Modelling Resource – Overtime and Adjacent Sharing.

We agree with Openreach that modelling of resource required should not include the impact of adjacent nor non- adjacent sharing of resource.

There is an inherent negative impact on productivity when engineers work out of area, not only through excess travel but also through lack of local network knowledge. This results in a longer task time per job (identification of fault location), as well as less available productive hours. The use of unpaid personal travel time undermines any additional resource available through overtime or flexible working to complete tasks on the day.

Openreach resource plans are such that there is not normally an excess of available resource to rely upon. Any excess resource due to periods of low demand are likely to reduce with increasing MSL performance demands and would be better utilized on proactive maintenance within the SOM patch.

Lodging of engineers into non- adjacent patches adds significant costs and is usually only a voluntary basis and in serious circumstances; i.e. to help areas affected by flooding, which makes an argument for planned local resource both more financially prudent and efficient.

There is also the environmental impact and negative effect on engineer's work life balance to consider if planning to model non- adjacent sharing. Extending the working week to allow 10 hours of unpaid travel on top of 37.5 hours work has already been implemented for new recruits, however eroding the working conditions and making primitive efficiencies by exploiting such clauses for vulnerable workers on a regular basis will reduce overall effectiveness.

Any benefit that Openreach may have from the limited use of sharing resource between SOMs should be discounted as the additional direct costs involved are not fed through to CPs who otherwise benefit from the QoS being maintained.

We also agree with Openreach that overtime should not be factored into the model. Time of year affects the ability of engineers to work additional hours to complete extra tasks (end of day working is normally used to complete tasks which overrun), and volunteer rates vary significantly between SOM patches. Whilst overtime (mostly voluntary) is used by Openreach, the benefit of its use should be discounted as variable costs involved are not fed through to CPs who otherwise benefit from the QoS being maintained.

There is opportunity for additional emergency resource using other engineering units in Openreach (such as NS, BCD), however these "major works / ethernet" engineers are normally not trained nor kitted for DSL faulting, CPE provision or other specific services (ISDN, EFM), therefore their impact cannot be modelled with any accuracy. In the absence of excess resource in these units, retraining and re-kitting for contingency purposes would introduce an undue cost burden and thus price increase to CPs.

Saturday Working.

We agree with Openreach that Saturday modelling should only include resource to the levels required to service care level 2. Weekend working is less productive due to reduced back office support / CP co-op, and much higher No Access rates at end users. The notion that a "mop up" resource on the weekend should be retained for non CL2 jobs is flawed; the resource created is equal only to that removed from the week but has the added issue of less availability for reactive faults reported beginning / mid-week and less availability for provision appointments for the entire week. The current level of Saturday working is excessive and we expect a reduction in the levels of Saturday working to improve overall delivery of MSLs.

Stress Tests

The sharing of these resources or other contingencies under stress tests will also be of little benefit to the overall plan. Reprioritization of faults, provision, dsl, GEA etc at the cost of another service may give a theoretical benefit today, however the benefits achieved result in losses elsewhere; we risk perpetuating a see-saw mentality which would decrease QoS. As existing standards increase and additional services are introduced into the standards, the short-term benefit of this reduces drastically. If a priority was preferred for a service, we believe clarity is best served by reducing the QoS standard on other services.

Assumption that GEA faults will reduce over time.

The benefits of maturity are likely to have already been realized. Issues with CPE have already been largely addressed and the technology bedded in. Effects of .INP, rate adaption and vectoring may improve the technical stability of service but are unlikely to acceptably mask faults to make a material impact on engineering requirement.

Better diagnostics are of benefit in identifying the main fault location, which allows a CP to choose to dispatch its own home domain engineers, however we don't believe further improvements in testing are likely to provide any additional assurances to CPs, beyond those that already exist, that Openreach engineer visits are not necessary – nor reduce benefit to CPs of using Openreach to service home domain faults in any case.

As take up increases, off the back to improved affordability, we are likely to see increased fault reports. Mainly due to home domain issues that are not proactively corrected as the majority of orders opt for self-install above engineer managed installation of VDSL services. Responsibility for the RDSLAM also increases the engineering and cost burden on Openreach in comparison to LLU/SMPF.

We agree that QoS standards should be set to be achievable across all GM areas. The glass ceilings, network topology and availability, geography and customer mix can vary widely; however, a set national standard is a prerequisite for CPs.

We do not believe that all elements of the glass ceiling have a limited benefit if fail contribution was eliminated. For example, the availability of hoists may well account for only a small percentage of failure, however an increase in hoist resource would not only avoid that failure, but would also reduce task times for jobs not currently benefiting (for example renewal of drop wire to customer premises from a good pole and fault finding along overhead rural routes); which take significantly less time when the hoist is utilised.

Targets and SMP.

We agree with the reduction in MSL targets from the initial proposal, although a longer glide would be welcome (to cover additional competency time whilst OR start replacing its ageing work force at scale). Even as they stand the QoS levels represent a significant improvement over those in force and are a very challenging stretch for our engineering members to hit. We do however, believe that with a significant additional resource within Service Delivery (and proactive FVR), these targets can be reached without major changes in working practices, lowering of safety standards or quality of workmanship. Following this sustained program of investment and with a better view of the future fttp mix, calls for similar standards to the March proposals could be considered in future.

We do not believe that the QoS targets place an undue burden on BT / Openreach provided charges to CPs accurately reflect the costs. BT has SMP, and although there are areas of high competition from Virgin Media and altnets, we do not believe it is necessary to place similar controls or obligations on these network providers. The appropriate standards other networks set for the services they provide should be left to them to determine, especially at a time of significant investment. Openreach is the national network for UK PLC and so it is appropriate that it is correctly regulated, its' presence provides the necessary protections for consumers on other networks who can opt for an Openreach based connection if dissatisfied with the alternatives.

Capex was discussed in the charge control consultation and OFCOM took the view that underspending in previous years should cover additional spending this year (namely the creation of the dedicated FVR team). We believe this was a missed opportunity to encourage additional investment to improve network capability. We hope this is reconsidered when the final USO is framed.

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