the voice

market will therefore be largely focused on WLR and MPF which are complementary, to an extent serving different market sectors. From the perspective of the majority of FCS members providing telephony, WLR will continue to be the key facilitator for competition in the voice market, reaching areas which the natural limitations of LLU preclude. It is critical, therefore, that a fully functional WLR, offering all key features appropriate for both the business and residential markets, is fully supported on 21CN.

We also agree with Ofcom's analysis of a shift from investment in core networks to fibre in the access network. It is important that wholesale products which provide benefits and functionality equivalent to WLR are made available for a fibre based access network.

Question 2: *Do you agree with our analysis of the requirement for xMPF?*

Our view is that the requirement for this product appears to be very limited (and there is certainly no benefit to WLR resellers). Consequently, we agree with Ofcom's view that the industry Statement of Requirement process (in its proposed updated form) is the appropriate way to pursue this requirement.

The new "Concept to Market" process developed by Openreach in discussions with industry allows for formal and structured assessment and prioritisation of new Statements of Requirement via the appropriate industry fora which will provide the best assessment of demand and value.

Question 3: *What additional technical standardisation work is required to support NGN deployment?*

No comment

Question 4: *What policy positions do you believe Ofcom ought to adopt in relation to interconnection between IP and TDM networks?*

We believe that Ofcom's policy in this area should be forward looking. We agree with Ofcom's view that the principle is, in simple terms, whether to ask a TDM operator to make an investment in future technology or an IP operator to invest in equipment which will eventually become redundant. On this basis, we favour a scenario which requires the TDM operator to provide the interworking.

Question 5: *Do you have any comments on our analysis of investment uncertainty in relation to BT's 21CN plan?*

We agree that the current situation has created an undesirable level of uncertainty, which makes planning for CPs difficult. However, it seems very uncertain that an approach based purely on commercial negotiation, as set out by Ofcom, will have the desired effect in providing a greater

level of commitment from BT, who will continue to be driven by its own commercial imperatives. We believe that greater involvement from Ofcom to provide a framework and direction for such negotiations would be desirable.

Question 6: *How do you think Ofcom should take forward considerations relating to switching involving next generation access and core networks, and which areas should we focus on?*

The fundamental considerations are that customers should be able to switch easily and that the customer experience must be a good one i.e. there should be no interruptions to incoming or outbound service.

To this end all relevant migrations scenarios should be designed in and tested before new products are released. We also believe that it is fundamental that all migration processes must be “symmetrical” i.e. that reverse migrations are as easy to carry out (and at the same cost) as the initial switch.

We strongly support the concept that migration processes should conform to a set of industry agreed principles which also make them easy for end-user customers to understand and use and that there should be appropriate processes to support customers who want to switch bundled services.

Question 7: *Do you agree that the consumer protection principles and our approach to addressing consumer protection issues are still valid?*

We agree with the 3 principles set out by Ofcom

- the services offered to consumers on NGNs should at least be equivalent to their existing services
- consumers should not suffer any detriment during the transition to NGNs, for example due to loss of access to emergency service or degraded call quality; and
- any changes are fully explained to end-users

Some of our specific concerns are captured in our responses to questions 1 and 6. In summary:

In the case of WLR, it must be fully supported on 21CN and Ofcom must continue to monitor this proactively with a view to intervening if necessary.

Migrations processes must offer no barrier to switching and must be fully symmetrical.

Question 8: *Do you agree with our assessment of how the alarm equipment incompatibility problem should be addressed?*

We support the level of concern expressed by Ofcom and the urgent need to address these problems.

We would also note that the level of concern should not be driven by population volumes alone. We are aware that mission critical devices including modems, alarms and telemetry equipment are affected which may affect the integrity of Critical National Infrastructure operations. Measures must be taken to ensure that legacy operators such as BT provide sufficient time to allow replacement of affected equipment by its owners and operators in a way which is economically viable.

Question 9: *What will be the impact on vulnerable consumers of replacing telecare and other alarm equipment?*

No comment.

Question 10: *Would it be appropriate to agree a common set of terminal equipment compatibility tests? What would be the most appropriate forum to develop these tests?*

We agree that it would be desirable to agree a common set of compatibility tests and suggest that NICC would be an appropriate forum for development of such tests, providing that there is access to NICC's work by the generality of CPs, some of whom are not NICC members.

Question 11: *What other steps could be taken to help manufacturers ensure terminal equipment is compatible with the QoS parameters of NGNs?*

We believe that Ofcom should take responsibility for communication with relevant industries via, for example, trade associations who represent the manufacturers of the equipment in question. The provision of generic information to customers who use the equipment will also serve to ensure that the issue is raised via feedback to their suppliers.

In the case of 21CN, BT worked with industry and Ofcom to develop a campaign of information for end-user customers under the "switched-on" brand and this might offer a model for a similar non-BT focused initiative to communicate and educate stakeholders in the more fragmented NGN world which is now envisaged..

Question 12: *Do you have any other comments about compatibility of terminal equipment with NGNs and how they should be addressed?*

See response to question 8.

Question 13: *Do you think there is risk of terminal equipment incompatibility that warrants further SIP UNI standardisation? How should this be progressed?*

No comment.

Question 14: *Do you have any other comments about compatibility of terminal equipment with NGNs and how they should be addressed?*

No comment.

Question 15: *Will a slower transition from TDM to NGN networks pose a risk to voice quality of service? How should such risks be addressed?*

No comment.

Question 16: *Do you have any comments on the long-term trends in the evolution of networks to next-generation architectures?*

We believe that new technology is not the only factor which is driving change in the market. As business models evolve, technologies converge, the distinction between fixed and mobile services and markets becomes blurred and competition erodes the dominance of the bigger players, Ofcom will need to consider the basis for future regulation where SMP is not available as the regulatory trigger. We are particularly concerned to avoid a converged world dominated by a small number of network operators who are not obliged to offer network access on reasonable terms.

We trust that the above is helpful and our members would welcome the opportunity 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