

Openreach supplementary response to
Question 13.11 in Ofcom's consultation document

*"Business Connectivity Market Review: Review of
competition in the provision of leased lines"*

30 September 2015

NON-CONFIDENTIAL VERSION

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Foreword

On 15 May 2015, Ofcom published its provisional conclusions on the Business Connectivity Market Review (the "BCMR Consultation"). Ofcom's consultation on the Leased Lines Charge Control was subsequently issued on 12 June 2015, and the supporting modelling was published on 23 June 2015 (the "LLCC Consultation"). Ofcom issued on 9 July 2015 a number of clarifications and corrections to the BCMR Consultation and the LLCC Consultation. The proposed controls are for the period from 1 April 2016 to 31 March 2019 (the "Control Period").

On 31 July 2015 Openreach provided its response in relation to Ofcom's Quality of Service ("QoS") proposals as set out in the BCMR Consultation.

This submission is provided on behalf of British Telecommunications plc ("BT") by Openreach, a functionally separate division of BT, in response to the service issues contained in the BCMR Consultation.

In this response, we set out supplementary comments in relation to Ofcom's certainty minimum standard proposals. Openreach will provide further supplementary comments in relation to Ofcom's upper percentile speed minimum standard proposals.

Supplementary response to question 13.11 in Ofcom's BCMR Consultation: "***Business Connectivity Market Review: Review of competition in the provision of leased lines***"

Question 13.11: Do you agree that it is appropriate to set the metrics for the delivery time certainty minimum standard to the initial value of 80% and final value of 90%? Please provide reasoning for your answer. If you do not agree, please also give your proposed alternative

Summary of approach and conclusions

1. As set out in Openreach's response to this question in its submission of 31 July 2015, Openreach has conducted further analysis in order to establish the appropriate level for the certainty minimum standard over the three years of the new Control Period. This analysis has now been completed, and is summarised below along with Openreach's recommendations.
2. As previously indicated, Openreach's actual performance against the certainty measure being proposed by Ofcom has been around 71% on average when measured over a 12 month period.¹ As set out in this response, this level has been taken as the 'base' level of performance.
3. In summary, the approach that Openreach has conducted has been to:
 - Start with 71% as a base level of certainty performance;
 - Analyse the 29% percent of failure (i.e. the difference between the base level of performance and a perfect level of theoretical performance of 100%) using data analytics and Root Cause Analysis (RCA);
 - Assess what proportion of the 29% level of failure is expected to be addressable by Openreach during the Control Period and through this establish what level the performance 'glass ceiling' is set at;
 - Supplement the glass ceiling analysis by conducting a 'bottom-up' analysis of the improvements against the base level of performance that could be achieved over the Control Period through the deployment of Openreach initiatives;
 - Consolidate the above analysis to suggest the appropriate levels for the certainty minimum standard to be set at over time; and
 - Establish the level of further performance improvement that could be made in circumstances where Openreach would be able to supplement improvements to its performance using 'business as usual' processes for setting the initial CDD (iCDD) through the use of 'intelligent date setting' (i.e. setting dates using a Differentiated Order Journey (DOJ) style approach).
4. The option to supplement Openreach's performance through the use of intelligent date setting assumes that Ofcom removes its current proposal to link the certainty and speed minimum standards.² This is because Ofcom's current proposal to link the speed and certainty minimum standards undermines Openreach's ability to improve performance to iCDD through the use of DOJ by creating what is effectively a 'second speed' target above and beyond the minimum

¹ Assessment between June 2014 and June 2015.

² BCMR Consultation (May 2015), para.13.144.

standards being proposed by Ofcom. Openreach set out detailed comments in this regard in its response of 31 July 2015.³

5. The analysis conducted suggests that the certainty minimum standards as set out in Table 1 below would be appropriate, and that Ofcom needs to revise its current proposals as they are set at too high a level and are not likely to be achievable during the Control Period.
6. Openreach has identified two options:
 - Option 1 assumes that no DOJ-style dated setting is utilised by Openreach to supplement business as usual processes; and
 - Option 2 assumes that date DOJ is utilised by Openreach to supplement business as usual iCDD date setting processes.
7. Openreach considers that Option 2 is preferable, since it would enable higher levels of certainty performance to be achieved. For these higher levels of performance to be possible, this requires Ofcom to remove its current proposal to link the certainty and speed minimum standards, and replace it with a proposal that does not undermine the effectiveness of a DOJ-style of setting the iCDD.
8. In our response of 31 July 2015, Openreach set out alternatives to Ofcom's linkage proposal that would deal with Ofcom's concern that Openreach could seek to meet the certainty minimum standards by setting unduly conservative iCDDs. Ofcom should change its current linkage proposal, and adopt an alternative approach that does not bring the same unintended consequences. This would enable Openreach to deliver higher levels of certainty performance, for the good of the market, whilst ensuring that this is not achieved through the use of unduly conservative iCDDs.

Table 1 – Recommended Certainty Minimum Standards

Scenario	Year 1 (2016/17) Minimum Standard	Year 2 (2017/18) Minimum Standard	Year 3 (2018/19) Minimum Standard
Business as usual process	72%	75%	80%
Business as usual plus DOJ	73%	80%	85%
Current Ofcom proposals	80%	85%	90%

General assumptions in relation to the analysis and conclusions provided

9. The analysis and conclusions set out in this response make a number of important assumptions that Ofcom should take account of:
 - The glass ceiling analysis assumes 'business as usual' (i.e. non-DOJ) processes are used to set iCDD;
 - Improving the level of performance by supplementing business as usual processes with a DOJ-style of date setting using intelligent date setting assumes that Ofcom removes its current proposal to link the speed and certainty minimum standards;

³ See Openreach response of 31 July 2015 to service-related questions in the BCMR Consultation, at pages 51-55.

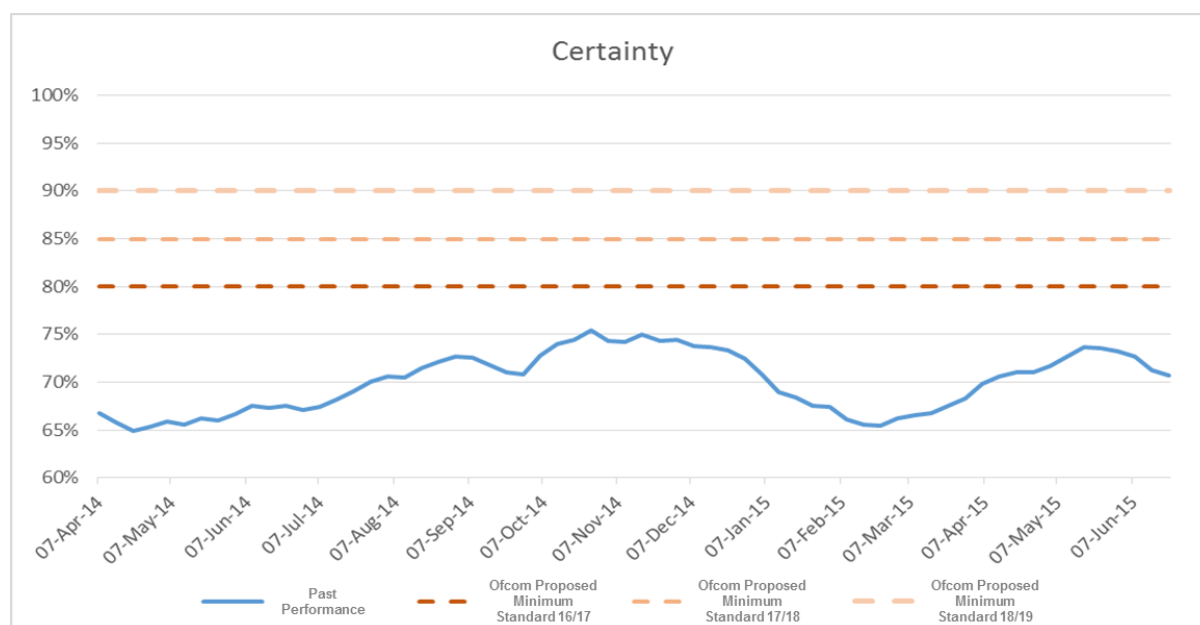
- Forecasting at an industry level is sufficiently accurate and timely for Openreach to be able to correctly size its delivery organisation to both reduce the existing work stack (in Year 1 of the new Control Period), and to deal with new demand coming in; and
- There is no material change in the future category mix of orders; in particular there is not a shift in the mix of orders from category 1 orders to the more difficult categories (2a, 2b, 3 and 4). Openreach considers that its reasonable ability to deliver improved certainty is highly dependent on this consideration. For example, Openreach believes that a 1% change from category 2a to category 2b orders would lead to a reduction of around 0.5% in the overall certainty performance delivered.

10. Openreach considers that changes in future category mix and inaccurate industry forecasting are exogenous to Openreach's control, and Openreach should not be penalised in the event of either of these factors undermining its ability to successfully exceed the minimum standards that Ofcom determines. Ofcom should build mechanisms into the minimum standards to account for such eventualities. One option, for example, would be to discount failure that is attributable to exogenous factors from any final minimum standard compliance calculation. Openreach would welcome further discussions with Ofcom in relation to these subjects.

The base level of Openreach's certainty performance

11. As previously stated in Openreach's response of 31 July 2015⁴, and as shown in Figure 1 below, Openreach's performance against Ofcom's proposed certainty minimum standard has been on average around 71% across a previous 12 month period, with the highest performance of 75% obtained for short periods of time. In conducting further analysis, Openreach has taken the average level of performance of 71% to be the 'base' level of performance.

Figure 1 – Historic Openreach certainty performance and Ofcom's current minimum standard proposals

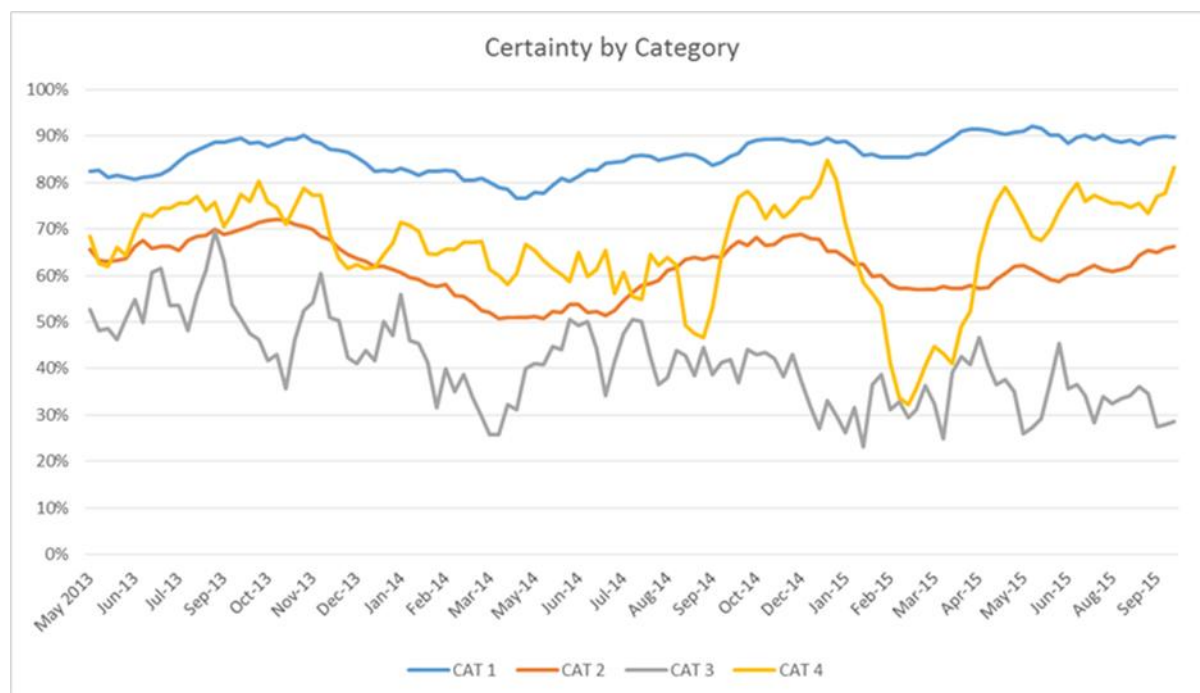


12. As shown in Figure 2 below, Openreach's historic performance against the certainty measure varies significantly when analysis is conducted at a circuit category level, with category 1 circuits typically performing at or above 80% success, but lower and more variable performance

⁴ See Openreach response dated 31 July 2015, response to question 13.11, page 58.

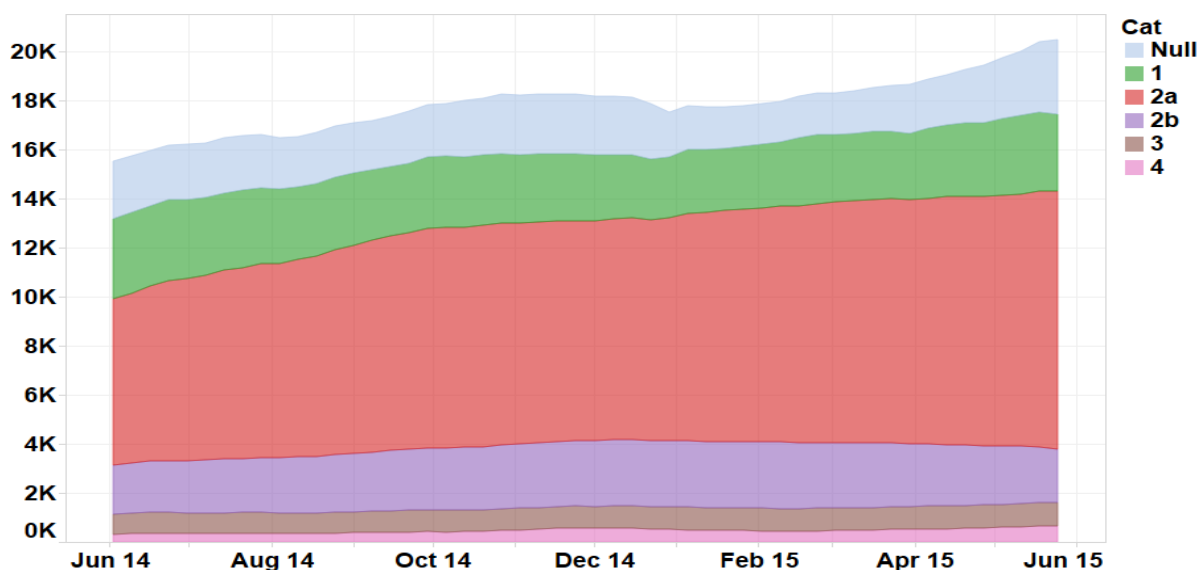
evident for other categories of circuit with, for example, category 2 circuits delivering performance of around 50% to 70% over the same time period. This reflects the greater difficulty in delivering higher and more consistent certainty performance for circuits that require higher levels of network build activity to be undertaken as part of their end to end delivery.

Figure 2 – Historic Openreach certainty performance by category



13. As shown in Figure 3 below, category 2 orders make up the majority of the existing Ethernet work stack, and have also grown as a proportion of the work stack over the last year. This means that in order to drive improved certainty performance in future, Openreach will need to simultaneously maintain the high levels of certainty performance for category 1 circuits and also drive significant improvement to performance for other categories of circuit, in particular category 2. This also means that during the period in which Openreach is reducing the work stack (which has been rising steadily over recent time), the blend of circuits will be more challenging than when the work stack gets to a 'steady state'.
14. We expect the activity required to reduce the current work stack to a state of equilibrium will run well into the first year of the Control Period. This fact needs to be accounted for by Ofcom, particularly in circumstances where it maintains its current proposal to measure compliance against circuits completed from the beginning of the new Control Period.

Figure 3 – Orders in the Work Stack by Category⁵

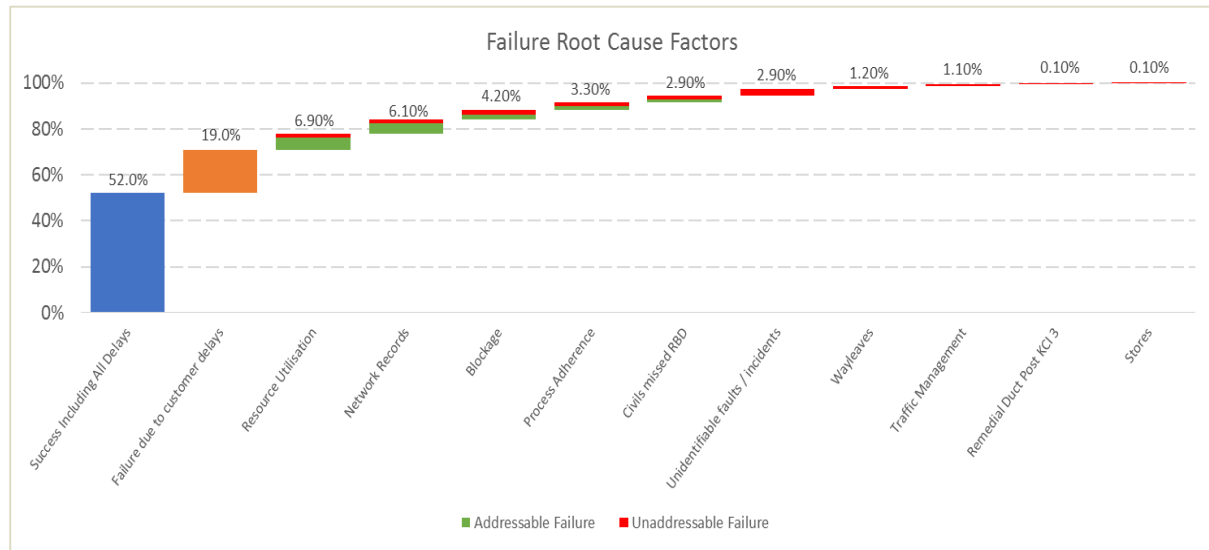


Establishing the glass ceiling for certainty

15. Analysis of recent certainty performance shows that around 52% of orders successfully met the iCDD irrespective of delays, with a further 19% of failure attributable to customer delay (which Ofcom is correctly proposing to exclude from the minimum standard assessment). Combining these factors delivers the average base level of performance at 71%.
16. The analysis steps taken in conducting the glass ceiling assessment have been:
 - **Step 1:** Using the Ofcom proposed certainty minimum standard measure, identification of successful and failed orders over a 12 month period, showing 71% success and 29% of failure;
 - **Step 2:** Conducting a series of Structured Query Language (SQL) queries against order data to identify reasons for failure, which produced a high level categorisation view for 19% of the 29% of failure;
 - **Step 3:** In parallel, conducting and examining data analysis for 6,200 orders and conducting RCA for a further 150 orders (i.e. 6,350 orders analysed in total);
 - **Step 4:** Rationalising and merging results from steps 2 and 3 into 10 failure categories;
 - **Step 5:** Consulting with Openreach operational subject matter experts to estimate the % addressability of failure; and
 - **Step 6:** Challenging the addressability analysis to finalise glass ceiling values.
17. The results of this exercise are summarised in Figure 4 below.

⁵ The 'null' value represents circuits that had not (at the point in time of measurement) had a circuit category confirmed.

Figure 4 – Summary of failure root causes and addressability



18. As noted above, Openreach has classified the failure analysis into 10 different categories. These are described in detail along with illustrative examples below in Table 2.

Table 2 – Failure Category Definitions

Failure Category	Definition	Example Delays
Resource Utilisation	Inability to secure the right resources in the required time frame, resulting in allocation delays.	<ul style="list-style-type: none"> Delay between Work Flow Allocation (WFA) reception and allocation, waiting in allocation queue with no progress until chased by Job Control Delay to sending KCI2 due to waiting for planner to upload survey results
Network Records	Out of date or incorrect network records meant that the order was incorrectly planned, or based on incorrect information, often resulting in a replan.	<ul style="list-style-type: none"> Engineer found no spare fibres on planned cable, sent back to planning Order planned from wrong node, sent back to planning Cable did not exist from node to customer, sent back to planning
Blockage	A blockage was identified which impacted order delivery.	<ul style="list-style-type: none"> Delays between blockage being identified and 'A55' (A55 refers to the map / details given to the engineer setting out what needs to be done) making its way to the Dig & Auxiliary Noticing (DAN) team that manages installations where DAN activities need to be undertaken Multiple blockages encountered following discovery of initial blockage
Process Adherence	The standard process/procedure was not followed.	<ul style="list-style-type: none"> Order was dependent on a driver circuit and this order was delayed, Job Control team were not made aware Traffic management period was not communicated in advance to the contractors and they were unavailable for the requested period Not enough or incorrect information was supplied in the job pack for the field engineer to carry out the works
Civils missed Required By Date (RBD)	Civils work did not meet the required by date that was set prior to the works starting.	<ul style="list-style-type: none"> An infrastructure fault was identified that required a precision test officer to attend The test rod task found that duct work was required The test rod task was completed late and resulted in further jointing delays
Unidentifiable faults/ incidents	The order failed for reasons that could not have been known in advance (force majeure).	<ul style="list-style-type: none"> Asbestos found on the customer premise Node in too dangerous a condition to be worked on, sent back to planning
Wayleaves	The order required a wayleave as work had to be carried out on privately controlled property.	<ul style="list-style-type: none"> A mis-defined quick win needed to be rolled back and a wayleave was applied for late in consequence.
Traffic Management	The order required traffic management.	<ul style="list-style-type: none"> Traffic management had to be applied for late following a slow progressing A55
Remedial Duct Post KCI3	Duct work was identified after the KCI3 was issued.	<ul style="list-style-type: none"> New duct work required to avoid unsafe location

Stores	There were issues with the equipment required for order fulfilment.	<ul style="list-style-type: none"> Router not available on date required and had to be ordered Router received faulty and was reordered
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19. As noted above, Openreach has then assessed the degree to which each category of failure is reasonably addressable by Openreach over the Control Period. The output of this analysis is set out in detail in Table 3 below.

20. In summary, this analysis shows that there is a glass ceiling (i.e. upper theoretical limit of for certainty performance) of 86.37% by Year 3 of the Control Period (i.e. base level plus 15.37%).

Table 3 – Summary of failure addressability analysis

Failure Category	Current %age failure	%age Addressable	Resultant %age addressable	Est. addressable by when**			Notes
				FY16	FY17	FY18	
Resource Utilisation	6.9%	75%	5.18%	5.18%	-	-	<i>Improvement initiatives identified:</i> - "Drive to 1400" completions per week (will add 250 field FTE + short term contractors) - Business and Corporate Delivery (BCD) Training plan (required following recruitment) - Planning Portal/Seamless Desktop (assumed to give 0.75% improvement in planning) Improvement achievable through better utilisation of resource, increase of resource to match demand, and improved workflow and allocation.
Network Records	6.1%	75%	4.58%	-	1.2%	-	<i>Improvement initiative: 'Connected Operations'</i> Connected Operations will focus on network cleansing. In addition, automation of records updates (e.g. enabling engineers to update themselves) could help improve the quality of records, assuming a monitoring process was established to help ensure updates are accurate. This would also enable infrastructure discovery.
Blockage	4.2%	50%	2.12%	-	1.06%	1.06%	<i>Improvement initiative: 'Blockage Prevention'</i> A higher portion of blockages will be addressed through more Test Rod Rope and Tube (TRRT) activity pre-KC13 and faster blockage remediation, but there will remain a percentage which are unavoidable e.g. additional blockages not being uncovered by TRRT, and blockages caused post TRRT by third parties.
Process Adherence	3.3%	50%	1.65%	-	0.82%	0.83%	<i>Improvement initiatives identified: 'Strategic Ethernet Transformation'</i> The current Strategic Ethernet Transformation programme is re-designing end to end provision processes, which will result in reduced failure due to poor process adherence through tighter controls over planning, WFA, and A55.
Civils missed Required By Date (RBD)	2.9%	50%	1.45%	-	0.73%	0.72%	<i>Improvement initiatives identified: 'Wallace'</i> An improved contractor interface and associated monitoring (e.g. to help ensure availability of sufficient resources and equipment and to check progress) will drive improvements in this area
Unidentifiable faults / incidents	2.9%	0%	0.0%	-	-	-	Cannot be addressed: for example, unlit fibres are not tested until they are needed; similarly, brand new equipment which has passed a manufacturer's quality control process should be fit for purpose. Also included force majeure.
Wayleaves	1.2%	0%	0.0%	-	-	-	This is a small percentage of total wayleaves associated with orders; however, failure to obtain these in a timely manner has resulted in iCDD being missed however this is the exception and not believed to be addressable.
Traffic Management	1.1%	25%	0.3%	-	-	-	Only a small amount can be addressed through better management
Remedial Duct Post KC13	0.1%	0%	0.0%	-	-	-	No remedial activities identified
Stores	0.1%	90%	0.09%	-	-	-	Further analysis on commonly unavailable items should enable better stock levels.

Total	28.8%	-	15.37%	-	-	-	-
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21. There are a number of initiatives planned to address up to 11.6% of failure (as per the 'Est. addressable by when' column in Table 3 above), with solutions to address the remaining 3.77% of addressable failure currently under review.
22. From the analysis conducted, it is assumed that around 14% of certainty failures cannot be reasonably addressed by Openreach during the Control Period. A summary of this analysis, along with the rationale for elements certain failure categories not being addressable is set out in Table 4 below.

Table 4 – Rationale for 14% of failure being un-addressable

Failure Category	Current percentage failure	Percentage unaddressable	Unaddressable Rationale
Resource Utilisation	6.9%	25%	Ethernet provision is highly dependent on labour – given this human aspect, and subsequent variations this can bring through illness, accidents, travel and attrition, we believe around 25% of failure in this category is unavoidable.
Network Records	6.1%	25%	Our network is expansive, and as such maintaining its records is a significant operation, particularly given the digital transformation which has taken place over the last 10 – 15 years. We are investing significantly to improve records. However, we believe that the cost to resolve the final ~25% of poor records vs. the benefit would at present not be economically viable (as a reference point, uplifting the easiest 20% of records is estimated to cost £3.5m).
Blockage	4.2%	50%	While we believe around 50% of blockages could be avoided through more TRRT activity, there are instances where blockages occur post TRRT (for example, caused by a utility digging nearby) or not all blockages are uncovered through TRRT activity (e.g. a blockage is identified, and remedied only to find a further blockage).
Process Adherence	3.3%	50%	Given the bespoke nature of more complex orders (e.g. Cat 2b, 3 and 4) is it not possible to apply standard processes and automation to every stage of every order.
Civils missed RBD	2.9%	50%	Within Civils, there will remain high levels of unforeseen issues – road closures, floods etc, which cannot be mitigated.
Unidentifiable faults / incidents	2.9%	100%	Failures in this category cannot reasonably be identified through the current processes in place – e.g. discovery of asbestos, discovering a node is not in a safe state to work on, contaminated manhole or footway contamination.
Wayleaves	1.2%	100%	Typically, it is not possible to obtain wayleaves in a timely manner due to third party delay; similarly, land and property owners can change mid-order which can cause delay.
Traffic Management	1.1%	75%	There is significant dependency on third parties for traffic management, hence limited ability for Openreach to mitigate associated risks.
Remedial Duct Post KCI3	0.1%	100%	This applies to a very small percentage, and is unidentifiable until at the point of requiring the new duct (e.g. where existing duct is unsafe).
Stores	0.1%	10%	While the majority of equipment and components should be available, there will be a small percentage of time when stock is not completely aligned with demand.

Summary of glass ceiling analysis conducted

23. The glass ceiling analysis conducted shows that:

- There is a 29% level of failure against the base level of service of 71%;
- Within the 29% of failure, 15.37% is addressable by Openreach over the Control Period;
- The glass ceiling of certainty performance is therefore 86.37%.

24. Given that the glass ceiling analysis sets out the theoretical maximum level of achievement using reasonable assumptions, it is important that the Ofcom takes this analysis into account when setting out its final proposals for the certainty minimum standards. The minimum standards should be set as backstop minimum levels of acceptable performance (which Openreach will endeavour to exceed rather than simply hit, as it has demonstrated following the last Fixed Access Market Review in which Ofcom imposed minimum standards for WLR and MPF in 2014),⁶ and so should be set below the level of theoretically possible performance that the performance glass ceiling represents.

Openreach initiatives to improve certainty performance

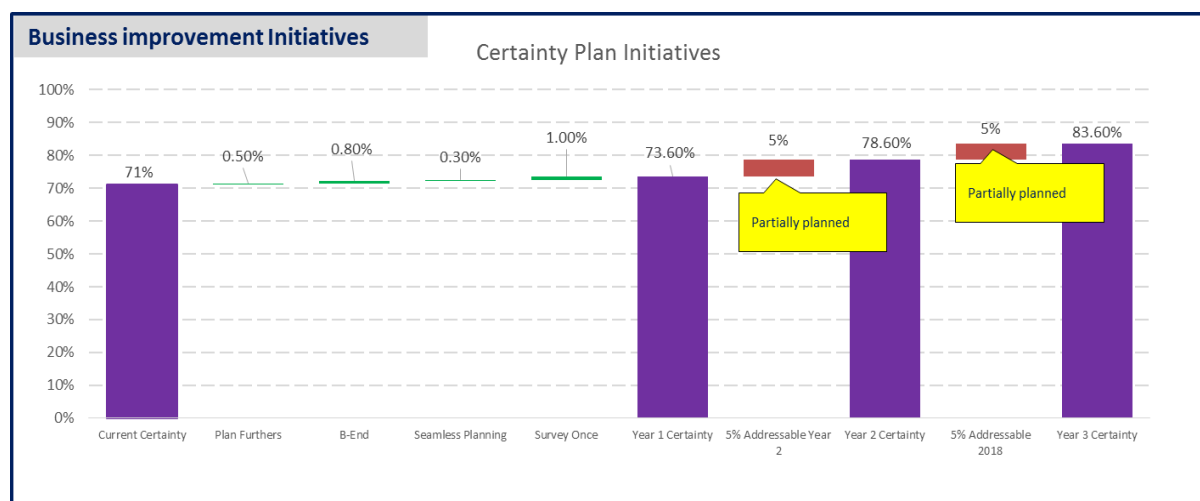
25. In addition to conducting the glass ceiling analysis, Openreach has also assessed the level of improvement to the 71% base level of performance that could be delivered through deployment of improvement initiatives.

26. This analysis complements the glass ceiling analysis set out above, and provides a view as to what could be achieved within the theoretical glass ceiling. As summarised in Figure 5 below, there are a number of identified / scheduled improvement initiatives which Openreach considers will improve certainty performance over the baseline by 2.6% in Year 1 of the control. Openreach then assumes that further improvements of 5% each in Years 2 and 3 of the Control Period, taking performance up to 83.6% in Year 3.

27. To note, the improvements assumed for Years 2 and 3 are not fully underpinned, and represent 'stretch' performance that would not be appropriate to adopt as backstop minimum standards.

⁶ Openreach exceeded 60 out of 60 minimum standards imposed by Ofcom in Year 1 of the Fixed Access Market Review (2014/15).

Figure 5 – Improvement initiatives to increase certainty performance



28. A description of the improvement initiatives that underpin increases to certainty performance in Year 1 are set out in Table 5 below. The table also sets out the relevant launch date of the initiative (where known), and the improvement contribution to certainty performance for each initiative.

Table 5 – Year 1 Business Improvement Initiatives and Contribution⁷

Initiative	Area	Description	Launch Date	Phase	Contribution %
Planning Furthers	Field	Increasing on the day completions, reducing furthers	07/09/15	5 - Launch	0.5%
B End	Field	Reducing engineering visits at the B end (Engineering Single Visit)	31/10/15	4 - Trial	0.8%
Seamless Planning	Planning	Guided journeys automating Planning processes	11/12/15	3 - Develop	0.3%
Survey Once	Planning	Creation of single survey, replacing multiple Planning and Field surveys	TBC	2 - Define	1.0%
Total					2.6%

29. The methodology used to calculate the contribution of each of the improvement initiatives is as follows:

- For each initiative a histogram is produced to show the number of orders that hit or miss the certainty target and how much they hit/miss by;
- The mean time to provide (MTTP) improvement attributable to that initiative is then overlaid onto the histogram;
- The orders that missed the iCDD by that amount can then be considered to have successfully met the iCDD after the initiative has been delivered;
- This gives a % certainty performance uplift for each initiative;
- This uplift is then mitigated by a delivery risk;
- The final estimated uplift is then calculated by multiplying the overall potential uplift by the delivery risk by the % in scope orders.

⁷ The table shows the status against each improvement initiative as of 30 September 2015.

30. A summary of the estimated overall percentage uplift and calculation for Year 1 of the Control Period is set out in Table 6 below.

Table 6 – More detail on level of contribution in Year 1 of the improvement initiatives

Initiative	% in scope orders	Mttp improvement	% orders that will now hit certainty target	Delivery Risk	Overall % uplift (% in scope orders * % certainty uplift * delivery risk)
Planning furthers	1.2%	17 days	50%	80%	$1.2\% * 50\% * 80\% = \mathbf{0.5\%}$
B-end	33%	4 days	3%	80%	$33\% * 3\% * 80\% = \mathbf{0.8\%}$
Seamless planning	8%	3 days	5%	80%	$8\% * 5\% * 80\% = \mathbf{0.3\%}$
Survey Once	80%	1.5 days	2.5%	50%	$80\% * 2.5\% * 50\% = \mathbf{1\%}$

Appropriate certainty minimum standards assuming no use of DOJ

31. As set out above, the analysis conducted suggests that there is a glass ceiling to potential performance against the certainty minimum standard of 86.37%. Complementary analysis of what could be achieved through deployment of Openreach improvement initiatives suggests a Year 3 level of performance of 83.6% is possible.
32. The Ofcom minimum standards should represent a backstop level of acceptable performance, and should not be set at the theoretical maximum level of performance (i.e. the glass ceiling), nor should they be aligned with stretch targets for performance delivery. Table 7 below summarises the findings of the Openreach analysis and recommends the appropriate levels for the minimum standards that Ofcom should adopt during the Control Period.
33. Openreach considers that this analysis is superior to that used by Ofcom to justify its current proposals, in that it takes greater account of recent performance / delivery conditions and also establishes what is likely to be achievable over time by analysing both glass ceiling effects along with the impact of future improvement plans.

Table 7 – summary of analysis and recommended certainty minimum standards

Control year	Glass ceiling analysis	Bottom up improvement initiative analysis	Recommended minimum standard
Year 1	n/a	73.6%	72%
Year 2	n/a	78.6%	75%
Year 3	86.37%	83.6%	80%

Increasing certainty performance with the use of intelligent date setting

34. As set out in Openreach's response to question 13.10 in its submission dated 31 July 2015, Ofcom's proposal to link the speed and certainty minimum standards undermines the opportunity to utilise a DOJ way of setting the iCDD. In Openreach's view, maintaining Ofcom's linkage proposal reduces the ultimate level of performance against the certainty minimum standard that could otherwise be achieved.
35. Openreach suggests that Ofcom removes its proposal to link the certainty and speed minimum standard, and replace it with a monitoring based approach that will not carry the same unintended consequences that are introduced by the current linkage proposal.
36. If Ofcom removes its linkage proposal, Openreach considers that it will be able to supplement the improvement initiatives set out above with the use of DOJ-style date setting using intelligent date setting to pick accurate iCDDs, and in consequence will be able to achieve higher levels of performance against the certainty minimum standard over the 3 years of the Control Period.
37. Openreach estimates that supplementing existing improvement initiatives with the use of intelligent date setting would enable around a 5% and 5% improvement to the certainty performance (additional to the improvements identified above via improvements to business as usual processes) to be delivered in Years 2 and 3 of the Control Period respectively.
38. Openreach estimates that the potential uplift in performance in Year 1 of the Control Period will be less at 1%. This is in part because, as previously noted, full DOJ implementation will be via

EMP (given that certain aspects of DOJ are not scalable using legacy processes and systems), and so the full benefits will rely on both the delivery of DOJ capability over EMP and the adoption of EMP by CPs. The current plan of record is for EMP to be rolled out at scale from the first half of financial year 2016/17, while there remains uncertainty in terms of the timing of CP adoption, which is itself not within Openreach's full control.

39. It is therefore sensible to assume that DOJ over EMP will have limited impact during Year 1 of the Control Period, and improvements in Year 1 will rely on using a more limited 'DOJ-lite' approach using tactical deployment of intelligent date setting that is being considered for implementation from early in 2016.
40. The precise impact of DOJ is also difficult to accurately assess at this point; although the DOJ trial in North West England has been progressing well, at time of writing there are insufficient closed orders for the more challenging circuit categories to obtain any definitive learning from the process (for example, there have been single digit completions for category 2b, 3 and 4 orders to date). Openreach does, however, consider that DOJ will improve certainty performance, and that upside to the improvements identified to business as usual processes is possible through the use of intelligent date setting.
41. Furthermore, there is currently (as shown in Figure 2 above) a high level of certainty performance variability for category 2a, 2b, 3 and 4 circuits. Reducing this level of variability (in addition to improving overall levels of performance) will enable a wider use of DOJ-style date setting by increasing the applicability / accuracy of a category based lead time. It is likely that the variability in performance will be greater in Year 1 of the Control Period, and so setting dates through application of intelligent date setting will need to be deployed on a more limited tactical basis.
42. Given these timings and dependencies, it is therefore anticipated that supplementing certainty performance with intelligent date setting will have greater upside in Years 2 and 3 of the new Control Period.
43. Openreach understands that certainty performance is a key consideration for the market, and therefore strongly recommends that Ofcom enables intelligent date setting to be utilised to maximise the future levels of improved performance by removing the current proposal to link the speed and certainty minimum standards.
44. If Ofcom were to remove its linkage proposal, Openreach considers that the following certainty minimum standards would be appropriate: 73% in Year 1, 80% in Year 2 and 85% in Year 3 (representing a 1%, 5% and 5% enhancement respectively over the 3 years of the Control Period versus the recommended minimum standards in a scenario where Ofcom maintains its current proposal to link the speed and certainty minimum standards).

Conclusion

45. Based on the analysis conducted, Openreach strongly believes that the current Ofcom proposals should be revised.
46. Ofcom should:
 - Take account of Openreach's recent performance in setting the Year 1 target;
 - Take account of the glass ceiling analysis conducted to help define an upper limit of what could be potentially be achieved (but that should not be used as the basis for a backstop minimum standard);
 - Take account of the Openreach improvement initiatives set out;
 - Remove the current proposal to link the speed and certainty minimum standards in order to allow Openreach to hit higher levels of performance through supplementing standard processes with the use of intelligent date setting; and
 - On this basis set certainty minimum standards of 73% (Year 1), 80% (Year 2) and 85% (Year 3).