

## Consultation response by David Hall Systems Ltd to Wholesale Local Access market review

**Question 1: Do you agree with our proposed product market definition? If not, please explain why. :**

Generally we are in agreement though we consider that more account should be taken of the interaction between this market and the other access technology markets, particularly mobile. These other access technologies will have an increasing impact on the product market considered in the consultation.

**Question 2: Do you agree with our proposed geographic market definition? If not, please explain why.:**

Generally we are in agreement though we consider that the local characteristics are likely to become more significant in future. By this we mean that in some geographical areas alternative access technologies and/or other means will become much more significant than currently.

**Question 3: Do you agree with our proposals that BT and KCOM have SMP in their respective geographic markets? If not, please explain why.:**

Generally we are in agreement with these proposals. However over time we consider that the situation regarding BT's SMP could change and we consider that a flexible approach should be adopted to prevent future difficulties developing.

**Question 4: Do you agree with our proposals for the general access requirements that should apply to BT and KCOM respectively? If not, please explain why.:**

We agree with the general concept but we have concerns regarding some of the detail. In particular we consider that there is a definite relationship between cost accounting and the appropriate level of regulation in the market. However the consultation document considers then to be two distinct issues.

**Question 5: Do you agree that Ofcom should impose a new network access obligation on KCOM, that would require it to follow a statement of requirements process to handle requests for new network access in this market? If not, please explain why.:**

In general we agree with the proposal.

**Question 6: In relation to LLU, do you agree with the assessment and options set out?:**

Generally we are in agreement with the proposals. However we are concerned about the impact that NGA and the changing network topology will have on the continued provision of LLU. We consider that further studies into this issue are required and a strategy developed for managing this transition to an alternative offering is required. This is considered further in our response to question 10.

**Question 7: In relation to fibre access, do you agree with the potential unbundling arrangements for the different fibre architectures and the positions/options set out given the current and expected future availability of fibre within BT's access network?:**

Generally we are in agreement with the details given in the consultation document. However we consider that a number of these options are currently immature and that no decisions should be taken until both the market and technology are more mature.

**Question 8: In relation to SLU, do you agree with the assessment and options set out?:**

Generally we agree with the assessment contained in the consultation document. However we consider that a flexible approach is required in order to ensure that there is an effective response to any changes in the market.

**Question 9: In relation to PIA, do you agree with the proposed PIA obligation structure and the proposed implementation arrangements?:**

Generally we are in agreement with the proposed structure though we are concerned that in some situations CPs could be at a disadvantage in their dealings with BT. A particular concern is the proposed implementation arrangements and we consider that the initial ROs should be produced earlier together with a much shorter interval between the publications of the duct and pole offers. This results from our view that in many situations we consider that a combination of duct and pole access may be required and thus it is essential to have information on both means of access as early as possible.

**Question 10: In relation to VULA, do you agree that VULA may be a necessary access remedy in the WLA market and if so, do you agree with the key characteristics identified and how these currently relate to BT's GEA products?:**

We consider that it is likely that VULA could become a key access remedy in the WLA market. Generally we agree with the identified characteristics and consider that more effort should be placed on addressing the difficulties that have been identified so that this becomes a more effective remedy. We also consider it is appropriate to start now developing a migration route or strategy from existing LLU products to the new VULA remedy.

**Question 11: Do you agree with the framework for considering specific access remedies on BT?:**

Generally we are in agreement with the proposals.

**Question 12: Do you agree that there is a need to have a complementary set of access remedies and if so, do you agree with the proposed set of remedies on BT?:**

There is a need to better understand the deployment characteristics and timescales of the various remedies before agreeing with the proposed remedies. Additionally various references are made to the uncertainty associated with NGA and we consider that some aspects of the uncertainty could be greater than anticipated. Thus there is a need for flexibility in the proposed set of remedies to deal with the changing circumstances.

**Question 13: Do you agree that no specific access remedies should be imposed on KCOM in the WLA market at this time? Could any remedies on KCOM at the WLA market level address the competition issues that we have identified?:**

We agree that no specific access remedy should be imposed at this stage. However we consider that a flexible approach is required to address any competition issues that may arise.

**Question 14: Do you agree with our assessment against the legal tests for each specific remedy, as set out in Section 9?:**

We are in agreement with most of the assessment. However we consider that PIA should be available for back haul as well as broadband access. We also recognize the constraints on using other than BT infrastructure though we consider that a more active approach should be taken on opening up other non-BT infrastructure for CPs to use.