

## Cover sheet for response to an Ofcom consultation

### BASIC DETAILS

Consultation title: First consultation - Future of interconnection and call termination

To (Ofcom contact): Shaun Tey

Name of respondent: **David Hickson**

Representing (self or organisation/s): **fair telecoms campaign**

Address (if not received by email): N/A

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Name **David Hickson**

Signed (if hard copy)

**Response to First consultation:  
Future of interconnection and call termination**

The **fair telecoms campaign** is pleased to respond to the [First consultation: Future of interconnection and call termination](#).

Our concerns and campaigning efforts are mostly in relation to the **fairness** of relationships between providers and consumers. We are nonetheless engaged in issues of fairness in the relationships between members of these two groups.

This consultation is essentially addressing the regulation of relationships between telephone service providers. We nonetheless recognise that this can have a bearing on their relationships with consumers.

The commercial detail of relationships within the industry is necessarily confidential, and thereby opaque to a public campaigning organisation.

Rumours and allegations abound as players seek to promote their particular interests, so it is difficult to offer well informed comment.

The dominant market position retained by BT is however very evident and we note Ofcom's concern about keeping this in check.

The status of BT Openreach is a matter of great concern. Whilst it is noted that this has been resolved, by agreement, for the moment, the issue of its ownership must remain under review.

The responses to the consultation questions which follow reflect potential concerns. We cannot however offer evidence to confirm the extent to which these concerns will require attention.

Our focus is on noting, supporting and urging unwavering application of the principles advanced by Ofcom. We note that its statutory duty in regulating relationships between those providing telecoms services relates solely to the promotion of the interests of consumers.

This duty is somewhat compromised by the requirement to take a, potentially subjective, view on how the promotion of competition may best serve the interests of consumers. As is commonly seen, competition may place consumers in a position where they are required to make difficult decisions, or engage in excessive effort in order to protect their interests.

The need to ensure a coherent national telecoms network must, in many ways, compromise the desire to see that all is achieved by competing independent providers.

We have an odd situation in that the mobile network is split into 4 (supposedly) competing parts, for no good reason. The major landline network is managed by a sister company of the leading retail service providers.

The **fair telecoms campaign** has long advanced the argument that serious consideration must be given to the idea of a national network operated in the national interest. Competition in the provision of services using that network (including mobile and landline services) must however be used as a means of securing innovation, value for money and quality.

Whilst this (somewhat radical) idea is not under consideration in this consultation, many of the points raise that issue.





## Answers to consultation questions

**4.1: Do you agree that if BT's migration to an IP network is unpredictable, it could result in increased charges for providers routing calls to its network? Are there any other issues that might arise as a result of its migration?**

Ofcom's determined stand to reduce termination rates for calls, other than for those to premium rate numbers, cannot be abandoned.

If BT were to decide that all of its customers had to have premium rate numbers, then that would be a matter for it to determine.

The principle that the cost of having a telephone network connection and of making and receiving calls must fall of those who have that connection must be upheld.

If BT has to pass on the costs it incurs in updating its network, then these can only be allowed to fall on its customers – unless it chooses the "premium rate" route.

**4.2: Please state which of these measures you consider would be appropriate for securing efficient migration and why?**

It is for BT to make its decisions. Its network is no longer a national asset.

If BT were to consider abandoning its network because it could no longer sustain it, then issues of public policy would arise.

**4.3: Would the regulation of charges for media conversion, switching and conveyance for calls routed via IP networks be an effective means of preventing excessive charges and promoting an efficient migration to IP?**

**4.4: Do you agree that it remains appropriate that telecoms providers maintain their discretion to designate a single POI at which the FTR will apply?**

**4.5: Do you agree with our assessment about how BT's market position in relation to interconnection might change during migration to IP?**

**4.6: Do you agree that there is unlikely to be a need to impose regulation on BT's interconnection circuits once migration to IP is complete?**

**4.7: Do you agree that we should continue to regulate BT's TDM interconnection circuits as the industry migrates from TDM to IP based networks?**

**4.8: Do you agree that it would not be necessary to impose regulation on interconnection circuits at BT's IP network during migration?**

These questions are surely matters for detailed discussion with providers and those with specialist knowledge of the inner workings of the industry. They seem to have no place in a general public consultation.

The principles regarding the proper place for BT to hold are well established. These developments must be used as an opportunity to open up the industry, rather than allowing a dominant provider to consolidate its position.

Insofar as these matters relate to BT Openreach, as against other BT plc companies, then the status of this particular organisation should, once again, be considered in the event that such reconsideration becomes appropriate.



**Response to First consultation:  
Future of interconnection and call termination**

- 5.1: Do you agree that BT's role is less central to the provision of end-to-end connectivity and that telecoms providers now have a choice of transit providers with whom they can interconnect?**
- 5.2: How might the transition to IP networks change the pattern of interconnection and how might this affect how E2E connectivity is achieved?**
- 5.3: Do you agree that General Condition A1 is sufficient to ensure that telecoms providers can obtain interconnection and that additional access obligations may no longer be required to ensure end-to-end connectivity? If not, please explain why and what obligations you think are necessary.**

Whatever may be the views of stakeholders, offered in response to these questions, Ofcom's objectives must be crystal clear.

- 6.1: Do you agree with our initial view that a lack of standardisation of IP interconnection may give rise to a risk of consumer harm?**

There would seem to be very many dangers of consumer harm arising from all parts of the IP network, when carrying voice telephony.

Data transfer can readily accommodate and recover from minor glitches, but any disruption to real time communication is severely harmful.

Whatever standards are set, throughout the IP networks used for telephony, must surely aim to deliver no less consistency in connection than is found with current telephone networks.

- 6.2: To what extent is there divergence among telecom providers in respect of the IP standards they are using? Do you consider a lack of standardisation of IP interconnection to be (or likely to be) an isolated issue or more widespread, which may require an industry-wide solution?**
- 6.3: What measures, if any, do you consider may be appropriate to address risks arising from a lack of standardisation of IP interconnection?**
- 6.4: Would it be useful to consider the case for intervention in relation to technical standards for interconnection ahead of our next market review?**

Surely the key issue here extends across the entire connection network, not just that between providers!

- 7.1: What are your views on the factors that we have highlighted as having a bearing on the setting of termination rates? What other developments should we consider?**

The objective set by Ofcom and surely to be accepted by providers is that all calls to "standard" numbers within the national network (landline and mobile) have a standard charge. That charge should normally be covered by subscription to an inclusive package.

Efforts should then be made to ensure that this can be sustained through whatever payments pass between the many contributors to network connection.

The failure of the BT plc group companies to include mobile calls in their packages (whilst they do bundle in calls to premium rate numbers) is a disgrace. One hopes that BT will eventually catch up with the rest of the industry.



**Response to First consultation:  
Future of interconnection and call termination**

The only exceptions (once a few oddball cases have been resolved) are “Freephone” numbers and premium rate numbers (numbers used for ‘Premium Rate Services’ plus 084). Termination rates for these are obviously distinct.

As stated above, we take the view that if any termination rate is to be set that has an impact on retail pricing (e.g. exclusion from packages) then the numbers covered should be classified as “premium rate” and made subject to the provisions of the unbundled tariff.

After all the work that has been done over recent years towards simplification and transparency in telephone call pricing (at the urging, and with the support, of the **fair telecoms campaign**), we cannot allow things to slip backwards.

**7.2: What are your views on the options we present for regulating the fixed and mobile call termination markets? Which appears to be the most appropriate regulatory option?**

Our unsurprising response to this question is – whichever will produce the intended result.

