

Representing the Communication Services Industry



Fibre Only Areas (Exchange and New Sites) Trial / Portfolio
Proposal
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FCS response - September 2011

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Introduction

The [Federation of Communication Services](#) represents over 300 businesses delivering products and services via wireless, copper and fibre technology. This response has been prepared on behalf of the Fixed Service Providers Group within the Federation. More than 150 FCS members consume WLR and related wholesale products to deliver services to end user customers. A list of FCS members can be found on the FCS website.

Response

We welcome the opportunity of providing a response to this consultation on Openreach's proposed trials for fibre only areas as these proposals have significant implications for competition and diversity in the whole of the fixed telephony sector and a major impact on the businesses of our members operating in this sector.

Members are extremely concerned about the nature and purpose of these trials and the implications for their continuing ability to provide services and compete in the fixed telephony market.

FCS members providing fixed services generally use WLR to provide voice services to a range of business and residential customers. [Independent research](#) among SMEs, commissioned by FCS in the latter part of 2010, indicated that these customers welcome the added value, innovation and flexibility which specialist and local service providers and resellers can bring to the market.

The "Equivalence of Inputs" model (including the provision of WLR and the creation of Openreach) were fundamental to the Undertakings offered by BT and accepted by Ofcom in lieu of a reference to the Competition Commission. We believe that the proposals for provision of voice services in fibre only areas represent a significant dilution of this concept of equivalence.

For this reason, we believe that it is inappropriate to progress these pilots until the issue of provision of a voice service for CPs who operate a service provider or reseller model, and who cannot therefore consume Fibre Voice Access (FVA), is satisfactorily resolved.

We are very concerned that the pilots, as proposed, make no provision for service provision using WLR. Since CPs who operate using the service provider or reseller model cannot consume FVA, and following Openreach's stated decision not to provide its proposed Voice over NGA (VoNGA) service, this will obviously put existing business under threat for those CPs who cannot consume FVA and who have customers within the pilot areas. This is unacceptable.

This concern applies equally to national contracts which include customer sites within the pilot area. In these circumstances, the whole contract could be jeopardised due to the CPs inability to provide service at a particular site.

It is equally unacceptable that CPs who cannot consume FVA will be prevented from competing for business in any fibre only new build areas. For the reasons set out above, this will not only prevent these CPs from competing in the specific fibre only areas but (because they are unable to offer comprehensive nationwide coverage) they will also be prevented from competing for any national contract where a site is located in one of the fibre only areas.

We are also concerned about the lack of a clear commitment by Openreach to replicate the products listed in section 4.3.1 in the fibre only environment. Failure to provide these products could also put existing business at risk.

Members have also indicated that they value the current arrangements for consumption of WLR via the EMP, which provide a direct relationship between Openreach as the operator of the infrastructure and the CP who owns the end-user customer relationship. This has clear benefits for these CPs in managing provision and repair on behalf of their customers and is much preferable to a model which would dictate that CPs purchase services at one remove, i.e. via an intermediary.

We do not believe that it is appropriate that Openreach should be selecting the areas for this type of trial.

We are also concerned about Openreach's long term objectives and the drivers for the move to fibre only areas. The proposals on phase 2 of the trials, for example, where WLR will not be provided even in a mixed FTTP/FTTC environment, strongly suggests that Openreach is considering the withdrawal of WLR - even in areas where copper is available and it is technically possible to provide it.

We believe that the move to fibre only networks will enable Openreach to achieve savings in, for example, the cost of maintaining its network. We would like to understand how this will be reflected in product pricing and what impact this will have on future investment in the network. We believe there is a good case in the spirit of equivalence for using projected savings to develop reseller voice services for fibre only areas, as a cost of the network upgrade.

We also have some concerns about how communications with end users will be managed during these pilots. As a matter of long established principle, it is not appropriate for Openreach to communicate directly with CPs' end-user customers. However, it is also important that a consistent message is delivered to customers. BT Wholesale faced similar challenges in connection with migration of exchanges to 21CN and set up an industry working group to agree best practice and to advise on management of this issue.

We have provided responses to the individual consultation questions below: However, members will have limited ability to participate in these trials if at all and our main concerns with regard to Openreach's proposals are contained in the points set out above. We would be keen to meet with Openreach to discuss these issues in more detail.

Q 1: *We welcome CP views on the best way to implement these Trials, in the interest of achieving the best results. We also welcome views on the need for any interim arrangements within the Trials to support any critical customer needs for service or experience.*

We would like to understand in detail what Openreach will do if the CP currently providing service to the end-user cannot consume FVA. Any compulsion to move to an alternative provider would be wholly unacceptable and may also be open to a regulatory or legal challenge

We would also like reassurances about services currently provided over existing copper connections such as alarms and telemetry which may be affected by the switch to fibre.

Q 2: *In response to our assumption that P2P fibre-based products would be unaffected, we invite CP views on any enhancements that might be needed to support services that would migrate to these (rather than GEA-FTTP) from copper. We also welcome views on needs for the physical and data aspects of service migration.*

No response

Q3: *We welcome CP views on the effect of either of the above Trials and any early statement of interest to participate in either Trial.*

FCS members will have limited ability to participate in trials as they are unable to consume FVA.

Q4: *We welcome CP views on the proposal for a further FTTP / FTTC Trial.*

We would like to understand Openreach's motives in carrying out a trial of this type. The implication is that the current generation of copper products may be withdrawn even in areas where FTTP is not deployed. This would be a major concern to FCS members who are unable to consume FVA.

Q5: *We welcome CP views / needs for managing the non-availability of products in both Trials.*

- Voice - Calling and Line Rental Services – both single and multiple line business variants
- Indirect Access (IA)
- Carrier Pre-Select (CPS) switching capability
- Broadband products based upon LLU/xDSL
- Alarms based on copper
- Telemetry and Health Monitoring applications
- Featurenet / Featureline
- Private Circuits (ePPCs)
- Managed DCN (supporting Ethernet products) – note, this is the subject of an Industry SoR currently.

There must be fibre based equivalents for all of the above services which can be consumed by all CPs. Failure to provide these could compromise the service currently offered to end-user customers

Q6: *We invite CPs to provide feedback on the proposed Openreach FTTP products (including how best to provide multi-line voice capability to businesses), features and other related services that would be required to support CPs own products offered to end user customer and to what extent you have already considered how to make these work over NGA (FTTP) network in future.*

We invite CP views on whether the bandwidth options (and related published prices) will meet CP needs to provide service to premium and 'value' customer segments in the absence of copper-based alternative services.

We would also seek views from CPs on any other QoS attributes and service options become important in fibre only scenarios.

We would like assurances that FVA will include a variable bandwidth option to give secure managed/guaranteed bandwidth for example 2MB of voice only capability. Currently we understand that this is supplied for the 2 channel bandwidth for the ATA device however we would expect to see this expanded for multichannel services.

The available bandwidth options appear to be adequate at this early stage of the product and generally meet customer requirements.

An appropriate level of QOS is required on the FVA segments of bandwidth to give guarantees on latency and jitter from the premise to the exchange and through the core network back to the CP's call servers, including for multiline installations. This will ensure that voice can be delivered to an equivalent or better (HD Voice) standard than ISDN.

Q7: *We invite CPs to provide feedback on the processes that would be required to support good customer experience in either Trial. We would particularly welcome views and needs for the migration of products from copper to fibre under the FOX Trial with particular consideration of the scale of this activity.*

We would like to understand the switchover process. For example, will this involve a number port and is the porting process robust enough to cope with the volume of transactions?

Ideally, there should be no loss of service or functionality for end users. However, if this is not possible any interruption due to the switchover from copper to fibre should be minimized. Switches should take place out of normal hours of use.

It is unclear and a major concern how service would be maintained where CPs cannot migrate to fibre based services. We wish to understand what contingency Openreach has provided for these circumstances.

For CPs who may wish to adopt the next generation services, we would like to understand what is involved in the CP establishment process and whether there are any cost implications.

Q8: *We welcome CP feedback on how best to manage the transition from copper-based to fibre-based products for customers within the Trial areas and views on specific needs to operate service re-grading.*

See response to Q7.

As noted in our introductory remarks, we also have a concern about communications with end-user customers.

Q9: *We welcome CP feedback on how best to manage the withdrawal of copper products availability within the Trial locations.*

See responses to Q7 and Q8.

It would be completely unacceptable for customers to be forced to change provider where their existing provider is unable to consume the fibre equivalents.

Q10: *When published, we welcome CP opinions on the suitability of the shortlist candidate locations for the FOX Trial. We also welcome CP views on any other criteria that should be taken into consideration for selection of New Sites or the FOX locations.*

Due to the economics of unbundling exchanges and the requirement to select a smaller exchange for the trial, this proposal will have less impact on LLU services than on WLR, which seems unfair.

Q 11: *We welcome CP views on the proposed timescales for initiation of each Trial and on the appropriate duration of each Trial (to gain sufficient learning). We also welcome CP views on any other enablers or dependencies that CPs believe should be in place to facilitate each Trial.*

We believe the proposed timescales are too short to resolve the issues identified in this response and should be pushed back. Access to reseller voice services is the biggest obstacle to implementation and trials should not proceed until this has been resolved.

Q12: *We invite CP comments on the suitability of the available FTTP-based products and published prices to support their objective to provide services to end users.*

From an end-user perspective, the cost of service should be no more expensive than currently.

Q13: *We invite CP suggestions on the types of communication required and their interested in collaborating with Openreach marketing teams to make this a seamless and well-focussed campaign*

Communications should not be sent directly from Openreach to end-user customers. However, consistency of message is important. Consequently, engagement via a representative and transparent industry group is essential. The approach taken by BT Wholesale in respect of its 21CN exchange migrations offers a good model.

Q14: *Do you foresee the need for any significant changes to the Openreach network handover architecture consequential from either Trial (though perhaps more relevant for the FOX Trial)?*

No comment.

CP Response Prompts 15: *We welcome any other feedback from CPs on any aspect of either Trial which is felt to be worth further consideration.*

No further comment.