

## Annex I – Review of Ofcom's proposed KPIs

1. As mentioned in paragraph 290 of Openreach's response to Ofcom's FAMR consultation document, and with the exception of question 10.15 that considers the introduction of volume metrics for services affected by MBORCs, Ofcom is not consulting on whether the proposed set of KPIs is the right set of KPIs to implement.
2. With regard to the existing non-discrimination KPIs that Ofcom had previously mandated for WLR, ISDN2 and ISDN30, Ofcom's proposal amounts to the following two things:
  - Introduction of new KPIs with little or no justification resulting in the eight-fold increase of the mandated number of KPIs that would need to be reported on.
  - Changes to the existing set of mandated KPIs mainly by way of changes to the definitions but also by changes or extension to the actual requirements (e.g. requirement to report by forecasting region). These changes have not been discussed or justified in any detail in the consultation document and will significantly increase the complexity and costs of the reporting.

### Introduction of new KPIs

3. In broad terms, Ofcom has justified the introduction of additional KPIs by reference to BT's information Retention Policy<sup>1</sup> as well as current service concerns. The existence and application of an information retention policy cannot be an objective justification for requiring KPIs to be produced and published on a forward basis. BT's retention policy limits the production and submission of historic data to a maximum of 2 years from the point when it is requested; it does not prevent the production and submission of information on a forward basis from the point when the need has been identified.
4. In the following paragraphs, Openreach reviews in turn the individual new KPIs that Ofcom is proposing to mandate where, as mentioned above, Ofcom has provided little or no justification for their introduction.
5. With regard to the introduction of the new Appointment Availability KPI for WLR, ISDN2, MPF and VULA, it has been positioned as a subjective decision by Ofcom in paragraph 10.265 on the basis that "*it seems to us [Ofcom] to be a good indicator of availability and in some ways a better measure of Openreach performance than average provisioning periods (which by their nature include delays caused by customers)*". Furthermore, if Appointment Availability is indeed a better performance measure than average provisioning time, Ofcom should also be considering the withdrawal of average provisioning time measures in favour of the better measure.
6. Ofcom is proposing to introduce new KPIs as detailed below and has provided no explanation as to their purpose, the CP concerns they would address or any justification for their introduction:
  - Timing of fault repairs (for WLR, ISDN2, ISDN30, MPF, SMPF and VULA) which appears to be a time distribution measure (percentage of faults completed on each of the first ten

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<sup>1</sup> In paragraph 10.264 of the consultation document, Ofcom states that "...however there are a few additional KPIs we consider would be important, reflecting both a need to ensure the capture of Openreach data that may be subject to deletion in future as per Openreach's operational data retention policy as well as current service concerns".

days from the date the fault was reported and accepted by Openreach). This is not a measure that already exists or is already reported on and it would require system development to put in place.

- Percentage of appointed orders provisioned on time for WLR, MPF and VULA
7. Ofcom is also mandating the publication of the following KPIs that Openreach currently publishes on a voluntary basis as part of its monthly industry service pack, the content of which had been agreed with Ofcom and the OTA2 in 2012 (the first industry service pack was published in July 2012 and related to Openreach performance as at the end of June 2012):
- Average installation time (requiring an engineering visit). This is currently produced for WLR and MPF as an industry average and Ofcom is proposing to mandate it for the same products and require separate downstream BT results.
  - Average installation time (not requiring an engineering visit). This is currently produced for WLR, SMPF and MPF as an industry average and Ofcom is proposing to mandate it for WLR and MPF and require separate downstream BT results.
  - Average installation time (for all order types). This is currently produced for ISDN2 and ISDN30 as an industry average and Ofcom is proposing to mandate it for these products as well as for WLR and MPF for which changes to the report will be required. Separate downstream BT results would also be required.
  - Percentage of faults restored on time for services subject to Care Level 1 for WLR. This is currently produced for WLR as an industry average and Ofcom is proposing to mandate it and require separate downstream BT results.
  - Percentage of faults restored on time for services subject to Care Level 2 and 3. This is currently produced for WLR, ISDN2 and ISDN30 and for MPF and SMPF as an aggregate of faults and SFIs as an industry average. Ofcom is proposing to mandate the KPIs for all these products (and changes to the report will be required for MPF and SMPF to disaggregate faults from combined faults and SFIs) and require separate downstream BT results.
8. With regard to the above mentioned KPIs, Ofcom has offered no rationale as to why these KPIs are now required and voluntary publication is no longer acceptable particularly as the service pack reports on a common set of KPIs across the copper products, thus addressing Ofcom's concern at paragraph 10.263 about having "*a consistent minimum set of high level KPIs across all access services where such services can act as alternative options for the provision of a given service – e.g. WLR and SMPF, MPF and GEA*". Ofcom is also proposing to extend the above mentioned KPIs to GEA.

#### Changes to the existing set of mandated KPIs

9. With regard to the existing set of mandated KPIs for WLR, ISDN2 and ISDN30, Openreach notes the following:
- That the definition of WLR KPI(iii) and ISDN2 and ISDN30 KPI(ii) – percentage of orders provisioned on time has changed from separate results for newly provisioned lines and transferred lines to aggregate results for all orders. This is an actual change to the reporting requirement which will require a change to the existing report. This will no longer align with the volume reporting where the definition of WLR, ISDN2 and ISDN30 volume (ii) – orders completed remains unchanged covering newly provisioned lines and transferred lines. Furthermore it is not clear from the definition of orders whether the

amended KPI requirement applies to all provision orders (including migrations/transfers and working line takeovers) or new line provision orders only.

- That the definition of WLR KPI(iv) and ISDN2 and ISDN30 KPI (iii) – percentage of orders reported as faulty has changed from applying to new provisions only to applying to all orders. This is also a change to the reporting requirement which would require a change to the existing report. The same comment on order definition as above applies. In addition it should be noted that the relevant period for the submission of subsequent faults is 30 calendar days for WLR (including ISDN2 and ISDN30) and 28 calendar days for LLU and GEA. This would need to be reflected in the measure definition should Ofcom decide to mandate the KPI for LLU and GEA.
  - That the definition of WLR KPI(v) and ISDN2 and IDN30 KPI(iv) – percentage of installed base reported as faulty has changed from being limited to network faults (faults cleared in the Openreach network) to applying to all faults. The existing measure would need to be changed.
10. For a number of the proposed mandated KPIs (whether new KPIs or amended existing KPIs), Ofcom has also added a new requirement for the UK-wide results to be further split by forecasting region. This is a new requirement for which Ofcom has provided no explanation as to its purpose, the CP concerns it would address or any justification for its introduction. Openreach does not currently report by forecasting region and this requirement would require system development to put in place. It should also be noted that currently only Openreach's three largest CPs by volume provide forecasts. Thus, while the largest CPs are familiar with the forecasting regions, other CPs and end users are not.
11. Subject to Ofcom objectively justifying the need for regional reporting, or the need for it being agreed through consultation, Openreach suggests as a potential alternative aligning regional reporting with the nine operational GM patches (e.g. Scotland, North East, North West, North Wales and North Midlands, South Wales and South Midlands, Wessex, South East, London and East Anglia) into which the service delivery field organisation is mapped and Northern Ireland where appropriate. The benefit of this approach is that GM patch reporting is an established currency with all CPs since Openreach already reports a number of performance service measures on this basis.
12. Finally, Openreach would like Ofcom to provide clarification on the following points.
- **Item 3 of Part 1** (indicators) of the Annexes to the schedules of the notification proposals for the relevant products requires BT to "*publish separate KPI results where options exist for Third Parties (excluding the Dominant Provider) to purchase different:*"
    - VULA line rental packages
    - MPF packages
    - Shared access packages
    - Wholesale Line Rental packages
    - ISDN2 exchange line services
    - ISDN30 exchange line services"
  - Openreach would appreciate if Ofcom could clarify what is meant by the terms packages or services in relation to the relevant products. Furthermore, it is not clear what the requirement actually is and whether

- It is in addition to item 1 (provision of an industry average for the aggregated products – all variants included) and item 2 (provision of downstream BT separate results).
  - It is replacement for items 1 and 2 when product variants exist (e.g. WLR analogue Basic and Premium).
13. Openreach notes that Ofcom has provided a definition for transferred lines in the proposed KPI directions. The definition appears to be limited to transfer of a given product from one CP to another. Openreach believes that this definition is too narrow and should be expanded to include transfers of one product provided by one CP to a different product provided by another CP (e.g. WLR CP1 to MPF CP2).
14. The percentage of repeat faults KPI makes reference to a relevant period of 30 calendar days. It should be noted that this is correct for WLR (including ISDN2 and ISDN30) but that the relevant period for LLU and FTTC is 28 days. This would need to be reflected in the measure definition should Ofcom decide to mandate the KPI for LLU and GEA.
15. Ofcom has also provided a definition for newly provided lines in the schedule for the KPI directions for WLR, ISDN2 and ISDN30. The definition is missing from the schedule for the KPI direction for LLU and VULA. To the extent that one of the volumes required covers newly provisioned lines, the definition should be added to the final version of the schedule.