# NGA – what does open access mean?

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# The COTS project has underlying assumptions – are they accurate?

- A “patchwork quilt” will mean a diminution of competition
- Less competition means reduced customer benefits
- Technical standards are the main barrier to more competition
- The “Hull problem” is either attributable to “standards issues” or KCOM not playing fair……
- A “one size fits all” approach is benefit maximising and proportionate….
- “Open access” will result in multiple “integrated retail service” providers (ie single bill for a wide range of services)

# Some inconvenient truths…..

- Most “open access” networks don’t seem to be able deliver sustainable multiple service provider competition
- Economic scale is a bigger barrier to entry than anything else
- A too prescriptive approach to standards will stifle innovation
- Systems and processes are probably more of a problem than interface standards and much more likely to diverge
- Even if “standards” converge, will large SPs want to deal with multiple access providers – are they willing to bear the overhead of managing many commercial relationships and establishing physical interconnectivity?

# Are there alternatives?

- Do we need “integrated competition”?
- Can we separate “connectivity” (the fat pipe) from “value add” (voice, hosted services etc) and have separate billing relationships?
- If this is not the preferred outcome, what do we need to do beyond “standardisation” to ensure effective SP based competition?
- Aggregation – what is the role for intermediaries, market based or imposed through regulation?
- What are the commercial consequences?