



Ofcom consultation on measures to support Openreach's proposed trial in Salisbury – migrating customers to full fibre and withdrawing copper services

TalkTalk response

September 2019

NON-CONFIDENTIAL VERSION

This is TalkTalk Group's response to Ofcom's consultation on measures to support Openreach's proposed trial in Salisbury published on 24 July 2019.

1 Overview

- 1.1 We welcome Ofcom's consultation on regulatory measures to support the early stages of Openreach's FTTP trial in Salisbury in advance of its next consultation on the Fixed Telecoms Market Review (FTMR) due later this year. We understand that any measures required beyond April 2021 to support Openreach's FTTP upgrade plans, including later stages of the Salisbury trial or the Mildenhall trial, will be covered in this subsequent consultation. Ofcom also indicates that the FTMR consultation will cover other regulatory changes to support FTTP roll-out and copper withdrawal in the UK more broadly.

TalkTalk's role in competitive FTTP roll-out

- 1.2 TalkTalk strongly supports Ofcom's objective to stimulate and accelerate investment in FTTP networks by both altnets and BT. Competitive FTTP roll-out is the only long-term solution to Britain's connectivity needs and will deliver transformative speed and reliability improvements to consumers and businesses.
- 1.3 BT will play an important role, alongside altnets, in delivering FTTP roll-out and we are pleased that it is responding to competitive pressures by scaling up its plans. We therefore welcome BT Group's announcement that it will increase Openreach's FTTP footprint to pass 4m premises by March 2021 and 15m premises by the mid-2020s.
- 1.4 TalkTalk, as one of the major communication providers (CPs) in the UK, has a vital part to play in the success of FTTP: driving rapid take-up is fundamental to the business case for build. We are therefore working with Openreach, our own subsidiary FibreNation, and other altnets to develop plans to bring FTTP products to market using the new infrastructure.
- 1.5 A key objective for TalkTalk is to secure commercial and operational arrangements with infrastructure builders that will enable us to deliver smooth migrations for existing and new customers, and ensure vulnerable customers are appropriately supported and protected throughout the transition.

TalkTalk's role as a major Openreach customer

- 1.6 Our work with Openreach on FTTP is progressing. We responded to its March 2019 consultation on its exchange-based FTTP upgrade plans [3<] and its subsequent June 2019 consultation on specific proposals for the trials in Salisbury and Mildenhall [3<]. Regular bilateral engagement continues at all levels. However, as stated in our response to the March 2019 Openreach consultation, we consider that a greater degree of transparency and collaboration is required from Openreach to develop comprehensive FTTP plans that work for all parties.
- 1.7 We support Openreach's proposal to hold a trial in Salisbury to upgrade the exchange to FTTP as it will be an important step towards testing the technical and operational processes required to deliver FTTP upgrades. As outlined below, we therefore support Ofcom's proposal to make regulatory changes to enable Openreach's proposed stop sell for copper products from September 2020 for new requests when an FTTP connection is available.

- 1.8 We agree with Ofcom's proposal to require industry to put in place appropriate safeguards for vulnerable customers during the trial and comment on the specific proposals below. We are engaging closely with Openreach on the detailed trial plans and our proposed approach to participation taking account of our own programme plans and timelines.
- 1.9 Success of the FTTP upgrade programme more broadly will depend on resolving the issues identified in our response to the March 2019 Openreach consultation on the exchange-based upgrade approach. Key issues that need to be worked through with Openreach include:
- [REDACTED]
 - [REDACTED]

TalkTalk's role in copper withdrawal

- 1.10 We agree with Ofcom that copper withdrawal will be a critical driver within the FTTP upgrade programme. We note that Ofcom recognises Openreach's plans to withdraw copper on an area-by-area basis four years after each area has FTTP, and not before WLR withdrawal concludes in 2025 (para 2.9). [REDACTED].
- 1.11 Significant challenges associated with migrating our MPF base and decommissioning our LLU equipment at exchanges need to be overcome to support the goal of copper withdrawal. As noted in our response to Openreach on its trial proposals, including plans to withdraw MPF in the Mildenhall trial is premature at this stage. We expect the full suite of migration products to be available and the full range of use cases to be considered prior to any plans to withdraw existing copper services.
- 1.12 We wish to work closely with Ofcom, Government, BT, altnets and other CPs on developing the framework for FTTP upgrades and copper withdrawal that ensures incentives are aligned and risks of coordination failure are addressed. As already stated in our response to Openreach's March 2019 consultation, we expect BT to take a transparent and collaborative approach to planning for exchange rationalisation and copper withdrawal to support the FTTP upgrade programme. Further trial activity, whether in Salisbury and Mildenhall, or in other locations, will be required to test the approach to copper withdrawal and develop clear plans.
- 1.13 As well as considering the impact on broadband connections on the Openreach network, the regulatory framework for FTTP upgrades and copper withdrawal must also be consistent with Ofcom's objective of stimulating network competition by considering the role of altnets. In addition to Openreach trials, we would welcome the opportunity to explore the prospect of trials in areas where altnets have rolled out 100% FTTP.
- 1.14 We provided some initial responses to Ofcom's regulatory proposals to support copper withdrawal in response to Ofcom's March 2019 consultation on FTMR remedies and would welcome further, more detailed engagement with Ofcom on this topic.

2 The proposed stop-sell

Q1: Do you agree with our proposal to enable a stop sell for the Salisbury trial? Please provide reasons for your answer.

- 2.1 We support Ofcom's proposal to change the network access requirements that apply to BT in order to enable the trial in Salisbury. We agree that it is appropriate for Ofcom to make regulatory

changes so that the requirements on BT, as implemented following the Wholesale Local Access review 2018, to provide network access on reasonable request in the form of MPF, SLU MPF and VULA (which includes GEA-FTTC and SOGEA/SOGFAST) will not apply for new requests in Salisbury when a full fibre service is available from September 2020.

- 2.2 We note that Ofcom's proposed timing for amending the network access requirements is linked to Openreach's plans to give 12 months' notice of its intention to stop sell copper services in Salisbury in September 2019 to come into effect from September 2020. Therefore, we consider that Ofcom should make the regulatory changes so that they align with Openreach's timetable: if Openreach's stop-sell notice is delayed, the regulatory changes should be timed accordingly to dovetail with the notice period. We note that Openreach will be required by regulation to offer the 40/10 FTTP product at the same price as the FTTC price cap to implement the stop sell for the trial and that it has also committed to supplying an FTTP voice-only product from this point.
- 2.3 TalkTalk's participation in the Salisbury trial will be aligned with our own programme and product development plans. [X]. We agree with Ofcom that it will be vital that Openreach offers appropriate commercial terms to support the trial and drive customer take-up. This will be vital to maximise the proportion of voluntary migrations from our existing customer base.

Q2: Do you agree with the impacts of our proposals we have identified? Are there any further impacts that you consider we should be aware of?

- 2.4 We broadly agree with the impacts Ofcom sets out in the consultation in relation to the specific proposal to make regulatory changes to enable to stop sell on copper products in Salisbury.
- 2.5 Other impacts that should also be noted:
- **Business customers.** TalkTalk serves business customers using copper-based products via our Direct and Partner channels in Salisbury. We have [X] Partners in the Salisbury exchange area using a wide portfolio of products across various technologies. It will be important for every part of the value chain to be considered when planning the trial: for example, we may not have visibility of bespoke connectivity options offered to retail and/or business customers by our partners. The impact on contracts with our partners and the need for effective engagement with this group should be taken into account when considering the impact on CPs.
 - **MPF voice-only customers.** MPF lines are used to deliver voice-only services by LLU providers and their partners, and WLR use is more limited. Therefore, the availability of the FTTP voice-only product to support new requests once the stop sell on MPF is in place will be vital as this will be a more efficient long-term solution than requesting a new WLR line. Potential impacts on MPF voice-only customers must be considered alongside the impacts on WLR customers, and equivalent protections for vulnerable customers put in place, when assessing the prospect of MPF withdrawal.

3 Customer protection measures

Q3: Do you agree with our proposed approach to the protection of consumers within the trial? Please provide reasons for your answer.

- 3.1 We support Ofcom's proposal to apply additional protection measures, in addition to the general migration principles, for the duration of the trial. We comment on each of the proposed additional protection measures in turn below.

Vulnerable and voice dependent customers

- 3.2 We agree with the following provisions proposed by Ofcom to ensure that vulnerable customers are appropriately protected during the trial:

- "Customers using telecare or other safety-of-life services should not be migrated unless suitable replacement services (i.e. that operate effectively and have appropriate resilience in a power cut) are in place."
- "Customers dependent on textphones should not be migrated or lose service."
- "Restoration of former services should be available rapidly in the case of failure of telecare or other safety-of-life services."

- 3.3 We also agree that customers who are dependent on their landline for access to emergency services (e.g. because they do not have mobile coverage in their home or do not have a mobile) should not lose service. However, we wish to confirm that Ofcom's intention is that these customers may be migrated to FTTP during the trial, providing CPs and Openreach follow the guidance on General Condition 3.2(b) about maintaining access to the emergency services in the event of a power cut. We assume that Ofcom's intention is that additional measures should be put in place during the trial to ensure these customers do not lose service during the migration to an FTTP service with VOIP. We suggest this requirement could be amended to provide clarity on Ofcom's intention as we consider that the trial may usefully provide the opportunity to test the migration to a FTTP service with VOIP where a resilience solution is provided.

- 3.4 Ofcom also suggests that Openreach and CPs should implement security procedures for home visits to avoid the risk of harm to consumers. We agree with this in principle and recognise the need for joint working between Openreach and CPs to design home visits, particularly in respect of vulnerable customers. However, we would welcome more information from Ofcom about the risks it envisages and the types of security procedures it has in mind. In addition to setting expectations for security, we think it would be appropriate for Ofcom to set expectations for the quality of installation and any subsequent home visits for vulnerable customers. Openreach should be expected to support the process by providing dedicated Openreach engineers, rather than contractors, to complete managed installs and any subsequent home visits. The engineers should be trained and equipped to deal with all scenarios that may arise when migrating vulnerable customers and take account of any special requirements. As suggested below, we also think it would be useful to define some metrics for home visits in order to maximise the learnings from the trial and ensure vulnerable customers are appropriately protected.

- 3.5 Notwithstanding the need for clarification on these points outlined at paragraphs 3.3 and 3.4, we believe the additional measures that Ofcom has to protect vulnerable customers are justified at this stage given the status of current product development, process design and interoperability testing.

Communication and engagement

3.6 We agree that effective communications and engagement will be critical to the success of the trial. Ofcom proposes that Openreach and CPs should:

- “have a robust information campaign”; and
- “engage with local stakeholders at an early stage to ensure they are aware of the change and the potential implications.”

3.7 We consider that Openreach should take the lead on communications and engagement with local stakeholders in collaboration with Ofcom, local government and CPs. Collaboration should be coordinated through a dedicated working group on Public Awareness and Customer Communications to ensure consistent messaging and to develop an integrated plan to build customer awareness. CPs will support through their own dedicated communications, but it is vital that neutral advice, separate from customer sales, is also developed and promoted.

3.8 As noted in our response to Openreach’s June 2019 trials consultation, we consider that this working group should take account of the Broadband Stakeholder Group (BSG) work on cross-industry collaboration on messaging to consumers and other stakeholders about the transition to All-IP voice services, which both Openreach and TalkTalk are participating in. We would like to engage with Openreach, other CPs and the BSG on how we use the trials to test these communications and explore the potential for further collaboration on communications about the benefits of full fibre broadband.

Governance

3.9 We suggested to Openreach in our response to its June 2019 consultation on trials that collaboration to ensure the trial meets its objectives would be enhanced by forming some additional working groups to support the trial:

- Vulnerable customers;
- Public Awareness and Customer Communications; and
- Impact on small businesses.

We believe that setting up these groups will be vital to delivering on the additional protection measures and joint communications outlined by Ofcom.

4 Trial monitoring

Q4: Do you think the monitoring data we are proposing Openreach provide to Ofcom is appropriate and sufficient? Is there any other information we should be collecting? Please provide reasons for your answers.

4.1 We support Ofcom’s proposals to collect data on customer experience and quality of service during the trial.

- 4.2 In addition to the monitoring information Ofcom has set out, we are also interested in tracking the following aspects of Openreach performance during installation as set out in our response to Openreach's June 2019 trial consultation:
- Average duration of installation appointment;
 - One-stage installations that subsequently become two-stage; and
 - Customer rejection rates on the day of installation with reasons.
- 4.3 As noted above, we also consider it would be useful to define metrics or data collection on the quality of home visits for vulnerable customers to maximise learnings from the trial. Metrics could include numbers of cases where Openreach engineers flagged potentially vulnerable customers to CPs and number of cases where impacts on downstream services were identified during installation, for example.
- 4.4 We are particularly interested in monitoring these aspects of quality of service following installation:
- Minimum and average speeds delivered;
 - Reliability and performance of migrated connections; and
 - Adherence to SLAs.
- 4.5 We suggest that Ofcom could add some or all of these measures to its own monitoring, where they are not covered already, and would welcome further discussion to develop the metrics. In addition, we suggest that Ofcom should implement a process for formally collecting views and data from CPs on the success of the trial. The OTA could play a part of this process.
- 4.6 We note that Ofcom intends to engage with local stakeholders before, during and after the trial to identify issues and challenges. We suggest that it may be helpful for Ofcom to participate in the relevant working groups, alongside the OTA, Openreach, and CPs, to help coordinate this engagement and avoid duplication. The engagement could include developing a targeted programme of research to monitor the consumer experience and impact on vulnerable customers in Salisbury.