



## FCS Response to Ofcom's proposed plan of work 2023/24: consultation - February 2023.

### 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 private enterprises and public sector users. FCS is the largest trade organisation in the professional communications arena, representing the interests of circa 350 businesses which supply B2B services nationwide.

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## Consultation response form

### Your response

Question	Your response
<p><b>Question 1: Do you have any comments on Ofcom's proposed Plan of Work 2023/24?</b></p>	<p><i>Is this response confidential? – N</i></p> <p><i>Generally, FCS again remains concerned this year that the proposed Ofcom plan of work remains too heavily focused on residential consumers coverage and does not adequately cover the key UK business market requirements. Appropriate Ofcom resource (an Ofcom lead/department) and plan of work focus needs to be allocated to and dedicated to the business market to ensure the success of this key area which will help stimulate the UKs economic recovery and future growth. This is an area of key importance to FCS members and we are happy to discuss this further with Ofcom bi-laterally to ensure that the future Ofcom work plan meets the requirements of the smaller CP, Business community and UK economy.</i></p> <p><b>Switching of fixed voice and broadband -</b> <i>Under fairness to customers, FCS has ongoing concerns for Business customers, business service resellers and the whole business service supply chains in this area. While accepting that the residential customers ability to switch</i></p>

Voice/Broadband service providers simply is a key driver for One Touch Switch, the FCS feels strongly that day one delivery requirements need to include business GPL switching functionality (the development of which FCS believes has a minimal impact on the TOTSCo OTS delivery). Additionally, the future IP relationship between fixed and mobile will require the ability to move/switch both fixed and mobile services, therefore Number Porting should be incorporated in initial thinking. The business constituency needs to be fully represented in industry governance to ensure the Business requirements are understood, captured and delivered, with the design not simply being residential focussed and driven. FCS remains concerned that the TOTSCo OTS and GPLB switching delivery timeline remains very challenging. The FCS also strongly believes that Residential and Business switching processes and mechanisms need to be launched together (go-live big bang approach) as they are intrinsically linked (res switching to bus and vice-versa). FCS is disappointed that to date, too little Ofcom consideration has been given to the Business and smaller CP switching area and recommends additional focus, resource and industry engagement during the coming year. Consideration should also be given to appointing an Ofcom Programme Director to co-ordinate regulation of the Residential switching, Business switching, Number Porting and Centralised Database industry requirements. Consideration should now be given to switching between all customer services, which should in future include mobile, fixed voice, IP voice and Broadband plus the switching of infrastructure supply. FCS believes that all of the above should be considered holistically (including infrastructure) as we move closer to the All-IP world. Assessing regulation and competition in silos (i.e. looking at mobile in

isolation) is no longer fit for purpose or appropriate.

**Migration to voice over IP** - As industry moves towards All-IP and the PSTN switch-off, FCS is concerned that the 'product supplier - various wholesale suppliers - retailer - reseller' model and dependencies will evolve and could potentially disadvantage our members. The resellers and smaller retailers, instead of buying products and services directly from Openreach (for example) will in future buy voice service from wholesalers who will be able to choose what functionality and for example pricing deal offers are passed on to the small retailers/resellers. FCS believes it will benefit the industry if Ofcom monitors this issue and prevents anti-competitive agreements and potential abuse of dominant positions, especially via mergers and acquisitions (such as VM/02, BT/EE, VF/Three), ensuring that smaller retailers/resellers are not disadvantaged when compared with for example the larger retailers associated with vertically integrated companies.

FCS suggests that Ofcom consider a media campaign to raise consumers and businesses awareness of the PSTN switch-off and the opportunities/benefits of moving to All-IP solutions. FCS remains concerned that the PSTN closure and move to All-IP timeline remains very complex and potentially very challenging. FCS remains concerned on behalf of Business customers (and UK PLC) in remote locations, who are unable currently (and potentially this will not change on PSTN switch off), to purchase the high speed products and services they require. Customers may be forced to either pay for two connections (one for Voice and one for BB) or suffer poor service. The governments levelling up requirements will not be achievable unless there is an incentive to enable fibre

connectivity to be available in remote business locations.

**Mobile convergence** - with some larger vertically integrated suppliers owning both mobile and fixed networks and offering converged solutions, FCS feels that there will be the potential for these large supplier retail arms to hold an unfair advantage when compared with the medium/smaller retailers and resellers. As detailed above, FCS encourages close Ofcom oversight of this area and appropriate focus on the market structures to ensure that there is fair competition, equality of access and appropriate regulation going forward to ensure the market remains fully and fairly competitive (down to and including an infrastructure level).

**Number Porting, CDB** - FCS believes that while there is still much to progress, the Centralised Data Base is a fundamental building block towards controlling numbers and in future 'building trust in numbers' (i.e. by negating spoofing). Number Porting will be required where a Voice application is moved between suppliers and the customer wishes to retain their number. FCS champions wholesale competition and for our members to have the ability to move wholesalers, change technology or potentially move portfolio. Number Porting must be viewed holistically alongside switching and the PSTN switch-off and this whole area can come under the remit of the proposed Ofcom Programme lead (recommended above). FCS also asks what is Ofcom's view of how industry take forward the requirements recommended by NICC in this area i.e. funding for CBD?

**Net neutrality** - FCS has previously responded to the Ofcom consultation in this area and is happy to hold ongoing discussions with Ofcom going forward. The light touch Net Neutrality regulation

*framework in operation currently needs to be reviewed to consider how Net Neutrality could and should operate in the UK at infrastructure, network and service layers and in a future All-IP world. The FCS feels that currently we do not fully understand how Net Neutrality is operating as we do not have enough detailed information. Industry requires detailed and transparent reporting and metrics on both fixed and mobile to enable a fuller understanding of Net Neutrality success or areas of concern. FCS remains concerned re retail competition wrt Voice Services QoS and prioritisation. Some companies could prioritise their own retail arm services over other services they commercially provide. Ofcom should look to monitor potential IP infrastructure (both wired & wireless) suppliers 'monopolies' going forward.*

**Telecoms security framework** - FCS continues to monitor progress in this area carefully and is generally supportive of increased/improved Telecom security and the proposed new framework. High on FCS concerns is the increased costs our larger members will incur and how responsibilities are to be apportioned. FCS believes security obligations/regulation should be targeted on infrastructure parties and for OTT services, on the supplier/provider themselves (i.e. Teams would be Microsoft). FCS will continue to monitor this area closely as the proposed timeline requirements progress.

**Cyber security** - FCS believe that the responsibility to ensure online safety should be targeted at the party that has the control and the technical ability to support the industry requirements (generally ISP network providers).

**Small-scale DAB (relaxed Specification)** - The FCS fully appreciates the attraction of providing further DAB-based services to the

public and providing these services at the minimum cost to the operator. To date DAB systems and Business Radio systems have not caused serious disruption to each other because the DAB systems are relatively low in number, are on specific sites, use transmitters that conform to the critical case that are further filtered. Whilst there are some problems found from time to time, there is usually a solution whereby, with the spirit of cooperation that currently exists, both can co-exist. The FCS is aware that unlike previously, Ofcom intends to offer licences to Small-Scale DAB operators, permitting a 'relaxed' specification for the 'Out-of-Band' and 'Adjacent Channel Emissions' in certain circumstances (currently undefined). This is an option provided for in the (DRAFT) Digital Radio Technical Code and other documents. The FCS notes that standards EN 302 077 V2.3.1 sections 4.2.4.1 to 4.2.5.2, pages 12-16, and EN 300 401 V2.1.1, section 15.3, page 117 clarify that there may be as much as 30dB of protection lost at  $\pm 1.75\text{MHz}$ , by moving from the critical case mask to the relaxed mask. Standard EN 300 401 section 15.3, page 116 provides a calculated power density spectrum graph that clearly shows why there is a certain need for off-channel power reduction. The transmission characteristics of radio signals at High VHF and Band III frequencies, could cause disruption in the form of severe service loss, at even relatively low transmit powers over a significant area. This is made worse if the sites are in close proximity to each other and especially at sites shared by both services. Note that unwanted, on-channel power cannot be filtered-out by the victim receiver because it is 'on-channel'. There is therefore nothing that can be done to the victim receiver to alleviate this disruption. As these systems are used for operational purposes, any service interruption loss could pose a risk to the safety of the public. Because the interfering service is a

*broadcast service, the interruption would effectively be continuous and thus automatically be categorised as 'Harmful Interference', requiring enforcement action under articles 54, 55 & 56 of the WT Act 2006. As the Business Radio allocations are very close (in frequency terms) to the lower DAB blocks in Band III and are even located within Band III, the FCS asks that the most extreme caution be exercised in the assignment of DAB systems to radio spectrum near to that used by these systems, especially in the case of proposals to permit the relaxed specifications. The FCS encourages Ofcom to perform careful calculations for every new assignment to establish, to a high probability, whether the proposed assignment will cause harmful interference, or not as there may be a requirement to include additional filtering, providing around 50dB of further protection. The exact amount of unwanted power in the near neighbouring bands will vary depending on the circumstances. The FCS is concerned that this could become a serious problem and note that the Ofcom Spectrum Information Service, appears to show that between 160MHz and 191MHz there are 35978 BR Technically Assigned, Area Defined and CSR Marine service assignments. of radio spectrum. FCS would welcome the opportunity to discuss this with Ofcom further and have provided further technical details separately.*

**The Technically Assigned Radio application form and the general licensing delays** (Page 41) - In the table there is text that states "WTA (Wireless Telegraphy Act) Licence simplification. Alongside our move to a new licensing platform, we will review our licensing processes and documentation to ensure we have an efficient approach, reducing the burden on our licensees as far as possible and simplifying their engagement with us". The FCS very much supports this improvement. The issuing of BR licences for Technically Assigned and Area Defined spectrum, is a long and

difficult process, often requiring many weeks of effort.

FCS believe that the current obligatory 7 week period to issue a licence is in need of review and requires a much shorter timeline. We do note that the simpler BR licence-types are now on-line and are generally being handled much quicker. With this experience, we believe that the on-line strategy should be extended to all BR licensing. Currently, the on-line application form for a 'Technically Assigned' must be printed-off by the applicant so it can be filled-in by hand.

### **Strengthened Enforcement for Radio**

**Spectrum** -The FCS notes proposals to strengthen enforcement under the Telecoms Security Bill and other measures. Best practice needs to be in place and mandated by Ofcom to ideally avoid enforcement action which is only progressed after the damage has been done. We would ask for strengthened enforcement to address compliance to the radio spectrum terms for the avoidance of harmful interference. Best efforts legislation may not be sufficient in a number of key areas, including Business Radio (particularly for critical applications).

**Areas the FCS believes are missing and require Ofcom attention and inclusion in future work plans** - in summary, in our response above there are a number of key areas that FCS believe should be included into the Ofcom thinking and future work plan. These include:

1. An Ofcom focus, dedicated lead and department appropriately resourced for Business customer needs (similar to the existing residentially focussed department). This will help deliver the improvement and required GDP growth that UK businesses can provide for UKplc.
2. Ofcom forensically reviews and ensures that appropriate regulation is implemented for holistical/converged IP infrastructure access. This work should take into account the converging marketplace, the consolidation of mobile and fixed

access networks and the effect on competition, especially in the business market.

3. Competition markets Director is appointed to oversee the switching of all (residential and business) fixed and mobile voice and Broadband. Oversee and mandate the development of Number Porting and the Centralised Routing Database ensuring effective competition and trust in numbers (by preventing fraudulent / spam communications).
4. Network Neutrality analysis work should be undertaken to ensure that the required Net Neutrality regulatory requirements and published measures flow through the different networks/infrastructures. Network Neutrality must not be assessed in silos but must be assessed end to end, holistically and should be fair and not advantage or disadvantage one party over another.

The FCS is keen to engage with Ofcom to discuss the key points we have highlighted in our response.