



19th November 2014

Kalvin Bahia
Ofcom
By email

Dear Calvin,

BCMR Data Analysis consultation

Thank you for the opportunity to comment at this new consultation stage. We consider that it is an excellent early and essential review point for data submissions – which in this market are very extensive! As a consequence of the review Vodafone has provided Ofcom with an additional file of circuit data.

The Ofcom BCMR data collection exercise is conducted in order to understand better the circumstances of supply and demand of certain services. Inputs regulated under the BCMR service both BCM markets and markets beyond BCM (such as backhaul for WLA and Mobile markets).

It is really important we understand the depth and breadth of the market infrastructure of providers as well as connecting user sites. In our view the data collected must provide Ofcom sufficient levels of detail to determine for: customer access, backhaul, as well as bandwidth and product markets

- the extent of competition; and
- whether the available regulated services meet market demand where competition is absent.

We are concerned that the data requested may not adequately capture the services both self supplied and purchased for backhaul services – in particular those used by BT itself to create backhaul from cabinets and GEA parent hand over nodes for the provision of NGA services. We

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are aware that Ofcom has gathered data via separate information requests to fixed and mobile operators but have not seen a specific request to NGA / WLA network operators.

The indicative market shares based upon current data and the last set of market definitions show a decline in BT's market share. Given the increase in demand for higher bandwidth services within the access network and for backhaul across markets we are surprised at this finding.

We briefly address Ofcom's specific questions below:

Question 1: Are you aware of any fixed network operators that have access infrastructure that Ofcom has not requested data from that are likely to have a material impact on our network share analysis?

No

Question 2: Are there any missing circuits in the leased line data you provided to Ofcom?

We have submitted a number of additional circuits. To the best of our knowledge this completes our return. We presume that Ofcom undertakes a small reconciliation exercise comparing the returns of buyers and sellers to establish consistency of returns between CPs.

Question 3: Are there other factors relevant to how your leased line sales and purchases are recorded that have implications for Ofcom's service share analysis?

We do not consider our record keeping and return information will hinder Ofcom's views of service shares. Our record keeping of more recent services is far more accurate than legacy services and services purchased by past subsidiary entities. The data held therefore will meet objectives of providing a current view of competitiveness looking at self provision and purchases of modern inputs.

Question 4: Do you agree with or approach to classifying circuits that are delivered using WDM technology? Have we correctly classified circuits as WDM in the data you have provided, based on our current definition?

We are not clear if Ofcom is obtaining the information from all CPs to make the necessary analysis. We believe we have classified circuits as requested.

Question 5: Do you agree that Ethernet over SDH circuits should be classified as Ethernet circuits?

Yes.

Question 6: Do you agree that presenting a service shares range is the most appropriate way of quantifying the uncertainties involved in identifying network sites for the purpose of this review? Are there alternative methodologies for dealing with this issue?



Vodafone distinguishes between customer and 3rd party sites.

Question 7: Do you agree with our preferred approach to estimating the supply of wholesale leased lines by counting on net circuits only? Do you have any concerns with this approach?

We are concerned that this methodology will underestimate the on net supply within BT. We question whether the data is inclusive of BT's backhaul connections for GEA for internal use and also for the supply of WB(M)C.

Question 8: With respect to missing information do you agree with our proposed approach of using uplifts for three variables and presenting ranges for two variables? Should we consider alternative methodologies for dealing with the missing information?

We consider that Ofcom should first attempt to seek out missing data by reconciliation between other CPs returns. The approximation approach should be adopted if reconciliation does not yield the missing data.

Question 9: Do you have any views on other aspects of our data processing and cleaning; as set out in Annex7?

No.

Question 10: Do you have any comments on our methodology for processing data on flexibility points and business locations in light of our network reach outputs? Would you suggest alternative methods or assumptions?

No.

Question 11: Do you have any comments on our methodology for processing circuit data in light of our service share outputs? Would you suggest alternative methods or assumptions?

We are concerned that BT's backhaul for services is not being counted appropriately.

Yours faithfully,

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