



Commission for  
**Communications Regulation**

## Information Notice

### Status Update on Local Loop Unbundling - Issue 7

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## 1. Introduction

ComReg publishes status updates on Local Loop Unbundling ('LLU') to provide clarity and transparency on overall progress on LLU. In November 2006, ComReg published its sixth Local Loop Unbundling status update (Information Notice 06/61)

This latest report reflects the current status at 20<sup>th</sup> December. In addition the report provides an insight into the effectiveness of the LLU process from the submission of a wholesale order through to delivery. These statistics show up to 50% of orders failing to complete at some stage in the process. The reasons for this high level are under investigation.

The report looks at the progress in the number portability process available to customers and the volumes of orders. The status of the development of Phase 1a and Phase 2 is also addressed.

On the LLU provisioning and assurance the report demonstrates problems around the performance in both these areas and references the launch of a review by ComReg of eircom's performance.

In relation to migrations, ComReg will continue to have further discussions with eircom on this key issue. Enabling consumer choice is clearly key to a properly functioning telecommunications market. ComReg is considering and will continue to consider all appropriate regulatory approaches necessary to making progress on this issue.

## 2. Summary of general LLU Developments

This LLU update sets out the situation in relation to a number of key LLU issues, namely

- Number Portability and LLU
- LLU Provisioning and Service Assurance Processes
- Migration/Wholesale Production Combinations

Three LLU operators are actively providing LLU based services to customers, namely, BT Ireland, Magnet Entertainment and Smart Telecom.

This latest report reflects the status of each of these three areas. In addition the report provides an insight into the effectiveness of the LLU process from the submission of a wholesale order through to delivery. These statistics suggest that there is a significant problem demonstrated by up to 50% of orders failing to complete at some stage in the process.

The report looks at the progress in the number portability process available to customers and the volumes of orders. The status of the development of Phase 1a and Phase 2 is also addressed.

On LLU provisioning and assurance the report shows problems around the performance in both these areas and references further investigations by ComReg to identify the cause of the problems so that appropriate action may then be determined.

## 2.1. Number Portability and LLU (known as GLUMP)

The current version of product was always intended to be short term and transitional. Overall usage is low and has declined further in the past month. This trend is expected to reverse as Access Seekers gain confidence in the product and promote it to consumers. Access Seekers continue to have significant concerns about the current manual processes and procedures. They claim that the product is not suitable for managing significant volumes of customer orders and at least one operator has stated that improved processes with more automation are required for wider consumer promotion. These concerns and the associated risk of poor customer experience pose real challenges for the current operators and other potential entrants into the LLU arena.

Improvements to current processes are scheduled to be introduced by eircom in January 2007 with the current volume cap on throughput being removed. This is referred to as Phase 1a of the product development. While these improvements are welcome they still fall short of an automated solution. To become a fully automated process, or Phase 2, further improvements to the product will be needed. This will require eircom to implement internal system modifications for more streamlined processes

Industry is currently considering whether the revised processes (Phase 1a) are likely to be sufficiently robust for the product to be mass marketed to consumers. Eircom's contention remains that there is no need to move to Phase 2 in the immediate future as Phase 1a will cope with any volumes deriving from consumer marketing of the product. ComReg and operators are considering this position but given the long timelines suggested by eircom to implement Phase 2 (12 months) the operators have expressed a desire for the development to begin immediately in case the Phase 1a processes result in operators experiencing difficulties as order volumes increase.

eircom has committed to making detailed proposals, by mid January, on the structure of SLA's which they propose to use in support of the Phase 1a product and have also stated that January's development will result in a cycle time reduction of one day. They suggest that a further reduction of 3 days is likely, however the extent of the reduction will be considered during the first couple of months of operation of the Phase 1a product.

Industry is currently considering whether the assurances given by eircom in relation to Phase 1a will result in the delivery of the appropriate quality of service, and will consider the matter further when eircom present their SLA proposals for discussion. Operators have expressed the initial view that in the absence of the product being supported by SLA's incorporating appropriate financial incentives that they would have serious reservations regarding the deferral of Phase 2. ComReg is of the view that any SLA proposal must be robust and that trigger points for Phase 2 development should be included in eircom's proposal on Phase 1a.

Based on the level of assurance which is given to Operators ComReg will then be in a position to consider whether the proposed deferral of the previously agreed development of Phase 2 is consistent with eircom's relevant obligations.

## **2.2. Ongoing provisioning problems associated with the existing LLU product**

Delivery performance figures for November indicate that 83% of accepted orders are delivered within SLA timeframes this represents a decrease of 14% on delivery performance for October. ComReg has sought a full explanation for this significant deterioration particularly in light of the current relatively low volumes.

While the percentage of accepted orders delivered within SLA timeframes is an important indicator of the performance of the LLU product, operators are experiencing significant difficulties due to the volume of orders being rejected during the order acceptance phase and also the volume of accepted orders subsequently being deemed non deliverable.

These statistics have a major impact on the end to end performance of the wholesale product and the actual retail customer experience. Rejected and undeliverable orders also result in additional process charges being borne by LLU operators, and an increase in the lead times for delivery as orders must be resubmitted. These issues are not captured in the SLA performance figures which relate to accepted orders delivered within the SLA timeframe and do not fully reflect the end to end process.

In order to determine the level of impact that these problems are having on Access Seekers' experience of the LLU product ComReg requested the relevant metrics from eircom. The metrics received from eircom would appear to support operators concerns in relation to the numbers of orders being either rejected or deemed undeliverable. The data provided would indicate that more than 50% of orders, at various stages of processing, in any one month are being rejected or result in non-delivery of service. This trend data is represented graphically in Appendix 1. While the rejected and undeliverable percentages for each month are calculated against the total orders being processed during that month and are not based on the end to end flow of a fixed set of orders they give an accurate portrayal of the performance issues associated with the end to end delivery of the product.

While ComReg accepts that a range of factors may impact on the incidence of rejected and undeliverable orders, significant problems would appear to be associated with difficulties the operators experience in obtaining the requisite information to allow them place an order which will be accepted. ComReg is investigating the potential causes and continuing to engage with Industry and eircom to determine what action if any is appropriate however over the last number of months' progress has been slow.

Resolution of these problems will result in improvements in product delivery, reduced costs for operators and significant improvement to customer experience of the LLU product.

ComReg is also reviewing eircom processes for PSTN provisioning and repair. One facet of this review will be the performance of eircom in respect of those aspects of the PSTN processes which are relevant to the LLU product set.

## **2.3. Migrations and Wholesale Product Combinations**

LLU Access Seekers require the ability to offer consumers seamless migration to LLU based retail services from existing retail services that are underpinned by a different

wholesale product such as Wholesale Line Rental (WLR) and/or Bitstream. The availability of such a migration process is key to enabling consumer choice.

The background to the migrations issue, as outlined in previous status updates, is that LLU operators have formally submitted individual requests for migration products to eircom. ComReg undertook to monitor commercial discussions between eircom and LLU operators and wrote to all parties requesting updates on discussions. Having reviewed the updates from both eircom and Access Seekers, it appeared to ComReg that the negotiations regarding the requests for access had not progressed to any significant degree.

ComReg wrote to eircom setting out clearly and unambiguously that Access Seeker requests should be dealt with in the context of eircom's existing regulatory obligations as prescribed in Decision Notice D8/04. ComReg has since engaged in discussions with eircom regarding its LLU related regulatory obligations. These discussions are ongoing and are likely to continue early into the New Year. ComReg is conscious of the need to bring this important matter to a resolution quickly. It will provide further information as soon as it is possible to do so. Given the need for urgent progress on this matter ComReg is also evaluating all relevant regulatory approaches at its disposal.

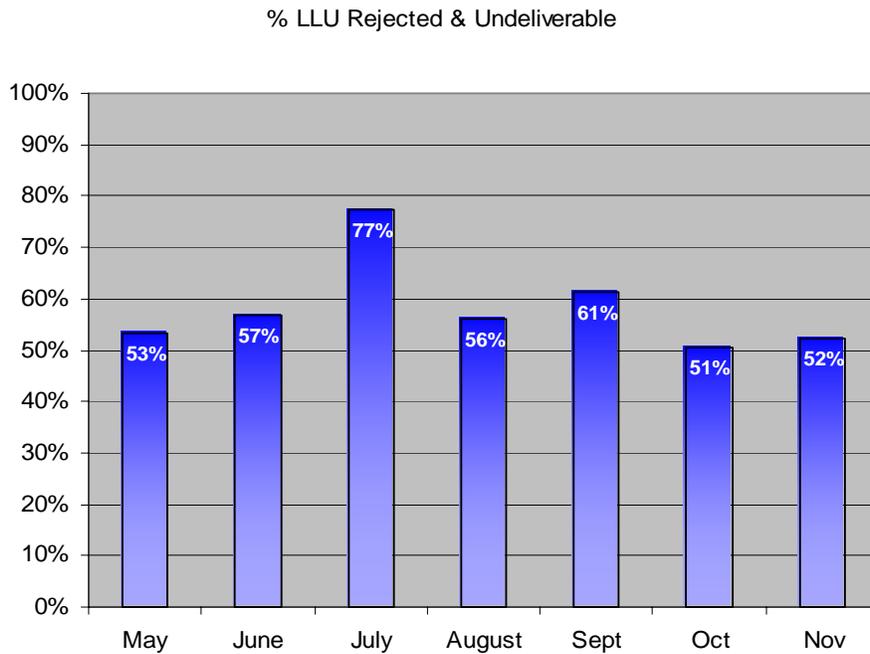
### **3. Other Issues and Next Steps**

ComReg will continue to liaise with industry on each of the workstreams above. The next status update is planned for end January 2007.

## Appendix 1: LLU Service Performance Statistics

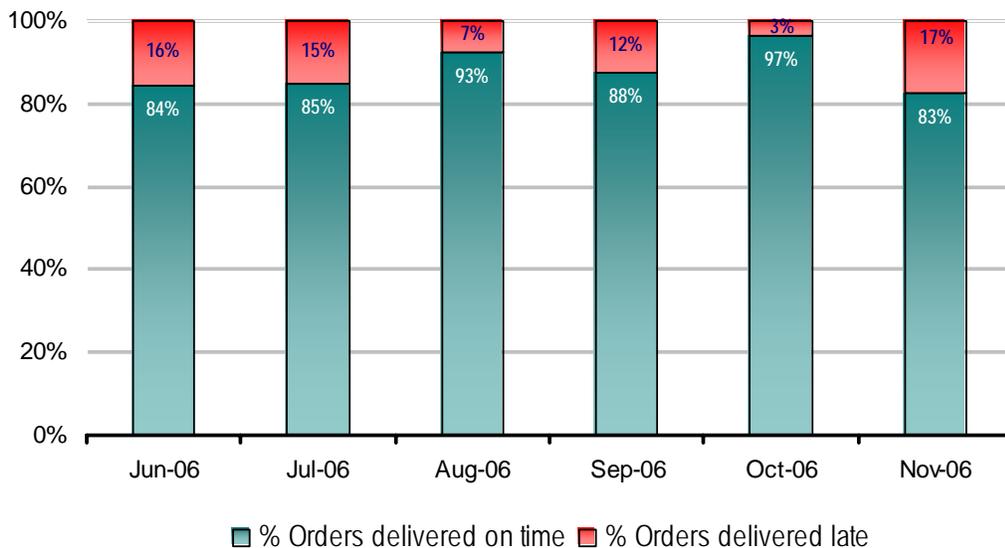
Tables 1 and 2 set out service delivery performance for LLU orders and table 3 sets out LLU fault repair performance. These figures have been provided by eircom to ComReg.

**Table 1: Monthly % of LLU orders rejected or subsequently flagged as undeliverable following order acceptance\***

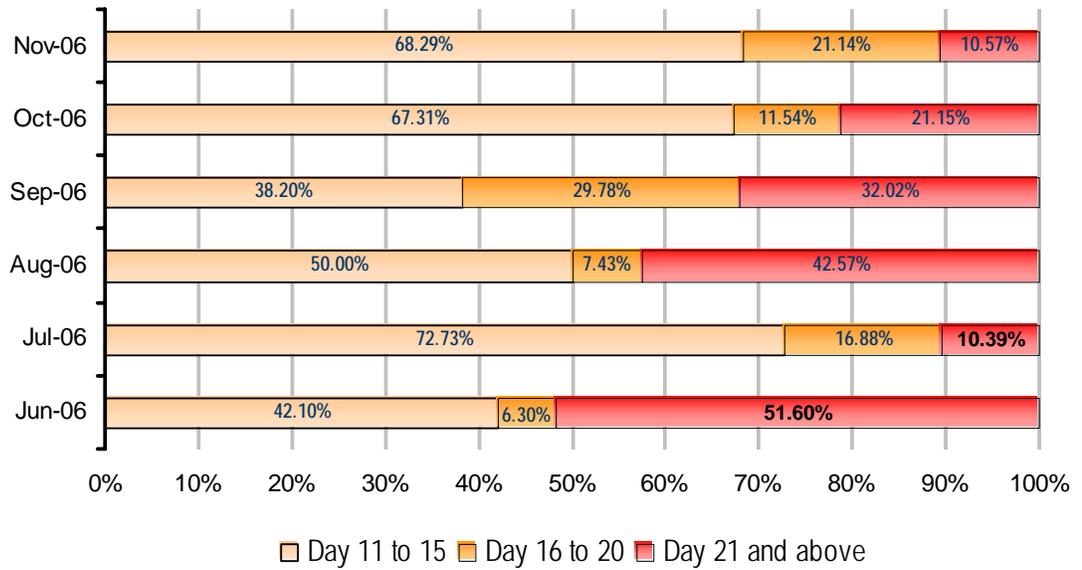


\*rejected and undeliverable percentages for each month are calculated against the total orders being processed during that month and are not based on the end to end flow of a fixed set of orders

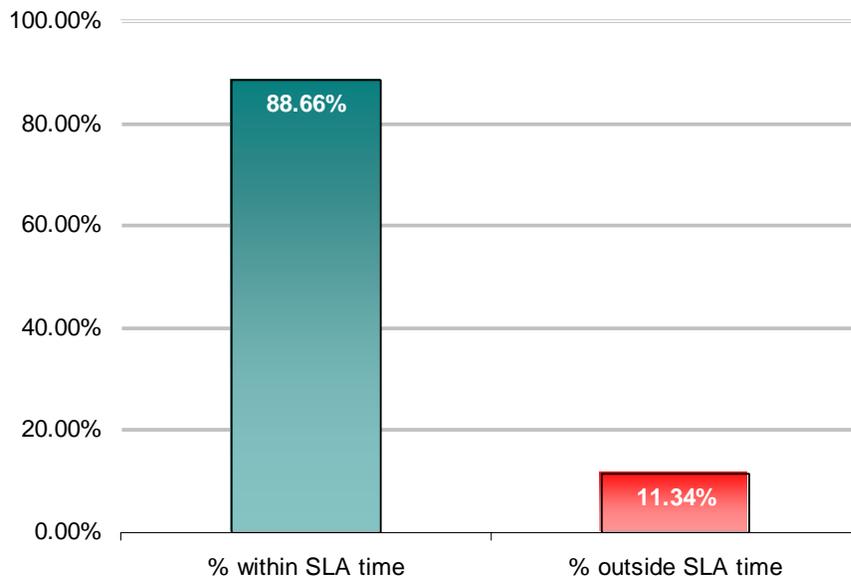
**Table 2: Percentage of accepted LLU orders delivered within SLA Timeframe**



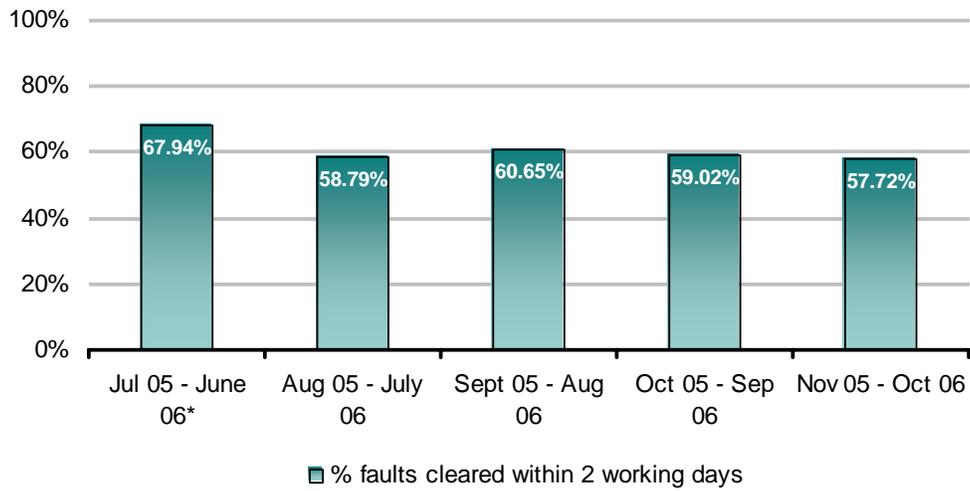
**Table 3: Of accepted LLU orders delivered outside SLA (per Table 1 equates to beyond 10 days), percentage delivered > day 11-15 day 16 to 20, day 21 and above**



**Table 4: % of Total LLU accepted orders delivered within SLA for period June – November 2006**



**Table 5: Monthly % of LLU faults repaired within 2 working days (averaged over 12 Months)**



**\* Fault management performance figures up to the period June 2006 previously showed that only 64.7% of LLU faults were cleared within two working days. eircom notified ComReg in September that it had discovered errors in the data underlying this figure and, as a consequence it has been revised to 67.94%**