

# Supplier of Last Resort Business Market Context

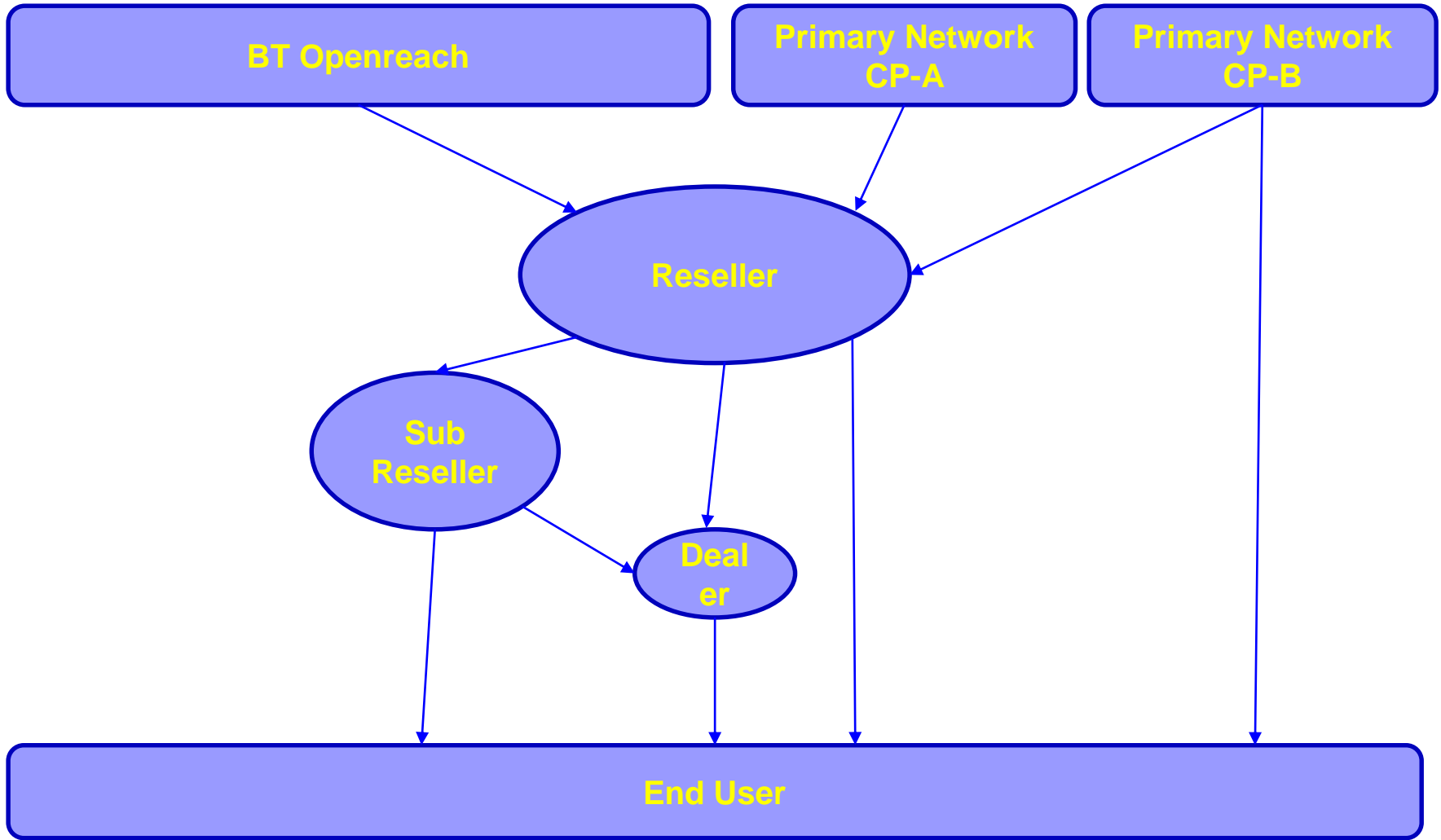


- Resellers will often procure services, concurrently, from multiple suppliers/wholesalers, including Openreach and several other Primary Network CPs.
- All of these primary suppliers have a duty of care for those End User services supplied by their downstream Reseller partners who may have to withdraw from the market at short notice (e.g. business failure)
- SOLR processes need to recognise this 'supply chain' complexity.

## CP Failure Scenarios

- There are 3 possible failure scenarios which could arise;
  - **Openreach failure** (extremely unlikely)
    - Proposal - Ofcom mandated **“Break Glass SOLR Process”**
  - **Primary Network CP failure** (very unlikely...but possible)
    - Proposal - Ofcom mandated **“Break Glass SOLR Process”**
  - **Reseller/Dealer failure** (very likely)
    - The **“Skip-One SOLR Process”** (2 variants)
      - For 'Openreach' Services – **The ”Openreach Skip-One SOLR Process”**
      - For 'All Other' Services - **The ”Standard Skip-One SOLR Process”**

# Business Market – Typical supply chain set-up



# Failure Scenarios



Situation	Process
Openreach Failure	CP Specific Ofcom “Break Glass” Process
Primary Network Failure	CP Specific Ofcom “Break Glass” Process
Reseller Failure	For Openreach Services, the “Openreach Skip One SOLR Process” For Other Services, the “Skip One Process”
Sub-Reseller Failure	The Reseller follows the “Skip One Process” i.e. the SOLR Process for the dealers and End Users
Dealer Failure	The sub-Reseller or Reseller follows the “Skip One Process”

# Proposed SOLR Processes

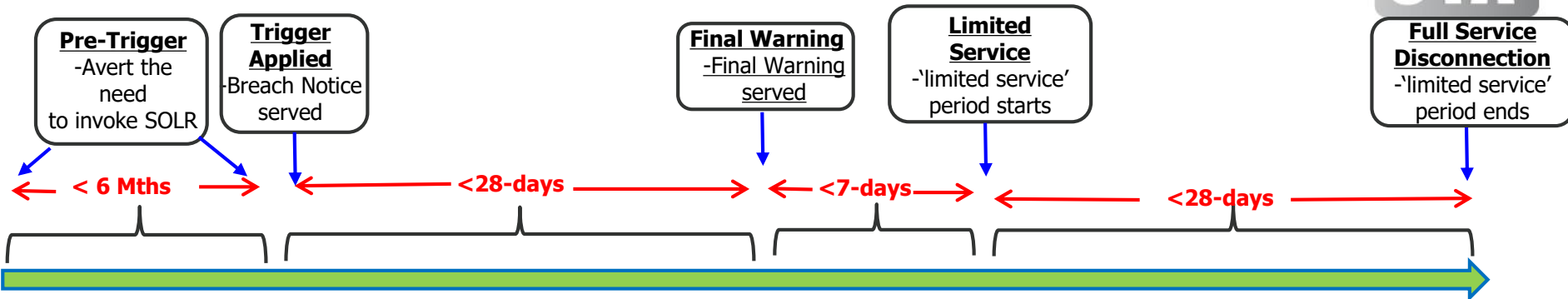


- **“Break Glass SOLR Process”**
- If Openreach or one of the Primary Network CPs such as TalkTalk, Vodafone or Gamma fail, this would trigger a pre-prepared, Ofcom-mandated, contingency plan - (yet to be developed/established)
  
- **“Standard Skip-One SOLR Process”**
- As agreed (at CSIF) to date – next slide refers
  
- **“Openreach Skip-One SOLR Process”**
- To be based on “Standard Skip One SOLR Process” modified to be compatible with the Undertakings/Commitments. (yet to be agreed at CSIF)

# Standard “Skip-One SOLR Process”

## Generic Process & Key Stages

OTA<sup>2</sup>



### Scope & Objective

- To protect End Users where a CP within a given supply chain becomes distressed & is at risk of ceasing their supply of services to other dependent CPs & ultimately their End Users.
- Guiding principle is that the CP (i.e. **the “Controlling CP”**) who is directly upstream of the **“Distressed CP”** will undertake their best efforts to maintain service continuity to any downstream/dependent CPs & their End Users, with particular emphasis on protecting vulnerable End Users.
- There may be more than one **“Controlling CP”** immediately upstream of a given **“Distressed CP”**
- It is assumed **the “Distressed CP”** in question has been unable or unwilling to sell on their customer base, potentially negating the need to use the “Skip-One SOLR Process”
- This guide explains how **“Controlling CPs”** should act where one of their dependent CPs becomes distressed, to ensure consistent and appropriate steps are taken across industry.
- **N.B.** If a CP enters into legal administration then a separate Insolvency process will supersede the Skip-One SOLR Process although the administrator may still choose to liaise with **“Controlling CPs”**

### Stage 1 - Pre-Trigger – Identify & Assess the risk of CP Failure

- **“Controlling CPs”** should be constantly vigilant in proactively assessing the risk of business failure amongst the community of dependent CPs they supply services to. (e.g. potential Breach of Contract)
- **The Controlling CP of the potentially Distressed CP** should attempt to identify & contact all downstream dependent CPs to alert them to the risk ( i.e. **“Skip” the Distressed CP**).
- The primary aim at this point would be for the Controlling CP to start developing a comprehensive inventory of all downstream dependent CPs & End Users likely to be effected.

### Stage 2 - Executive Authorisation

- Executive Authority within **the Controlling CP** to be secured to initiate the Skip-One SOLR process

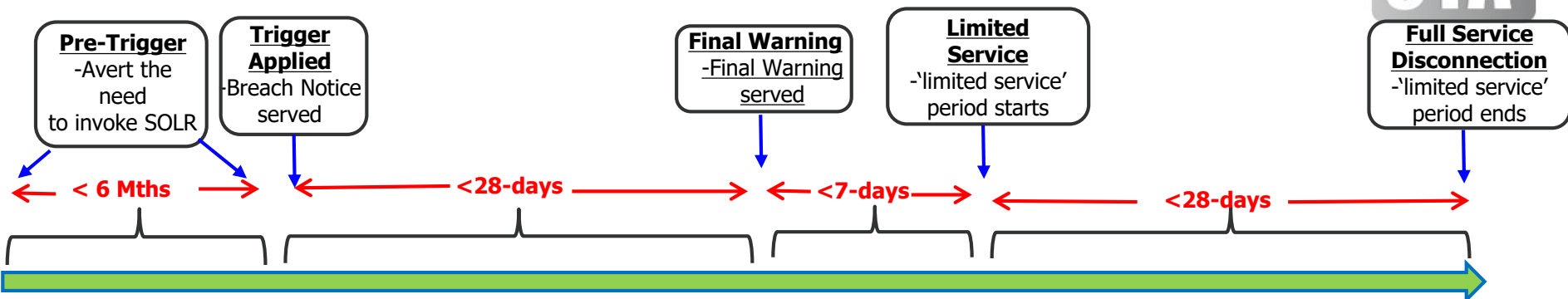
Key Stages

# Standard "Skip-One SOLR Process"

## Generic Process & Key Stages

OTA<sup>2</sup>

**Full Service Disconnection**  
-'limited service' period ends



### Stage 3 - Initiate immediate End User Risk Assessment

- Using all available means (e.g. DQ & 999 information) & with the co-operation of all downstream dependent CPs, the Controlling CP should strive to develop a comprehensive inventory of all End Users at risk
- Vulnerable/sensitive End Users to be separately identified.
- Vulnerable End Users to be shielded from the effects of any potential service suspension and/or ETCs

### Stage 4 – Trigger the process - Breach notice served (<28 days)

- Notification timelines are illustrative and could vary depending on individual contract arrangements
- The Distressed CP is encouraged to remedy their situation by establishing alternative supply arrangements where possible.
- Informal guidance should be made available to downstream dependent CPs impacted (e.g. to secure alternative supply arrangements)

### Stage 5 - Final Warning served (<7 days)

- Notification timelines are illustrative and could vary depending on individual contract arrangements
- Final Warning sent if the breaches are not remedied
- Ofcom notified of impending Service Interruption to End Users (i.e. Courtesy call)

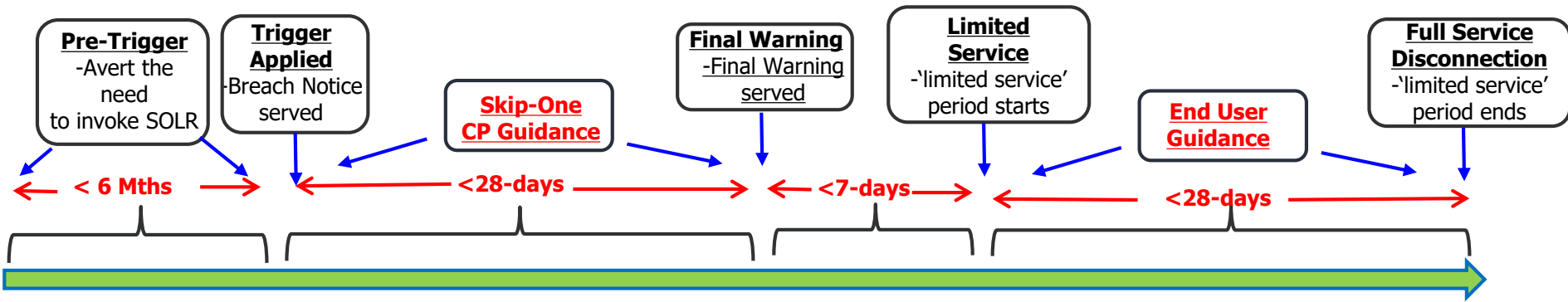
### Stage 6 - Limited Service period commences (<28 days) (Excluding vulnerable EUs).

- Notification timelines are illustrative and could vary depending on individual contract arrangements
- Level of service restriction applied is subject to CP capability (and discretion) as it may not have been possible to identify all downstream dependent CPs & End Users likely to be impacted.
- Voice Service – Restricted service applied (except 999/112/18000 outbound) for all End Users identified from previous data collection effort. This service restriction is designed to prompt End Users to contact their CP to either restore service or otherwise be advised of their options for securing alternative service arrangements.
- Broadband Service – Restricted service applied (e.g. referral landing page giving End User guidance on steps to take) for all End Users identified from previous data collection effort.

Key Stages

# Standard “Skip-One SOLR Process”

## Generic Process & Key Stages



### Key Stages

#### Stage 7 - End User Guidance

- During 28-day window, End User inbound enquiries are channelled directly to the Controlling CP’s nominated Front line support team (where this is possible) or End User prompted to contact their supplier when service is restricted, to seek guidance.
- End Users offered explanation behind service suspension & guidance given regarding alternative options available.
- Additional attempts made to contact any other End Users, especially vulnerable End Users, who have not already been contacted (where there is a complex value chain it may not be possible to identify who the end users/Reseller/CP are downstream of the “Distressed CP” in the value chain and so, as such, the ability to contact those impacted may be severely limited)

#### Stage 8 - Full Service Termination (28-day period ends)

- Notification timelines are illustrative and could vary depending on individual contract arrangements
- Full & permanent service disconnection enacted for all End Users