RESPONSE ON NEXT GENERATION ACCESS

Introduction

1 Ofcom's Role

The consultation document clearly states the importance of Ofcom's role in next generation access (nga).

2 Competition

I welcome the statements in paragraphs 2.18 and 2.19 on the consumer benefits of competition and promoting competition.

3 Ofcom Duties and Communications Act

I also consider the inclusion of the duties of Ofcom and the relevant Communications Act 2003 sections, as set out in paragraph 2.20, as important reminders of these issues which will hopefully focus our comments.

4 Measurement of Objectives

In addition, I welcome the extremely important statement in paragraph 2.21 on Ofcom's objectives by which specific approaches can be measured.

5 Regulatory Principles

However, comments in paragraphs 2.16 and 2.17 appears to me as though Ofcom has taken decisions that may not comply with their duties as set out in paragraph 2.20.

I quote from the relevant section "bullet" points:-

"Wireless networks have a limited development for the provision of fixed communication services. The nature of wireless services may make the provision of the sustained high bandwidths that may define nga services difficult through wireless networks. At the same time, wireless local access networks are likely to display significantly lower barriers to entry for competition in wireless developments."

And,

"--------- as we outlined in our November 2006 document, it may be wireline access networks that pose the greatest regulatory challenge. We have therefore focussed on these network developments in this consultation."

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The above reminds me of the situation in 2000 on the introduction of LLU when the attitude within Oftel gave a very high level of importance to the competition of fixed line telephony to the detriment of cost analysis, technical and procedural processes. So much pressure on this issue that six months later trials of the "shared service" function that allowed the BT telephone line to be used and the broadband service operated by another supplier were introduced.

If Ofcom believes that wireless local access will provide significantly lower barriers to entry of nga then why devise regulatory principles based on wireline technology alone ?????

I agree that competition is necessary to provide choice and control of prices. However this can be achieved with two or three competitors. Four or five or more competitors is a luxury which is not achievable in rural areas. One just needs to compare the mobile 'phone market in rural areas where two operators offer only 2G services and with coverage limitations.

The Topography in many parts of the UK make the implementation of wireless services more costly to provide.

6 Challenge for Ofcom

It would appear that Ofcom recognises that wirline nga in urban areas will give rise to many problem issues between competing suppliers. As with LLU, urban areas will be the first to have nga investment whether the regulatory framework is in place or not.

Surely the biggest challenge for Ofcom is to devise regulatory principles that make the rural and semi-rural areas viable and sustainable and not to leave the comsumers and SME businesses with NO next generation services.

We do not wish a repeat of the broadband timescales and the resulting consequences on economic growth.

Even today some broadband consumers are limited to 256 Kb/s, some to 512 Kb/s and some with no broadband at all.

If Ofcom truly believe that "broadband services are contributing to both the social and economic welfare" and that "nga networks has the potential to be positive for consumers", then devote your resources to solving the rural problem and minimise the predicted digital divide.

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7 NGA Definition

The general definition of nga as outlined in paragraph 2.13 is clear and acceptable.

In my opinion, all that is required is some form of benchmark that everyone will understand. I would suggest the following benchmark as: -

The BT local copper loop access network will remain as specified in the BT SIN document 351 even when 21CN units are introduced. BT have stated that the broadband interface will be ADSL2+ at 21CN units.
At this time it is also envisaged that greater capacity of "backhaul" services will be available in the BT core network.

I would recommend that nga services be classified as providing high bandwidth above what is achievable on ADSL2+.

CONSULTATION QUESTIONS

Q 1 Early innovators will already be planning their investment strategy based on FTTC access. Some companies may well adopt the DSLAM at the cabinet and sub-loop unbundling initially and then migrate to nga services. I consider this situation to be planned within the next 18 months to two years and certainly be adopted in conjunction with the roll-out of BT's 21CN implementation. At this time, it is envisaged that greater "backhaul" capacity will be available in the BT core network.

Q 2 I do not agree with the proposed nga regulatory principles as it is based wholly on wireline access without consideration of the likely local wireless access issues.
Refer also to the comments in item 5 of the Response introduction.

Q 3 In the past, Oftel and Ofcom have not been involved to any great extent in risk assessments of investment. Why should Ofcom consider it necessary now???
I'm not convinced that Ofcom resources should be employed in this activity.

Q 4 In general yes.
However, not all exchanges benefit from adequate duct capacity to be shared. In rural areas there are aerial cables or no duct in places between exchange and cabinet. Even cables lying at the side of roads totally unprotected.

Access to ducts to install FTTC is not always required. A more simple and cost effective solution is to construct a shallow (75mm square) narrow channel in the pavement or roadway. Small (25mm) robust tube (or tubes) are installed in the channel. The tube can then be used to "blow" fibre to the next junction box. This method would be considerably cheaper than new duct and give greater protection compared to cables lying in the verge of roadways.

Utilising this method of FTTC could initially be connected to DSLAM's housed in adjacent cabinet thus providing higher speed broadband to consumers located 3 to 5 Km from the exchange. At a later time, migration to nga services could be achieved easily.

BT should have experience of this type of connectivity. Some years a go, BT acquired the operation of Redstone Telecoms who employed FTTC with DSLAMs in a number of exchange areas in England.
Also some ISPs have deployed SDSL units in street cabinets with connection to consumer premises via BT local cable network.

Q 5 A definite YES, especially in rural areas.
Refer also to comments made in item 6 in the Response Introduction.

Scotland would not have broadband potentially available to 99% of the population had it not been for direct intervention by Scottish Government assisted by EU funds. In addition, procurement of solutions for the broadband "Not Spot" clusters will be implemented in 2008.

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