

Consultation response form

<p>Question 3.1: Do you agree with our proposed product and geographic market definition? Please provide reasons and evidence in support of your views.</p>	<p>Confidential: No</p> <p>Yes, in the context, specifically, of fibre network, duct and fibre network service access</p>
<p>Question 3.2: Do you agree with our proposal that KCOM holds SMP in the supply of WLA and WBA products in the Hull Area? Please provide reasons and evidence in support of your views.</p>	<p>Confidential: No</p> <p>Yes, in its press release announcing preliminary results for 2016/17, KCOM said it currently passed 137,000 premises with its FTTP network, and that it expected to have passed 150,000 – or 75% of the total – by the end of 2017.</p> <p>Three wireless network operators currently provide broadband access to a few thousand properties in the city, offering lower upload/download speeds than KCOM's fibre network, with higher rates of contention and with little prospect of there being significant growth in the availability of wireless-based broadband network competition in this area.</p> <p>Not one of the large national network operators currently building broadband networks elsewhere in the UK has yet entered the Hull market to build network infrastructure, fibre-based or otherwise. MS3 and Cityfibre, the two entities building competitor fibre networks in Hull, currently pass only a limited amount of premises, although MS3 has plans to continue its network build, there is no immediate prospect in the acceleration of roll-out of the Cityfibre fibre network.</p> <p>There is currently no viable wholesale</p>

	<p>offering in Hull – either at WLA or WBA level – enabling Sky, BT, TalkTalk, Vodafone or any other national ISP, to offer a competitor retail service in competition with KCOM.</p> <p>We believe that KCOM holds overwhelming SMP in the Hull area, both in WLA and WBA products, as well as in broadband service delivery.</p>
<p>Question 4.1: Do you agree with the remedies that we propose to impose? Please provide reasons and evidence in support of your views.</p>	<p>Confidential: No</p> <p>Yes, we believe that analogy might realistically be drawn with the access now available to BT network infrastructure in the copper environment. This has clearly had a significantly beneficial effect in the diversity and competitive pricing of broadband products.</p> <p>We agree, however, with the proposed remedies at this early stage of the development of competition in the Hull market for broadband products and services. We note, however, that Ofcom envisages that any new service offerings will be driven largely by customer request and what is expected to be a reasonable response from KCOM. We believe this approach will work only if Ofcom is prepared to intervene at an early stage, and with vigour, to enforce timely and fair and reasonable responsiveness from KCOM.</p> <p>We note that most of the participants in the initial consultation meeting held by Ofcom in Hull were interested in the development of the WBA market. We believe, nevertheless, that Ofcom should be concerned actively to encourage the development of alternative network infrastructure, through equal focus on the availability of WLA products, to promote greater intensity of service differentiation, cost competition and pricing innovation. MS3 Networks is building, and planning to accelerate the building of an alternative fibre network in Hull. This is capital</p>

intensive, making it more difficult to create customer choice as quickly and competitively as would be advantageous to consumers in the Hull market. We have concluded that access to KCOM fibre network infrastructure could help us with the accelerated delivery of that outcome, specifically:

- Designated access to ducts/fibre from Owen House to specified customer premises in the geographic area; and
- Designated point-to-point duct/fibre connectivity between two points in MS3's network infrastructure

We obviously hope that Ofcom's proposed request and reasonable-response framework can be directed effectively to the meeting of these requirements.