

BASIC DETAILS

Consultation title: New voice services

To (Ofcom contact): Justin Moore

Name of respondent: Michael Jackson, Director

Representing (self or organisation/s): Skype Communications S.A., 6, rue Adolphe Fischer, L-1520 Luxembourg

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Name Michael Jackson Signed (if hard copy)



Justin Moore
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11th November 2004

Dear Mr Moore,

Skype welcomes the opportunity to participate in the consultation process.

As the largest provider of VOIP based software in the world, we believe that our practical experience in many of these issues can assist Ofcom in forming their views.

Most issues raised in the consultation are common across all European member states. We do not believe that Ofcom should go ahead alone and interpret the EU directives before the forthcoming European Commission guidance has appeared. The VOIP industry will not benefit from the confusion created by differences in the regulations and interpretations. Skype therefore discourage Ofcom from issuing an interim policy, pending further clarification of the European Commission.

Skype also encourage Ofcom to follow, support, encourage and, if necessary, contribute to the development of workable long term international standards for emergency service access. Support for ETSI initiatives and co-ordination with the activities underway today in the E-911 working groups in the US, together with IETF will ensure that emergency services will function perfectly with new voice services

The market for new voice services is already advanced, and consumers are likely to be more aware and less tolerant of poor service than they are today. Barriers to entry, and barriers to consumer migration from one provider to another are low. There will be multiple providers and consistent regulation is required.

We welcome the initiatives of Ofcom in shaping the future of advanced telecommunications services

Yours Sincerely

Michael Jackson
Director of Paid Services
Skype Communications S.A.

Question 1

Products such as the Skype software will remove barriers to natural communication. It makes communication between individuals multi-dimensional, it welcomes speech, video, text, and even transfers documents and images.

The price structure of the new services will change as well. In some cases customers can make use of the service or products without charge

As technology, broadband and computing power increases, on multiple platforms, many new services and software will be introduced. As a consequence of these new services voice, and voice connections to the PSTN are one of many components rather than the single purpose of a physical device.

The new voice service and software will not have the same look and feel of existing voice services. Skype recognises Ofcom's dilemma in loose terminology such as 'look and feel', and that these terms should not be used to appease essential provisions of the well functioning existing telephone service. We do note however that some future products will be so far removed from these services that such distinction will become more relevant.

Question 2

There are some traditional scenario – babysitters and nomadic users in cafés that are seen as worst cases in regulation. In the 21st century however, the computer user in the café is not likely to be the only person in that café with emergency service communications, and the babysitter is very likely to pick up their mobile. Skype recognise that emergency service provision is imperative to modern society, but also note that this requirement comes from times where telephone lines were rare and expensive.

The second challenge is to ensure that the existing obligations on fixed line suppliers are maintained, and not avoided by transfer to new technology.

Question 3, 4 & 5

Ofcom should also consider international aspects, and ensure that modern services are available to the UK and services developed in the UK are capable of being exported without modification to other countries in the EU and beyond.

Question 6

Skype agree with this statement, and would go further to suggest that it would be undesirable and in some cases illogical for new services to replicate the existing telephone service. For example, provision of voice based directory enquiries service is not necessary from a computer with access to web based directory enquiry services.

Question 7

Skype agrees that it is not desirable to draw a distinction between the regulation of services that look like traditional services and those that do not, since it will be very difficult to define whether or not a service “looks like a traditional service”. What is a traditional service in the year 2010?.

Skype therefore suggests requiring providers to clearly communicate the functionalities of their service or product. On the basis of these functionalities one can conclude which regulation should apply

Skype believe that consumers are better informed than ever before, and that consumers can make the necessary choice.

Question 8

We agree upon a policy of no distinction for second line and primary services. The distinction should be taken at a much more certain basis, for example on the basis of the functionalities of a service.

Question 9

Skype does not think that a threshold should be set at which new voice services should be required to offer the same features as traditional services. The popularity of a service of a product should not be the reason to impose regulation.

Question 10

Once standards and technologies are sufficiently developed, then Skype will welcome provision of 999 services. There is no reason that emergency access should be lower quality than today, however a relevant and internationally compliant specification is a prerequisite. Skype would support Ofcom in efforts for a standard for emergency service access.

Question 11

The supplied research seems to support such a statement.

Question 12

Not all services should be required to offer access to 999. There could be some issues that make this in fact undesirable, illogical or irrelevant. With the very low barriers to entry, in fact, certification may even be necessary for those wishing to offer such access. In any event, subscribers must know what they are agreeing, and that this agreement should be sufficiently high profile that the subscriber understands the implications

Question 13

There is a view that poor quality access may waste valuable seconds in an emergency situation, if another solution such as mobile phone was present. Ofcom however imply that new voice services will be less reliable than existing. Some new services have indeed not functioned well, but it must be assumed that commercially successful voice services are able to carry a voice service of good quality.

Question 14 & 15

Skype agrees with Ofcom's understanding and assessment.

We encourage Ofcom to work with the European Commission to change the definition of PATS, rather than try and find an interpretation that suits. This issue is identical in all member states, and the directives have been considered over a longer period.

Question 16

Skype supports the approach of the European Commission which allows providers to choose whether or not they are providing PATS. Skype suggests waiting for the further clarification of the European Commission, before introducing this approach in the UK.

Question 17

No comment.

Question 18

We believe that Ofcom should wait until EU guidelines are established and refrain from introducing interim guidelines.

Question 19

It is not just reasonable, it is necessary for nomadic services to have different requirements than fixed. In most cases the difference will be readily apparent to the user, since the normal usage will probably be less reliable than traditional telephone networks. For the next few years, it is likely that hot spots and similar wireless solutions will be provided by hotels, cafes and other organisations with no knowledge of telecoms. The consumer is however welcoming these means of access, even though the quality is lower. There is no need to impose regulation in order to make customers aware of these quality issues. The market will handle this on its own.

Question 20

Option 3.

Question 21

Skype believe that such measures will be impossible to realise in practise.

Question 22

No comment.

Question 23

The current situation can continue .

Question 24

Skype encourages Ofcom to work with current ETSI and US initiatives to engineer a workable system for new voice services. The issues are not UK specific and much work has already been done.

Question 25

No comment.

Question 26 , 27 & 28.

Skype believes that providers should inform their customers as much as possible during all stages in the purchase process. However, it is not necessary to impose additional regulation or some new General Conditions to achieve this. Skype trusts that the current regulation is sufficient and that the market forces will stimulate providers to clearly inform their customers.