



Vodafone Response to Ofcom Consultation:

**Request from BT for an exemption from the Undertakings for the
Microconnect Distributed Antenna service**

RESPONSE

Vodafone welcomes the opportunity to comment on Ofcom's consultation on a potential extension of the Exemption to the BT Undertakings for the Microconnect Distributed Antenna (MDA) service. On balance, Vodafone is supportive of the application.

As Ofcom will know, Vodafone has long advocated that Openreach's role be restricted to bottleneck services, and that these should be provided on an Equivalence of Input (EoI) basis to Communications Providers (CPs), including downstream BT business units. The bottleneck service in this case is access to dark fibre: active elements to utilise the fibre are not inherently bottleneck. Bundling of the bottleneck dark fibre with other active elements has the potential to constrain CPs' ability to innovate.

Were the EoI model to be followed for the application in question – access to mobile antennas in a locality – then MNOs such as Vodafone would be able to purchase the dark fibre from Openreach, strike commercial deals with local landlords (or indeed Westminster City Council), choosing where to site our masts and utilising the choice of associated electronics which best suits our access network. If the infrastructure was to be shared with other MNOs, we are able to manage that relationship ourselves, as the CTIL mast-sharing arrangement with Telefonica demonstrates. Further, such an approach would not preclude BT Wholesale from purchasing the EoI service and constructing MDA using this. We therefore urge Ofcom to move ahead with initiatives to make access to dark fibre available at an appropriate price on an EoI basis.

Nevertheless, Vodafone is pragmatic about application of the Undertakings. The MDA service is one which pre-exists the separation of Openreach from other BT business units, and is specific to a single geographic locality, serving only 32 items of street furniture at that. Vodafone has long been a customer of the capability, and are satisfied with its operation. The Exemption as framed back in 2007 narrowly allows BT to serve its existing customer base, and Vodafone acknowledges that it is an inappropriate situation for this to mean that we are able to make use of the MDA service while our competitors are potentially excluded. We note that the addition of extra MDA customers does not affect the Openreach "product" which is consumed by BT Wholesale, either in functionality or scope. We therefore consider that it would be churlish to not allow the extension or to go further and mandate that the relationship between Wholesale and Openreach be converted to an EoI one for the existing MDA service (indeed, there is a danger that if this was done, the service would be withdrawn given its lack of scale).

We must stress that our support narrowly applies to the request, i.e. additional customers using the existing connectivity in Westminster: Vodafone absolutely believes that an EoI dark fibre capability is a must, and any similar service that BT may wish to develop for other locations should build upon the prospective EoI capability.