

Verizon Business welcomes the opportunity to respond to Ofcom's consultation on the future of the Topcomm Direction.

Verizon Business fully supports Ofcom's preferred approach to withdraw the Topcomm Direction. The overwhelming evidence, in terms of the number of consumers accessing the Quality of Service information provided under the Topcomm scheme, clearly demonstrates that Ofcom's primary policy objective for introducing the scheme, the empowerment of consumers, is not being met.

The other options considered by Ofcom in this consultation would not address the underlying systemic failings of the scheme. Given that Ofcom recognises the significant costs associated with compliance with the scheme, to propose any action other than withdrawal would result in Ofcom acting contrary to their statutory obligations, stated in section 49 of the Communications Act, which requires Ofcom to ensure regulation is justifiable, non discriminatory, proportionate and transparent.

Given Ofcom's own assessment of the current scheme, Option 1 to maintain the current Direction is not a credible outcome. Not only is it clear that the current measures are not very useful to consumers, Ofcom also recognise that the information currently provided could even be misleading to some consumers (consultation paragraph 5.103). This is clear recognition that the current scheme is not fit for purpose and should not be retained.

The second option considered by Ofcom, to introduce some marginal improvements to the scheme, would also be an inappropriate response to the failings of the current scheme. Having recognised that the Topcomm scheme is not fit for purpose and that any marginal changes would be unlikely to enable the scheme to achieve Ofcom's policy goals (consultation paragraph 5.117), there is no justification or merit in Ofcom adopting such an outcome.

Therefore, for the reasons given above, Verizon Business fully supports Ofcom's preferred solution of withdrawing the Topcomm Direction.

Whilst this consultation is limited in scope to a single question on Ofcom's proposal to withdraw the Direction, Verizon recognises that this consultation is also part of Ofcom's larger review of quality of service information. The consultation makes reference to this ongoing work and Ofcom's intent to consult later in the year on their findings.

Verizon will await any further consultation to comment on any specific policy aims Ofcom may wish to pursue in the future. However, given the failings of the current Topcomm scheme, it is essential that Ofcom ensures that the evidence it bases any future policy decisions upon in this area, is robust and specific. The 2004 consultation which led to the introduction of the Topcomm scheme failed to identify precisely what service related information was required and, just as importantly, exactly which consumers were suffering detriment as a result of a lack of this information.

Whilst, following the July 2008 consultation, Ofcom has recognised that this type of scheme is only appropriate for residential and small business customers, Verizon remains concerned with the definition Ofcom uses to identify a 'small business customer'. The current definition of a business that employs 10 or fewer employees is totally unworkable in practice and Ofcom should investigate a more appropriate definition as part of any future work in this area. This would ensure that

Communication Providers can accurately identify those customers covered by the regulation and as a result, identify the appropriate data. Ofcom should also give further consideration to the question of thresholds to ensure only Communications Providers with a substantial number of residential and/or small business customers, supplying the appropriate products and services would be subject to any future obligation. Whilst it is recognised that thresholds apply to the current scheme, these may not be appropriate for the scope of any revised scheme.

It is vital that Ofcom addresses these issues in any future research and proposals in this area.

Verizon Business
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