An open letter to Digital Region

Dear Digital Region,

As a small business owner in Sheffield I feel I can no longer remain silent on the issue of Digital Region, having now had first-hand experience of trying to connect to your services and in looking at becoming a Digital Region ISP.

Please do not mistake this as an attack upon Digital Region, or that I/we do not want it to succeed – we want to see Digital Region become a success, but feel things are currently very wrong at all levels.

Our experience of Digital Region

Our recent experience as a consumer, in summary:

- Service ordered on 26th April 2012
- Activation date (for Monday 14th May 2012) eventually provided to us on Friday 11th May 2012
- No modem was sent in time for activation date
- The activation date comes and goes, our existing DSL service still works
- The next day our DSL service is disconnected at the exchange as part of the provision of Digital Region. We had to collect our own modem from the Digital Region offices.
- After many calls, our service will not be functional until 18th May 2012 at the earliest. This is apparently down to BT – but we had to push and push to get any progress made, it should not be this way.

Our experience as a company looking to offer Digital Region services is not much better, in the early days it took months to obtain an NDA (Non-Disclosure Agreement) and pricing. Recently we have requested updated pricing to cover the 80/20 and "max" products – we are still waiting.

What is wrong for consumers?

As things currently stand, Digital Region is not a viable alternative for either residential or business users to the likes of BT (and ISPs using BTwholesale), Be (Telefonica), Sky, TalkTalk or Virgin.

The service cannot currently be provided reliably, a great number of the few connections actually live have experienced problems during the provisioning process.

The attitude of the Digital Region contractor (Thales) is also at odds with the typical user of the services, the early adopter "power user" – this has recently resulted in at least one user being threatened with disconnection from the service if they dare to use their own modem (I believe this has since been resolved). The reason for using their own equipment is down to the supplied Cellpipe 7130 modem. It provides no information about the connection to users. They cannot see any

statistics about their line, or even their connection speed – this is vital information for enabling QoS (Quality-of-Service) on a network to make best use of the service. The other side of this is that users do not know if they are actually getting the service they have paid for and it also means users of the new "max" rate products that are on short lines cannot fully utilise the product as the Cellpipe is not capable of the speeds that can be attained on shorter line.

These problems are actively making potential customers think twice about connecting to the service.

What is wrong for ISPs?

We feel that Digital Region is also not currently viable from an ISP perspective; a number of things are seriously holding it back:

1. Automation – As things currently stand the systems for ISPs to work with Digital Region are non-existent compared to the alternatives. There are over 40,000 students studying at university in Sheffield alone. There is no excuse for a comprehensive API (Application Programming interface) not being available to ISPs for provisioning and managing services. One of the many computer science graduates could fill this role and have a workable system within a very short period of time.

   Any business serious about having other people sell their service products for them would have developed an API whilst the physical roll-out was happening if not before for key elements. That this has not happened, to me suggests that the contractor was not concerned with actually selling services on the network.

2. Cost – For a service that has very poor take-up the costs for new ISPs are prohibitive. The large four-figure setup cost for a 1Gbit interconnect and the five-figure per year cost for it are frankly ludicrous when an ISP can go to an alternative provider who can provide access to:

   a. Openreach Services (including FTTC/FTTP)
   b. Telefonica Wholesale (The Be network)
   c. TalkTalk Business (Wholesale arm of TalkTalk)

   For the same large four-figure setup fee, this same company would provide five 1Gbit interconnects, with no on-going rental. Not only that, they would provide them in the most useful locations to any ISP, at datacentres in Manchester and London – removing a large cost burden for any ISP wishing to make full use of services and provide an acceptable network quality.

   Those same five interconnects for Digital Region would cost a reasonable five-figure sum in setup costs and a large five-figure sum per year in rental. This is a plainly ridiculous situation for a network with practically no customers. What needs to happen right now is that the fees need to be:

1. Reviewed – For the long-term they need to be reviewed to a level that befits the bandwidth that customers are likely to use on a faster service, 1Gbit ports are not going to take many customers. 1Gbit ports do not cost the four-figure sum to setup that Digital Region are charging.

2. Removed – In the short-term they need to be removed or rebated i.e. For each tail connected you get £x back from the setup and £y off the rental. Or better still, just remove them for the first 12 months of the interconnection, half price for the second year and then full price for the subsequent years.

I am aware that fractional ports are available – but a 100Mbit port is of little use on a service that offers products with peak throughput of over 100Mbit/s on the max products.

I know some will consider this cut in revenue as a dangerous thing, it is not. If you remove the barriers to entry then local businesses will take up these services and be able to sell them effectively.

As the saying goes, even 10% of something is better than 100% of nothing. Digital Region is in the nothing category in terms of revenues right now in relation to the money spent.

3. Insight and visibility – As things currently stand ISPs have no visibility in to the network. They do not know if a line is connected correctly, what rate it is connected at, if there are any errors on the line, if interleaving is turned on, what VDSL profile it is using, any Openreach engineer notes etc. They are also unable to perform or order any testing on lines from their systems.

   The only way they can find out any of this information is either:

   1. From end-users themselves if they replace the supplied modem.

   2. By calling the Digital Region NOC (Network Operations Centre).

   Neither of these are an acceptable way of dealing with any of the above, they are either embarrassing in the first instance, or time-consuming in the second instance. Time = money, again putting off potential providers of services.

4. Too late – As things currently stand Openreach now have products that match what Digital Region can offer, or even exceed with the impending launch of the FTTP 330/20 & 330/30 services. Unless Digital Region embraces ISPs and end-users and starts to innovate it is going to fail. Failure is not an acceptable option for the tax-payers of South Yorkshire.

What can be done?

Things need to change fast, otherwise in excess of £90m is going to be wasted or sold off for pennies on the pound (we understand this process is underway). It would be a disaster for all stakeholders if this happens and the network no longer belongs to the stakeholders in South Yorkshire.

Digital Region could be a huge economic benefit for South Yorkshire, but only if those involved in running it are willing to listen and act fast.

Based on our experience and the experiences of others, the following things need to change:

1. Automation – In the grand scheme of things this is a trivial problem to solve by recruiting developers, not only will it benefit ISPs it will also reduce the burden placed upon the Digital Region NOC. All the tools to provide information ISPs need to effectively run first-line fault diagnosis are built in to the equipment used to provide the network.

   Digital Region should look to mimic the API interface that Openreach/BTwholesale provider to ISPs, this will ease the burden on them for developing systems to provide and maintain services and to provide timely information to customers. For example, less than one business-day's notice for disruption to a company's Internet service in the age we live in is not an acceptable level of service and damages the ISPs working hard to make Digital Region a success.

2. Attitude – The Digital Region contractor needs a wholesale change in attitude, they should be embracing the "power users" who wish to use their own equipment for connecting to the services. At the end of the day Digital Region is a higher-end product which will inevitably attract these users, embrace them, work with them and use their knowledge and experience to make the product better.

   If the early adopters are kept happy then they will be the evangelists that Digital Region will need if they are to get people away from their BT, Sky or TalkTalk bundle products.

3. Oversight – Digital Region need to gain control of their contractor and take charge of the project. If they do not have the technical skills to do this, they need to recruit them or better still form a *small* oversight panel – there is a wealth of talent in South Yorkshire. I am certain many in the industry within South Yorkshire would give a small amount of their time freely to this if they believed it would make a difference and regain control of this project for the benefit of South Yorkshire.

4. Cost – Drop the barriers to entry, the interconnect setup and recurring costs are killing the project right now and they are not offset by the tail costs. The tail costs are high considering the cost of interconnects. The interconnect fees are a large fixed cost that has to be carried whilst the ISP has no customers (and given the problems getting customers connected, this is a major issue).

Getting customers paying for the tails is the name of the game, this will bring in more revenue than charging for interconnects ever will.

5. Innovation – Right now 80/20 products are available to almost two-thirds of the country via Openreach, including a large amount of South Yorkshire. Some of these can get FTTP products, which will soon include 330/20 and 330/30 products – these will be available via the names users are used to dealing with and trust; BT, Sky, TalkTalk etc. Very shortly any area with Openreach FTTC will also be able to order FTTP "on-demand" as well.

   If Digital Region is to survive we need more innovative products such as FTTP provided from the cabinet or free WiFi from every cabinet. Limit people to 64kbit/s, enough to quickly check email and Facebook, then if they sign up to a Digital Region ISP they can use their same login details to login to the WiFi and get 1 or 2Mbit/s.

   Innovation is what will keep Digital Region alive, it is not enough to offer what everyone else is offering – everyone else is already established, trusted and well entrenched with users.

In summary

Things are not working as they are, things need to change fast. If they do not then the damage to the region will take many years to repair, South Yorkshire will forever have the failure of Digital Region mentioned whenever it is written about in any sort of High Technology context.

There is enough talent within South Yorkshire to rescue this product and the investment that has been made by all stakeholders without selling the network off to a private company for a discount price.

What is needed now is the will to make the changes needed and to drive the project forward. I sincerely hope that will is there and that Digital Region can be the network it promised to be and help South Yorkshire show the UK how great we can be.

Yours faithfully,

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