

Consultation response form

Consultation title	Dark fibre
Full name	
Contact phone number	
Representing (delete as appropriate)	Organisation
Organisation name	Call Flow
Email address	
We will keep your contact number and email address confidential. Are there any additional details you want to keep confidential? (delete as appropriate)	
For confidential responses, can Ofcom publish a reference to the contents of your response?	Yes

Your response

Question 2.1: Do you agree with our findings in relation to product market definition as set out in paragraphs 2.9 to 2.13 of the BCMR Temporary Conditions Statement, namely that we define a market comprising wholesale leased line services of all bandwidths at and below 1Gbit/s using contemporary interface (CI) technologies, including EFM? Please set out your reasons and supporting evidence for your response.	Confidential? – N Call Flow agrees with Ofcom’s findings.
Question 2.2: Do you agree with our findings in relation to geographic market definition as set out in paragraphs 2.14 to 2.19 of the BCMR Temporary Conditions Statement, namely that we define the following geographic markets: (a) the CLA; (b) the LP; (c) the CBDs of each of Birmingham, Bristol, Leeds, Glasgow and Manchester; and (d) the RoUK excluding the Five CBDs? Please set out your reasons and supporting evidence for your response.	Confidential? – N Call Flow agrees with Ofcom’s findings.
Question 2.3: Do you agree with our assessment of the CI Core, as set out in paragraphs 2.101 to 2.111 of the BCMR Temporary Conditions Statement? Please set out your reasons and supporting evidence for your response.	Confidential? – N Call Flow agrees with Ofcom’s assessment.

<p>Question 2.4: Do you agree with our findings that BT has SMP in the markets for Lower Bandwidth CISBO services in the LP, the CBDs of each of Bristol and Manchester and the RoUK excluding the Five CBDs, up to the end of March 2019, as set out in paragraphs 2.20 to 2.100 of the BCMR Temporary Conditions Statement? Please set out your reasons and supporting evidence for your response.</p>	<p>Confidential? – N</p> <p>Call Flow agrees with Ofcom’s findings.</p>
<p>Question 3.1: Do you agree with our proposed design of the dark fibre access remedy? Please set out your reasons and supporting evidence for your response.</p>	<p>Confidential? – N</p> <p>Call Flow largely agrees with Ofcom’s proposed design, but has reservations over the proposal to rely on a period of industry negotiation to define the SLAs and SLGs. This approach has proved ineffective in resolving the continuing issues with BT’s provisioning timescales on its active products.</p>
<p>Question 3.2: If BT were to make available a dark fibre product based on the design set out above, how long would it take before your company was in a position to purchase it? From what date would you want BT to make such a product available?</p>	<p>Confidential? – N</p> <p>Call Flow would be in a position to order dark fibre from day 1 of the product being made available. Call Flow was prepared for the 1 October 2017 launch of the dark fibre product, and has factored the product into its business plans and future processes. Call Flow believes this new passive remedy creates the conditions for significant new investment and allows Call Flow to accelerate its FTTP coverage to areas that were unlikely to receive ultrafast broadband before 2025 under the operators’ announced plans.</p> <p>Call Flow is currently constructing full fibre broadband networks to residential and business customers, and intends to make use of dark fibre for backhaul from these new networks where it has previously relied on EAD circuits from BT. In the longer term, Call Flow could potentially leverage the dark fibre product to provide innovative solutions for its SME customers that are looking for alternatives to leased lines for affordable business grade broadband.</p>
<p>Question 4.1: Do you agree with our assessment of the benefits of our proposed dark fibre remedy? Please set out your reasons and supporting evidence for your response.</p>	<p>Confidential? – N</p> <p>Call Flow agrees with Ofcom’s assessment.</p>

Call Flow is a SLU and FTTP operator providing broadband and telephony services, and relies on BT's backhaul services to support these residential and business services.

Call Flow already makes extensive use of passive remedies through PIA and DPA, and believes that dark fibre is a complementary product, and together they have huge potential to stimulate investment in FTTP to areas that would have remained underserved by the main operators. Availability of dark fibre will drive further network expansion for Call Flow, as well as facilitate resilient reconfiguration of its expanding network, and enable greater pricing innovation. In summary, there are 4 key areas where a dark fibre product will prove beneficial to Call Flow, and ultimately, residential and business consumers:

- 1) Service levels on the active backhaul products are consistently not met and the situation shows no sign of improvement. Call Flow needs certainty over the timeframes to deliver upgrades to its links to react effectively to increases in traffic demand.
- 2) Call Flow's customers have made it clear that unlimited data packages are important to them, and Call Flow does not want to manage traffic or impose usage caps. Using dark fibre for backhaul in place of active circuits reduces the economic risk to Call Flow of supporting unlimited data packages on ultrafast networks without increasing the retail price, which has clear long term benefits for consumers.
- 3) Dark fibre is part of Call Flow's strategic solution to maximize its full fibre access network coverage. Improved resilience and certainty over delivery timescales and bandwidth upgrade costs help to maximize Call Flow's investment and innovation in FTTP in areas that were some of the last to benefit from FTTC upgrades, or are still waiting for them.
- 4) Dark fibre allows greater control for Call Flow. Control is important because it provides the flexibility to reconfigure the network quickly in line with demand; it also frees Call Flow from the considerable constraint of the SoR process when attempting to request reasonable and beneficial product variations.

Question 4.2: Do you have evidence on the current relative prevalence of each scenario of active equipment configurations as shown in Figures 4.1

Confidential? – N

Most of Call Flow's current deployments follow scenario 1a in Figure 4.1, with a small number of services supplied

<p>and Figure 4.2? Please set out your reasons and supporting evidence for your response.</p>	<p>using Scenario 2a in figure 4.2. The majority of its anticipated dark fibre alternatives would follow scenario 1b.</p>
<p>Question 4.3: Do you agree with our view, as expressed in paragraph 4.27, that situations where cost savings to providers will be available from dark fibre are likely to be common? Please set out your reasons and supporting evidence for your response.</p>	<p>Confidential? – N</p> <p>Yes. Call Flow believes that consuming dark fibre products as an alternative to the active solution on which it currently depends will result in cost savings. These cost saving are modest for circuits up to 1 Gbit/s, however. Also significant to Call Flow, particularly if a dark fibre product at 10 Gbit/s was subsequently launched, is the flexibility to reconfigure and upgrade its links to react to changes in demand, have greater control over its backhaul network, and offer the scope to innovate in its service offerings to SMEs.</p>
<p>Question 4.4: Do you agree with our assessment of the risks and costs of our proposed dark fibre remedy? Please set out your reasons and supporting evidence for your response.</p>	<p>Confidential? – N</p> <p>Call Flow agrees with Ofcom’s assessment.</p>
<p>Question 4.5: Do you agree that we should impose a dark fibre remedy for the period April 2018 to March 2019? Please set out your reasons and supporting evidence for your response.</p>	<p>Confidential? – N</p> <p>Yes. Furthermore, the availability of a 10 Gbit/s dark fibre product would be crucial to unlocking further areas for FTTP investment for Call Flow.</p>
<p>Question 5.1: Do you agree with our forecast for dark fibre take-up in 2018/19? Please set out your reasons and supporting evidence for your response, including any volume forecasts you have for consumption of dark fibre for 2018/19.</p>	<p>Confidential? – Y</p> <p>Call Flow’s forecast for the period 1 April 2018 – 30 March 2019 is as follows:</p> <ul style="list-style-type: none"> • [redacted] existing EAD circuits will be migrated to dark fibre. • [redacted] new dark fibre links will be needed to support its FTTP network growth to March 2019. <p>Call Flow would seek assurances from Ofcom on the timetable for introducing higher speed dark fibre products before committing to substitution of EAD links with dark fibre. A 1 Gbit/s dark fibre product does not provide a future-proof solution for Call Flow’s FTTP backhaul requirements.</p>
<p>Question 5.2: Do you agree with our proposed charge control on the proposed dark fibre product? Please set out your reasons and supporting evidence for your response.</p>	<p>Confidential? – N</p> <p>Call Flow agrees with Ofcom’s proposed charge control.</p>