



## Internet Telephony Services Providers' Association

17<sup>th</sup> August 2005

### Next Generation Networks Consultation

#### Summary

ITSPA welcomes the opportunity to comment on Ofcom's further consultation on Next Generation Networks.

- Ofcom's approach to IP voice interconnect charges should be technology neutral. Costs should be based on the hypothetical costs of a stand alone NGN allowing appropriate rate of return.
- Ofcom should conduct fresh market reviews as soon as possible. Future SMP products should include IP voice interconnect (including broadband origination and termination) and Naked-DSL.
- The introduction of 21CN is the ideal time for the industry to develop and implement new intelligence capabilities in relation to, for example, location information and number portability.

#### **1. Do you agree with Ofcom's proposed approach for the charges of narrowband voice SMP products provided over next generation interconnects?**

ITSPA is concerned about the overall lack of clarity in relation to wholesale and interconnect voice products using 21CN. Ofcom sets out its proposed approach to narrowband voice interconnect charges, but makes no mention of broadband voice interconnect. Given that BT is already offering voice over IP products at a retail level, for which ITSPA contends is an SMP product, ITSPA members are concerned that BT should make wholesale and interconnect VoIP products available as soon as possible. To that end, we urge Ofcom to conduct the necessary market reviews as soon as possible.

ITSPA does not agree with Ofcom's proposed "holistic" approach which would set prices for IP voice interconnect artificially high. We believe that Ofcom should be "technology neutral" and that the costs to be recovered should be those of a hypothetical stand alone NGN. Otherwise, Ofcom is seeking to favour one group of providers over another. Arbitrage can be a natural consequence of competitive market places and should not be regulated against per se.

#### **2. Do you agree with the overall approach that there needs to be continuity for existing SMP products, but that it would not be appropriate to continue them indefinitely? 3. Do you agree with the general criteria Ofcom has proposed for the withdrawal of legacy SMP products after an interim period?**

ITSPA members welcome the development of new SMP products that will run over 21CN and replace the existing SMP products. We broadly support Ofcom's suggestion that existing SMP



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products might ultimately be withdrawn and the criteria for such withdrawal. However, we make the following additional points:

- Legacy SMP products should not be withdrawn until a suitable replacement is available *nationwide*.
- If there are, at that point, still high levels of demand for a legacy SMP product, this would indicate that the replacement product is not suitable or fit for purpose.
- In the period before nationwide availability (i.e. between now and 2010) legacy SMP products need to continue to be updated and improved so that they remain (or can become) fit for purpose.
- Ofcom should undertake urgent market reviews so that the list of "future" SMP products is updated to include "Naked-DSL" (or bare copper access) and IP voice interconnect products, including voice over broadband.

#### **4. Which network intelligence capabilities are likely to be associated with the underlying network where BT has SMP and cannot be independently provided by alternative providers, and why?**

BT must be obliged to provide access to network intelligence capabilities where these relate to a market where BT has SMP in order to ensure CPs can offer products, which compete with those of BT's retail operations.

The following capabilities are particularly important for ITSPA members:

- **Location Information** – ITSPA understands that the NICC is working on solutions whereby the location of a "nomadic" VoIP caller could be transmitted. This will be vital to the take-up and effectiveness of VoIP technology.
- **Directory** – efficient and effective number portability is a key enabler of competition through facilitating consumer choice and encouraging users to switch provider. The current forward routing system for number portability is inefficient and places disproportionate burdens on market entrants, who have to pay for the forward routing process. A Central Database System is crucial to ensuring a level playing field and the promotion of competition and should be designed and installed at the start of the roll-out of 21CN. ITSPA will seek to progress industry negotiations to this end through bilateral negotiations and through the relevant industry working group(s). However due to current constraints concerning the lack of coordination across industry issues and the lack of commercial incentives of fixed providers to improve the current system, we don't believe this will be achievable unless Ofcom takes action to ensure this topic is addressed.



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- **Application Driven QoS** – internet telephony relies on a high level of QoS and therefore it is useful for ITSPA members for QoS to be driven by application and on demand so that there is no deterioration in call quality for VoIP customers.

### **5. What are your views of the practical implications of applying Equivalence of Input to NGNs (e.g. in relation to MSAN interconnection, end-to-end quality of service, and depth of network hooks)?**

Despite the issues discussed in Annex F, ITSPA sees no reason why the principles of Equivalence of Input should not be applied to NGN interconnection, so that BT's downstream operations do not receive a competitive advantage over other CPs. EoI requires BT's own downstream operations to use the same products, processes and prices as those used by their retail competitors. BT Retail utilises BT's network on an end-to-end basis and does not itself have a network to interconnect with that of BTW or ASD. However, the principles of equivalence can be applied to the inputs that other CPs buy from BT and to the extent that these inputs are necessarily different or additional, BT's competitors should not be placed at an economic disadvantage. CPs should be able to interconnect at any point or "layer" of their choosing.

### **6. Do you agree with the issues Ofcom has identified that need to be addressed by all communication providers as they move to NGNs and what others are there?**

Yes. For the reasons stated above, ITSPA agrees with the issues Ofcom has listed (such as number portability, location information and call termination) as being relevant to all operators of NGNs.

### **7. Do you agree with the policy principles Ofcom has identified for consumer protection during the move to NGNs?**

ITSPA will comment on each of the policy principles identified by Ofcom:

- **The services offered to consumers on NGNs should at least be equivalent with their existing services. Ofcom believes that this is anyway a fundamental premise of operators' move to NGNs and that NGNs will also allow providers to offer many improved and innovative services.** – Many of ITSPA's members are already operating NGNs and are therefore not necessarily "moving to NGNs" but rather are migrating their own customers to the extent that those customers are provisioned over legacy products that will be replaced by 21CN replacements. There would therefore be no change to the service offered unless the replacement wholesale or interconnect service was not equivalent.
- **Consumers should suffer no detriment during the transition to NGNs, for example due to loss of access to emergency services, or degraded call quality.** – It is not clear what this refers to. Presumably consumers would only lose access to emergency services if there were an overall call outage, which can result from a technical fault at any time.



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- **Any changes to end user services are fully explained to consumers.** – ITSPA agrees with this proposal, subject to relevant codes of practice but would emphasise the need for any communication to be discussed and agreed with cross-industry stakeholders to ensure the messages do not favour any one party and properly recognise the breadth of communications relationships the consumer may have.

### **8. Do you agree with the overall processes for developing 21CN obligatory products?**

ITSPA notes that there are no timescales attached to the process set out in Figure 8. Any replacement products, or products on which BTR intends to rely from the launch of 21CN, need to be ready for service by the end of 2006 when the roll out of 21CN begins, which means that design, commercial negotiation and dispute resolution all needs to happen in the next twelve months.

### **9. Do you believe that there is a need to co-ordinate and steer cross industry NGN issues which is not met by existing bodies and process?**

ITSPA agrees with Ofcom that issues such as call termination, end to end QoS and number portability need to be co-ordinated and steered with oversight from Ofcom.

### **10. Do you agree that there is a need to co-ordinate the planning and implementation of NGNs on an industry wide basis?**

It is unclear to what extent it would be appropriate for CPs to implement their own NGNs in a co-ordinated fashion. However, ITSPA would hope that any migrations that impact the industry as a whole will be publicised effectively and input sought from those affected.

### **11. Is there a need for a process to address the wider consumer protection issues arising from the move to NGNs?**

Should any such issues be identified, these should be discussed within the appropriate cross-industry working group.

### **12. Has Ofcom identified all the correct industry processes that will be needed to deal with move to NGNs? 13. Do you agree that it is appropriate for Consult 21 to continue to take responsibility for developing detail of SMP product migration and development of new products? 14. Do you agree that Consult 21 combined with bi-lateral commercial negotiation and backed-up by Ofcom dispute resolution is the best approach to the agreeing the commercial aspects of new and migrated products?**

ITSPA agrees with Ofcom's proposals, but would emphasise the need for Ofcom's continued oversight in relation to the development of replacement SMP products, as well as the continued provision of legacy SMP products, in order to prevent disputes arising. All BT NGN interconnect protocols & products should as closely follow International Standards (including IETF & ETSI) and avoid country and/or vendor specific implementations, wherever possible. Where this is not possible, this must be fed back to the international standards bodies.



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**15. Do you agree that NICC should continue to be responsible for standardisation of NGN interconnect, but needs to be re-constituted as an independent industry owned body?**

ITSPA believes that NICC should continue to be responsible for standardisation of NGN interconnect but are not convinced that it should be moved outside the auspices of Ofcom.

**16. What are your views on the establishment of a new multi-lateral industry group to address NGN issues, its terms of reference and governance arrangements?**

ITSPA believes that a new group, such as a policy forum, would be useful in order to establish a reference interconnection architecture. Where the group is managing the transition from existing to NGN networks, it is vital that the interests of all types of CPs are properly represented and considered, as this transition will not affect all CPS equally.

**17. What are your views on the establishment of an NGN operational dispute adjudicator, its terms of reference and governance arrangements?**

ITSPA believes that an operational dispute adjudicator would be a good idea. However, since Ofcom believes that such an adjudicator should "not be empowered to resolve commercial or policy disputes", ITSPA is concerned that the remit of such a body would be too narrow.

### **About ITSPA**

The Internet Telephony Services Providers' Association was established in 2004 to represent the VoIP sector. ITSPA aims not only to encourage the innovation and development of the VoIP industry through the promotion of self-regulation and competition, but also to promote the benefits of the technology to consumers. ITSPA has the objective of ensuring consumers receive a first-class service and to reassure them that any product or service bought from a company displaying the ITSPA logo comes with a high standard of consumer protection, which is properly enforced and includes a dispute resolution procedure. Further information on ITSPA and its members, can be found on our website here: <http://www.itspa.org.uk>