

## **OFCOM CONSULTATION**

### **Response to Next Generation Access Consultation**

#### **By NI Advisory Committee**

##### **Question 1**

**When do you consider it would be timely and efficient for next generation access investment to take place in the UK?**

The time to invest in Next Generation Access networks is **now**. The UK is already falling behind other countries in terms of high speed broadband access. Further delay in deployment of Next Generation Access networks may greatly impact our competitiveness in the modern internet centric knowledge based economy.

##### **Question 2**

**Do you agree with the principles outlined for regulating next generation access?**

Yes, in broad terms we agree with the principles outlined for regulating next generation access. In Northern Ireland where a large proportion of the region is rural, there is a real threat that next generation access will indeed increase the digital divide with the risk that new networks will only be deployed in urban areas. Regulation to minimize the digital divide or in fact to encourage the new networks to be built first in rural areas should be promoted. Perhaps there is a case for Government to invest in NGA Infrastructure in rural areas to keep pace with the market lead developments in urban areas - thus the risk to operators would be reduced, and the risk of the NGA divide in rural areas would also be reduced.

##### **Question 3**

**How should Ofcom reflect risk in regulated access terms?**

Ofcom should encourage operators to take risk and to deploy next generation access networks. Future regulation of the new networks must be **simple**. Investors need a clear simple picture of the regulation environment so that they are encouraged to invest in new access networks in the UK.

A specific regional issue for Northern Ireland is that the market is not likely to be economically large enough to encourage operators to take risk and invest in NGA networks. In this situation the government or the economic development agencies need to share the risk with the operators to a point and work to increase the size of the market and eventually ensure real competition.

#### **Question 4**

**Do you agree with the need for both passive and active access remedies to promote competition?**

In the new networks, promoting competition will be important and we agree with the need for both passive and active access remedies proposed by Ofcom.

In generating policy, copper lines and ducting should be treated as national infrastructure. Duct sharing should be encouraged in order to promote cost effective deployment of the new networks. For new builds and new building estates fibre optic ducting should be part of new building regulations.

#### **Question 5**

**Do you consider there to be a role of direct regulatory or public policy intervention to create artificial incentives for earlier investment in next generation access?**

1. Next generation access networks are the highways of the future knowledge based economy. Social value and economic value of these networks go beyond the cost of provision and regulatory or public intervention should be considered for the national good.
2. In Northern Ireland the availability of next generation access infrastructure is a key factor for encouraging inward investment. This is another reason why public intervention is important.
3. The Northern Ireland telecoms market is different from the rest of the UK and is the only region where Ofcom has not requested functional separation of BT.

The incumbent operator has significant market power. The region has large rural and remote areas; these factors mean that investment in next generation access networks is very unlikely unless there is some form of intervention.

New operators should be encouraged to invest in NGA infrastructure. One way of doing this is to minimize the duplication of investment by regarding all new NGA infrastructures as a 'wholesale' provision. To be used by other operators in the same way as other operators use, and pay for, BT infrastructure. And that clear evidence of additional requirement should be shown to Ofcom before further parallel infrastructure (i.e. serving the same purpose) be allowed. This would provide some incentive for non BT operators to invest in NGA infrastructure knowing that they could get a reasonable share of other operators' network traffic and not be priced-out of it by the bigger, or incumbent, operator.

4. The vast majority 70-90% of Northern Ireland Business are SME's which are distributed throughout Northern Ireland. Therefore it is essential that appropriate infrastructure is secured for the future of Northern Ireland's economy. In addition the increasing pressure for sustainable development responding to issue of reducing climate change will have a radical effect of the way people work and where business hubs are. You cannot assume that City hubs will be the most effective option in the future. Next generation networks are required to connect the widespread workforce and businesses.