

Introduction

The Federation of Communication Services represents companies which provide professional communications solutions to (primarily) business users. Our members deliver telecommunications services via mobile and fixed line telephony networks, broadband, satellite, wi-fi and business radio. Most FCS members operating in the fixed services space are customers of Openreach which is a critical provider to this sector.

Our members' customers range from SMEs, home-workers and micro-businesses up to the very largest national and international private enterprises and public-sector users. FCS is the largest trade organisation in the professional communications arena in the UK, representing the interests of around 300 businesses who supply B2B services nationwide.

Ofcom's Proposals

FCS welcomes the opportunity to respond to this consultation and we support the overarching objectives set out in Ofcom's proposed plan of work, which are relevant to our members:

- Investment in strong, secure networks
- Getting everyone connected
- Fairness for customers

However, within these high level goals, we would like to comment or flag up concerns on Ofcom's more detailed proposals in the following areas:

Telecoms

Copper retirement and Migration to voice-over-IP services

Ofcom positions these as separate projects but, for our members, they are really two sides of the same coin. FCS welcomes the benefits which will be derived from what is essentially an upgrade of the BT network (alongside the parallel growth in provision of alternative fibre networks) and the new opportunities this will generate.

However, it is a concern the new generation of wholesale fibre products being launched by Openreach and its competitors will significantly change the current wholesale communications consumption model - and will mean that the majority of customer facing communication providers (i.e. service providers and resellers) who are currently customers of Openreach (and other wholesalers) will no longer be able to buy the relevant wholesale services direct.

We hope, therefore, that Ofcom will ensure that smaller CPs, primarily serving business customers, will not be disadvantaged commercially under the new regime and that their ability to manage services effectively for their customers using the tools currently provided by Openreach (a major USP for this segment of the market), is not impaired.

Specifically, we are very keen that Openreach (and intermediary wholesale providers), implement appropriate means of providing reseller access. Openreach is currently developing an API to facilitate this which, together with new functionality based on its HUD platform would meet our needs in this area. We also believe that it is important that the new alternative networks also provide some form of wholesale access for resellers and service providers and, thereby, the ability for end customers to switch away to a new provider of their choice.

We are also keen to see that appropriate grades of high bandwidth broadband is provided in business areas. There are already some indications that competition will be focused in potentially more lucrative residential areas.

We would also like to ensure that Ofcom recognises the importance of number porting in the migration to next generation IP products. FCS anticipates that a very high proportion of customers migrating to IP products following WLR withdrawal will need their number(s) to be ported to a new host network. It is, therefore, essential that the industry processes and platforms necessary to support this migration are fully fit for purpose and able to handle the anticipated volumes.

Finally, we would like to flag up a concern about enforcement of customer protection with regard to new entrant providers. The move to IP based products which is a feature of the fibre rollout is encouraging new entrants to the market, specifically from the IT sector. Consequently, we believe that Ofcom needs to give more scrutiny to the provision of business voice services in this all-IP world. Many of the new entrant IT service providers who are now supplying voice services have no RID, no regulatory knowledge and consequently a lack of compliance.

The ease with which providers can procure these services from hosted voice software/platform vendors and SIP Service Providers is enabling a lack of compliance to flourish - due to voice just being another application on the customer's network, delivered 'Over The Top' of the (better regulated) connectivity.

Small businesses with less than 10 employees are broadly entitled to the same regulatory protections as residential consumers, and it is in this market segment that we believe the exposure, risks, and malpractice in IP voice are most common. Whilst the high level of competition in supplying IP voice services should bring consumer benefit, the risks of consumer harm are growing from the large number of providers who are unaware or ignore their regulatory obligations.

We believe that Ofcom needs to be much more proactive in this area. Specifically, FCS has suggested in the past that Ofcom should do more to make new entrants aware of their obligation to their customers, e.g when issuing RIDs

Network security and resilience

Our main concern here is to ensure that responsibility for implementing the necessary protections falls on the appropriate provider - and that any requirements on smaller CPs are practical and proportionate.

Protecting customers if a provider fails financially

We agree that this is an area which needs to be addressed - particularly considering large scale changes in the industry which are envisaged over the next few years. However, Ofcom must ensure that any scheme it mandates must be fair to all players

Implementing new consumer protection measures

This relates to the implementation of changes to regulation (primarily the General Conditions) to implement the requirements of the EECC. We are looking for help from Ofcom in interpreting the requirements and ensuring that these new obligations are practical

Future of numbering policy review

Our major concern here is that, following the failure of the Blockchain proof of concept, there is no mention of plans for development of a central database for number management and number porting. We have already flagged up, in the section above relating to IP migration, our concern that more robust and scalable resources are required to support the anticipated increase in number porting (especially complex number porting for business) which will occur over the next few years.

Such a database is also likely to be central to any solution in another key project area - **Number authentication** - which is part of Ofcom's objective of reducing nuisance calls and scams.

It would also make sense to consider any linkages to the new customer switching arrangements, as porting becomes more widespread as part of the move to IP.

Helping customers get better deals

This workstream relates to the policing of end-of-contract and out-of-tariff notifications. We support the pragmatic approach which Ofcom has adopted during the COVID crisis and hope that Ofcom will continue to do so.

Open communications

We have already responded to a consultation on this but we will use this opportunity to reiterate our opposition to these proposals and the risks of making sharing information with competitors

Simpler switching

We welcome the gaining-led process mandated by Ofcom in its recent statement and FCS will be actively engaged in the industry project to establish the new platform. We believe that Ofcom must actively participate in the implementation of these industry arrangements required to establish the new switching process and the associated hub - in particular to ensure that ownership and governance are appropriate.

Spectrum

Continued action to prevent undue interference to radiocommunications in the interest of protecting vital services to consumers and businesses

Business Radio exists because of its higher resilience and greater applicability to the operational needs of the customers. Interference directly undermines that so needs to be quickly remedied. Furthermore, changes to radio spectrum policy that undermine critical operations need to be stopped until suitable arrangements are made to avoid the interference these new services create.

Completion of the introduction of computer systems to streamline radio spectrum licensing

This relates to the on-line radio spectrum assignment system that seems to not be 'end-to-end' complete yet. There have been issues with Technically Assigned Licences which have been entered on the current system that have not completed.

However, we are keen to ensure - in what will be a really critical year for the communication sector as the new EECC is adopted by the UK and WLR Withdrawal and the associated roll out of full fibre gathers pace - that the programme of work and the priorities adopted by Ofcom serve to protect current levels of competition in the market and fully recognise the importance of provision for business customers.

Conclusion

FCS hopes that this brief response is helpful to Ofcom in its considerations and we would be happy to discuss any aspects of our response in further detail.