

FCS Response to Ofcom's Consultation on Copper Retirement

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.

FCS Response

We welcome the opportunity to respond to Ofcom's further consultation on Copper Retirement, specifically the latest proposals on the conditions under which copper services can be withdrawn within the market review period.

In previous responses we have broadly supported Ofcom's objective of promoting the roll out of fibre to meet the needs of end customers. However, our overriding concern is to ensure that the prevailing regulatory environment remains effective in promoting competition, supports diversity of provision by a range of providers and protects the interests of end user customers.

The latest consultation proposes allowing Openreach to withdraw copper services earlier than the end of the market review period and, while we recognise that withdrawal would only be permitted two years after Openreach gives notification that it has completed ultrafast coverage of an exchange area (i.e. when or after take up of copper services is less than 10% of relevant premises), we believe that the existing stop sell arrangements are an appropriate curb on continuing consumption of copper services.

FCS opposed Ofcom's earlier proposed plans to withdraw charge controls on the basis that this could create unhelpful geographic anomalies in pricing and remove incentives on Openreach to resolve issues on provision for "edge cases". We take a similar view with regard to the latest proposals.

FCS also opposes the latest proposals, to allow earlier withdrawal of WLR, on the basis that such withdrawal will effectively trigger forced migrations earlier than required. This will generally result in increased costs for end user customers. in many cases without any significant benefit.

FCS takes the view that this represents an unwarranted "stick" rather than "carrot" approach and that Openreach should focus on providing greater incentives for end customers to move to fibre services now (e.g. by waiving provision charges) - rather than relying on a coercive approach later on.

Consultation Questions

Question 1: *Do you agree with our proposals to set conditions under which remaining regulation of existing copper-based services would be withdrawn?*

No. We cannot see any justification for allowing these services to be withdrawn early.

Question 2: *Do you agree with our proposal that those conditions should take effect two years after Openreach has given notification, in respect of an exchange, notifying that fewer than 10% of relevant premises remain on copper-based services in the completed exchange, and only where measures are in place to support vulnerable consumers?*

No. As stated above we disagree in principle with allowing early withdrawal of these services.

Question 3: *Do you support the exclusion of services that support CNI from our proposals allowing for full copper deregulation? Please set out your reasons and supporting evidence for your response.*

We do not support early withdrawal but, if Ofcom were to allow this, we would support the exclusion of CNI.

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