Annex 16

Equality impact assessment

Introduction

A16.1 Ofcom is separately required by statute to assess the potential impact of all our functions, policies, projects and practices on race, disability and gender equality. Equality impact assessments (EIAs) also assist us in making sure that we are meeting our principal duty of furthering the interests of citizens and consumers regardless of their background or identity.

A16.2 Unless we otherwise state in this document, it is not apparent to us that the outcome of our review is likely to have any particular impact on race, disability and gender equality. Specifically, we do not envisage the impact of any outcome to be to the detriment of any group of society.

A16.3 Nor are we envisaging any need to carry out separate EIAs in relation to race or gender equality or equality schemes under the Northern Ireland and Disability Equality Schemes. This is because we anticipate that our regulatory intervention will affect all industry stakeholders equally and will not have a differential impact in relation to people of different gender or ethnicity, on consumers in Northern Ireland or on disabled consumers compared to consumers in general. Similarly, we are not envisaging making a distinction between consumers in different parts of the UK or between consumers on low incomes. Again, we believe that our intervention will not have a particular effect on one group of consumers over another.

The business connectivity market review

A16.4 The aim of the business connectivity market review is to assess the state of competition in the retail and wholesale business connectivity markets and if any operator is found to have SMP to impose regulatory obligations designed to promote competition and to protect consumers.

A16.5 The main stages in developing the proposed regulatory obligations were:

- A programme of extensive research and data collection to inform our analysis;
- Definition of the retail business connectivity markets;
- Definition of the wholesale business connectivity markets;
- Assessment of Significant Market Power; and
- Determination of the appropriate remedies for the operators found to have SMP (BT and KCOM).

Equality impact assessment

A16.6 We have considered whether the remedies that we have proposed for the business connectivity markets would have an adverse impact on promoting equality. In particular we have considered whether the remedies would have a different or adverse effect on UK consumers and citizens with respect to: age, disability, gender

reassignment, pregnancy and maternity, race, religion, sex and sexual orientation, and, in Northern Ireland, religious belief and dependents.

A16.7 The intention behind our approach to regulating the business connectivity markets is to impose a set of regulatory obligations on CPs with SMP that will promote competition by requiring them to provide other CPs with access to their networks on regulated terms, and to protect consumers by preventing abusive conduct such as over-charging.

A16.8 We do not have detailed sectoral information on the businesses that purchase wholesale business connectivity services or whether there is a correlation between the customers of their products or services and the defined equality groups. We also do not have information any correlation between retail business connectivity services and the defined equality groups.

A16.9 However, we do not have any reason to suspect that the benefit of remedies that we propose would not be the same for all consumers and business, nor that there would be a correlation between the affected consumers and businesses and any of the above defined equality groups. On that basis we believed that it would be disproportionate to commission relevant research.

A16.10 We also did not find any reason to suspect that there would be potential for negative impacts against the defined equality groups.

Annex 17

Glossary

Alternative interface symmetric broadband origination (AISBO)
A form of symmetric broadband origination service providing symmetric capacity between two sites, generally using an Ethernet IEEE 802.3 interface.

Asymmetric Digital Subscriber Line (ADSL)
A variant of DSL that supports higher bandwidth on downlink transmissions, i.e. from the exchange to the end user than from the end user to the exchange.

Asynchronous Transfer Mode (ATM)
A network technology that uses asynchronous time division multiplexing techniques and which supports data transmissions at up to 622Mbit/s.

Bandwidth
In digital telecommunications systems, the rate measured in bits per second (bit/s), at which information can be transferred.

Base-station Controller (BSC)
An element of a mobile telephone network that controls a number of Radio Base Stations.

Current Cost Accounting (CCA)
An accounting convention, where assets are valued and depreciated according to their current replacement cost whilst maintaining the operating or financial capital of the business entity.

Customer Sited Handover (CSH)
An interconnection between BT and another communications provider where the BT handover circuit terminates at the communications provider's premises.

Customer Premises Equipment (CPE)
Sometimes referred to as customer apparatus or consumer equipment, being equipment on consumers' premises which is not part of the public telecommunications network and which is directly or indirectly attached to it.

Digital Local Exchange (DLE)
The telephone exchange to which customers are connected, usually via a concentrator.

Digital Main Switching Unit (DMSU)
The main type of tandem switch, primarily used for conveying long distance calls. DMSUs form the backbone of the trunk network.

Digital Subscriber Line (DSL)
A family of technologies generically referred to as DSL or xDSL that enable ordinary copper telephone lines to transmit broadband signals. ADSL (Asymmetric Digital Subscriber Line), HDSL (High bit rate Digital Subscriber Line) and VDSL (Very high data rate Digital Subscriber Line) are all variants of xDSL.

Ethernet
A packet-based technology originally developed for and still widely used in Local Area Networks. Ethernet networking protocols are defined in IEEE 802.3 and published by the Institute of Electrical and Electronic Engineers. Developments of this technology known as

Metro Ethernet or Carrier Ethernet are now being used in communications providers' networks to provide leased line and backhaul services.

Ethernet in the First Mile (EFM)
A network technology for the delivery of Ethernet services over access networks. Although the technology also encompasses fibre access networks, in common usage EFM refers to the provision of Ethernet services over copper access networks.

Excess Construction Charges (ECC)
A charge levied by BT where additional construction of duct and fibre or copper is required to provide service to a customer premise.

Frame Relay
A packet-based technology used to connect several Local Area Networks.

Fully allocated cost (FAC)
An accounting approach under which all the costs of the company are distributed between its various products and services. The fully allocated cost of a product or service may therefore include some common costs that are not directly attributable to the service.

Gbit/s
Gigabits per second (1 Gigabit = 1,000,000 bits) A measure of bandwidth in a digital system

In Span Handover (ISH)
An interconnection between BT and another communications provider where the BT handover circuit terminates at a point between BT's premises and the communications provider's premises.

Internet Protocol (IP)
A network technology used in packed-switched networks to route packets across network nodes.

kbit/s
Kilobits per second (1 kilobit = 1,000 bits) A measure of bandwidth in a digital system.

Leased line
A permanently connected communications link between two premises dedicated to the customers' exclusive use.

Local Area Network (LAN)
A network typically linking a number of computers together within a business premise, enabling intercommunication between users and access to email, internet and intranet applications.

Long Run Incremental Cost (LRIC)
The cost caused by the provision of a defined increment of output given that costs can, if necessary, be varied and that some level of output is already produced.

Mobile switching Centre (MSC)
A component of a mobile telephone network that switches voice calls between mobile users.

Multi Protocol Label Switching (MPLS)
A packet-based technology that uses label switching techniques in order to improve and prioritise the routing of packets between network nodes. MPLS is commonly deployed in VPN and NGN core applications.

Multiple Service Access Node (MSAN)
A network access device associated with an IP-based core network that provides network interfaces for telephony, broadband and other services. MSANs are typically installed in a telephone exchange or a roadside cabinet.

Mbit/s
Megabits per second (1 Megabit = 1 million bits). A measure of bandwidth in a digital system.

Next Generation Network (NGN)
An IP based multi-service network capable of providing voice telephony, broadband and other services.

Partial Private Circuit (PPC)
A generic term used to describe a category of private circuits that terminate at a point of connection between two communications providers' networks. It is therefore the provision of transparent transmission capacity between a customer's premises and a point of connection between the two communications providers' networks. It may also be termed a part leased line.

Plesiochronous Digital Hierarchy (PDH)
An older digital transmission technology that uses Time Division Multiplexing. Although PDH systems are is still in widespread use, they are being replaced by SDH and increasingly Ethernet services.

Points of Connection (POC)
A point at which another communications provider's network interconnect with BT's network.

Public Switched Telephone Network (PSTN)
A telecommunications network that uses circuit switched technology to provide voice telephony services.

Radio Base Station (RBS) backhaul circuit
A circuit provided by BT that connects a mobile communications provider's base-station to the mobile communications provider's mobile switching centre.

Service Level Agreement (SLA)
A contract between a network service provider and a customer that specifies, usually in measurable terms, what services the network service provider will furnish.

Service Level Guarantee (SLG)
A contractual agreement specifying the compensation payable if the service provider fails to deliver the agreed service performance.

SSNIP
Small but Significant Non-transitory Increase in Price, usually considered to be 5 to 10 per cent, which is part of the hypothetical monopolist test used in market definition analysis.

Stand Alone Cost (SAC)
An accounting approach under which the total cost incurred in providing a product is allocated to that product.

Storage Area Network (SAN)

A high-speed special-purpose network that connects different kinds of data storage devices with associated data servers on behalf of a larger network of users.

Synchronous Digital Hierarchy (SDH)
A digital transmission standard that is widely used in communications networks and for leased lines.

Symmetric broadband origination (SBO)
A symmetric broadband origination service provides symmetric capacity from a customer's premises to an appropriate point of aggregation, generally referred to as a node, in the network hierarchy. In this context, a "customer" refers to any public electronic communications network provider or end-user.

Symmetric Digital Subscriber Line (SDSL)
A DSL variant that allows broadband signals to be transmitted at the same rate from end user to exchange as from exchange to end user.

Tier 1
A tier in BT's SDH network that denotes a network of nodes covering areas of high population. These nodes are connected by very high capacity line systems and denote the BT trunk network.

Time Division Multiplexing (TDM)
A method of combining multiple data streams for transmission over a shared channelby means of time-sharing. The multiplexor shares the channel by repeatedly allowing each data stream in turn to transmit data for a short period. PDH and SDH are examples of systems that employ TDM.

Traditional interface symmetric broadband origination (TISBO)
A form of symmetric broadband origination service providing symmetric capacity from a customer's premises to an appropriate point of aggregation in the network hierarchy, using a ITU G.703 interface.

Voice over IP (VoIP)
A generic term used to describe telephony services provided over IP networks.

Virtual Private Network (VPN)
A technology allowing users to make inter-site connections over a public telecommunications network that is software partitioned to emulate the service offered by a physically distinct private network.

Wave Division Multiplex (WDM)
An optical frequency division multiplexing transmission technology that enables multiple high capacity circuits, to share an optical fibre pair by modulating each on a different optical wavelength.

Wholesale Extension Service (WES)
A BT wholesale Ethernet product that can be used to link a customer premise to a node in a communications network.

Wide Area Network (WAN)
A geographically dispersed telecommunications network, typically a corporate network linking multiple sites at different locations.