

Cover sheet for response to an Ofcom consultation

BASIC DETAILS

Consultation title: Proposed variation to BT's Undertakings for fibre to the premises

To (Ofcom contact): Gideon Senensieb

Name of respondent: Aileen Boyd

Representing (self or organisation/s): Scottish and Southern Energy plc

Address (if not received by email):

CONFIDENTIALITY

What do you want Ofcom to keep confidential?

Nothing	Yes	Name/address/contact Details/job title	No
Whole response	No	Organisation	No
Part of the response	No	If there is no separate annex, which parts?	

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Name Aileen Boyd

Signed (if hard copy)

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Dear Gideon

Consultation on a variation and exemption to BT's Undertakings for fibre to the premises and fibre integrated reception system

We welcome the opportunity to comment on the proposed variation and exemption to BT's Undertakings. We supported the recently proposed variation to the Undertakings to allow Openreach to control and operate the electronic equipment required for provision of fibre to the cabinet (FTTC) technology on the basis of equivalence of inputs (EoI) between BT's own downstream divisions and other communications providers. That variation was agreed in June and some of the considerations are similar for this proposed variation for fibre to the premises (FTTP). However, we agree with Ofcom that there are further considerations for FTTP, since this technology actually reaches customer premises and the design of that customer interface is of crucial importance for the future development of competition in the market as next generation access (NGA) technologies begin to be used.

We do have a few comments and set these out below.

1. We agree with the essential proposal that Openreach should be able to control and operate the electronic equipment necessary to provide super-fast broadband using FTTP technology on an EoI basis.
2. We continue to support the need for appropriate consultation by Openreach with interested parties in the industry on the development of FTTP wholesale products. This need for consultation also extends to the development of specific wholesale voice services including "Voice over NGA" (VoNGA) and, rather than setting up new industry groups, we strongly advocate that Openreach uses the existing fora such as the industry Commercial Groups to establish the appropriate consultation and debate. In this context, it is important that the product develops in a suitable manner for the community of retail suppliers as well as for Communications Providers (CPs) who are able to consider using their own infrastructure to deliver retail products, for example using the existing local loop unbundling (LLU) approach. This is illustrated by the fact that there are similar numbers of retail

lines provided using wholesale line rental (WLR) as are provided using LLU.

3. Following on from the fundamental need for consultation with CPs – including retail-only CPs – we repeat the point made in various consultation responses on market, competition and NGA-related subjects that effective ongoing consultation and involvement of interested parties is best developed, in our view, within a transparent, inclusive governance arrangement, constituted on a co-regulatory basis.
4. Such governance arrangements would need to encompass both market process developments (such as how products are ordered and consumed) and technical standards development, as we believe that the two areas are inextricably linked. This is demonstrated in paragraph 3.48 of the consultation, where Ofcom considers models of competition upstream from an active VoNGA product. Three variations on how the end-user interface for such a product would technically be provided are set out. The technical choice made here would in fact have a profound influence on competition and market processes – as discussed further below – and we therefore believe that the correct sequence of events is as follows:
 - The principles on how the new technology will be accommodated should be agreed – to some extent, this has been achieved through Ofcom’s statements on NGA matters in March 2009, although they may occasionally need to be reviewed and adapted in the light of market or technology developments;
 - Technical standards are developed in a governed and co-regulatory manner to ensure that they support the above principles – it will be important to give all relevant parties a voice in how proposed technical standards will affect their business models in order to ensure that relevant considerations are taken into account;
 - Market processes based on the technical specifications and standards decided above are developed in a governed and co-regulatory manner to ensure that they support, and continue to support, the above principles as the market evolves.
5. We believe that great care needs to be taken over the technical approach to developing models for competition upstream from an Openreach active VoNGA product. We support the principle, promoted in Ofcom’s March NGA documents, that more than one communication provider should be able to supply a home or premises. We actually have a vision that multiple products (some as yet to be developed) should be able to be supplied independently by different suppliers using the communications link to an end-customer who can freely and readily choose between different suppliers, whose services do not have an adverse effect on any other services provided over the communications link. This “multi-channel” approach would be impossible in the “wires only” option described in 3.48.3 of the consultation document where, as we understand it, the communications link is taken over in its entirety by an operator CP, limiting the customer to that CP’s retail products or those that the CP “allows” to use the

channel.

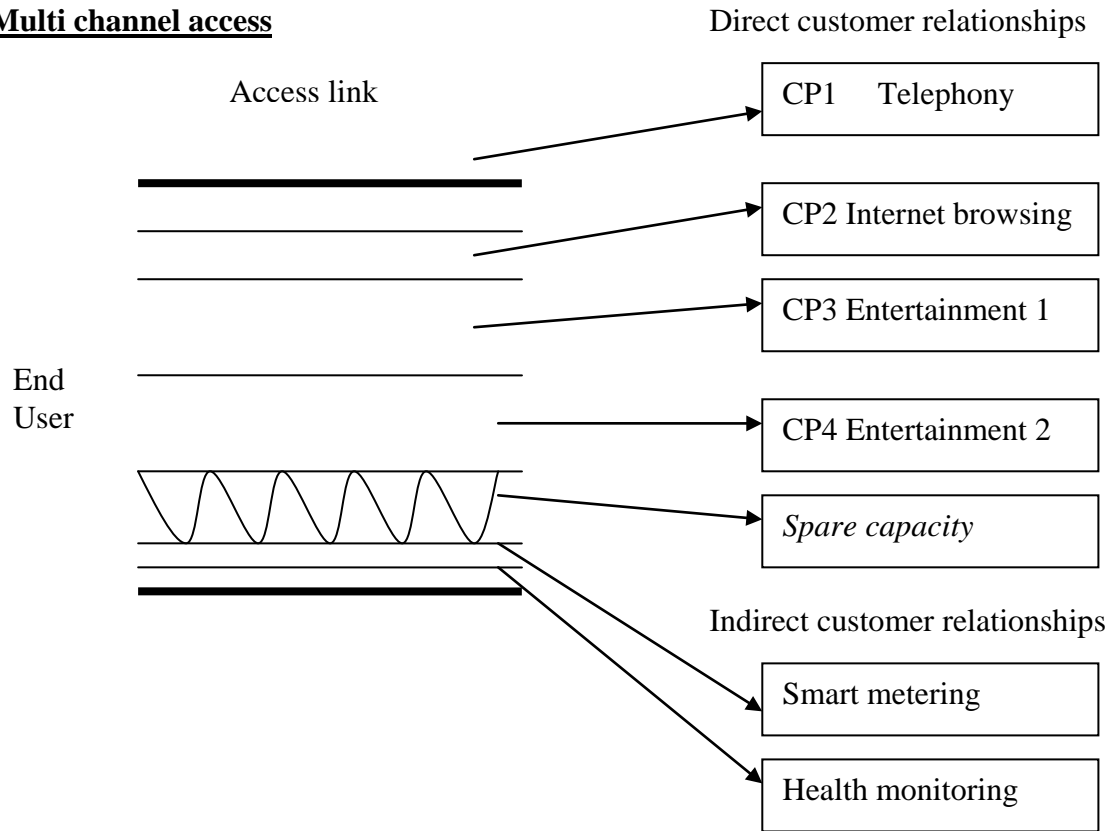
6. We have shown both the multi-channel and the “wires only” access options schematically in the appendix to this letter. We believe that multi-channel access not only allows much greater end-user freedom of choice but also provides a more resilient platform for provision of services, including those that are provided to the customer indirectly via contracts between the access link provider and, say, the local health authority for health monitoring at the premises. Any service provided on the multi channel model should be unaffected by commercial interruption (due to non-payment issues or business failure) to any of the other services provided over the link. It is not clear that this could readily be the case under the “wires only” model.
7. We agree with Ofcom that there are a range of issues that need to be considered in the development of wholesale NGA products and look forward to further consultation – perhaps as part of the wholesale local access and wholesale broadband access market reviews mentioned in the consultation. We continue to support Ofcom’s emphasis on supporting effective and sustainable competition in voice and other services using the underlying communications channel to end-customer premises, be this copper or fibre technology. While passive inputs may have a role to play in FTTP, we agree with Ofcom that it is not yet clear what needs to be developed to support sustainable competition whereas there is clear interest in active products, not least from supplier-only CPs who currently use WLR products. We therefore support Ofcom’s emphasis on Openreach developing a fit for purpose version of its Generic Ethernet Access (GEA) product and operating the electronics necessary to provide it.
8. Finally, we have no objection to the proposed exemption concerning the fibre integrated reception system in place at Ebbsfleet on the basis that Openreach has no plans for further deployment of the system and there will be means using the GEA product by which other CPs could provide video/audio signals to the premises at Ebbsfleet if they wished.

I hope these comments are helpful and would be happy to discuss them further.

Yours sincerely

Aileen Boyd
Regulation Manager

Multi channel access



“Wires only” access

