

Vodafone Group response on the draft BEREC report on a consistent approach to migration and copper switch-off

28 January 2022

We appreciate the opportunity to comment on this consultation and trust that our comments are helpful to BEREC and National Regulatory Authorities (NRAs) as well as to other stakeholders. We remain at your disposal to discuss our submission to the consultation, or any other aspect relevant in the context of the latter.

To inquire about our response please contact:

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General comments

We welcome BEREC's work in this area, and the very thorough report aiming to provide an excellent overview of the landscape for copper migration and switch-off. We also welcome the proposed consistent approach on these issues. This is very valuable work and we expect it will be of use to NRAs, wholesale operators, and access seekers across the markets.

Vodafone supports the main tenets of the proposed consistent approach. The proposed approach captures the key issues and processes with sufficient clarity.

Ensuring that the rules pertaining to copper migration and switch off achieve the necessary and delicate balance between the issues affecting network operators, access seekers and consumers is of utmost importance.

We have provided some further comments below on issues that would improve and strengthen the proposed guidelines. These comments are informed by our own operational experience across several European markets.

We hope these comments will be helpful to BEREC in finalising its approach and offering its final recommendations.

Migration and switch off costs

We note that the draft report does not provide much detail on how costs will be dealt with, as this is likely to come under "specific national circumstances". More specific guidelines from BEREC to NRAs could be beneficial in this space, in particular:

- Where the wholesale provider is requiring access seekers to remove equipment and migrate services due to closure of exchanges, the costs should not be passed onto access seekers. Forced changes to the wholesale network should not result in large costs for

access seekers buying an existing wholesale service but should be borne by the wholesale provider.

- Wholesale providers should also be required to select the most cost-efficient scenarios for the migration.
- All direct migration costs per connection (one-off cost, NGA provisioning cost, CPE cost at customer location) should be borne by the wholesale provider/SMPO as the NGA migration, since they are the party with the benefit from the migration.
- Indirect migration cost of access seekers (i.e. administrative/IT cost) should be at least partially reimbursed.
- Wholesale providers should work together with access seekers to define the operational process and establish rules and criteria for cost sharing, as well as a plan for expected benefit sharing in relation to prospective reduction of wholesales services, before any migration and switch off commences.
- Wholesale providers should not impose one off switch off/migration fees on access seekers or consumers.
- Additional price regulation and new discounts on wholesale fees should be introduced to cover customers' mass migration, and for the network costs to support such migration (i.e. including new points of presence, interconnection, costs of decommissioning of co-location etc).

Switch off plans and process requirements

In relation to the development of the switch-off plans, access seekers should be able to get actively involved during the process, in particular:

- By sharing views with NRAs on significant elements of the plan (e.g. determine or even adjust target local exchanges based on collocation footprint or the availability of the alternative NGA products); or
- By raising market issues upon constantly monitoring specific parameters.

The general switch off framework and timetable should be agreed and determined within a proper market consultation with all stakeholders and within regulatory process 2-3 years before first actual migration announcements start.

Specifically, the following would be a beneficial set of prerequisites that NRAs should set prior to the switch-off process to further assist with a smooth migration for consumers:

- The NGA coverage in the merging exchange should be 100% completed (with residual FWA of ~5%) at least 24 months prior to the switch off date.
- The retail NGA services marketed should reach a minimum of 80% penetration in the central switch off areas.
- The NRA should require that all existing copper connections to NGA should be further specified to ensure prior availability of all necessary resources to cover 100% of the active connections such as ports and backhaul, in order to ensure proper customer migration and avoid any rejections on the basis of technical weaknesses or lack of available resources.

- The wholesale offers should be available during the migration phase so that an NGA product equivalent to the technical and commercial terms of the legacy copper product can be offered to all customers (starting e.g. with a low end 50 Mbit/s product).
- The wholesale operator of the copper network should provide detailed technical and design changes on both the network and active equipment level, prior to the start of the migration and switch off process.
- The NRA should establish a technical working group to agree on all network migration stages before the commencement of any migration and switch off process.
- KPIs should be set to ensure transparency and non-discrimination during the migration and switch off process.
- Where the local exchange is included in the switch off plan, but it hosts access seeker's backhaul and removal and transfer of such backhaul infrastructure would be costly for the access seeker, the local exchange should remain sufficiently active so as to allow the backhaul equipment to remain operational.

“Fault to fibre” migrations in existing fibre locations

In the UK Openreach has been implementing a “fault to fibre” process. In instances where there is a fault on the copper network and the fibre network is already available in that location, but has not been ordered by the customer, rather than fixing the fault fibre would be installed.

We support this approach in principle and this could be included in the general list of migration scenarios. However, we have found certain issues for the consumer with this process and propose that any “fault to fibre” migration adopted by wholesale operators should require the following as the minimum:

- Fibre orders must be expedited to ensure the end user's loss of service period is minimised.
- End users should not be required to pay for the upgrade to fibre which they did not order.
- A free connection to fibre and a 12-month speed uplift free, as a recompense for the delay to service restoration, delivered at a wholesale level in order to be reflected in all retail terms.
- Copper services must be properly maintained until actual migration occurs.

Cross platform switching

We have noted that certain retail contracts lock end users into long term copper services, even in areas where NGA is available. This should be discouraged, and end users should be allowed to switch providers in order to upgrade to NGA services where these are available. Flexibility in retail terms to allow for migration onto NGA should be encouraged.

Corrections to information on Greece

Please note that there are some errors in relation to Greece which Vodafone Greece has brought to our attention:

- The NRA has not yet set the rules (c.f. page 7). The NRA has completed the first stage of its consultation in relation to the migration rules, but the final position is expected to be a part of the upcoming market analysis consultation that is yet to be announced.

- Status on Greece is missing in paragraph 2.3 on page 10. Greece should be included in the group of countries (LU, MT) in which the SMPO has not yet closed MDFs, only street cabinets.
- Greece should be included in the group of countries (CH, FI, IE, ME, MT) on page 11 in which the NRA has not (yet) set rules for the migration process and copper switch-off although the SMPO has already announced that it will switch off its copper-based access network.
- On page 13, in the section about the ANO's main concerns, Greece should be added in the group of countries (ES, IT) in which access seekers have expressed the view that the SMPO shall only be allowed to close MDFs/exchanges after all end-users migrated to fibre (no forced migration).