

FCS Response to Ofcom's Proposed Guidance on GCA3.2(b)

Introduction

The Federation of Communication Services represents companies which provide professional communications solutions to business users. Our members deliver telecommunications services via mobile and fixed line telephony networks, broadband, satellite, wi-fi and business radio. 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, representing the interests of around 350 businesses who supply B2B services nationwide.

Overview

Our thoughts on each of the four principles proposed by Ofcom are set out below. In summary, whilst we think that the proposals are appropriate, we do not feel that the guidance on the regulation is directed at the correct point in the supply chain.

1. CPs should have at least one solution available that enables access to emergency organisations for a minimum of one hour in the event of a power outage in the premises;

We agree with the principle on the basis of the duration of most power cuts that Ofcom has set out and the likely weight of calls being in the early stages of a power cut. Concerns have been raised by members about the practicality of meeting the one-hour target with battery back-up as follows:

- i) 'One hour back up' technically doesn't cut it. Over the UK ambient temperature envelope there is a battery capacity swing of +/- 20% depending on where the system is located.
- ii) What about ageing? Is the CP responsible for the capacity testing for the upkeep and compliance of the battery system? Again the capacity at the life point of the battery is about 80%.
- iii) If you combine the above points then it is easy to see how a system after a couple of years could be 33 minutes maximum
- iv) Ofcom are potentially mandating the use of batteries in domestic circumstances: - Risks; fault charging (hydrogen evolution), one shot over discharge (premature battery failure), mechanical damage (batteries have high fault current [KA] fire risks) – there is no mention of mandatory safety requirements i.e. IEC 62090. There are an enormous number of far eastern poorly engineered and dangerous cheap solutions for power back up systems. Equally there is abuse regarding CE marking and EMC compliance. Noisy backup systems that do not comply with the Low Voltage directive and IEC 62090 can interfere with telecom equipment. There is a subtle difference as normal telecom equipment is -48V however the onus of this document transfers this to the router and therefore is powered via a mains AC solution which requires an inverter (potentially)

v) One hour back up. – Load profile - are Ofcom requiring a load profile where the phone is being used for 60 minutes constantly or intermittently. There is a big difference and manufacturers will exploit any loop hole that facilitates a reduction in battery size.

On the basis of these concerns we would ask Ofcom to be more specific on its technical expectations for a battery backup solution in particular.

We feel that the CP is caught in the middle of this option which could be better dealt with by the network supplier or the consumer: currently consumers have responsibilities for ensuring batteries are maintained in a charged state in various domestic situations, but our members would prefer the responsibility for ensuring that batteries are in good working order to sit with the network operators.

2. The solution should be suitable for customers’ needs and should be offered free of charge to those who are at risk as they are dependent on their landline;

Again, we agree with the principle that those at risk should receive support free of charge. Our members’ concern is about the cost implications of supplying solutions which have previously been borne across networks as part of the FTTP BBU offered by Openreach.

If CPs are expected to offer back up equipment free of charge, then costs would need to be amortized over the CP’s entire FTTC/FTTP customer base, ie no financial prejudice to a customer demographic. We have been advised of likely costs of typically £75 per UPS per connection with a managed install cost of c£100 and ongoing maintenance costs of c£35 every 2-5 years. In situations where the customer is likely to be landline only at a reduced rental charge of c£12/month this simply does not cover costs.

For some of our members the cost of providing free of charge equipment to at risk customers would leave them unable to maintain their competitive edge against larger providers who are higher up the supply chain and benefit from bulk purchasing.

In the guidance, Ofcom notes the different points in the supply chain and that the principles have been designed for providers who are supplying both the underlying network and the VOIP service to the customer and that those who are supplying the VOIP service only may struggle to comply fully with the requirements of GCA3.2(b).

GCA3.3 requires the CP to let their customers know that VOIP services may not work in the event of a power cut, so to then put the onus on them to pay for a solution for at risk customers seems contradictory.

Being the supplier of the VOIP service only is a situation in which many of our members will find themselves and those with a higher proportion of at risk customers will be at a financial disadvantage. As the industry moves more towards VOIP services over the next seven years, the financial burden and loss of competitive edge will increase.

We would suggest the funding of backup solutions should be managed at a network level and absorbed across the industry, so that smaller suppliers do not get squeezed out of the market.

3. CPs should i) take steps to identify at risk customers and ii) engage in effective communications to ensure all customers understand the risk and eligibility criteria and can request the protection solution;

We agree with the proposals Ofcom sets out for identifying those at risk and think that the last CP in the chain is best placed to assess this. Having done so, they should be able to call upon the network operator to provide the solution.

4. CPs should have a process to ensure that customers who move to a new house or whose circumstances change in some other way are aware of the risk and protection solution available.

This seems a reasonable principle. There is no proposal for a customer who stays in the same premises but changes supplier frequently to benefit from new customer offers. They are liable to end up with multiple back-up options as there is no provision for gaining and losing CPs to manage this currently.

Keeping the responsibility at network level will help to prevent artificial barriers to switching being introduced into the market.

Conclusion

Whilst all the principles seem reasonable, we hope we have highlighted some of the difficulties of meeting them in reality. Although the rules and responsibilities in the GCs have not changed, Openreach's decision to stop providing BBU for FTTP and changes in technologies from WLR to VOIP cannot simply result in shifting all the responsibility and cost down the chain to the customer's supplier which may not have the technical capabilities to determine what is required.