



PIPEX welcome the opportunity to respond to this further consultation on net generation networks.

PIPEX believes that BT could require more regulatory constraints and not less through the implementation of NGN. There is not likely to be any significant competition to the BT NGN due to the large investment required to create such a network and hence the SMP that incumbent currently enjoys is likely to increase with the move to NGN. While overall PIPEX agrees with the processes identified in this consultation for the move to NGN it also calls for Ofcom to monitor closely events to ensure that bottlenecks and new areas where SMP can be created are identified. PIPEX feels that the move to NGN has the potential to create an environment of less transparency and not more and hence light touch regulation would not be appropriate. Ofcom should maintain control to ensure that the introduction of NGN is not used to for tactical advantage of the incumbent. The introduction of 21CN needs to be fully transparent and no changes should be introduced without full consultation with the industry at each stage of the design and development of 21CN.

PIPEX is also concerned that the move to NGN will favour the larger communication operators in the market. Ofcom must ensure that the move the NGN does not impact on the smaller operator's ability to contribute in terms of the design and development of the NGN because of the obvious disadvantage in terms of resource and capital.

PIPEX feels that points of interconnect closer to the edge should also be considered. The introduction of 21CN may well result in significant benefit for the incumbent associated with these lower access points in terms of product offering and QoS over 21CN. These offerings could not be made to consumers by other providers who do not have the ability to access these lower access points hence closing off loops for competition as a result.

Overall there are still many questions unanswered by this consultation so it is difficult to give comprehensive answers to questions where detail from BT is still cloudy. OFCOM must ensure that the industry is fully consulted in each aspect of NGN prior to its full implementation.

PIPEX welcomes Ofcom's caution where they recognise that some of the changes that may result from the move to Next Generation Networks could prove a danger for other communication providers, making some of their existing assets redundant.

PIPEX response is based on what we know so far, and what we believe will happen as the move to Next Generation Networks increases pace. There is a lack of certainty, and detail in the products that will affect the market place, and we have to make assumptions as to the products that BT will be offering.

Question 1. Do you agree with Ofcom's proposed approach for the charges of narrowband voice SMP products provided over next generation interconnects?

PIPEX agrees that it is difficult to fully consider the regulatory requirements that will be required prior to full consideration of this area, but agrees that Ofcom should strive to produce commercial certainty where possible. This consultation focuses more strongly on

BT's commercial certainty, than the commercial certainty offered to other communication providers.

For example, a new operator who is just breaking in to the voice market may wish to benefit from the efficiencies of its network to offer a cheaper service to end customers. This operator will need to interconnect with BT to offer a fully accessible service, but will be constrained by the old PSTN pricing model for these calls. Since interconnect calls will make up the majority of traffic for any new operator this policy has the effect of constraining business models until the end of the fixed period.

Question 2. Do you agree with the overall approach that there needs to be continuity for existing SMP products, but that it would not appropriate to continue them indefinitely?

PIPEX agrees that there does need to be continuity for SMP products but the decision to provide any of these products should not be at the sole discretion of BT. PIPEX believes that any decision to withdraw a legacy SMP product should only come about following a market review and a consultation period with operators still using the particular product. PIPEX feels however that the sooner operators can move away from legacy products the quicker all operators can take advantages of the cost savings experienced by BT by not having to run the legacy and NGN SMP products co currently and for this reason PIPEX feels that OFCOM and BT should work to create an environment where migration to 21CN can be achieved by all communication providers.

Additionally, PIPEX feels that any new NGN alternatives or products similar to existing SMP products still need to be subject to regulation.

Question 3. Do you agree with the general criteria Ofcom has proposed for withdrawal of legacy SMP products after an interim period?

PIPEX agrees with the criteria that Ofcom has proposed for the withdrawal of legacy SMP products after an interim period.

PIPEX however would like to express concern regarding the compensation arrangements for SMP product migration where there is no provision for third party providers. There is no acknowledgement of the time spent by 'project manager's' and no recognition of the 'soft' costs for the administration involved with changing from SMP legacy products. PIPEX would urge that more clarity be provided as early as possible to allow PIPEX to consider compensation within it business plans for migration from SMP legacy product's

Question 4. Which network intelligence capabilities are likely to be associated with the underlying network where BT has SMP and cannot be independently provided by alternative providers, and why?

We need to understand what the capabilities will be, including the following areas:

- * Will 'PI' IP addressing be supported ?
- * What MPLS-VPN support will there be ?
- * Will IP breakout at the kerb be available ?
- * What QOS/COS support will there be ?
- * What speed/contention rations ?
- * Will multicast be available and what flavour ?
- * Will multicast content be injected by BT or will this all be carried back to each ISPs core network ?
- * What IPv6 support will there be ?
- * What voice services will be offered ?

The answer to this question will depend on the exact details of NGN which are currently not available. However, PIPEX foresees opportunities in developing and running services not previously possible after move to 21CN, and is seeking to avoid network intelligence capabilities being embedded into BT's network whereby they could not be provided separately.

PIPEX would like assurance of the capability to choose to NOT buy services or provisions at the current time, but to have the option to buy them in the future from BT, or from other service providers. Paragraph 3.46 suggests providers may only have one chance to influence whether BT has to provide a particular wholesale variant, and if they do not respond in time, BT will not be required to offer it.

While inter-working options may change in the future, and as NGN is unrolled, PIPEX would like to make sure that the threat to competition and innovation as highlighted is taken care of.

Many of the network intelligence capabilities will be dependent on price, but no prices are mentioned in the consultation document.

Question 5. What are your views of the practical implications of applying Equivalence of Input to NGNs:

a. in relation to MSAN interconnection?

PIPEX believes that it is important to identify that a significant number of locations for interconnect to MSAN are still through BT. The introduction of 21CN will see this number increase. Outside of Metro area's the industry is relying nearly solely on BT. Local and regional alternatives are not really available. It is therefore important to ensure that the equivalence of input is considered here. As alternative backhaul networks are not always in the same location as BT's careful attention needs to be paid to BT's location of MSAN interconnects to ensure that the incumbent itself does not benefit more favourably than all other operators by their location.

b. end-to-end quality of service?

If standards of end-to-end quality of service are agreed, it should be possible to apply Equivalence of Input principles to Next Generation end-to-end services. It is important that BT provides a product road map for QoS identifying the interconnect requirements for PIPEX's network to ensure that any work required on PIPEX's network can be completed prior to the release of any products allowing QoS to be achieved.

c. depth of network hooks?

If Equivalence of Input is applied to the depth of network hooks there is a need to make sure that approved standards are used by everyone.

Question 6. Do you agree with the issues Ofcom has identified that need to be addressed by all communication providers as they move to NGNs and what others are there?

PIPEX agrees with the issues that Ofcom has identified. There are likely to be more issues that will need to be addressed that have not been covered in the consultation document, but many of these will be new issues arising from the provision of, and use of NGNs that can not be predicted at the moment.

Question 7. Do you agree with the policy principles Ofcom has identified consumer protection during the move to NGNs?

PIPEX fully agrees with BT's stated intent that consumers should not notice the move to NGN and that there should be no disruption to consumer services.

PIPEX agree with the three proposed policy principles that Ofcom have proposed in relation to NGN consumer protection and welcome BT's initiative for a trial run of transfer to NGN processes in Cardiff.

PIPEX believes that in addition to the three proposed principles, BT should also endeavour to ensure *CPE* compatibility and configuration where consumer's equipment, particularly DSL modems, might be affected.

Question 8. Do you agree with the overall processes for developing 21CN obligatory products?

PIPEX believes that the process for developing 21CN obligatory products should be made a more formal process, with the use of timelines to help plan when deliverables should be available to industry.

PIPEX main concern is the migration of operational interfacing such as network monitoring and diagnostic tool, provisioning tools and product timelines including pricing. PIPEX would urge OFCOM to ensure that BT gives specific timeframes offering 9- 10 months following the publishing of full details to allow for the necessary changes to be completed within PIPEX.

Question 9. Do you believe that there is a need to co-ordinate and steer cross industry NGN issues which is not met by existing bodies and process?

There is a real need to coordinate and steer cross industry NGN issues, which is not currently being done by existing bodies and processes at the moment. Ofcom should consider how best to address these outstanding issues and the level of resource they will require by industry.

PIPEX feels that there are already many bodies involved in this consultation and OFCOM needs to ensure that any steering groups are efficient and not to resource hungry for the smaller providers to be able to be involved and contribute.

Question 10. Do you agree that there is a need to co-ordinate the planning and implementation of NGNs on an industry wide basis?

Yes.

Question 11. Is there a need for a process to address the wider consumer protection issues arising from the move to NGNs?

Yes.

Question 12. Has Ofcom identified all the correct industry processes that will be needed to deal with move to NGNs?

Yes as far as we know, although we expect more processes requirement may arise as we go forward which we can't predict now. Please see further detail contained in question 6.

Question 13. Do you agree that it appropriate for Consult 21 to continue to take responsibility for developing detail of SMP product migration and development of new products?

Yes. While Consult 21 is meant to be representative of all industry, the channels of communication flowing from Consult 21 are not always open, and there are some concerns that it is not an inclusive body, and does not represent the whole of industry. Changes should be made to this forum to make it work for the whole industry rather than re-inventing new forums.

Question 14. Do you agree that Consult 21 combined with bi-lateral commercial negotiation and backed-up by Ofcom dispute resolution is the best approach to the agreeing the commercial aspects of new and migrated products?

In principle yes, but the details would need working through carefully. PIPEX believe that the proposed Ofcom dispute resolution procedure should enable timely and effective adjudication.

Question 15. Do agree that NICC should continue to be responsible for standardisation of NGN interconnect, but needs to be re-constituted as an independent industry owned body?

Yes. NICC must be open and accessible to all industry players. PIPEX must have visibility to the Output from this with adequate time to make any changes to networks in line with the findings.

Question 16. What are your views on the establishment of a new multi-lateral industry group to address NGN issues, its terms of reference and governance arrangements?

There is currently perceived to be a resource imbalance between BT and PIPEX.

BT has high levels of resources to address these issues, whereas PIPEX do not have the levels of resource necessary to support a new industry group. PIPEX is concerned that the existence of a new industry group would stretch resources even further, therefore making our participation less effective.

Question 17. What are your views on the establishment of a NGN operational dispute adjudicator, its terms of reference and governance arrangements?

PIPEX believes that any such operational dispute adjudicator must be a fully operational body, and understand the real costs and benefits of NGN to the industry, in order to be able to make effective judgements.

Question 18. Would your organisation be prepared to sign-up to such adjudication scheme and abide by the adjudicator's decisions?

In principle, yes. PIPEX feels that full details of the scheme need to be made available before PIPEX commits fully to this scheme.

