

WHOLESALE FIXED TELECOMS MARKET REVIEW 2021 -2026 CONSULTATION RESPONSE

Introduction Comments

Geographic Areas

In all the previous associated consultations, the main statement “to provide at least two networks that offer full fibre and leased line services” over the UK, I would agree with the overall aim. The Ofcom proposals to vary the regulations of Openreach’s broadband products, depending on the level of current or prospective competition in a given area. The geographic areas to be designated as: ‘competitive areas’: ‘potentially competitive’ and ‘non competitive’ as defined in the Overview section of the consultation.

I was disappointed in Ofcom’s decision not to include network providers within a “cluster area” as a viable concept for investment funding. I consider this to be a major disadvantage in Scotland in areas around the major cities/large towns where Virgin Media have a significant network presence. This could result in many more areas in Scotland only having one network providing services.

Wholesale Services

The term ‘wholesale’ appears to be quite clear regards BT/Openreach services offered to Internet Service Providers (ISP). It is not clear in other providers as to whether they offer a wholesale service or simply a contract to provide a service for a specified ISP or Mobile operator.

The issue is further unclear in regard to companies that have been granted “Code Powers” as to whether or not they must offer a ‘wholesale’ service to ISPs’. Especially so in regard to companies such as Persimmon Homes. In a recent contract notice, SSE Enterprise Telecoms stated “will further invest in the infrastructure and offer capacity and services to mobile operators and ISPs’. Would Ofcom consider this statement to mean wholesale services are being provided or simply a contractual leased line service?

In a recent “Code Powers” approval for a company in Scotland, in section 8 a) ii), the document states “a system of infrastructure which the applicant is making available, or proposing to make available, for the use by providers of electronic communication networks for the purposes of the provision by them of their network”. I do not consider this statement to mean an offer to provide wholesale services.

I assume all “Code Power” approvals now include a “system of infrastructure” statement since the “Duct and pole sharing regulation” was introduced.

Customer Drops in the Access Network

In building a complete telecommunications network, the section considered to be the most difficult and costly to construct, is from the pavement distribution box into the premises. Over the years many different methods have been applied – overhead wires, or dug into the ground a 50mm plastic duct, or 30mm semi-flexible corrugated plastic duct or the cable dug directly into the ground. The customer drops to the premises are the most vulnerable to damage.

In the above type of customer drops the 50mm duct is the only feasible unit able to accommodate multiple cables in addition to the existing copper service. Refer also to infrastructure design in the Housing and Industrial Estates comments.

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Housing and Industrial Estates

I have raised the issue of exclusive deals from building developers with Ofcom on many occasions in the past. The major issue being the possible creation of a local monopoly with significant market presence. I would agree that it makes economic sense to have one duct infrastructure within these housing and industrial estates.

The assumption I made in the “Wholesale” comments on page 1, re approved “Code Power” companies, would technically allow competition in these estates.

However, these duct infrastructures would need to be designed and installed to an agreed regulated standard. The design requires sufficient sized ducts (100mm) from the estate ‘node’ to the pavement distribution boxes and 50mm ducts (with specified bend provision) for the ‘customer drop’ connection. A secure termination area must be built into the premises structure that would allow external access for maintenance testing. These duct design standards must be applied to all developments with 30 / 50 or greater individual premises. In larger estates with 3,000 + premises can take years to complete and are usually built in phased sections.

Proposed funding to BT/Openreach in Non Competitive areas

The the provision of Fibre to all premises is necessary before the migration of Voice over Internet Protocol (VoIP) services can be implemented. BT/Openreach have stated that the reason to close down the PSTN is because of the cost of maintaining the switching equipment and the copper cables in the local area network. I would consider this to be sufficient incentive to fund their own provision to FTTP.

In many areas of other providers’ local access networks there are gaps in provision of services. Some streets have access only on one side of the street. Why not fund these situations to ensure competition in the their local access networks.

Risk Analysis in the provision of telecoms and internet services

With the broadband connection becoming the main feed for multiple services in the near future, the risk of disconnection becomes very important for micro and small companies. These companies need to analyse the effect on their business operations an internet disconnection will have in terms of hours or days outage. Risk analysis must include consideration of alternative providers and or mobile operators, power supplies to internet and computer equipment to ensure the company can continue to function during the period of the outage.

These companies in rural areas are probably at greater risk and may, in future, come to depend on 4G and 5G mobile services during any internet outages. For this reason I would propose that the fibre connections for these mobile operator masts NOT to be included in any shared duct system.

Consultation Questions

I would consider that infrastructure and internet providers are best placed to respond to these questions.