

Federation of Communication Services (FCS)

Transition to all IP Networks Itret Latif

Who are the FCS?

FCS overview

- 350 plus members
- The not-for-profit industry association for companies which deliver professional voice and data communications solutions to business and public sector customers in the UK
- Offer advice to members on regulatory issues
- Promote members' issues to Ofcom, government and other relevant bodies
- Promotes open and fair competition

Industry Coordination and Cooperation is Key for Successful IP Transition

- This is a far more complicated multifaceted project than the industry undertook to migrate broadband to gaining provider led services, which challenged the best of operators.
- Several precursors before the move to IP can take place, such as the delivery of a fit for purpose Number Porting mechanism.
- Industry/Regulatory coordinated nationwide communication/media plan.

Currently working in silos, who will provide overall wholistic Industry IP Transition Programme Management? Ofcom?

IP Contract & Service Relationships

- Currently Retail CP members enjoy direct relationships with Openreach e.g. API System access, provision and repair jobs, Customer relationship managers, Escalation routes, Director's service office, Premium Business Helpdesk, Access to Openreach Order and Fault tracker.
- IP environment the Retail CPs (without POPs) relationship with Openreach will become indirect.

Consequential customer service and competition implications for Retail CPs

Retail CP Wholesale and Consumer Relationships

- Timely sourcing of IP service providers, wholesale contract arrangements and relationships to replace WLR and voice services.
- New IP voice product development (are there any standards?)
- New end consumer IP product/service contracts
- Retail IP migration coordination with Openreach and end customer.
- I.T. System and Customer Service Process development
- Consumer IP Transition Communication Plan

Prerequisite – Number Porting

- The majority of the issues relate to fragilities with the process of bi-lateral fixed line porting order exchange between CPs in its current form.
- With a move away from traditional, PSTN-based voice services towards IP, it will create another significant pressure on current industry porting processes.
- Then there is a potential for true converged IP fixed and mobile products, which will create demand for a converged fixed and mobile number portability process architecture.

With all these challenges, FCS are keen to create an environment where all CP's both big and small have equal and non-discriminatory access and status to number porting system and service which is fit for purpose and for the future. We believe the costs of number management, porting and onward routing should not be regarded as competitive element and must be treated as a pass-through cost.

Prerequisite - Fibre Battery Backup

- Openreach no longer offering for FTTP
- General Condition GCA3.2(b) 'Proposed guidance on protecting access to emergency organisations when there is a power cut at a customer's premises'.
- Potentially unfair obligations and costs past onto Retail CPs that have no direct input in securing 'uninterrupted access to Emergency Organisations' in the new IP voice fibre world.

Industry-wide collaborative solution needed to ensure consumer harm prevention and industry efficiency

Current Competition

- With OR pricing regulated we have a level playing field. The value of this is underestimated by DCMS /Ofcom
- It is widely recognised that SMEs are the driving force of the economy.
- FCS and Ofcom research shows that SMEs benefit from smaller, independent CPs and the solutions provided.
- The existence of the small independent CPs is largely due to the current regulated market.

IP Transition Competitive Environment

- In this transitional Openreach environment there will be existing WLR as well as new IP product sets on a copper and fibre connectivity environment which needs to be carefully coordinated and managed for competition to exist, and to protect end users whether they be business or consumer.
- What about Altnets switching?

Fit for purpose switching mechanism and competition rules required for both regulated networks and Altnets for successful IP Transition.

FTIR Threat to Retail Only CPs?

Is Government selling vertical integration as incentives for fibre rollout at the expensive of Retail CPs who currently compete by providing innovative next generation business services and enhanced customer care?

- 99. The Government's strategic priority is to promote efficient competition and investment in new networks.
- 100. Regulatory forbearance – by which we mean that the regulator refrains from intervening in markets or reduces the scope or level of regulation – could be key to giving investors the commercial flexibility, confidence and incentives they need to make large, risky investment in gigabit-capable networks. Regulatory forbearance has been successful in other countries in helping to drive investment in fibre networks. For example, forms of forbearance like not imposing access obligations on high-speed wholesale products, combined with effective passive access regimes, have been successful at incentivising fibre investment in Portugal and Spain.⁵¹
- 101. It is Government's view that regulatory forbearance should be considered by Ofcom, where appropriate, in developing its regulatory approach to incentivise the roll out of full fibre networks.