

Indirect Voice Vs Direct Voice

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In the early 1990s, companies had little choice when looking for telecoms services. Since the deregulation of the telecom's market in Ireland the landscape has changed considerably. We examine how these changes are shaping the decisions of business users today, and what choices can be made with regards to the procurement of business customers' voice traffic.

The Office of the Director of Telecommunications Regulation (ODTR) introduced Carrier Pre-Select (CPS) in 2000. Operationally CPS was the easiest way to enable competition in the Irish telecommunications voice market. A customer can select an alternative operator to the local loop operator to provide standard telephony services using CPS. The CPS customer has a choice of outgoing international calls, outgoing national calls, outgoing international and national calls, or all calls.

Whichever CPS option is selected the customer retains his/her eircom line and the local eircom exchange is programmed to route the selected outgoing call requests to the other licensed operators (OLOs) network. The OLO network then takes over responsibility to connect and bill the customer for the call. Incoming calls are routed in the normal manner. You will receive two bills, one from Eircom for line rental, and one from the OLO for call charges. This is expected to change in early 2003, where you will only receive one bill for all services.

The launch of Esat Telecom in 1992 (now Esat BT) and TCL Telecom (previously sold to Worldcom) soon after saw the introduction of competition in the telecom's marketplace in Ireland and with this, business customers were offered their first taste of indirect voice services. Esat offered a service that enabled customers to traffic the voice calls over a leased line from Telecom Eireann (now eircom) and then on to the Esat network. At this time the delivery of leased lines was slow and Esat discovered another solution. Autodiallers were introduced. They were small devices which attached to the back of the



telephone, and enabled clients' telephone calls to be diverted on request through the existing Telecom Eireann lines to the Esat switch which would then complete the international call. In 1997, Esat discontinued their use of Autodiallers for new customers, and Telecom Eireann introduced a wholesale service to its competitors. This led to the introduction of the router boxes, which were fitted in the comms rooms of the respective service provider's customers. The router box would

divert outgoing calls to the carrier's exchange and then on to its final destination. This method of indirect trafficking of voice calls essentially opened the market to more carriers and raised the awareness amongst the SME and corporate customers. This method of delivery was not without its problems.

Router boxes proved to be unreliable and faults were commonplace. The router box could also be unplugged at the customer's premises, and all calls would then

automatically switch back to the Telecom Eireann network. Customers may not have realised this had happened until they received their monthly bills, and any additional savings would have been lost for that period. Call connection delays occurred due to this routing method, and the quality of the calls were questionable.

CPS was introduced to the Irish market on 1 January 2000 by the ODTR, to control and improve the quality of service to customers who wished to avail of the OLO's networks.

The Minister for Public Enterprise introduced full liberalisation of the telecommunications market in Ireland on December 1998, and the impact of liberalisation for the consumer; more choice, more operators, and more ways in which these operators could provide services. More competing offers brought lower prices, and more choice for consumers. A selection of companies offering CPS services includes Worldcom, EsatBT, RocTel, and Nevada Telecom, to name a few. It is currently estimated that there are 35 providers of CPS services in Ireland with the usual 80/20 rule applying (which is 20 per cent of CPS providers doing 80 per cent of the business).

As at the end of March 2002, there were approximately 140,000 subscribers on the CPS service. According to the ODTR consumer survey carried out in February 2002, 32 per cent of respondents are aware of CPS. In comparison 56 per cent of fixed phone customers in the UK were aware of indirect access suppliers.

So is CPS a suitable solution for the corporate customer, and when should one use CPS as a solution. A recent report was published by the ODTR. The purpose of the survey was to test whether there was any difference in the quality of telephony service experienced by the customer using eircom direct compared with the CPS service from an OLO. The two most

significant quantifiable parameters in customer call quality perception were measured. These are Post Dial Delay (PDD) and Call Completion Rate (CCR).

Overall the test results indicate no significant statistical difference in call quality between CPS and Carrier Selection (CS) over eircom. For local calls the test



results showed minor regional variations in the measured parameters, but these apply equally to eircom and the OLO. The test results displayed uniformity in relation to mobile and national calls, independent of geographical location and operator. The finding concluded that there is no evidence to suggest that there is any difference in the processing of voice calls, whether the service is offered by eircom or via an OLO using CPS.

If the call quality is not in question, what about the service level agreements? Make sure to examine these carefully as different OLO's vary considerably when offering support. Some only offer support from 9am to 5.30pm. Others offer a fully managed support service.

With new fibre rings being laid in the city by Colt Telecom, EsatBT and Nevada Telecom among others, this has led to corporate clients availing of on-net services for their voice traffic. Corporate clients are in a strong position when negotiating with the service providers, however it is important to put a business case in place, including your data, hosting, and IP requirements in order to maximise your savings. Each provider has network in varied locations; therefore on-net services are dependent on your location. If you are moving into new premises, check network availability in your location. The client could choose to use the OLO for outbound traffic and Eircom's network for inbound calls and resilience or vice versa. You will be paying for line rentals from both providers, but if resilience is a major requirement then this is the ideal solution. An example of this is a new development in Georges Quay, Dublin 2. This development is one of many 'intelligent buildings' as it has on-net facilities available from several service providers prior to any new tenants relocating. In this situation, the clients can expect

considerably cheaper costs for on-net service, as the carriers will be competing to maximise the return on their investment in the intelligent building.

With increased competition in the marketplace, and CPS technology operational, ensure you are getting the best deal from your service providers by analysing the market on an ongoing basis. Finally, ensure you are being invoiced for the correct services at the prices agreed.