ITSPA

Internet Telephony Services Providers' Association

ITSPA Response to Ofcom's Proposed Plan of Work 2020/21

About ITSPA

The Internet Telephony Services Providers' Association ("**ITSPA**") represents over 100 UK businesses involved with the supply of next generation communication services over data networks to industry and residential customers within the UK. Our traditional core members are VoIP providers. ITSPA pays close attention to both market and regulatory framework developments on a worldwide basis in order to ensure that the UK internet telephony industry is as competitive as it can be within both national and international markets.

Please note that certain aspects of the ITSPA response may not necessarily be supported by all ITSPA members. Individual members may respond separately to this consultation where a position differs. However, the ITSPA Council is confident that this response reflects the views of the overwhelming majority of ITSPA members.

A full list of ITSPA members can be found at http://www.itspa.org.uk/.

Response

ITSPA welcomes the opportunity to respond to Ofcom's proposed plan of work for 2020/21. As the consultation itself is broad and summarises all of Ofcom's planned work for the year, ITSPA's response will focus on the following topics, which are of high interest to our members:

- IP migration
- The European Electronic Communications Code
- The Blockchain Number Portability Project.

IP Migration

ITSPA is actively engaged in a number of regulatory workstreams surrounding IP migration and is aware of the steps that Ofcom has taken on these issues so far. There is concern amongst members that the current process of IP migration lacks clear direction and communication, which is creating unease across the many sectors that it affects.

ITSPA's major concerns are focused on three key areas:

i. **A lack of clarity from Openreach** on the exact plans and timelines surrounding the migration of existing customers as well as the uncertainty regarding the deployment of specific new product lines that will replicate existing telephony services as well as ancillary services in an IP world. This lack of clarity is harming the sector's efforts to prepare for this momentous change to the industry. This risks a smooth transition for customers as well as undermining the competitive nature of the telecoms industry. We would urge Ofcom to intervene to force Openreach to provide this much needed clarity.

ii. **The lack of a communications plan from Government, Ofcom or Openreach.** The current slow progress towards an effective communications plan for all sectors of the UK which will be affected by the change will have serious consequences for the many consumer services and businesses who need time to manage and invest in this change. The effects of the technology change will have considerable impacts to areas such as healthcare and credit card transactions. In our opinion, this change is a larger project in scale and impact than the switch from analogue to digital TV in 2007 and requires a nationwide awareness campaign funded by either Government

or Openreach. We do not believe that the current communications work, led by the Broadband Stakeholder Group (whilst welcome), is sufficient. ITSPA believes that Ofcom should add its voice to calls for a clear communications plan in this area.

iii. **The potential impact to the telecoms landscape** if a suitable regulatory framework is not implemented by Ofcom in time for the PSTN switch off. There are real concerns that the entire competitive nature of the sector is at risk if existing wholesale services (which are predominantly used by businesses today) are no longer available in an IP environment. There are also concerns around the interconnection market in an all IP environment that may increase costs and slow migration levels, which could potentially result in consumer harm if it is not addressed with consideration. The move to all IP should open out competition and protection but not potentially harm it. Given the uncertainty around the implications of Brexit, businesses cannot afford additional costly interruptions to services but especially not one which will have a greater and more widespread impact to UK PLC.

European Electronic Communications Code (EECC)

ITSPA holds some major concerns regarding the implementation of the European Electronic Communications Code and these concerns will be set out in detail in our response to Ofcom's consultation on its proposals for the EECC's implementation. The main concern from our members centres on Ofcom's decision to adopt a European Commission recommendation on the definitions of micro-business and small business, which extends consumer-like protections to businesses of up to 50 employees. ITSPA members strongly believe that a business of 50 employees is likely to have much more sophisticated telecommunications needs than a residential user and that this new definition is inappropriate and will hamper their business communication requirements. Indeed, ITSPA notes that the Communications Act 2003 defines a small business as up to 10 employees. Additionally, our members are concerned that the definition of a not-for-profit organisation proposed by Ofcom extends these protections to local and central Government and multinational charities. In our members' opinion it is clear that UK Government organisations – many of which have very significant spending power and very large workforces – have great bargaining power and do not require the same protections as a residential consumer.

The Blockchain Number Portability Project

ITSPA members have been supportive of the blockchain proof-of-concept, and have a desire to be as fully involved as possible. Should the proof-of-concept prove successful, it has the potential to replace a number of industry process and systems including number porting, which is long due an overhaul in the UK. We would work closely with stakeholders to define the Functional Specification required for the actual solution to handle port transactions and the onward routing functionality.

However, in recent months, ITSPA has become more concerned with the direction of travel with this project. Delays have hampered progress and there are concerns that a number porting solution is no longer seen as the prime objective. ITSPA members strongly believe that industry support and involvement in the project one of the key elements to its success and would recommend that further opportunities for the involvement of industry are provided. The input of industry is crucial to ensuring that the project remains focused on resolving the ongoing problems with number porting and does not become side-tracked.