



- This submission is a response to the Voice over IP consultation that is being carried out by Ofcom with a closing date of 10th May 2006.

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Introduction

Cisco Systems ("Cisco") is a global leader in Internet networking equipment and therefore closely follows policy decisions that affect the potential growth of IP-based services like VoIP.

Cisco is a major supplier of enterprise VoIP systems as well as offering equipment for small businesses and consumers through its Linksys family of products.

General Approach

Already today, VoIP-enabled applications and services are capable of delivering much more than basic telephony; they are part of the new IP communications environment, with innovative features, providing real benefits in terms of productivity and convenience to businesses, administrations and consumers.

It is therefore important that Regulators, when approaching the question of the regulatory and consumer issues raised by new VoIP enabled applications and services consider the impact they may have on the successful deployment of these applications and services, which will foster growth and innovation.

Cisco welcomes the emphasis that Ofcom has placed on supporting innovation in its approach to date which is also a repeated theme of this consultation. Cisco believes that:

- VoIP should be treated as a largely unregulated information service.
- Recognizing VoIP as an Internet application and information service prevents the imposition of uneconomic regulatory charges, such as access charges, that would impede the deployment of VoIP.
- Large scale deployment of VoIP would also drive increased broadband penetration, aiding many countries' goal of universal broadband access.
- Cisco recognizes that there may be areas where some regulation might be appropriate for VoIP. With respect to emergency services, lawful intercept and access for the disabled, limited regulation could be considered so long as it

recognizes the technological differences between VoIP and circuit switched services.

Scope of Cisco Response

We have restricted this response to those questions which have the greatest potential impact directly on an equipment supplier as opposed to those which affect service providers. Cisco is also participating in the work of ITSPA (Internet Telephony Service Providers Association) and is pleased that service providers, through this association and individually, are putting their case to Ofcom about the framework that will best create conditions for the UK VoIP market to develop.

Specific Responses

Question 1: Given recent developments, do you agree that Ofcom's focus should be on the following three objectives in developing our policy for VoIP services, namely (in so far as is possible) (i) enabling innovation in a technological neutral way, (ii) ensuring consumers are well informed, and (iii) ensuring maximum availability of 999 services?

Cisco agrees with Ofcom's approach. We are pleased that Ofcom expresses its support for innovation as this can deliver considerable benefits to citizen-consumers. We understand Ofcom's approach to "technology neutrality" to be one which supports innovation by recognizing that existing regulation may not be appropriate for new services. Instead, as technology evolves, there is a need to update the regulatory framework and we welcome this consultation as an element in such a process.

Question 7: Do you agree with the proposed application of the code?

The consultation makes it clear that the scope of this consultation is the same as that for New Voice Services in 2004. This restricts the proposed application of the code to publicly available VoIP services and excludes private business networks.

Cisco agrees with this distinction and recommends that it be made explicit in all publications by Ofcom on this subject to avoid confusion. Without this clarification, there is a risk that businesses with privately-owned VoIP installations may mistakenly believe that they are affected by new regulatory proposals.

Question 8: Do you agree with the proposed approach for informing consumers that services may cease to function if the broadband connection fails or there is a power cut or failure?

It is right that consumers should be supplied with full information when they purchase a product or service. However, this should be applied in a way which supports the development of an innovative and competitive market.

We should therefore be careful to ensure that the requirements that are imposed on providers of VoIP solutions are not framed in such a way that they create an inaccurate impression of the comparative reliability of VoIP and traditional telephony systems. VoIP

services can already offer high degrees of reliability and we can expect these to improve as the technology develops.

Any requirements to warn consumers about potential problems should be sensitive to actual experiences of service reliability and consumer awareness. Compliance with the code and the acknowledged need for transparency should not require the service vendor to act in a way which “talks down” their own service.

Question 9: Do you agree with the proposed approach for informing customers where access to emergency calls is not available?

We agree that it is important for the consumer to know whether a particular product or service will allow them to make emergency calls. This should be made clear at the point of sale. However we are concerned about the implications of the proposals on labeling of both physical equipment and softphones.

The provision or otherwise of an emergency call service is generally a feature of the network service provision rather than the terminating equipment. One of the strengths of the VoIP model is that it allows a greater range of competitive service and equipment providers to develop in response to increasingly sophisticated customer requirements.

The same terminating device, whether implemented in hardware or software, may be used to access a number of different services either simultaneously or over its lifetime. Simple labeling of the terminating device is therefore not a solution to providing accurate information to the consumer at all times and would also give the misleading impression that it is the terminating equipment rather than the network service that determines whether or not emergency calls can be made.

We are therefore pleased that Ofcom is not proposing to include compulsory labeling in its proposals. We would however ask for the guidance on labeling to be reconsidered. The current proposal is that service providers should “recommend that customers fix these labels on their equipment”. We would remove this requirement recognizing that it is for the consumer to determine whether or not it is appropriate to fix a label depending on their intentions in respect of the equipment they have bought.

In the case of softphones and onscreen “labeling”, there is some ambiguity in the document as to whether this should be optional as it is for physical equipment. If the two regimes are to be consistent then the requirement should be to make available, within the softphone options, a screen warning about non-availability of emergency calls, but allow the consumer to decide whether and how to display this rather than requiring it to be permanently displayed.

Question 10: Do you agree with the proposed approach for informing consumers that access to emergency calls may cease to function if the Data Network fails or there is a power cut/failure?

We believe that the requirements in respect of service reliability and emergency calls should be simplified and not extended to point of use labeling. The general requirements on service reliability information in paras 6.40 to 6.43 are sufficient also to cover the concerns about emergency calls. If a consumer is being presented with information on service reliability more generally it is clearer for them to be told that any

issues about power or network failure also apply to “emergency calls where enabled” rather than for there to be a separate provision in this respect.

The proposed approach would also have the effect of extending the requirement to offer labels option to all VoIP equipment as labels would then have to be offered for services with an emergency service as well as those without. This is unnecessary and also potentially confusing to the consumer.

We believe that it is sufficiently obvious to a consumer, who has already been told explicitly at several points that their service can be cut by power and network failures, that this includes emergency calls. The important distinction to make is between those services that do not offer emergency calls under any circumstances and those which do. To label both kinds of services with different messages on emergency services is likely to cause more confusion than clarity.

Question 11: Should the code be extended to point of signature acknowledgement in respect of reliability of access to emergency calls?

This is another area where additional information may in fact prove more confusing than informative for the consumer. If a service provides emergency calls and it is one which the vendor has already told the consumer is dependent on power and internet access being available, then it is not necessary to refer again to emergency call access and service reliability.

An explicit reference to this aspect of service reliability may have the effect of creating a question in the consumer’s mind about whether emergency access is available at all with the service.

Question 12: Do you agree with the proposed approach to location information providers where the service does provide access to emergency calls? In particular, do you believe that subscribers should be required to register their main location prior to activation of the service?

It is reasonable to prompt consumers to provide location information where a service is to be used at a single fixed location but not to require them to do so. This should be an issue for consumer choice on the basis of the provision of information about the implications for emergency calls.

The suggestion that the service should prompt for location information every time it is used would run counter to consumer preference. If the consumer has chosen not to supply location information then they should not be repeatedly asked to do so.

Question 13: Do you agree with the proposed approach to informing consumers where services do not provide emergency location information?

It is appropriate to provide this information in the materials provided at point of sale as proposed. However, this needs to be implemented in such a way as not to create a disincentive for providers to offer emergency call access.

Question 16: Do you agree with Ofcom's view that all aspects of the code of practice should be mandatory?

Cisco believes that VoIP should be treated as a largely unregulated information service. We have seen great innovation in the UK VoIP market on the basis of such an approach by Ofcom to date.

However, we have also recognized that there may be areas where some regulation might be appropriate for VoIP. With respect to emergency services, lawful intercept and access for the disabled, limited regulation could be considered so long as it recognizes the technological differences between VoIP and circuit switched services