

*Representing the Communication Services Industry*



Ofcom FAMR – Approach to setting LLU and WLR Charge  
Controls  
Issued 11 July 2013

FCS response – 25 September 2013

Contact for response:  
Catherine Gerosa

Federation of Communication Services Ltd  
Burnhill Business Centre,  
Provident House,  
Burrell Row,  
Beckenham, Kent  
BR3 1AT  
Tel: 020 8249 6363  
E-mail: [fcs@fcs.org.uk](mailto:fcs@fcs.org.uk)  
Web: [www.fcs.org.uk](http://www.fcs.org.uk)

## **Introduction**

The [Federation of Communication Services](#) represents over 300 businesses delivering products and services via wireless, copper and fibre technology. Over 50% of FCS members provide services in the fixed markets and many of these are smaller CPs or new entrants. These FCS members deliver telephony services into both the residential and business markets, but most specialise in serving business customers, a sector which is continuing to grow. This response has been prepared on behalf of the Fixed Service Providers Group within the Federation.

### **1. Overview**

In terms of Ofcom's main conclusions to its review, FCS members broadly agree or have no immediate issues with these

The FCS agrees with Ofcom's SMP finding in WLA and WFAEL and that charge controls are necessary. We believe that there will be a continued demand for WLR and that WLR will remain important for competition and therefore steps should be taken to ensure that Openreach maintains competitive prices.

We generally agree with the approach to the design of the controls and believe that the cost of customer switching should be kept as low as possible to support competition. We note that Ofcom is not at present including costs that may be associated with quality of service obligations and will be consulting on this area later this year.

### *Q3.6 Common costs*

We agree with the principle put forward by Ofcom that the contribution to common costs should be the same for each wholesale access line service by the end of the control period.

### *Q3.9 Cost of directories*

The FCS supports the proposal to remove the printed directory cost from the WLR charge with immediate effect. We agree with Ofcom's view that this is an unfair charge on WLR CPs and believe that CPs will still be able to meet their obligations under GC8 once the removal from the WLR charge takes place.

### *Q4.3 WLR conversion costs plus SMPF new provide*

We agree with the proposed approach to estimating the cost of simultaneous provision of WLR conversion and SMPF new provide and welcome the ongoing reduction in costs.

### *Q 4.4 WLR conversion*

We agree with the proposed approach to estimating the cost of provision of a WLR conversion and welcome the ongoing reduction in costs. We believe that conversion from LLU to WLR can be a barrier to switching and should be closely aligned to transfer charges as consumers are often unaware that they are moving off the BT network and there will be cost implications should they wish to move back to a provider on the BT network.

### *Q 5.1 Estimating the cost of changes to service levels*

The FCS welcomes any increased requirement on Openreach to operate to clear and specified service standards. We have expressed our concern in our response to the FAMR consultation that minimum standards must not be viewed as "acceptable" standards: Openreach needs to be adequately resourced to deal with exceptions as well as the norm.

We agree with Ofcom's approach to estimating the cost of changes to service levels.

### *Q 5.2 Analysing fault rates*

We agree that in the absence of any substantive reason why faults should be more likely to occur on MPF, fault rates should be equalised across MPF, WLR+SMPF.

## **Conclusion**

The FCS supports continued close monitoring of Openreach's performance against costs, whilst always aiming for equality of service and commercially realistic charges. We have raised with Openreach our concern about the introduction of a £4k charge for change of TPI and would like this to be included in the WLR cost stack to avoid this hefty charge falling on individual CPs.