The Department of Enterprise, Trade and Investment Northern Ireland welcomes this opportunity to contribute to the debate on new build and NGA. The department has, working with the telecoms industry, been actively engaged in a range of telecoms trials (including fibre to the home, fibre to the cabinet and sub loop unbundling) in order that we have first hand and accurate information relating to these matters. We have found this an extremely valuable aid to the development of our own telecoms strategy.

The cost of digging up roads and footpaths are significant barrier to the roll out of telecommunications networks and associated products and services. Incorporating the design of the telecommunications infrastructure into the overall design of a new build along with its installation during the construction phase is the most cost effective way to roll out any telecoms infrastructure – copper, optical fibre or anything else.

There is nothing new about fibre to the cabinet or fibre to the premises. This is not new and untried technology. It is no longer prohibitively expensive technology either in terms of material cost or installation –optical fibre is now, for example, used in some cars.

Question 1:
What can Ofcom do to encourage timely standards development for new build NGA wholesale access products and interfaces? Which industry body is best placed to undertake the standardisation of these products and interfaces?

It is difficult to ascertain appropriate standards for NGA wholesale access when there is no clear agreement on the technology being deployed – are these IP systems? In practice the standards are often dictated by the owner of the infrastructure used to deliver the product, regardless of what industry standard exists.

Within the telecoms industry NGA is already widely available - often in respect of commercial customers. Co-operation between carriers in these markets is an everyday occurrence including 'carrier neutral' infrastructure. This is particularly true of the smaller telecoms companies who cannot rely on an extensive legacy network and therefore must (and do) find ways of working with their competitors even though no formal standards for the interfaces exist.
The telecoms industry is best placed to agree the appropriate standards. OFCOM should however facilitate this debate and ensure that no one telecoms company as a result of its size or market power effectively dictates the standards for others. It is also important that best practice in overseas markets is taken into consideration – telecoms is not a UK only industry or market. NGA is an issue throughout the EU and globally.

What action should Ofcom take if these standards fail to materialise?

Ideally the telecoms industry should agree these standards and OFCOM should actively encourage this. However if this the industry cannot or will not agree

standards and this is a barrier to investment then OFCOM must impose the minimum levels of standards needed to allow a competitive market to deliver.

Question 2:
Do you agree with Ofcom's approach to promoting competition and consumer choice in new-build fibre-access deployments?

Consumers are primarily interested the service available including cost (to the end user) of installation. It should not be assumed that they are interested in fixed line telecoms. In a next generation broadband trial carried out by this department a new housing development had traditional copper based, cable and fibre telecoms services available. In practice many opted for bundled telecoms services through the cable provider but some opted for no fixed line service. The actual technology used (copper, fibre, Ethernet etc) was unimportant to the customer.

The cost of access to the customers premises is the one of the biggest barriers to competition as it prevents carriers installing their own infrastructure. However it was clear from the departments trial that the cost of installing ducts capable of next generation services(including fibre to the home) is similar to the cost of ducts for traditional copper based telecoms products – and the actual contractors are perfectly capable of installing either. In the departments trial three separate telecoms networks were installed in the same development without significant problems.

The ducts installed when the new build is being carried out largely dictates the level of competition as well influencing the products that will be available.

The department has seen no evidence that OFCOM's approach has so far led to any change in the telecoms provision for new build developments.

Question 3:
(a) Do you believe that the existing obligations must be met by replicating the existing copper products, or that an alternative approach could be satisfactory? What are the implications of replicating existing products on fibre?

This department believes an alternate approach to meeting existing obligations is both satisfactory and desirable. The need to meet existing obligations should not be a barrier to investment in non copper systems.

The two are not mutually exclusive – the ducts, cabinets and associated infrastructure used for fibre to the premise can accommodate copper. However the reverse is not true – infrastructure designed for copper may not be suitable for fibre.

Existing obligations may no longer reflect the needs of end users. For example, the USO was originally set access to telecoms services was not widespread and mobile phones technology has not been developed. Changes in customer behaviour need to be reflected in OFCOMs approach to existing obligations.

(b) Do you agree that SMP holders rolling out fibre do not need to roll out a copper network in parallel solely to meet their LLU obligation?

There are no insurmountable problems that require the roll out of a parallel copper network – there is also no technical reason why LLU has to use copper. Fibre optic networks can be unbundled at both exchange and cabinet. Clearly existing cabinets may not have the physical space available to deal with this but this should not be a problem in a new build situation.

This department has a sub loop unbundling trial taking place at this time which involves both copper and fibre systems. The trial is at an early stage but no problems have been encountered so far.

3.1 Ofcom should continue to adopt a technology neutral approach and not rely on ethernet as the sole solution.

(a)Do you agree with Ofcom's approach in relation to WBA and new build areas?

This department is not aware of any change in practice in the way telecoms infrastructure is installed or operates in new build situations in Northern Ireland with the exception of the proposed open acess/carrier neutral telcoms infrastructure for the Titanic Quarter Belfast. There is no sign that Ofcom's approach has had a positive impact on new build to date.

(b) Do you believe that the WLR obligation must be met by replicating the existing copper product, or that an alternative approach based on an ALA type product would be satisfactory?

There is no reason with the WLR obligation should require a copper product. If it does that suggests the WLR itself may be out of date. Customers are interested in the end product, not the technology. OFCOM should take a technology neutral approach – providing it delivers the required service the technology is immaterial.

(c) Do you believe that the CPS obligation must be met by replicating the existing copper product or that an alternative approach based on an ALA type product would be satisfactory?

The focus should be on the outcome or service not the technology. Ofcom must take a technology neutral approach.

(d) Do you believe that the IA obligation must be met by replicating the existing copper product or that an alternative approach based on an ALA type product would be satisfactory?

Ofcom must take a technology neutral approach. Providing it delivers the required output the technology used is immaterial

(g) Do you agree with our proposal to interpret GC 3.1 (c) as being met through the provision and use of a battery backup facility to maintain uninterrupted access to emergency services in new build developments?

In an increasing number of cases households choose to rely on mobile phone technology and do not pay for a fixed line service (even when one is available). Although few do, consumers can opt to have no phone service of any kind.

This department has no objections to the proposed interpretation of GC 3.1 c.

Question 4:
Do you think access to the duct network, including non-telecoms duct, is a potentially feasible means of promoting competition in new build? If so, what types of commercial and operational models could successfully support such access arrangements in the UK?

Access to suitable duct (telecoms or otherwise) could potentially play a significant part in increasing competition and consumer choice in the telecoms market. Most of the cost in installing the ducts in a new build are met by the developer – for example digging the trenches for the ducts and the re-instatement work. In the commercial telecoms sector open access/carrier neutral have been shown to work and the use of this approach for new build should be encouraged by Ofcom.