

BCMR Consultation Response from Spitfire

Spitfire's principle interest in this consultation is in the area of the market for low bandwidth TI terminating segments at bandwidths up to and including 8Mbit/s.

Smaller CPs and SPs requirement is for sub 8M uncontented Ethernet at the most efficient cost/benefit that can be engineered (regardless of whether this is by fibre, copper or any other technology). Their primary retail target market is large SMEs plus small and mid sized Corporates, especially those companies who have multiple sites.

The requirement is very much for total UK wide coverage. This is critical as deals with multi-sited companies can be and are lost today by smaller CPs due to less than 100% UK coverage. at an economic price. Hence small CPs and SPs require their network supplier (backhaul and access) to cover all of the UK, not just the 1,100 FMSAN sites and likely LLU sites. Business services are different from consumer based LLU in that:

- a) Total UK coverage is a necessity – not just at say the largest 1,000 exchanges.
- b) Multi-site offerings of the same product are a necessity
- c) Business exchange are not the same as those targeted by consumer driven LLU companies
- d) The kit required for Ethernet over copper for example is not LLU kit and requires separate space at exchanges.

For those reasons, the current LLU companies do not make good wholesalers of NGN business services nor do they appear willing to be such providers except for business broadband services with limited coverage.

The services to be provided would be multiple voice lines including virtual PBXs, to replace ISDN2 and ISDN30 market in NGN. Also data transfer between branch offices and head office at speeds in the range 500K to 4M, uncontented and symmetric. In both cases, voice and data, high quality SLAs are required.

Hence CPs and small SPs want to buy products such as Ethernet Backhaul and Dedicated Ethernet Access. Backhaul should be available from 100M upwards and DEA from 500K upwards. Supply via Ethernet in the First Mile via Copper or Bonded Copper will almost certainly be essential. Small CPs support the proposed aggregated DEA solution from Openreach as enabling them to economically reach several SMEs on the same exchange. Smaller CPs, like all others in the market, would like more than one supplier and hence support Ofcom's drive for deeper infrastructure build by competing CPs. At the same time, they require that Openreach are not limited in supplying their Project Orchid (Ethernet Backhaul) and Project Lily (DEA). Smaller CPs would happily consider managed solutions from larger CPs who themselves have purchased Ethernet Backhaul and Access from Openreach to give 100% national coverage.

Spitfire support the idea of Space being provided as one basic type of space at a regulated price at all major BT exchanges and that space being able to support a wide range of business services from LLU through to Ethernet in the First Mile.

Spitfire also support both Openreach and BTW Ethernet products being regulated and that a fair price be set by Ofcom.

Spitfire accept that competition is active in the CELA, and wants to ensure a supply of NGN and NGA Ethernet products nationally to the same standard and price.

Spitfire request that CSH handovers be provided at an economic rate which allow small CPs to compete.

Spitfire request that Ofcom consider extending competition in the low bandwidth Ethernet market place by allowing smaller CPs to enter the market with innovative solutions, improved end user service and pricing.

Tom Saville
Consultant NGA & NGN on behalf of Spitfire
tom.saville12@bntinternet.com
0752 678 2506
25 March 2008