Commission for
Communications Regulation

Submissions to Consultation

DECISION NOTICE (AND DECISION INSTRUMENT)

Eircom's Universal Service Obligation - Quality of Service Performance Targets

Submissions received from respondents

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eircom Ltd.

Response to ComReg Doc. 07/55

Consultation on
Universal Service Performance Targets

24 September 2007*I*

DOCUMENT CONTROL

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EXECUTIVE SUMMARY

- In so far as retail narrowband connections are concerned, eircom complies with and indeed exceeds existing performance guidelines – there is no question of "persistent failure"; rather, the question seems to be one of adequacy of the existing performance guidelines.

- eircom notes that ComReg's consultation is deficient in that it does not recognise the existence of the two forms of contracts – both which will permit "enforceable action" – that eircom establishes with its relevant retail and wholesale customers:
  - eircom "Customer Service Guarantee";
  - service level agreements (SLAs) for unbundled local loops (LLU) and the Single Billing through Wholesale Line Rental (SB-WLR) product.

- In so far as fault repairs are concerned, in the absence of existing guidelines, the same principles of reasonableness and proportionality require that ComReg set out guideline targets before considering the introduction of binding performance target.

- eircom calls into question the validity of ComReg's overly simplified benchmarking exercise with BT UK contained within this consultation and of the policy proposals made on the basis of such benchmarking. We remind ComReg that non-comparable benchmarks and their use has caused significant difficulties between eircom's and ComReg's advisors in the past in similar cost-oriented pricing policy making.

- Following on from this consultation, the USP should only be required to publish/report one set of USO metrics to set customer expectations in terms of the provision/repair service that the USP can provide.

- Any guidelines that are set through this consultation must be consistent with the existing Wholesale Framework agreed with ComReg and industry. These guidelines must be feasible and proportionate based on the current performance in the time-scales proposed.

- Any target of 100% not practical as Commercial Operational Systems are not built to operate at 100%

RESPONSE TO CONSULTATION QUESTIONS

Q. 1. Do you agree that the establishment of binding performance is justified? Please state views

eircom disagrees that the establishment of binding performance targets is justified based on the arguments outlined below.

Incomplete, deficient policy analysis

eircom fully understands the importance of appropriate performance levels between it and its retail and wholesale customers in the provisioning and repair of narrowband access lines. Accordingly, eircom has established legally binding contractual agreements, which include penalties, with its customers;

- the eircom "Customer Service Guarantee," a guarantee which applies in relation to each customer, regardless of whether universal service level targets have been met
- SLAs for LLU and SB-WLR: wholesale products provided by eircom are of sufficient quality such that OAOs are in the position to compete effectively with eircom at the retail level. Their purpose is to set out a standard of service to be achieved and provide for remedies in the case of failure to achieve such targets.

eircom notes that no mention of these contracts – both which will permit "enforceable action" -- is made by ComReg in this consultation.

ComReg fails to consider the regulatory and cost implications in the consultation where the proposed service levels eventually undertaken by eircom to achieve any new targets set out by ComReg (regardless of whether they are binding or not) requires an improvement of the network capability supporting eircom retail services which exceeds the quality of service guaranteed to OAOs in the SLA.

Any improvement at the network level would need to be matched at the retail level to ensure that customers could report faults outside working hours. This fault reception capability would also need to be provided by OAOs. ComReg also fails to consider the regulatory and cost implications for this in the consultation – and more importantly in its regulatory impact assessment (RIA).

Wrong solution to alleged 'regulatory failure' identified

In so far as connections are concerned, eircom complies with existing performance guidelines – there is no question of persistent failure, rather the question seems to be one of adequacy of the existing performance guidelines.

Similarly, in relation to fault repairs where there are no guidelines in place, one would expect that ComReg proposes in the first place to issue guideline targets which in turn would be measured through existing Retail and Wholesale contracts.

If ComReg takes the view that the level of performance by eircom is not sufficient despite being in compliance with the guidelines, the first remedial step is to modify these guidelines. In this regard, the approach advocated by ComReg in the consultation document is neither reasonable nor proportionate.

In so far as fault repairs are concerned, in the absence of existing guidelines, the same principles of reasonableness and proportionality require that ComReg set out guideline targets.

Inappropriate benchmarking with BT UK

eircom objects to ComReg's comparison, or benchmarking, of eircom will BT in the UK. As per Appendix A, containing the expert opinion obtained by Mr. Uli Prommer, Partner Mercer Management Consulting, this benchmarking is inappropriate on the part of ComReg as:

- The access networks of eircom and BT UK have very specific and different network structures;
- A comparison of the companies' metrics "fault rates per 100 lines" must be adjusted for significant structural and definition-related differences. If such adjustments were not made, the comparison would deliver extremely imprecise results.
- More than eight years of fixed-line benchmarking by Mercer/Oliver Wyman have shown that such faulty comparisons can lead to metrics differences in the order of magnitude of 125%. Unadjusted data is useless if you want to conduct a solid benchmarking analysis that identifies performance differences of +/- 20%.
- A well-founded comparison of fault rate metrics requires a number of fundamental mathematical adjustments. The question must be asked, whether BT is the ideal benchmarking partner for eircom, or whether comparing eircom and other West-European telcos such as TDC, KPN, Telecom Austria, or Telenor would deliver more usable data.

eircom thus calls into question the validity of ComReg's overly simplified benchmarking exercise and of the policy proposals made on the basis of such benchmarking. We remind ComReg that non-comparable benchmarks and their use has caused significant difficulties between eircom's and ComReg's advisors in the past in similar cost-oriented pricing policy making.

Inadequate regulatory impact assessment (RIA)

The decisions that ComReg makes can impose significant costs on industry stakeholders. It is thus important for ComReg to think very carefully before adding to the burden of regulation. If intervention is justified, ComReg should aim to choose the least intrusive means of achieving its objectives, recognising the potential for regulation to reduce competition.

eircom thus calls upon ComReg to establish objective standards for and define the cost-benefit analysis (CBA) principles that it intends to apply in its RIAs. There must be a quantifiable and sustainable rationale for all ComReg policy measures that meets the standards of Better Regulation Department of the Taoiseach in "Regulating Better - A Government White Paper setting out six principles of Better Regulation" (January 2004).

Inadequate cost-benefit analysis

Cost to industry
eircom does not accept the "Effects on Eircom" section of this RIA as a thorough, rigorous and complete and thus questions the value of the CBA presented in the Consultation.

In August 2007, ComReg published *Guidelines on ComReg's Approach to Regulatory Impact Assessment*[1]. In the "Consultation with Stakeholders" section, ComReg states:

> "Where a comprehensive RIA is necessary, stakeholders will be consulted in regard to any cost-benefit analysis. Impact analysis can be vital in determining the most appropriate form of regulation, and ComReg will consult with stakeholders from an early stage as they may possess information that would be useful or essential to carrying out the RIA in a comprehensive and timely manner."

[1] ComReg Doc. 07/56a (10 August 2007).

Despite this, ComReg did not consult with eircom "from an early stage" or any stage prior to the publication of this consultation document on a RIA approach. ComReg simply asserts:

> ". . . if performance targets are put in place, even just for faults and repairs, it is possible that there could be costs in reaching such targets. Costs may involve a change in work practices, upgrades in infrastructure or even hiring additional staff. However, the USP should reach a basic level of quality in its provision of service. ComReg is of the initial view that, should Eircom feel that these costs are likely to be excessive, they should be in a position to supply ComReg with clear, unbiased data as to such costs during the consultation period." [our emphasis]

ComReg then does not give a clear indication that it will give any such submission consideration in its policy making. It appears to 'wave away' the issue on any burden on eircom independently by indicating that the cost can be borne by industry players which eventually contribute to a universal service fund:

> "under the USO provisions, the Universal Service Provider may apply for funding if complying with its obligations becomes an unfair financial burden. If the costs of these proposed measures are high, then they could be considered within the overall calculation of whether the USO constitutes an unfair burden."

While spreading the net cost on the entire industry – from Internet service providers to mobile operators to eircom appears to be less of a burden, does not make the cost of the policy proposal versus the benefit it brings any less material.

Benefit to consumers

eircom notes ComReg's attempt to quantify the benefit of improved performance by eircom in terms of fault occurrence and fault repair. We do not, however, accept this impact assessment as sufficiently rigorous to constitute an appropriate CBA.

ComReg, for example, posits end-user gains (e.g., €30 for the welfare from lower fault occurrence rates) without any empirical evidence to substantiate. This benefit is also posited on an absolute basis and not, as should be the case, on a relative basis, i.e., the difference in end-user welfare gains of the status quo policy, or eircom's performance under current targets, relative to the policy proposal, or improvements in eircom performance, proposed in this Consultation. In a thorough assessment of end-user welfare gain, ComReg would calculate the gross benefits of an increase in consumption (of fixed line access), i.e., the sum of the marginal benefit times each incremental increase in consumption.

"Effects on Consumers"

eircom notes that sections 7.7 and 7.9 appear to contradict each other.

In 7.7, ComReg make the reasonable statement that if a customer pays €50 per month for calls and access then that is the amount of economic benefit that they derive from the availability of the fixed telephony service.

In 7.9, the same service has an economic benefit of €10 per day (rather than the €50 divided by 30 days - or €1.67 per day based on the price that the customer is prepared to pay for the service). While the customer may be prepared to pay a premium for a service that is always available, it is unlikely that they would be prepared to pay a six fold premium.

Q. 2. What are your views on the establishment of different performance targets that could be established for in-situ connection and first time connections?

eircom believes there should be one clear target for all connections, which can be used to set customer expectations.

eircom proposes that the definitions for "**In-situ**" and "**first time connection**" be combined and referred to as "PSTN Connections to eircom":

> A connection to a premises that may or may not have had previous service, including electronic enablement, pre-cabled connections, or a connection to a premises that has had previous service but all the line work is not in place and the connection cannot be electronically enabled.

The connection metrics must take account of certain scenarios, which are outside the control of eircom.

Q. 3. What are your views on the values proposed for the performance targets?

eircom does not have an issue with the establishment of realistic targets for USO connections once the following principles are taken into account:

- Performance targets must be consistent with the existing Wholesale Framework agreed with ComReg and industry.
- Targets must be feasible and proportionate based on the current performance and the time-scales proposed.
- Any target of 100% is not practical as Commercial Operational Systems are not built to operate at 100%
- There should only be one set of USO metrics reported/published

Delivery performance should be measured with respect to the customer required by date and not based on the period from application to completion of the order.

It is unrealistic to base the target on the latter metric, because in a significant proportion of cases customers seeking connection to the eircom network, contact eircom with a requirement that the actual connection be carried out at a future point rather than on the day of the call.

In regard to "PSTN Connections to eircom" that can be electronically enabled an example would be a customer moving into a house on the following week, and rather than leaving it to the last minute to contact eircom, they contact the retail sales channel asking that the line be connected on the day they move in. If performance was based on order application to completion, this order would significantly exceed the proposed performance metric. If the customer wishes to have the service activated on the day in which they make the call, the service is activated immediately, and this date is defined on the order as the due date.

Many customers apply for service well in advance of the date in which they require service. This is frequently seen in cases of customers moving into newly built houses, where many weeks before the house build is completed, they apply for their key utilities, telephone, electricity etc. Again, in cases such as this, a performance metric measuring delivery from application to completion date would imply a long delivery time, when in actual fact the customer's required delivery date may have been met.

The connection metrics must take account of certain scenarios, which are outside the control of eircom.

Please refer to the contents in Appendix A for further detail.

Q. 4. What are your views on the proposed targets for fault occurrence?

eircom fully recognises the dependence that customers need to have a robust and reliable telephone service. Customer satisfaction is the key driver to minimise the incidence of faults. This driver must however be balanced against the capital investment required to further stabilise the network and it must be recognised that there exists a level of investment that exceeds the return from the network and the services it supports.

It is a commercial decision to balance advance capital investment in fault avoidance against operational expenditure incurred in resolving faults once they do occur. As the access network is operated by a commercially orientated company, it is not necessary to have any further driver to getting the balance correct.

ComReg proceeds to make a proposal on desired fault levels based on a comparison with the access network as operated by British Telecom in the United Kingdom. Any comparison that is drawn between the performance of the eircom network with that of other operators must be considered in the context of the unique nature of the environment in which eircom operates. There is no direct comparison when one considers the relevant characteristics of the Irish telecommunications environment such as population density, line length, and economic scale. Hence an appropriate compensation factor must be determined (if feasible) where there is divergence in any or all of these factors.

The Irish Republic, with a population of 4.1m, and area of ~70,000 square kilometres, is the least densely populated country in Europe making any comparison with a European operator unreasonable without an appropriate compensation factor.

Take for example the comparison chosen as a reference by ComReg. The population density in the U.K is 242 per Km^2 as compared with an Irish level of 55 per Km^2. The population per exchange area in the UK is 10,821 while in Ireland the population served rests at 3,594, resulting in a network in the U.K. that is 90% urbanised as opposed to 58% urbanisation in Ireland. The average line length in the U.K. is published by BT as 2.2Km. The average line length in Ireland is 2.7Km. While making such comparisons it must also be borne in mind the cost to build, operate and maintain a network rises exponentially with line length. A straightforward proportional adjustment can not be made owing to the reducing density and economic build quantity encountered.

In its comparison ComReg further attaches some significance to the movement in fault rates over the course of 2006. As demonstrated by this comparison the degree by which the fault incidence rate is impacted by extra ordinary weather occurrence renders the mandating of performance in this area of little value and operationally unmanageable. Also we believe this parameter would be of little benefit to customers in setting expectations regarding service assurance.

Please refer to the contents in Appendix B for further detail.

Q. 5. What are your views on the proposed targets for repair times?

Proposal to change measurement from Working Days to Calendar days

Currently all Universal Service repair performance levels are expressed in terms of working days. eircom believes this to be a fair and reasonable approach for the measuring of standard service. It gives full recognition to the national understanding of the working week, the social structures that have evolved since the foundation of the state and aligns with the hours of operation of most of the business community. In recent years the only area of activity that has deviated from this norm is the retailing trade and it remains to be established if this trend is driven more by recreational activity than by necessity.

In the past, where eircom has operated extended hours coverage, both late evenings and Saturday response, the experience was that it was not a customer requirement. In the residential sector people resisted the encroachment on their time and were not willing to alter their leisure time to accommodate appointments. In the business sector, premises were not occupied to either drive timely reporting of faults or to accommodate access for resolution. Despite investing heavily in this service, eircom found it to be operationally inefficient and no discernible improvement in general service metrics ensued.

To move the service metric to calendar days implies that there is no difference between one day and another. ComReg by imposing the expectation that all days are equal, demands that eircom would impose similar expectations on its workforce and on its customer base. It ill behoves ComReg to make impositions on any operator that effectively infringe on the civil liberties of its workforce and its customer base.

The costs associated with operating a service repair service on a seven-day basis would be not inconsiderable. Under the labour laws in Ireland and the pertaining labour agreements, weekend attendance attracts a premium.

eircom is committed to restoring customer service in all cases as speedily as is reasonably possible and has an extensive service restoration organisation in place to meet this obligation. As outlined above eircom does not support the move to measuring based on Calendar days.

In the fault repair activity, given that the cause, nature and extend of any fault is not known until test, analyses and fault localisation is complete, it is not reasonable to expect a commitment to agree in advance to a repair time with a customer.

Please refer to the contents in Appendix B for further detail.

Appendix A Provisioning (Private & Confidential)

Appendix B Service Repair (Private & Confidential)

Appendix C Memo

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Memo

To:
Date: September 11, 2007
From: Uli Prommer
Re.: ComReg Consultation Papers Document N° 07/55

International Telecommunications Benchmarking Forum

Uli Prommer, a Partner with the international management consulting company Mercer Management, now called Oliver Wyman, founded the International Telecommunications Benchmarking Forum in 1999. Since then, more than 50 fixed-line operators, mainly from Europe, North America, Asia, Oceania and the Middle East have joined this Forum.

The Forum members regularly share benchmarking data to compare the efficiency of their costs, resources, investments, processes, and networks. Uli Prommer and his team facilitate this comparison, ensure the confidentiality of the benchmarking data, and provide the methodological framework.

Uli Prommer and the Forum members together developed a benchmarking methodology with important adjustment procedures which make it possible to compare the telcos' data to a very large extent.

The Benchmarking Forum members use the results of these analyses to implement efficient cost and performance structures and to analyze regulatory issues from a macro-economic perspective (cf. "Deregulation of the Broadband Markets", published by Uli Prommer, Mercer Management Consulting, and Nigel Attenborough, NERA Consulting, in 2005).

Memo context and objective

This paper serves to critically analyze the *Consultation Papers* of the *Commissions for Communications Regulation* (ComReg) Document N° 07/55, dated August 1, 2007 and entitled "Consultation of Universal Service Performance Targets".

The document addresses Eircom's performance with regard to Eircom's Universal Service Obligation. Under the Universal Service Obilgation (USO), Eircom, designated as the Universal Service Provider (USP), must ensure that basic fixed-line telephone

services are available to end-users at an affordable price. (2002 EU directive implemented in Ireland by the European Communities Regulations 2003 – S.I. N° 308 of 2003).

Under regulation 10(4) of the USO, ComReg is authorized to set binding performance targets in respect of the obligation to provide connections and access. The main purpose of the ComReg Consultation Paper 07/55 is to consider the USP's performance in fulfilling its obligations and to decide whether binding targets need to be set for future targets.

Amongst other performance criteria, the Consultation Paper evaluates the metrics "fault rate per 100 lines in 2006" and compares Eircom's parameters with the supposedly comparable parameters of British Telecom. Based on this comparison, in the fourth quarter 2006, Eircom's parameter for residential customers came to 7 faults per 100 lines and to 3.0 for business customers, whereas British Telecom's came to 3.5 and 2.2 faults per 100 lines respectively.

The goal of this memo is to critically analyze ComReg's fault rate benchmarking comparison. This critical examination will specifically draw on the benchmarking experience that Mercer's benchmarking team, headed by Uli Prommer, has gained with comparable issues since 1999.

Issues raised in connection with benchmarking fault rates in the access network

A benchmarking analysis requires transparency and the adjustment for differences. The metric "fault rate per 100 lines" is defined as (a) the number of repair tickets triggered by customers (b) in the access network divided by (c) the number of access lines (one hundred). In order to obtain comparable and reliable data when comparing fault rates, the three major elements of the definition a) to c) must be comparable or made comparable if they are not directly comparable:

a) The metric "number of repair tickets" is defined differently by West-European fixed-line operators. An examination of the various West-European definitions reveals four repair ticket definitions. Depending on the definition, the number of repair tickets per subscriber fluctuates by more than 50%, despite comparable faults originating in the access line.

b) The topology of the access network of West-European telcos varies - despite similar fundamental structures. As a rule, the access network begins at the MDF

(main distribution frame). The signals are then largely transported by copper cables via other cable frames (e.g. LDFs [local distribution frames]) to the homes.

Although the West-European telcos' topology is very similar, other network features differ and influence the fault rates: E.g. the concentration of the access network, i.e. the ratio, e.g., of the number of MDFs to LDFs, or the ratio of the different types of cable laid (arial cable, burial cable, duct cable).

c) As a rule, an analog access lines is counted as one line, whereas an ISDN digital access line is counted as two lines. However, digital access lines do not generate twice as many repair tickets as analog access lines. Consequently, the ratio of analog to digital customer access lines also plays an important role in the mathematically exact comparison of fault rates.

Benchmarking fault rates requires transparency with regard to the definitions a) to c) and the way they are handled by the benchmarking partners. If they are handled differently, mathematical adjustments must be made.

A) Comparison of the number of repair tickets

In general, four different ways of defining repair tickets have been identified in Europe: Many telcos issue a voice access repair ticket (PSTN) for each customer call received by their technical hotline.

However, approximately 70% of the technical hotline's fault messages can be traced back to minor faults caused by the customer himself. As a rule, such faults can immediately be repaired by the technician together with the customer (also called first-kill repairs).

Other telcos do not issue a repair ticket for first-kill repairs. They only issue repair tickets for 2nd-level repairs or if a field force technician needs to be sent to the access network or to the customer.

Two general types of definitions also exist for broadband repair tickets. A broadband access line is an ordinary copper pair cable that is typically used for ordinary PSTN voice transmission. By upgrading it with, e.g., a splitter, it can additionally be used to transport xDSL data.

If a customer calls the technical hotline of a fixed-line incumbent to notify him that his broadband access is not working, then the fault can either be found in the ordinary PSTN access (e.g. because of a defective copper pair cable), or in a defective broadband network device (e.g. DSLAM or splitter).

Many European telcos use the term "broadband fault" if a customer with an xDSL access calls - regardless of whether the original network fault is actually to be found in a broadband network element. Other telcos only issue a broadband fault ticket if it can be shown that the network fault is caused by the failure of a broadband network element.

BT's policy for issuing voice access repair tickets is to only define 2nd-level repairs as repair tickets. Eircom, on the other hand, issues a repair ticket for almost every hotline call.

BT's policy for issuing broadband tickets is to only issue a broadband fault ticket if the root cause of the failure is clearly an xDSL CPE or network. Eircom also pursues a different policy in respect hereto: It issues broadband repair tickets if the access of the customer who calls (fault notifier) has a broadband application.

B) Topology of the access network

The access networks of Eircom and BT have very specific and different network structures.

- The number of MDFs (cable frames of the first access network level; MDF = main distribution frame) that BT has per 1,000 square kilometers of surface area comes to 23, Eircom's to 17.

- The number of LDFs (cable frames of the second access network level; LDF = local distribution frame) that BT has per 1,000 square kilometers of surface area comes to 360, Eircom's to 75!

- The ratio of MDFs to LDFs at BT is 1:16, whereas it is 1:5 at Eircom.

This ratio is as follows for other selected West-European telcos: TDC 1:52; France Telecom: 1:11; KPN: 1:21; Deutsche Telecom T-Com 1:39. Eircom's access network is unique when viewed from this perspective. Thus, it is very difficult to compare it with that of BT or other European telcos without making adjustments for the different

topologies.

Major differences also exist when comparing the cable types in the access networks of Eircom and BT. 50% of BT's access network are made up of overhead cable and the remaining 50% percent are made up of underground cable, 70% of which are duct cable. On the other hand, 70% of Eircom's access network are made up of overhead cable and only about 30% are made up of underground cable, of which 100% are duct cable.

Overhead cable is considerably more susceptible to faults, e.g. as a result of thunderstorms, lightning strikes, or traffic accidents. Consequently, this difference in topology means that Eircom is structurally at a disadvantage vis-à-vis BT, and this must be taken into account and adjusted for respectively.

C) Definition of access lines

As mentioned above, the share of digital access lines (ISDN) plays a major role in defining the number of access lines. BT's share of digital access lines comes to around 19%, that of Eircom to 6%.

If digital access lines are counted twice in determining the total number of access lines - which would comply with the current international reporting standards - Eircom's structure would also put it at a disadvantage in this comparison. ISDN access lines are more susceptible to faults, but not 100% more so than analog access lines.

Conclusions

A comparison of the companies' metrics "fault rates per 100 lines" must be adjusted for significant structural and definition-related differences. If such adjustments are not made, the comparison would deliver extremely imprecise results.

More than eight years of fixed-line benchmarking have shown that such faulty comparisons can lead to metrics differences in the order of magnitude of 125%. Unadjusted data is useless if you want to conduct a solid benchmarking analysis that identifies performance differences of +/- 20%.

A well-founded comparison of fault rate metrics requires a number of fundamental mathematical adjustments. The question must be asked, whether BT is the ideal benchmarking partner for Eircom, or whether comparing Eircom and other West-

European telcos such as TDC, KPN, Telecom Austria, or Telenor would deliver more usable data.

This memo examines the comparison of the performance parameter "fault rate per 100 lines" cited in ComReg's Consultation Paper 07/55. It does not explicitly analyze other statements or contents of the ComReg paper. The evaluation of the fault rate benchmarking comparison is based on the analysis of three selected comparison criteria. Other comparison criteria such as the benchmarking partners' size, market environment, customer density, are deliberately not examined.

If you should have any questions or require further information about this memo, please do not hesitate to contact me.

Yours sincerely,

Uli Prommer

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2 ALTO

alto

alternative operators in the communications market

Consultation on Universal Service Performance Targets

Reference: Submission re ComReg 07/55

September 2007

ALTO appreciated the opportunity to respond to the Consultation on targets for Universal Service Performance targets.

While providing the range of service products is important to the market, what is equally important is the provision of the services and timely repair when faults arise.

There is currently very significant difficulty securing quality of services in particular in the line repair area and ALTO supports efforts by ComReg to address this issue by means of establishing targets to measure the USP against.

Answers to Questions

Q. 1. Do you agree that the establishment of binding performance is justified? Please state views

Binding targets are a means of measuring the performance of the USP so that actions can be taken for continued failures to meet these targets.

Q. 2. What are your views on the establishment of different performance targets that could be established for in-situ connection and first time connections?

This is a sensible approach and allows for specific targets to be established where there is already an electronic connection present – making the connection process far easier and quicker to deliver.

Q. 3. What are your views on the values proposed for the performance targets?

The values proposed are reasonable initially, however there should be a second step added after 6 months by the increase of each stage by 5% and setting 99% to be completed by 13 weeks.

Q. 4. What are your views on the proposed targets for fault occurrence?

Fault occurrence is not only related to weather but to the condition of the network. This reflects substantially on the standard of ongoing maintenance and refreshing of deteriorating plant over a period of time. Thus to ensure that there will be an

improvement ComReg should examine these maintenance and upgrade and replacement programmes to ensure they are adequate.

The standards proposed are minimal based on where we are, indicating that more analysis is required to ensure the measures are put in place to improve the network.

Q. 5. What are your views on the proposed targets for repair times?

We welcome the move to calendar rather than working days and accept the targets proposed.

Submitted by:

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September 24th 2007

3 BT Ireland (BT)

BT Response to the Consultation on eircom's Universal Service performance targets reference 07/55

14th September 2007

Introduction

BT welcomes this important consultation into the USO service and applauds ComReg's proposals. If mandated these proposals will go some way to bringing the treatment of customers to the standard expected in the 21st Century.

Targets and Transparency

A major issue for BT is the transparency of eircoms performance as without such it is extremely difficult to determine their performance and additionally whether different providers are getting equivalent levels of service.

BT is of the view that any targets set become effective when eircom's performance is published against those targets on a very regular basis and additionally split by the performance to the downstream arms in eircom vs. other operators. This break down is provided within other domains such as the UK and provides confidence of fairness.

BT is aware anecdotally that some customers have been told by eircom engineers that their line would be fixed faster if they were with eircom. This suspicion will continue until full transparency is established.

Unit of measurement

The industry has been dogged by the 'eircom working day' for years and the apparently simple change of measuring repair performance in calendar days is very welcome and as stated aligns with customer aspirations in this century. BT proposes that in addition to this we should move to 'clock hours' for units shorter than one day as this is how the world operates and removes long periods of inactivity outside working hours with which we are currently burdened.

Enforcement

BT considers there will be little benefit in the proposals if ComReg do not enforce the changes hence a clear statement about enforcement would be welcome in the final decision.

Reference Section 7

BT considers that if eircom were to improve its fault repair performance it would remove considerable double handling and escalations that currently happen thereby using resources more efficiently for all concerned. BT agrees with ComRegs assessment in Clause 7.5 of the consultation.

Detailed Response

Q. 1. Do you agree that the establishment of binding performance is justified?
Please state views.

A.1. BT fully supports the establishment of binding performance targets as getting clear performance information from eircom is problematic and where available is not clear or measures the right parameter. BT is not alone amongst the operators in having the suspicion that eircom are giving their own downstream arm preferential treatment. Certainly anecdotal evidence from some rural customers suggests the eircom engineers tell customers they would get a better service if they stayed with eircom. The time has come to publish the figures for the performance to eircom retail vs. the rest of industry. BT expects eircom will say this is too difficult, however it is done in other places such as the UK and BT believes it is now essential to do this in Ireland to ensure equivalence.

Q. 2. What are your views on the establishment of different performance targets that could be established for in-situ connection and first time connections?

A.2. Clearly where the line is 'in-situ' and particularly where Soft Dial tone is present (i.e. there is a signal from the exchange line card to the customers premises) it should merely be an issue of switching on the line on in software. BT is aware from experience that eircom retail can switch a line on within a couple of hours, if not almost real time, whereas the OAOs have to place an order into eircom wholesale order system etc and it can take a several hours or longer for the line to be enabled. BT is of the view that there should be a separate target measurement for 'in-situ' provisions and very importantly for the purpose of transparency and to remove any hit of discrimination, eircom retail figures should be published as well as the OAO time.

We are now in the 21st century and telecoms industry is one of the most technically advanced industries and yet we can't simply switch on a telephone line. The industry should be ashamed. Targets and transparency will be a step in the right direction.

Q. 3. What are your views on the values proposed for the performance targets?

Engineering Visit.
The 2 to 4 weeks for an engineering visit for a first time connection is acceptable provided an average time is also measured which should be around three weeks

BT would suggest that from a customer perspective 95% within 8 weeks and 99% within 13 weeks to be more appropriate as it should only be cases where there is no infrastructure where provision cannot be achieved in this time.

Ref. 3.17
The proposed performance target (of 90% of installations completed by agreed date) is below the Q406 residential performance (92%) and ComReg should be proposing an improvement in performance, not degradation. BT would suggest minimum 95% for both businesses.

Q. 4. What are your views on the proposed targets for fault occurrence?

A.4 BT is aware that eircom's fault repair performance is now poor and erratic and this has led to a poor customer experience, particularly in times of poorer weather. Whereas it is acknowledged that more faults occur in periods of poor weather, and some allowance for reduced performance is acceptable in extreme weather such as floods and snow, one would have thought that a long established operator such as eircom would have developed procedures and resource levels to counter times of the year when the worst whether is expected. BT therefore agrees that it should be possible to achieve a stepped improvement year on year up to an acceptable standard. This does not appear to be happening and this could be down to various reasons such as eircom underinvestment in the network or insufficient staffing levels due to redundancy schemes etc.

BT has no confidence that eircom will attain improved service voluntarily and mandatory targets to achieve acceptable performance are required. BT agrees with ComReg's assessment and agrees with the stepped approach to targets as improvements in repair performance cannot be delivered overnight. BT agrees with the targets proposed for consumer but considers that the targets for business are not tight enough. BT notes that BT in the UK does not report faults in the same way as presented by ComReg and BT UKs performance is actually much better than suggested.

BT suggests that Business fault rates should be targeted at C.50% of the consumer faults per line per quarter.

BT truly welcomes this initiative by ComReg as repair performance is a constant is a constant frustration to BT and its customers.

Q. 5. What are your views on the proposed targets for repair times?

A.5. It is refreshing to see the ComReg approach to repair timescales for repair within standard calendar days rather than eircom working days and ComReg should be applauded for this customer friendly proposal. BT has strived to improve the SLA targets for eircom repair and whilst some progress has been made recently for LLU and WLR for an enhanced repair services at a premium price, breaking away from the measurement of the 'eircom working day' is very welcome.

BT suggests that fault repair timeframe be reported from the time the fault is logged and everything should be measured in 'clock hours' and not 'eircom working days'.

BT also considers that issues such as 'confirmed clear windows' are currently too short as it means we can't confirm fault clears if a customer is at work etc. A 24hr customer clear time would be practical.

Lastly, the whole set of procedures around eircom engineer appointments need a lot more transparency, such as when the engineer will visit so we can make sure the customer is at home. If the engineer visits whilst the customer is out, the whole process restarts and this is a nightmare for the OAO and the customer. BT recognises that some work has been progressed in the LLU discussions, but improvements are needed across the product range.

John O'Dwyer
14th September 2007
Issue 1 140907
End

4 Imagine Communications Group (Imagine)

Michelle Townsend
Commission for Communications Regulation
Irish Life Centre
Abbey Street
Dublin 1

12 September 2007

Dear Michelle,

Below please find response to questions contained in your consultation document 07/55.

Question 1
Do you agree that the establishment of binding performance is justified?
Please state views.....

Yes, we absolutely agree that the establishment of binding performance is justified. This will mean a more concrete service delivery time and ensure that the customer's expectation is met.

By introducing binding performance for Eircom, it will allow us to introduce binding performance for our end-customer.

Binding performances covering all aspects of the industry will mean a clear level playing field across the industry of service expectation allowing a more seamless service to all customers irrespective of provider. The areas of the industry that must be covered include:

- New installations
- Re-connections
- In-situ installations
- Move lines
- Temporary Off Service
- Ancillary Services
- Faults
- Upgrades / downgrades
- Billing targets

Binding performance will only work if it is meaningful and enforceable.

Question 2
What are your views on the establishment of different performance targets that could be established for in-situ connection and first time connections?..

We would be in favour of the establishment of different performance targets for in-situ / first time connections on the basis that the proposed targets are meaningful and enforceable.

We also feel that re-connections should be targeted and treated separately to first-time connections as there is considerably less work involved.

Question 3
What are your views on the values proposed for the performance targets?

In situ
We are greatly in favour of a higher target for in-situ connections. An in-situ connection is a simple electronic process. There is no need for a technician to visit site or exchange and therefore should be possible to connect within a matter of hours.

We suggest that if an in-situ connection order is delivered to Eircom before 12 midday, it should be activated on the same day and all orders delivered after 12 midday to be completed by 12 the following day.

We see no reason why this is an unattainable target and reflects the level of service a customer expects in this day and age.

If a customer contacts Eircom retail to connect an in-situ line, we believe it can be connected in a matter of hours and we feel that a similar level of service should be offered to a wholesale customer.

First time connection / reconnection

While the proposed targets would greatly improve the current situation, we feel that they are nowhere near stretching enough.

As the work involved in a first time and reconnection differs considerably we believe the targets should be treated separately.

For a first time connection we propose that 80% of connections are delivered within a 1 week time frame, 95% within 3 weeks and all requests to be met within 6 weeks.

To have a 26 week maximum lead time is unacceptable. The very concept is reflected of a tolerance for unacceptable service levels. To expect customers to wait for 6 months to receive delivery of a new line is very damaging of their perception of the industry.

We understand that a small level of connections may not be possible to be delivered as quickly due to physical constraints or geography but suggest that exceptions are dealt with on an exception basis by allowing a maximum of 5% of all line orders per quarter to be designated exceptions and therefore not subject to the binding targets. This creates incentives to move 95% of all areas into the service standards over a period of time.

Below please see analysis of the last 8 months of our new line orders below which shows the poor level of service that is currently in place.

This analysis shows that only 54% of new connections are installed within two weeks.

Bracket	Non in situ
Within 2 weeks	54%
Within 4 weeks	19%
Within 8 weeks	15%

Within 13 weeks	8%
Within 26 weeks	4%

Question 4
What are your views on the proposed targets for fault occurrence?.....

A target of 3 years to bring the network back to a better state of repair is unacceptable. It means that customers will have to live with poor quality service while this work is ongoing.

The fact that the the network has been allowed to get to such a poor state of repair is appalling. The resource has clearly not been invested by Eircoms owners to maintain a vital piece of national infrastructure which has resulted in poor quality of service for all customers.

We would expect that this would be prioritised and brought to an acceptable level much sooner than the proposed targets indicate.

Question 5
What are your views on the proposed targets for repair times?

The proposed targets certainly will improve upon the existing service customers receive based on our analysis of the last 8 months of faults. However, it is not unreasonable to expect a much higher level of faults to be resolved within 2 calendar days.

We object that the time for the fault resolution is taken from the day after the fault is logged as this essentially adds, on average, another half-day for each fault resolution.

Although we welcome improved targets for fault resolution, there is no benefit in higher targets unless the factor of re-occurring faults is taken in to consideration and we would strongly believe that any performance targets implemented should take this in to consideration.

As the current level of fault occurrence is so high we would expect that the repair times be much quicker.

For a business customer, a two calendar-day resolution time on line faults is unacceptable. For any business, their phone lines are a vital tool for calls, faxes, DSL, etc and their business is damaged without communications services.

We propose that the targets should be 80% of faults resolved within 24 hours of reporting and 90% within 48 hours of reporting.

If a customer has a recurring fault we expect fault recurrences to be given an elevated priority and resolved within 24 hours.

Below please see analysis of the last 8 months of line faults below which shows the poor level of service that is currently in place.

Bracket	Total
Within 2 working days	35.2%
Within 4 working days	20.2%
Within 7 working days	23.3%
Within 10 working days	9.8%
Within 15 working days	7.2%
Within 20 working days	1.7%
Within 30 working days	1.8%
Within 50 working days	0.6%

Over 50 working days	0.2%

Should you have any further queries please do not hesitate to contact me.

Kind regards,

_____
Kate Stokes

Dear Jean,

I am writing regarding Consultation document 0755 and would like to clarify a point on Question 3, First Time Connection, paragraph 5.

"We understand that a small level of connections may not be possible to be delivered as quickly due to physical constraints or geography but suggest that exceptions are dealt with on an exception basis by allowing a maximum of 5% of all line orders per quarter to be designated exceptions and therefore not subject to the binding targets. This creates incentives to move 95% of all areas into the service standards over a period of time. "

To clarify this point, I would like to totally rephrase the above to below:

"We understand that a small level of connections may not be possible to be delivered as quickly due to physical constraints or geography and would propose a 6 week timeframe in these exceptional cases"

I hope this clarifies our position and my apologies for this late amendment.

Kind regards,

Kate

-----Original Message-----
From: Kate Stokes
Sent: 21 September 2007 18:52
To: 'retailconsult@comreg.ie'
Subject: Response to Consultation 0755.doc

Dear Sir / Madam,
Attached please find response to Comreg consultation document 0755.
Should you have any queries please do not hesitate to contact me.
Kind regards,

Kate Stokes
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5 Consumer Association of Ireland (CAI)

CONSUMERS' ASSOCIATION OF IRELAND

CONSULTATION – UNIVERSAL SERVICE PERFORMANCE TARGETS

SUBMISSION RE: ComReg 07/55

Consumers' Association of Ireland
43-44 Chelmsford Road
Ranelagh
Dublin 6

www.consumerassociation.ie

www.thecai.ie

To independently protect, promote and represent the interests of consumers

The Consumers' Association of Ireland

14th September 2007.

Submission re: ComReg 07/55.

We are pleased to present our comments in regard to this consultation process and in response to the questions raised as follows:

Q1 Do you agree that the establishment of binding performance targets is justified?

The CAI very strongly supports the setting of binding performance targets for Eircom and any other company henceforth designated as a Universal Service Provider (USP).

As acknowledged by ComReg, Eircom have generally met guideline targets for meeting requests for a new fixed line service in 95% of cases in 2006. But based on the number complaints received by our organisation from a variety of sources, including from members and non-members, it is clear to us that those unlucky to be in the last 5% of applications for a new fixed line service bear the brunt of exposure to this company's frequently appalling standards of customer service.

For some of these long-suffering customers, many are reliant on their fixed line service for special services designed for vulnerable users, such as Community Alert. Others are reliant on a broadband service via ADSL for home working or home-based businesses. The knowledge that it can sometimes take up to a year for some new connections to be completed simply beggars belief.

Furthermore, in many of these cases, it is clear that ComReg guidelines regarding keeping the customer informed when an installation is taking longer than anticipated are a long way short of being met by Eircom. In some cases, the process is further frustrated by customer service departments not tracing or keeping records up to date of installation processes, leading to further delays and mix-ups.

It is very clear to us that without the capacity to take enforcement action in cases of "persistant failure to meet performance targets", it is unlikely that ComReg can do

much to force Eircom to take action that the company seems persistently unwilling to take independently.

Q2. What are your views on the establishment of different performance targets that could be established for in-situ connection and first time connections?

The CAI supports the establishment of different performance targets for in-situ and first-time connections. We believe the target of 24 hours for in-situ connections is likely to be acceptable to the vast majority of consumers.

Q3. What are your views on the values proposed for the performance targets?

While agreeing with the need for universal service performance targets, the CAI believes in the first instance that any target longer than 13 or 14 weeks is totally unacceptable. A fixed line service must continue to be regarded in the 21st century as a modern utility, almost equal in importance as electricity or gas. If a target of six months or a year were to be applied to new connections in either of these energy sectors, we can only imagine the intensity of the controversy that would follow.

Therefore we would like the following values to apply:

- 85% of all requests to be met within 2 weeks of request
- 90% of all requests to be met within 4 weeks of request
- 95% of all requests to be met within 8 weeks of request
- All requests to be met within 15 weeks of request.

Q4. What are your views on the proposed targets for fault occurrence?

We believe the huge rise in the number of reported faults is symptomatic of Eircom's continuing underinvestment in the underlying network. This is one of the most damaging legacies of the disastrous privatisation of Eircom and the subsequent 'musical chairs' of ownership changes that almost bankrupt the firm.

This fact is particularly regrettable given that the process of local loop unbundling (LLU) continues to move at a frustratingly slow pace. And as ComReg acknowledges, the non-availability of a working telephone services can have serious consequences for certain vulnerable users, as well as for business users.

We suspect that given the dramatic rise in fault reports and all that implies about underinvestment in the underlying network, that Eircom will probably find it difficult to improve to 15 faults per 100 lines anytime soon. Therefore we agree that the targets here seem reasonable.

Q5. What are your views on the proposed targets for repair times?

We agree 100% that the restriction to attending to working faults during the day is unreasonable given the 247 nature of the service and its use by consumers, and that targets for fault repair be expressed in calendar days.

We agree with the proposed targets for repair times but need to ask why a 100% target is not applied to *faults to be repaired by the time agreed with the customer*. Surely, in these instances, if a customer is agreeing to a time limit for repairing a fault that is not set down in ComReg's general targets for fault repair, he or she is agreeing to such a time limit as a gesture of goodwill and based on an understanding of any potential issues that might prevent a speedy repair as highlighted by the company?

In Conclusion

We believe that it is long past time where the quality of provision of a customer service such as this would be supported by measures that go beyond the norm and present an incentive to what would be a service of excellence.

Therefore, we would ask for the consideration of the introduction of a series of compensatory monetary provisions that will come into effect in the event of a default of any of the basic criteria of time-related service provisions.

We would not present any specific sums for consideration here as it would be our opinion that these should be discussed and agreed upon with the contribution of industry, business and independent consumer representatives. However, the framework of any such structure should allow for financial or credit awards to customers in the event of failure to deliver beyond set criteria and deliverables. These awards would then apply in terms similar to normal trading balances outstanding and attracting daily, monthly and increasing penalties in accordance with the level of or continuation of the failure and until its full resolution to the satisfaction of the customer.

We sincerely hope that this will be considered in line with our other recommendations as outlined above. The Consumers' Association of Ireland will contribute in any way possible to furthering the discussion or decision processes in these matters.

Prepared and presented by:

Dermott Jewell, Chief Executive and
John Cradden, Researcher

On behalf of the **Consumers' Association of Ireland**

14th September 2007.

6 Desmond Gray

Consultation Response to: 07/55 - Consultation on Universal Service Performance Targets

Desmond Gray {confidential}

This is what we should be planning for: http://www.pcpro.co.uk/news/123015/japan-building-new-internet.html

7 EJ Hynes

Consultation Response to: 07/55 - Consultation on Universal Service Performance Targets

E Jay Hynes {confidential}

Q. 4. What are your views on the proposed targets for fault occurrence? The fault occurance targets are nationally but there should be some proviso that the same lines or area are not counting for more than their share. We have a fault virtually every month on our FRA that knocks out 16 lines. Is that being counted as 1 line or 16 out of 16?

Q. 5. What are your views on the proposed targets for repair times? While a business pays the same for line rental the consequences for phone lines being out of operation are far more costly. Can you have shorter targets for business lines? A week with no phones would have us out of business. I welcome the target of 2 calender days as currently Eircom quote working days.

General info. Xtratherm employ 150 people in Ireland and 50 more in the UK. All British Isles' customers come through to our sales office in Navan. We are having such regular faults and outages with our phone lines taht we have to take the retrograde step of reinstalling PSTN and Basic ISDN lines. We have experienced more faults in the last 12 months than the 6 years before that.

8 Martin O'Connell

Consultation Response to: 07/55 – Consultation on Universal Servie Performance Targets

Martin O Connell

Customer service provided by Esat Bt is the most appauling that I have ever encountered with any service industry in Ireland or the USA where i lived for 2 years. Having dealt with 15+ members of their service team i cannot understand how this company can stay in business bar the complacency of their customers. Whilst polite, they are utterly incompetent. I understand that Com Reg is supposed to protect the consumer. I would apprecaite if you would protect me!! I don't regard comreg as having reached performance targets if you can let the No. 2 provider in this country provide such a hopeless customer care service. I think they use the excuse of blaming eircom too frequently. Martin O Connell {confidential}

9 Maurice Fitzgerald

Submission/Obversations

Following your advertisement on the Irish Examiner of the 11.08.07, pertaining to: "Reference re ComReg 07/55", I Maurice Fitzgerald, {confidential}make the following submission and observations.

(Reference re ComReg 07/55)
Q 1.
There's no point in having a regulator without legislative enforcement, guidelines are frequently ignored. Even where applicants are informed of a time frame, it's only a guess and usually massively understated.
Q. 2
All lines should be come active once connected, if infrastructure exists.

Q. 3
The performance targets are useless because they include a cop-out, where all requests can be made within 26 weeks or 6 months. This defeats the other performance targets.
Q.4
The purposed targets are a nonsense, they represent that only very small fraction of faults will be dealt with in any year.
Q.5
All repairs should be dealt with within 5 working days. The schedule has created a cop-out clause where time scales can be agreed between vendor and customer, this gives the service provide all the rope he needs.
Public Pay phones
Not all PPP (Public Pay phones) are the same. Some PPP are extremely aggressive financially and difficult to operate. They frequently have no indication as to call duration cost and run out of credit rapidly, contrary to reasonable expectation. Electronic fault repair on PPP is very slow and can take months to repair. It's well known that PPP's also subject to repeated vandalism, and efforts should be made to make them vandal proof. Where there is vandalism, priority should not be given to fix them urgently or not at all in some cases.

Maurice Fitzgerald,
{confidential},
{confidential},
{confidential}.

You may make my comments public if you wish.