OFCOM UK COMMUNICATIONS INFRASTRUCTURE REPORT

21.09.10



INTRODUCTION

Cable&Wireless Worldwide is one of the world's leading international communications companies. and a major provider of services and communication solutions to enterprises within the United Kingdom and across the globe.

Cable&Wireless Worldwide welcomes the opportunity to comment on the proposals for Ofcom's UK Communications Infrastructure Report. We appreciate Ofcom's attempts to make this exercise as light touch as possible and believe that the balance between industry resources and the actual value of the final report is of crucial importance.

The timescales proposed by Ofcom are of concern, in particular those related to the availability measures. We fully understand why a time-bound set of measures is required and we appreciate that Ofcom has sought to provide the greatest possible time allowable under the Digital Economy Act 2010. However the proposal to require statistics regarding 'Availability' within a timescale of one week during June is entirely unfeasible. Cable&Wireless Worldwide requires a minimum period of a month in which to both collate the necessary information and to attain senior level sign-off for the statistics before publication. Such sign-off is essential given not only the comparison with other operators and the impact results could potentially have in respect to government business, but also in relation to the limitation to Ofcom's confidentiality guarantees along the lines of the Freedom of Information Act.

We request that Ofcom considers staggering its S.135 Information Requests with as much notice as possible. In particular we would be concerned if these requests coincided with other Ofcom activity or quarterly reporting periods. Similarly the suggestion that further S.135s may be issued to fulfil missing information is of concern unless clear notice is given and adequate timescales provided. It should not be assumed that industry is resourced to be able to provide ad-hoc information on a short timescale.

Cable&Wireless Worldwide is also concerned that the distinction Ofcom is seeking to make by excluding bespoke networks or services designed for larger businesses in favour of 'small and medium-sized' businesses is meaningless within Cable&Wireless Worldwide. Cable&Wireless Worldwide concentrates upon larger enterprises and caters for SME's via the recently acquired Thus Ltd. Indeed the sales structure of Cable&Wireless Worldwide is divided between 'Enterprise', 'Public Sector & Partners' (including Systems Integrators) and 'Global Markets'. As such it is not a simple task to differentiate by customer size internally. We acknowledge Ofcom's attempt to restrict reporting of business to business connectivity by circuit size, but again we note that this is an imperfect division which will include smaller satellite sites of large businesses. The requirement to extract such instances from the measures will be a time-consuming and manual exercise. In order to support Ofcom's objectives Cable&Wireless Worldwide proposes to supply information which will be tailored as far as possible to Ofcom's target sector, but which may unavoidably include large enterprises or aspects of the service which they are offered. Any requirement to precisely differentiate according to business size would be a disproportionate requirement for a business which does not internally have such distinctions.

Cable&Wireless Worldwide fully supports the targeted approach Ofcom has sought in introducing these requirements and we have found the pre-consultation discussion seeking to minimise the burden upon Operators to be equally useful. We also welcome the plans for ongoing discussions beyond the consultation and suggest that these are essential in order to achieve a meaningful report. Furthermore Cable&Wireless Worldwide suggests that an industry-wide workshop is arranged for Ofcom to feedback responses to this consultation and its initial thinking. We understand that some operators are reluctant to discuss performance metrics at an industry level, but we believe that our experience from the TopComm scheme shows that unless Ofcom takes a clear line with Operators setting out its exact requirements, then the final report will fail to meet all of its objectives. Operators will be better able to provide Ofcom with the guidance it needs if there are clear requirements and parameters established by Ofcom at the outset of the project.

In a similar vein there is some concern as to how the report is actually to be used. Requirements to date have appeared somewhat nebulous and although the Government has described the report as a 'health check' it is not clear as to what this will mean in practical terms. A clear sense of how the report is to be used is required at both Ofcom and Governmental level to ensure the report is more than a series of interesting but ultimately useless data. Ofcom needs to both guide and educate Government on the way the report can be used and not merely supply the information. It is likely that comparability will be extremely difficult to achieve fully in the initial report and it is essential that Ofcom provides detailed context as misconstrued comparisons could adversely impact Operators looking to bid for Government business unless differences in performance are fully explained.

The current consultation is a useful data gathering exercise, but it is difficult to comment fully upon individual measures until we have full visibility of the next level of detail. Accordingly Cable&Wireless Worldwide has provided a confidential annex containing example reports which we believe go some way to meeting Ofcom's requirements. We will be happy to discuss the attached reports in more detail subsequent to the consultation.

OVERALL APPROACH

1. HAVE WE GOT THE SCOPE RIGHT? IS THE SET OF NETWORKS, SERVICES AND OPERATORS WE PROPOSE TO REPORT ON APPROPRIATE AND IS OUR APPROACH TO DATA GATHERING AND ANALYSIS CORRECT?

Cable&Wireless Worldwide believes that the general approach Ofcom has taken to this requirement is appropriate. We welcome the decision taken by Ofcom to utilise the full time scale offered under the Digital Economy Act in which to introduce this report. We fully support Ofcom's stated intention to limit the burden of the report upon Operators and to make full use of readily available data.

2. DO YOU AGREE WITH OUR APPROACH TO CLASSIFYING DIFFERENT TYPES OF NETWORKS AND SERVICES? ARE THERE BETTER WAYS TO DEFINE THEM?

Whilst we agree that the distinction between operators appears to be a reasonable split, the decision to exclude large businesses makes reporting difficult for a company such as Cable&Wireless Worldwide which specialises in Business Critical Solutions. Many of our customers fall within the large business category and differentiating between the two groups is not something which is readily possible within the company's reporting. This is an area which has been explored in some detail in relation to the TopComm Quality of Service reporting requirements under General

Condition 21, both internally within Cable&Wireless Worldwide and at an industry level. The conclusion industry and Ofcom appeared to reach at the point at which the scheme was withdrawn was that it was virtually impossible to establish a comparable differentiating point across all operators in order to distinguish between medium and large customers. Operators do not hold the necessary employee numbers for customers in order to make such a comparison meaningful and proxies such as revenue spend are entirely subject to the level of business with that particular organisation and other such external influences. As a consequence the view amongst industry was that all business operators should be excluded from the requirements rather than arbitrarily imposing non-comparable thresholds.

Irrespective of the exact nature of any such threshold Cable&Wireless Worldwide does not believe that there is any requirement for it to supply information in relation to capacity planning. Ofcom's expressed interest is in relation to <8Mbit/s circuits. In material numbers this does not apply to the majority of Cable&Wireless Worldwide's customer base. Indirect products such as CPS and WLR we assume will be catered for by BT. Similarly where low speed circuits have been deployed using Bt infrastructure we expect BT to report these circuits in order to prevent double counting between operators. Of our remaining customer base, the overwhelming majority will have been sold ISDN 30 lines for direct voice which is above Ofcom's threshold. Where there has been provision of these services upon Cable&Wireless Worldwide infrastructure we believe the volumes to be insignificant in comparison to the other reporting Operators and therefore immaterial for Ofcom's purposes. We will look at this in more detail when we see the final metrics, however we do not believe it to be appropriate or proportionate for Cable&Wireless Worldwide to be included within this reporting section.

3. DO YOU AGREE WITH OUR PROPOSAL TO PRIORITISE 2G MOBILE COVERAGE AND BROADBAND SPEEDS FOR THE FIRST REPORT?

From a consumer perspective Cable&Wireless Worldwide agrees that the proposed areas appear to represent known issues of consumer concern, but we would suggest that Ofcom needs to clarify with Government the mechanism by which they intend to implement any actions from such a report. We do not believe that the proposed scope of this report makes it of direct use to consumers per se.

4. DO YOU AGREE WITH OUR PROPOSED REFERENCE DATE FOR THE REPORT AS A DATE IN JUNE 2011 AND ARE WE ALLOWING ENOUGH TIME FOR THE PROVISION OF DATA?

We welcome the adoption of June 2011 as the latest date realistically available to Ofcom under the Digital Economy Act and we strongly welcome the recognition of the time necessary to produce a meaningful report. However we can not agree with the proposal to formally request availability data for the preceding three months with a one week turn around. This is entirely unrealistic in an efficiently staffed Operator and we suggest that in order to provide Ofcom with the best quality data and to ensure that it is ready on time; a period of at least a month is required in which to collate and report the data as well as gaining senior level sign-off.

Although notice has been given as to the reference date, we would also stress that as much visibility as possible needs to be given to industry as to the exact nature of the questions to be formally requested. This will allow pre-work to be conducted and also will ensure there are as few surprises as possible.

5. HOW CAN WE IMPROVE THE COMPARABILITY OF DATA BETWEEN DIFFERENT OPERATORS?

It is essential that final measures to be issued in the final S.135 Information Requests are constructed with detailed operator input. Ofcom needs to be clear as to what the measures are intended to be used for and to share this information with Operators. Such clarity will allow Operators to direct Ofcom to the most comparable and relevant data. Failure to provide this clarity risks a final report which contains data the relevance of which will be constantly disputed by the companies involved. Ofcom needs to decide itself where the balance between a comparable report or a report of available information with context to aid comparability lies. This needs to be a prescriptive approach or there is a real danger that the report will fall between the two approaches.

Comparability is an issue which plagued Ofcom's Quality of Service measures and there are real difficulties in translating internal operational measures into strictly comparable data across Operators. For the first report in particular we believe that Ofcom will have a pivotal role in ensuring that the differences between the available data is understood. This is likely to require more than just a series of annotation on summary graphs and tables.

The comparability of Cable&Wireless Worldwide's data will be compromised from the outset as our treatment of our customer base does not coincide with Ofcom's 'business size' boxes and we do not expect our approach to match that of other operators.

As a result there is a requirement for Ofcom to provide detailed context behind the figures and to explain the offerings of operators with help from operators themselves. It is vital that operators are given full visibility of the sections of the report pertaining to them before its publication in order to help ensure the accuracy of any commentary.

USE OF ELECTROMAGNETIC SPECTRUM

6. DO YOU AGREE WITH OUR APPROACH FOR REPORTING ON THE USE OF ELECTROMAGNETIC SPECTRUM?

Cable&Wireless Worldwide welcomes the use of existing Ofcom data for this report. We believe that this is the most efficient mechanism for data gathering. We would request that if the licence data is to name holdings by operator, that these results are socialized with the relevant operators in good time before publication. This will allow verification of the data as well as the possibility of operators providing contextual information about the usage of said licences where the results are unexpected.

COVERAGE

7. DO YOU AGREE WITH OUR APPROACH TO MEASURING COVERAGE?

We welcome the targeted approach Ofcom has taken rather than simply requesting the data from the whole of industry.

8. HOW DO YOU THINK WE SHOULD ESTABLISH AN APPROPRIATE LEVEL OF GRANULARITY AND THE RIGHT TECHNICAL ASSUMPTIONS TO MAKE THE DATA USEFUL?

Cable&Wireless Worldwide has no comment to make as we will not submit data for this section.

INFRASTRUCTURE SHARING

9. DO YOU AGREE OUR PROPOSED APPROACH WILL ENABLE US TO REPORT ADEQUATELY ON ARRANGEMENTS FOR INFRASTRUCTURE SHARING? ARE THERE REASONS WHY NETWORK OPERATORS WOULD BE UNABLE TO PROVIDE US WITH THE DATA WE HAVE PROPOSED TO COLLECT?

We agree that the Operators selected to supply this data appear to be the most appropriate. We have no further comment to make on this section.

Wholesale Network Access

10. DO YOU AGREE OUR PROPOSED APPROACH WILL ENABLE US TO REPORT ADEQUATELY ON THE PROVISION OF WHOLESALE NETWORK ACCESS? ARE THERE REASONS WHY NETWORK OPERATORS WOULD BE UNABLE TO PROVIDE US WITH THE DATA WE HAVE PROPOSED TO COLLECT?

We agree that the Operators selected to supply this data appear to be the most appropriate. We have no further comment to make on this section.

CAPACITY

11. HOW DO YOU CURRENTLY MEASURE THE CAPACITY OF THE NETWORK?

We refer Ofcom to the attached Confidential Annex which provides details of our quarterly Capacity Management reporting. Cable&Wireless Worldwide's Capacity Management Team measure network capacity on a monthly basis and provide analysis of any investment that may be needed to improve the network. A section of the network which experiences high utilisation may not automatically qualify for expansion if it is deemed to be an area of little growth or of little strategic importance to the company. For those areas where high growth is expected or the platforms and routes are strategically significant increases in capacity are put in place before full utilisation. On some inventory systems this is automatically triggered. A high-level dashboard report is provided to management which covers voice, data, Internet and transmission network capacity. The data sources come directly from the network's various inventory systems.

As a result the use of capacity demand as a proxy, whilst understandable, is an imperfect tool and care should be taken as to the significance given to such results.

As mentioned previously we do not believe it to be appropriate or proportionate for Cable&Wireless Worldwide to be included within this reporting section and we believe that Ofcom should seek to use the material information available from BT. We would also point Ofcom to the existing information made available by the OTA.

12. DO YOU AGREE THAT WE SHOULD DEFINE SPECIFIC METRICS FOR DIFFERENT TYPES OF NETWORKS?

We agree that different metrics should exist for different networks, but we refer Ofcom to our response above as to their suitability.

AVAILABILITY

13. DO YOU AGREE WITH THE PROPOSED APPROACH OF GATHERING SPECIFIC REPORTS OF OUTAGES ABOVE A CERTAIN THRESHOLD, AND HOW DO YOU THINK SUCH THRESHOLDS SHOULD BE SET?

Cable&Wireless Worldwide agrees that this is an approach which allows Ofcom to meet its obligations and which offers a proportionate mechanism to operators for supplying the requisite information. We do however have some concerns about the comparability of this information and warn that it will require some detailed contextual work from Ofcom in order to allow the detailed information made available during a Major Incident (MI) to be condensed into a meaningful set of measures.

The criteria Cable&Wireless Worldwide uses to determine a MI do not easily correspond with those referred to by way of example from the FCC. It is not possible for our systems to calculate the totality of lost customer minutes caused by any one incident. Whilst it is possible to produce this information in relation to the fault itself or on a customer by customer basis, this is not an exercise which is conducted for every affected customer. To do so would be a time-consuming and resource intensive exercise. Instead Cable&Wireless Worldwide has a set of criteria against which a MI response may be triggered. These criteria are:

Single Customer Events		
Single threat to service or revenue	Loss of traffic revenue	Potential regulatory sanctions
Threat to brand or reputation	Executive level sensitive customer	Significant incident affecting customer within RFP process
Significant impact to customer e.g. HQ hard down		
Multiple Customer Events		

Significant threat to service or revenue	Loss of service to multiple customers	Loss of service to multiple sites
Loss of traffic revenue	Potential regulatory sanctions	Threat to brand or reputation

Cable&Wireless Worldwide proposes providing Ofcom with information in relation to those MIs which qualify under the multiple customer events, unless there is a single customer event which severely impacts a company or service identified as being of specific interest. We have attached in confidential Annex B an example of one of these MI reports and are willing to discuss how we might

summarise the information from the MI reports in a way that can satisfy Ofcom's requirements. It is our expectation that the multiple customer events will incorporate major fibre / cable faults and network site / data centre incidents which will satisfy the Government's objective to gain a picture of the state of UK's telecoms infrastructure.

As mentioned previously Cable&Wireless Worldwide does not employ any rigid form of customer segmentation which would allow us to provide a more targeted report which would extract large businesses. The MI process and report contains customer specific information in relation to the largest, most heavily impacted or strategic customers, but it will not cover all customers. Many of the enterprises Ofcom has expressed an interest in would only be covered in detail were they to request an individual report from their account team. A detailed customer segmentation approach is not something which Cable&Wireless Worldwide can operationally support.

14. FOR SMALLER OUTAGES, WHICH STATISTICAL DATA DO YOU THINK IT IS VALUABLE TO GATHER?

Ofcom has set out a list of potential measures which Cable&Wireless Worldwide can accommodate to varying degrees. As above we do not presently produce 'smaller incident reports' in any centralised manner. We are able however to cut performance measures by various business units or the sales channels mentioned previously which may allow us to refine our reporting. It will not however be possible for us to provide a subset which is comparable in any meaningful way with other operators.

The majority of the information required to produce this information is held in a centralised online reporting repository or across several offline reports. These are used on a monthly basis to produce summary reports of fault volumes and those restored in SLA etc by channel and by platform. The reports themselves will not provide a direct input for Ofcom's Infrastructure Report, although they do suggest that the majority of the information is available. It is key however that we have further engagement on the exact nature of the metrics to be requested and we suggest further industry level and bi-lateral engagement with Ofcom. We understand (and TopComm demonstrated painfully) that industry is reluctant to discuss such metrics in detail in a wider forum, so we believe that it is essential that Ofcom is very clear as to what it requires or how it intends to contextualise the differences between data sets.

We have provided initial reactions to some of the measures Ofcom proposes:

Average duration:	This should be possible, although discussion is required as to the start and end points of the measurement and whether it is permissible to exclude delays attributable to events outside of the Operator's review e.g. customer caused delays.
Average consumers affected:	This is not possible at present outside of the MI process due to system limitations. Any attempt to report in this way would require manual assessment of the details of each customer fault ticket in order to then link it to an underlying fault. This is not a practical option for Cable&Wireless Worldwide.
Time of day:	This measure does not pose any particular issues.
Planned vs. Unplanned:	This measure does not pose any particular issues.
Most frequent causes:	This measure does not pose any particular issues although comparability between



operators may need to be addressed once the figures are submitted.

Range of services This measure does not pose any particular issues. affected:

Cable&Wireless Worldwide welcomes the opportunity to explore this area further with Ofcom once it is clear which metrics Ofcom requires.

15. IS A THREE-MONTH REPORTING PERIOD SUFFICIENT TO ASSESS AVAILABILITY PERFORMANCE?

Yes, we believe that a three-month period will provide a suitable snap-shot, but no more, of Availability performance for the first report. Ofcom's principle task must be to explain where the differences lie between operators and to clearly set expectations that the data in this report does represent a snap shot rather than a truly comparable set of measures between Operators.

RESILIENCE

16. DO YOU AGREE WITH OUR APPROACH TO REPORTING RESILIENCE AND EMERGENCY PLANNING AND THE LIST OF DATA WE WOULD IDEALLY COLLECT FROM CPS?

Cable&Wireless Worldwide fully supports the use of information from EC-RRG and we suggest that this group should provide the majority of the necessary data. We believe that the use of a single intermediary body will allow Ofcom to be provided with the most comparable level of data

Cable&Wireless Worldwide requests that Ofcom provides more clarity as to exactly how this information is intended to be used, both within the report itself and post publication. Cable&Wireless Worldwide has a large amount of information in this respect and we would like to understand what the data is to be used for in order to provide the risk information at the desired level. For example is Ofcom expecting to cross reference the information submitted to other publically available information or should the submissions be specific to this report?

Cable&Wireless Worldwide recommends that a standard S.135 template is used across Operators in order to ensure consistency of input. There is a risk otherwise that Ofcom will be buried under an avalanche of information from some Operators and only provided with the bare minimum by others.

Any final information publication needs to allow for the different appetites of risk run by operators. A highlighted risk for one Operator may be no more than acknowledged by another and it should be understood that both approaches may well be valid. We are also concerned that any reported risk may well trigger an expectation that the risk will have ongoing mitigation work underway and instant fix. In some cases it may well be appropriate to acknowledge a risk for which there is no planned remedy.

Cable&Wireless Worldwide believes that it is necessary to understand fully whether Ofcom is more interested in an operational risk assessment or one that considers risk at a technical solution level. Cable&Wireless Worldwide's is aware that some operators take a functional based risk approach whilst others may have a more technical end to end solution approach. It is likely that Operators have a series of different models and we would like to understand how Ofcom intends to provide a comparable view across Operators.

17. DO YOU ALREADY PROVIDE INFORMATION TO OTHER ORGANISATIONS AND GOVERNMENT AGENCIES AROUND RESILIENCE ISSUES? IF SO, WHAT ARE THEY?

Cable&Wireless Worldwide will provide this information separately after closure of the consultation.

18. DO YOU AGREE THAT THERE ARE ADDITIONAL NETWORKS AND SERVICES WHICH ARE OF SUFFICIENT IMPORTANCE TO INCLUDE IN THE REPORT? IF SO, WHAT ARE THEY?

This is an area which we believe requires clearer guidance from Ofcom and ultimately Government in order to understand the ultimate aim of the report. Cable&Wireless Worldwide specialise in Business Critical Communications, albeit primarily in the corporate market. For this particular aspect of the report we assume that market segmentation is of little importance, however there is a clear differentiation to be drawn between government interest and a network which has a profound impact upon an individual customer. Ofcom has highlighted the BACS network and Airwave, however it is not clear where the differentiating line should be drawn. Does Ofcom and Government interest extend to all networks which carry PCI compliance for credit card transactions for example or to the BACS network specifically? Similarly Airwave is mentioned and obviously of importance as a core part of the public services' integrated communications infrastructure; however does Ofcom's infrastructure reporting also require reporting specifically related to the Operator Services by which End-Users are connected to Emergency Services?

INTERNATIONAL COMPARISONS

19. ARE THERE OTHER SOURCES OF INTERNATIONAL DATA WHICH WE SHOULD CONSIDER? ARE WE FOCUSING ON THE RIGHT NETWORKS AND METRICS? IN PARTICULAR, HAVE WE GOT THE RIGHT METRIC FOR COMMENTING ON NEXT-GENERATION ACCESS DEPLOYMENTS?

We agree that the metrics considered are appropriate. It is our opinion that the ICT report Ofcom reference provides a good albeit high-level information source. The other sources also appear to be relevant and readily accessible benchmarks. Cable&Wireless Worldwide suggests that Ofcom may wish to consider whether commercial benchmarks may also readily be available and to this end we would suggest the Budde reports which (depending upon the sourcing of the relevant data) may offer an alternative perspective.

We do not have any other suggestions for additional benchmark comparisons.