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Verizon Enterprise Solutions response to Ofcom's fixed access market reviews – Further consultation on notification periods, compliance with requirements on the VULA margin and approach to pricing for TRCs and SFIs

1. Verizon Enterprise Solutions (“Verizon”) welcomes the opportunity to respond to Ofcom's fixed access market reviews further consultation on notification periods, compliance with requirements on the VULA margin and approach to pricing for TRCs and SFIs.
2. Verizon is the global IT solutions partner to business and government. As part of Verizon Communications – a company with nearly \$108 billion in annual revenue – Verizon serves 98 per cent of the Fortune 500. Verizon caters to large and medium business and government agencies and is connecting systems, machines, ideas and people around the world for altogether better outcomes.
3. Verizon's approach to responding to this consultation has been to provide a summary of our position in relation to the issues under review and then move on to address the specific questions raised by Ofcom in the consultation document.
4. Please note the views expressed in this response are specific to the UK market environment and regulatory regime and should not be taken as expressing Verizon's views in other jurisdictions where the regulatory and market environments could differ from that in the UK.

Summary

5. Overall, Verizon is in agreement with Ofcom in terms of the general direction of the proposals considered in this consultation. ✂.
6. The remainder of this response addresses the specific questions posed by Ofcom in the consultation document. Again, Verizon only offers a response to those questions which have relevance for our business.

Fixed Access Market Reviews Further Consultation – Ofcom questions

Notification periods

3.1 Do you agree with our proposal to reduce from 90 days to 28 days the notification period that BT and KCOM are required to give in respect of reductions to the WLR rental charge? Please provide reasons in support of your views.

7. Verizon holds the view that changes to notification periods should not be granted lightly and should only be granted where there are clearly demonstrable benefits to BT's wholesale customers and/or end-users. In this particular case, Verizon considers that this



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fundamental test has been met and therefore we are in full agreement with Ofcom in terms of this proposal.

8. The proposed approach not only meets the above mentioned test but also assures a consistent approach to charge reductions across WLR and MPF services which, given the fact these services are often in direct competition, represents a fair and reasonable outcome from a competition perspective.
9. As for the proposed notification period of 28 days, Verizon considers that this is appropriate, as it is arguably the greatest reduction that could be made whilst still providing adequate notification to CPs to manage the necessary changes.

VULA margin compliance

4.1 Do you agree with our proposals for BT to provide information on the VULA margin every six months and on request? Please provide reasons in support of your views.

10. As indicated in our response to the July 2013 consultation, Verizon does not consider that VULA in its current state is beneficial to Verizon, as it is not a fit for purpose remedy for business providers. Therefore, Verizon does not offer a detailed response to this question.
11. ✂.
12. ✂.

Time Related Charges and Special Fault Investigations

5.1 Do you agree with the charge control proposals for TRCs? Please provide reasons in support of your views.

13. ✂.
14. As Ofcom notes, it is very difficult for a CP to avoid TRCs given the inherent difficulties in identifying the location of a fault with sufficient accuracy to determine whether a fault is on-net or off-net and therefore whether an Openreach engineer is required or not. This is underpinned by the fact that commonly, the remote diagnostic tests and processes do not categorically specify whether the fault is on or off Openreach's network and the fact that BT considers that the location accuracy of line tests for TRCs is only around 10%.
15. Accordingly, a CP is basically obliged to incur TRCs given the desirability to avoid repeat visits, which is an important customer relationship consideration. ✂.
16. ✂.
17. ✂.
18. ✂.



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19. ✂.

5.2 Do you agree with the charge control proposals for SFIs? Please provide reasons in support of your views.

20. Verizon is not active in the LLU market and as SFIs are only applicable to support LLU services, Verizon does not offer a response to this question.

5.3 Do you agree with our proposed approach to cost accounting for TRCs and SFIs? Please provide reasons in support of your views.

21. ✂.

22. Verizon considers that Ofcom should be as open and transparent as possible ✂.

Verizon Enterprise Solutions
February 2014