

**Reliant Enterprise Communications Ltd Response to OUR
Comments on Consultative Document for Indirect Access**

27, June 2003

Reliant Enterprise Communications Ltd. would like to thank the OUR for the opportunity to comment on Indirect Access. We believe this type of service fosters competition and more importantly, gives consumers real choice in determining their Access Carrier for domestic and ILD.

Comments

2.12 We agree with the OUR that C&W maintains a dominant position in fixed interconnection and fixed retail services and should be required to offer indirect access to other carriers. This principle has been upheld first with the breakup of ATT and in further deregulation over the past 20 years.

2.13 We strongly disagree with the OUR that this document does not include the mobile carriers. In fact, the mobile market is twice the size of the fixed line market and alternative methods of access for the consumer is very important, and in fact, a necessity. By not reviewing this issue, the OUR is leaving out the largest retail market and thus putting the consumer and competitors at a significant disadvantage.

3.1 One of the key areas for this solution is carrier ease versus public ease. Each carrier will have to develop a policy as to how they are going to handle calls in terms of payment. If we look at the current regime, a customer has to dial 113, ten digit ICAS code then the ten digit number or more if outside North America. Depending on how alternative carriers deal with the payment issue: PrePaid, Deposits, a form of ICAS codes, etc, this is very inconvenient for customers. Dialing multiple digits is confusing and deposits limit the customer access. We do not support this methodology.

3.2 CPS is a much easier form of access for the consumer and also for the carriers. It provides choice, it should eliminate multiple digit dialing and gives alternative carriers unlimited access to the whole market based on their ability to market services. It also will provide a more competitive pricing structure to the end user as the carriers develop market share.

We also agree that if the customer does not pre-select, the dominant carrier should be the default. While some may argue that this is unfair,

we believe the competing carriers must market services aggressively and inform the public of the choices available.

6.2 We agree with the principals as detailed in this section. However, as usual, the devil is in the details.

- **First, the OUR should have C&W provide an inventory or their switches in terms of what generic is loaded and if it includes the feature set that allows indirect access/equal access. We should not be fooled that new software needs to be installed in order to comply.**
- **Next, the OUR should have a rigorous review of the cost put forth by C&W and compare them to like size networks and markets in relation to fixed line penetration. Alternatives should be put forth in terms of the most efficient way to implement such requirements.**
- **We agree with the OUR that the cost to implement the service be borne by the ANO and providers of indirect access services. However, there is danger that the incumbent might use it's dominant position to recover the cost over a longer time period. The OUR needs to take into account depreciation of the service and how it will be applied so the cost recovery is balanced over the appropriate time frames.**
- **We agree that the carriers should be free to pay the per line enabling costs on behalf of their customer and recover it in another manner. However, the OUR needs to be vigilant in terms of the dominant carrier that they do not provide their service below cost, particularly in the first 12 months when they will retain dominant market share.**
- **We agree the set-up costs should be recovered form the indirect access carriers directly, and not via interconnect charges. However, the OUR must assure the cost is reasonable and give the IA carriers the flexibility to propose the most efficient technical means to do this and not let C&W force the issue now as they do with joining services.**

Customers

The OUR should give careful consideration as to how to make this process as easy as possible. In a highly competitive market, customers may change carriers 2-4 times a year based on promotions

and pricing options. There needs to be a regime that allows the customer to change carrier seamlessly and without any undue “hassle” At the same time, flexibility needs to be given to all carriers to manage their markets in terms of customer payment, debt management and termination rules.

Implementation

It is obvious given the timeframes set out in the document that indirect access will take 9-12 months to implement. This gives the dominant carrier a huge advantage in consolidating it’s position in the market place over new entrants.

We strongly urge the OUR to implement the 800 policy as mentioned in section 3.8 immediately. In addition, C&W cannot be allowed to have the originating call sent back to them, particularly for ILD, for completion.

We agree these are two separate services and should not be linked in the long term. However, without this type of access until indirect access is implemented, competitors will be at a significant disadvantage and the consumer will have to suffer higher prices for an inordinate amount of time