COTS Project: Progress Meeting

Monday 25 January 2010

Venue: Intellect, Russell Square House, 10-12 Russell Square, London WC1B 5EE

Notes

1. Welcome and introductions

Malcolm Taylor (MT), chairing the meeting, welcomed attendees. He reflected that a lot of work had been done and progress made since the initial kick-off meeting in July last year.

2. The COTS Project: Progress

Antony Walker (AW) of the BSG and Huw Saunders (HS) of Geo and KCOM discussed the progress the COTS Project has made since last July. The presentation is available on the website here. During the presentation, the following comments were made.

Requirements gathering - drivers
- Jacqui Brookes (JB) of FCS questioned what was meant by the term ISP. HS replied that this should really be CP, as the requirements are not specific to Internet service providers. JB agreed, pointing out that CP had a defined meaning in Ofcom's General Conditions. MT said that there would be value in producing a glossary.
- Lorne Mitchell (LM) of Objective Designers asked whether the reference to 'consumers' meant the residential market, or consumers more generally. HS said it would be for both residential and business end users, but that for large businesses NGA is a reality, and therefore the focus tends to be on the residential market.
- Annelise Berendt (AB) of Point Topic asked whether 'consistent product range' meant retail products to consumers. HS clarified that this referred to input products, rather than retail.
- LM suggested that many network start-ups may actually want a captive market to get started, and so would not be interested in opening up their network; this is not reflected in the 'bi-polar' views put forward by these requirements. He felt that there were a number of underlying assumptions that needed to be debated. HS responded that these assumptions were debated, both at the kick-off meetings and with the steering group, and that they were agreed as being the right goal for consumers.
- Bob House (BH) of CSMG asked whether the reference to multiple service providers was meant as allowing consumers to switch easily between service providers, or to enable multiple service providers to supply services to an end user simultaneously. HS said that both were requirements.
- Michael Mulquin (MM) of IS Communications reflected that Virgin Media is an AIP that is not an open network, but that they are a special case, and usually it is very challenging for AIPs to provide their own services. HS agreed, saying that a lack of scale created a number of issues for these networks.
- LM asked whether Vodafone or O2 had a role in this. HS said no, as this is primarily about fixed NGA networks. Peter Shearman (PS) from the BSG added that COTS has set out to

be technology neutral, and that although the focus so far is fixed primarily, COTS could be utilised for other technologies, such as satellite, at a later point. MT reflected that COTS is not seeking to intervene in every market in every case. Jason Roissetter (JR) of IFNL added that this is in part an issue of definition – if an access network operator wishes to operate a closed network, then they are not an access infrastructure provider (AIP).

Requirements gathering - product
- JB reflected that there are a number of conversations going on regarding the single provider versus multiple provider supplying services to a single end user. She asked whether, in the event of a development such as a healthcare or smart metering USO, a wires-only model would be plausible. HS agreed that there would be a tension, but that this would depend upon who the requirement fell.
- Peter Curnow-Ford (PC) of Bluenowhere Ltd asked for clarification regarding a number of terms, and suggested that the approach set out here is very prescriptive; as the 'Hull challenge' (referring to Kingston's absence of unbundlers) is about driving down costs, this approach is unlikely to work as it would appear to create cost. HS replied that the Hull challenge is actually the total cost of doing business, not the cost of the products alone, and that this project is seeking to make that total cost manageable.
- PC then asked why wires-only was required. HS replied that this offers CPs greater control of the customer experience, and reflects their existing arrangements with LLU.
- LM felt that these the requirements were in fact designs and desires mixed in with requirements, and that this will lead to confused thinking. Furthermore, they have lost sight of the consumer needs. Mike Kiely (MK) of Predictable Network Solutions suggested that it would be important to identify what is being precluded by accepting these requirements.

Requirements gathering - process
- HS said that the Hull anomaly was due to the cost of process and systems development, and that CPs have little room for negotiation in their requirements.
- Lorraine Flawn (LF), from BT, said that the discussion had focused on EMP as being central to the debate, but cautioned that EMP is a one-to-many system, not a many-to-many system. HS agreed, saying that EMP emulation was the goal for AIPs. Itret Latif (IL) of SSE agreed, stating that CPs won't build multiple gateways. He highlighted that switching and migration rules also needed to be devised.

Requirements gathering - commercial
- HS added that, although there are significant differences in this area, and that these are harder to define, these are also easier to resolve through commercial pragmatism than challenges in the other areas.

In the Q&A that followed the presentation, the following points were made.

- IL reiterated the need to be clear on terminology. Rob Leenderts (RL) from C&W agreed, and said that he would make available a list of terms that he had put together, to be augmented by the steering group.
- HS felt that the biggest value in COTS is addressing the process challenges, and addressing the aggregator's role.
- RL said that Ofcom and BIS are reticent to intervene in this issue at this stage, and HS agreed, saying that it was too early to be considering intervening.
- BH questioned whether the aggregator function would need to be an entity, or whether this could be enabled by appropriate standards. HS questioned whether it would be viable

for a small AIP to meet any required standards, given the likely complexity that these would generate.

- IL said that his main interest was in enabling competition on these infrastructures. It would be entirely plausible for aggregators to offer different levels of service to AIPs, although more work would need to be done to identify what these levels should be.
- LM asked for clarification regarding a potential role for INCA. HS said that there may be a need for an entity (or entities) to play an integrating role in the market – that entity may or may not be INCA.
- AB asked whether at some point in the future the aggregator would partner with Openreach. HS said it was too soon to know.
- JB said that central to this debate is to explore the commercials behind these issues. HS agreed, and stated that ultimately the challenge is to create a sustainable market structure going forward.

AW concluded by saying that he had been impressed by the openness and creativity of thought that had gone in to the work so far, particularly by the steering group, and that he hopes this will continue. MT said the next steering group meeting would be in three weeks' time; if any participants had any further queries or inputs they wanted to provide to that meeting they would be most welcome, and should be directed to AW and PS (contact details at the end of these notes).

N.B. The COTS Project's progress, including the notes and presentations from this and other meetings, can be followed on the BSG website at www.broadbanduk.org/cotsprogress

3.   Ofcom and CSMG - BtB interfaces: Meeting the needs of NGA

Chinyelu Onwurah (CO), Head of International Technology Strategy at Ofcom, introduced the report by saying that over time, power has moved away from the network to the systems behind the networks, and that this has been a challenge that Ofcom hasn't always known how to respond to. The work on ALA that Ofcom led demonstrated the importance of the BtB interfaces, and together with a range of issues that have been highlighted by LLU have created a need for something to be done; the challenge is to consider how best to address these issues. In this instance Ofcom does not have the answer, but wanted industry to have the debate; is essence, the report is a catalyst for this debate.

Michael Dargue (MD) of CSMG then went through the presentation. The slides are available on the website here, while the full report is available here.

In the Q&A, the following points were made.

- MT asked CO what she saw as Ofcom's role in this debate going forward. CO said that this isn't an area of direct regulation for Ofcom, and without an industry demand for Ofcom to look at this it will remain as such. There is also limited resource within Ofcom to address this. CO's preferred solution is for Ofcom to closely monitor the development of these systems, in case they become a bottleneck, and in the meantime to support activities such as COTS and facilitate further study if required.
- IL said that in terms of WLR3 the market was closely regulated and standardised, so the commercial case was simpler for TPIs – they knew what the products would be, what the likely demand would be, and were supported by Openreach who required the use of a TPI. The COTS situation is very different to this. CO agreed that there is more uncertainty facing an integrator in this market than in that scenario, but pointed out that the systems

themselves weren't directly regulated. IL said that this greater uncertainty and lack of regulatory driver would make the investment case for an integrator challenging. CO recognised this, but hoped that lessons learned from the developments of the last few years would assist industry in resolving these issues.

- BH suggested that the more that industry can do voluntarily, the better the outcome is likely to be. LM challenged this, however, particularly given the different scales and stages of development of these networks. CO said that their starting premise is to support competition, as competition is good for consumers; they are trying to enable competition on these networks, as without this Ofcom will be asked to intervene.
- MK asked whether settlement systems had been considered within the study, and reflected that there is a lot of complexity in the report, whereas the aim should be to remove the complexity. CO replied that settlement systems weren't covered, and that this is an issue for industry fora to discuss. MD added that the integrator could play both a technical and a commercial role.
- JB asked what the market is expecting small AIPs to deliver – the same services as Openreach, or more or less. MD felt that the issue was that you can't deal with AIP systems in isolation from existing CP systems that engage with Openreach. CO agreed, saying it wasn't possible to divorce the future from the present, particularly with systems.
- PC asked how an end-point would be designated in a multiple service provider environment; MD said that this was out of scope for their report.
- LM asked CO to clarify what was intended by saying that this issue would be handed over to industry. CO responded that there had been no formal handover as such, but that this meeting is effectively Ofcom handing over this issue to the industry; no further Ofcom work is planned on this at this time.
- AW asked whether there was anything that had been missed by the COTS Project so far. MD felt the project had been very comprehensive, and that the next challenge would be to engage the TPIs and to understand the cost model for an integrator. CO suggested that testing the key characteristics identified in the report with the steering group would be a useful next step.
- IL reiterated the importance of agreeing processes for migrations, and the need for a place for industry to come together to work out the issues. RL said that migrations may need to be a separate workstream within COTS.
- RL suggested that it would be useful to publicise the work being done through COTS more widely, and that Ofcom could play a role in this. CO reflected that a more formal handover may be useful, and that this should be explored.

4. Close

MT thanked CO and MD for their presentation, and thanked the attendees for participating in a very informative and useful discussion. The next meeting of the steering group is in three weeks. If participants have any further input that they would like to share with the group this would be most welcome; they should contact AW and PS (contact details below).

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