



Key Performance Indicators (KPIs) for Wholesale Services Instructions

Report for Zain Jordan on responses to public
consultation document

6 December 2024

1. Summary of response

Zain Jordan has engaged Aetha to review stakeholder responses to the TRC's Consultation Document on Key Performance Indicators (KPIs) for Wholesale Services. This document provides our feedback on the proposed KPI framework, aligning with stakeholder positions where appropriate and building upon the arguments we presented during the initial consultation phase.

We broadly align with the views and concerns of the other consultation stakeholders. In particular, we note the following areas of alignment:

- **Service-specific metrics:** In its response to the consultation, Orange emphasises that the TRC should identify specific KPIs and target values tailored to each service rather than applying a generic framework. We fully support this position and reiterate that KPIs should align with the specific operational realities of services outlined in Reference Offers. Generic frameworks risk being overly prescriptive or misaligned, potentially leading to inefficiencies and higher operational costs.
 - Tailored KPIs, on the other hand, allow for more meaningful performance assessments that reflect the unique demands of different wholesale services. By addressing the operational nuances of each service, a tailored framework ensures KPIs are actionable and relevant, promoting a more effective regulatory oversight process.
 - This service-specific approach also aligns with best practices from other countries. In particular, we reiterate that international experience supports the following ideas:
 - There is no need to impose KPIs for service categories other than Traffic Conveyance Service, Local Unbundling Access Services, Bitstream Unbundling Access Services, and Leased Lines.
 - The KPIs should refer to service orders contemplated by each individual Reference Offer and be relevant to business issues faced by purchasers of the service.
 - The KPIs can focus on a short list of a subset of Reference Offer service orders which are of most relevance to purchasers of wholesale services.
- **Proportionality of KPI requirements:** Both Orange and Umniah stress the importance of a balanced approach to KPI obligations. Umniah emphasises that external factors, such as third-party delays, should not unfairly influence performance assessments. Similarly, Orange highlights the significant costs of implementing the proposed KPIs. We agree that the TRC should adopt a more proportional and efficient KPI framework that minimises unnecessary regulatory burdens while focusing on metrics that genuinely support market efficiency and consumer benefit.
- **Existing service level offers:** We agree with Orange's observation that the service level offers (SLOs) of the Designated Operator already exist as annexes to Reference Offers. As such, they are required to be incorporated into wholesale contracts between the supplier (a Designated Operator) and the customer (typically another Licensed Operator). The TRC already possesses the authority to request reports on the performance of these agreements. Therefore, introducing new obligations would duplicate existing mechanisms and unnecessarily increase complexity.
- **Citing Best Practices:** Orange has also called for the TRC to explicitly reference the sources of best practices and international standards it claims to draw upon. We support this position, as transparency regarding benchmarking and best practices will enhance the credibility and clarity of the KPI framework.

- **Publication of KPIs:** We agree with the concerns raised by Orange regarding the TRC's discretion over KPI publication. It is essential that the TRC avoids total discretion in determining which KPIs to publish. Any publication framework should be guided by clear, objective, and pre-defined criteria, plus stakeholder input, to prevent misuse of information or the creation of competitive imbalances.
 - As we noted in our initial report, the decision on which KPIs to publish should also be taken before the results are known.

In conclusion, we align with Orange and Umniah's concerns and emphasise the need for a tailored KPI framework. A one-size-fits-all approach risks being ineffective and burdensome; instead, KPIs should be designed to address the specific operational realities of each. Refining the KPIs will promote fair competition while supporting efficiency in the wholesale markets.

In the next sections, we cover each area of interest in more detail, building on our initial response.

2. Service-specific metrics

The TRC proposes 16 KPIs for each "Service". In our original report, we have called this a "generic" matrix because the number of KPIs is the same for each "Service". Thus, a local loop unbundling "Service" will be required to have the same KPIs as a voice interconnection "Service".

In its response to the consultation, Orange emphasises that the TRC should identify specific KPIs and target values tailored to each service rather than applying a generic framework. In addition, Orange suggests that the specific KPIs are best left to the industry to define:

"(...), Orange would just reiterate that the identification of specific tasks, their definition and specification, along with KPIs and target values, are best left to industry to define. Should these KPI Instructions proceed, Orange suggests that the TRC consult with the Designated Licensee to agree appropriate KPIs and target values, as it does today in approving the detail of a RIO."¹

We fully support Orange's position. The draft version of Instruction applies a uniform set of prescribed indicators across all services, using identical target values. This approach fails to account for the specific requirements of access seekers for different services, thereby diminishing the effectiveness of these indicators.

As emphasized in our previous report, the European Commission's 2021 survey of KPI monitoring practices highlighted Hungary's approach², where KPIs are service-specific and tailored to Local Loop Unbundling, VULA, and central broadband access. The Hungarian model reinforces our arguments that:

- There is no need to impose KPIs for service categories other than those listed in the table at the start of this section (Traffic Conveyance Service; Local Unbundling Access Services; Bitstream Unbundling Access Services; Leased Lines)
- The KPIs should refer to service orders contemplated by the Reference Offer and be relevant to business issues faced by purchasers of the service. For example, the Hungarian list above contains:

¹ Orange response to TRC consultation: Key Performance Indicators (KPIs) for Wholesale Services Instructions, 17 October 2024, page 14

² European Commission, '[Recommendation on relevant product and service markets within the electronic communications sector susceptible to ex ante regulation](#)', 11th February 2003. Revised on 17th December 2007, 19th October 2014 and 18th December 2020.

KPI for “*supply time for change of wholesale service*”. To achieve the same effect, the TRC’s generic matrix approach relies on the Reference Offer containing a price for an order for “*change of wholesale service*” (for example, a speed upgrade from 100Mbps to 200Mbps). The Reference Offer Zain has seen does not contain any such type of order. So, this KPI will not be able to be measured.

- The KPIs can focus on a subset of Reference Offer service orders which are of most relevance to purchasers of wholesale services.

3. Proportionality of KPI requirements

Both Orange and Umniah stress the importance of a balanced approach to KPI obligations. Umniah emphasises that external factors, such as third-party delays, should not unfairly influence performance assessments:

“The designated licensee should not be held responsible for delays arising from factors beyond their influence. Consequently, certain circumstances affecting the timely delivery of services may be outside the Designated Licensee’s control. The following examples can be highlighted:

- *Situation where external entities, such as municipalities, landlords, or utility companies delay necessary permissions for access to service installation*
- *Cases where the other licensee is not ready for installation or delays the process by failing to provide access or necessary information (...)*³

Similarly, Orange highlights the significant costs of implementing the proposed KPIs:

*“The Orange Fixed wholesale product ordering and assurance system is a manual one. To implement the KPI reporting proposed in the consultation would impose significant costs on Orange Fixed, and impose a material impediment to the wholesale operations, hampering its ability to compete. These costs would need to be recovered through charges on wholesale products with a resultant increase in prices to end-users.”*⁴

We agree with both of these comments and stress the importance of using a proportional and efficient regulation framework. Such an approach should aim to minimize unnecessary regulatory burdens on operators. By focusing on metrics that genuinely enhance market efficiency and deliver tangible benefits, the framework can ensure that resources are allocated effectively to improve service quality, promote fair competition, and drive sector growth.

4. Existing service level offers

In its response, Orange notes that it already provides service KPIs and SLAs within its RIO:

“Quality of service and non-discrimination are at the heart of Orange’s commercially offered Reference Interconnect Offer 2003 (RIO).

³ Umniah’s comments on the Draft Instruction for Key Performance Indicators (KPIs) for Wholesale services”, Page 2

⁴ Orange response to TRC consultation: Key Performance Indicators (KPIs) for Wholesale Services Instructions, 17 October 2024, page 14

The Service Level Offer continues to detail specific delivery and fault repair response times and accompanying penalty payments or credits payable by JT in the event that it fails to meet the agreed KPIs.

The current RIO, and all updates or new RIOs, such as the new Wholesale FTTx Access Reference Offer (RIO), are required to be presented to the TRC for its review and acceptance. Orange considers that this is the proper place to consider adjustments to service KPIs.”⁵

We agree with Orange’s observations that the Service Level Offers (SLOs) of Designated Operators are already included as annexes to Reference Offers. These annexes, which are binding parts of wholesale contracts between suppliers (Designated Operators) and their customers (typically other Licensed Operators), define clear performance standards and remedies. The TRC has established mechanisms for monitoring compliance with these agreements, with the authority to request performance reports as needed. Therefore, introducing new obligations would duplicate existing mechanisms and unnecessarily increase complexity.

5. Citing best practice

In its response, Orange states the following:

“Orange requests that the TRC share its sources of best practice and international standards.”⁶

We fully support this position, as transparency in benchmarking and alignment with best practices enhance the credibility and clarity of the KPI framework. Clear documentation of benchmarks and best practice considered fosters trust and ensure fairness in how the Instruction is developed.

6. Publication of KPIs

In its response, Orange raises some concerns about the TRC’s right to modify the KPIs at a later date:

“Orange notes that the TRC proposes to have the right to modify the KPIs detailed in Annex A and any other requirements within the Instructions. If these Instructions were to prevail, and if there were any Designated Licensees to whom they might apply, Orange would propose that any such future changes to the Instructions only be implemented following a specified introductory period and consultation held by the TRC with stakeholders.”⁷

We share Orange’s concerns regarding the TRC’s discretion over KPI modification. To maintain fairness and transparency, TRC’s future decisions should be guided by clear, objective criteria and stakeholder input, avoiding risks like competitive imbalances or misuse of information. As noted in our initial report, publication decisions in particular should be made before results are known to ensure impartiality and build trust in the regulatory process.

⁵ Orange response to TRC consultation: Key Performance Indicators (KPIs) for Wholesale Services Instructions, 17 October 2024, page 15

⁶ Orange response to TRC consultation: Key Performance Indicators (KPIs) for Wholesale Services Instructions, 17 October 2024, page 19

⁷ Orange response to TRC consultation: Key Performance Indicators (KPIs) for Wholesale Services Instructions, 17 October 2024, page 20



Aetha Consulting Limited
24 Hills Road
Cambridge
CB2 1JP
United Kingdom
+44 1223 755575
enquiries@aethaconsulting.com
www.aethaconsulting.com

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