

A1. Legal instruments

NOTIFICATION OF OFCOM'S DECISIONS TO: DESIGNATE UNIVERSAL SERVICE PROVIDERS UNDER REGULATION 3(7) OF THE ELECTRONIC COMMUNICATIONS (UNIVERSAL SERVICE) REGULATIONS 2018 AND SECTIONS 66(8) OF THE COMMUNICATIONS ACT 2003; SET, MODIFY AND REVOKE UNIVERSAL SERVICE CONDITIONS UNDER SECTIONS 48(1), 48A(6), 48C(2), 67, 68(3) AND (4) OF THE COMMUNICATIONS ACT 2003; AND GIVE DIRECTIONS AND APPROVAL UNDER SECTIONS 49, 49A(6) AND 49C(2) OF THE COMMUNICATIONS ACT AND UNIVERSAL SERVICE CONDITIONS F.3 AND I.1 OF SCHEDULES 1 AND 3

Background

1. On 28 March 2018, the Secretary of State, in exercise of the powers conferred on him by section 65 of the Communications Act 2003 (the “**Act**”), made The Electronic Communications (Universal Service) (Broadband) Order 2018 (the “**Order**”).¹ The Order sets out the scope of the universal service in respect of broadband and provides that affordable broadband connections and services must be made available to all eligible End-users in the United Kingdom (the “**USO**”).
2. Under section 66 of the Act, the Office of Communications (“**Ofcom**”) may make provision by regulations for the designation of persons to whom universal service conditions are to be applicable (the “**Universal Service Providers**”). Ofcom has made The Electronic Communications (Universal Service) Regulations 2018, which set out the procedure for designation of Universal Service Providers (the “**2018 Regulations**”).²
3. On 5 December 2018, pursuant to section 66 of the Act and Regulation 3(1) of the 2018 Regulations, Ofcom proposed to designate BT and KCOM as the Universal Service Providers who would be responsible for the provision of the USO, and to impose universal service conditions, directions and approvals under sections 45 to 47, 48A, 48C, 49, 49A, 49C, 67 and 68(3) and (4) of the Act to apply to the Universal Service Providers.³
4. Ofcom received many responses to its proposals set out in the December 2018 Consultation and has considered all representations made to it. The Secretary of State has not notified Ofcom of any international obligation on the United Kingdom for the purposes of sections 48A(6)(b) and 49A(6)(b).

¹ The Order is available at <http://www.legislation.gov.uk/ukxi/2018/445/contents/made>.

² The 2018 Regulations were set out at Annex 5 of Ofcom’s consultation entitled “*Delivering the Broadband Universal Service: Proposals for designating providers and applying conditions*” (the “**December 2018 Consultation**”).

³ The December 2018 Consultation is available at:

https://www.ofcom.org.uk/data/assets/pdf_file/0024/129408/Consultation-Delivering-the-Broadband-Universal-Service.pdf.

Decisions

5. Ofcom has decided to designate the following persons as Universal Service Providers under Regulation 3(1) of the 2018 Regulations:
 - a. BT to be designated for the Rest of the UK; and
 - b. KCOM to be designated for the Hull Area.
6. Ofcom has decided to set conditions on the persons referred to in paragraph 5 as follows:
 - a. on BT, the conditions set out in Schedule 1; and
 - b. on KCOM, the conditions set out in Schedule 3.
7. Ofcom has also decided to give the following directions:
 - a. a direction set out in Schedule 2 under condition F.3 of Schedule 1 to be applied to BT to the extent specified in Schedule 2; and
 - b. a direction set out in Schedule 4 under condition F.3 of Schedule 3 to be applied to KCOM to the extent specified in Schedule 4.
8. In addition, Ofcom has decided to approve today: (i) the Ombudsman Service Limited (registered company number: 04351294), and (ii) the Centre for Effective Dispute Resolution Limited (registered company number: 02422813):
 - a. under condition E.2 of Schedule 1 for the purpose of resolving disputes between End-users and BT about matters concerning the USO; and
 - b. under condition E.2 of Schedule 3 for the purpose of resolving disputes between End-users and KCOM about matters concerning the USO.
9. In consequence of its decisions referred to in paragraphs 5 to 8, Ofcom has also decided to make the following modifications to the universal service conditions (the “**Telephony Conditions**”) contained in the Notification dated 21 July 2003 made under Regulation 4(10) of the Electronic Communications (Universal Service) Regulations 2003, as amended (the “**2003 Notification**”):
 - a. Telephony Condition 1.1 applied to BT as set out in Part 2 of the 2003 Notification is revoked.
 - b. Telephony Condition 1.1 applied to KCOM as set out in Part 3 of the 2003 Notification is revoked.
 - c. Telephony Condition 1.2 applied to BT as set out in Part 2 of the 2003 Notification and Telephony Condition 1.2 applied to KCOM as set out in Part 3 of the 2003 Notification are modified by deleting “the services referred to in paragraph 1.1” and inserting “the Telephony Services”.
 - d. Telephony Conditions 8.1 and 8.3(a) applied to BT as set out in Part 2 of the 2003 Notification are modified by deleting “Universal Service Conditions 1, 2, 3, 4 and 7” and inserting “Conditions A.1(a) and A.2 set out in the Notification under Regulation 3(1) of the Electronic Communications (Universal Service) Regulations 2018 and Universal Service Conditions 2, 3, 4 and 7 set out in this Notification”.
 - e. Telephony Conditions 6.1 and 6.3(a) applied to KCOM as set out in Part 3 of the 2003 Notification are modified by deleting “Universal Service Conditions 1, 2, and 3” and

inserting “Conditions A.1(a) and A.2 set out in the Notification under Regulation 3(1) of the Electronic Communications (Universal Service) Regulations 2018 and Universal Service Conditions 2 and 3 set out in this Notification”.

- f. The definition of Telephony Services set out in Part 1 of the 2003 Notification is replaced with the following: “Telephony Services means either or both a connection at a fixed location to the Public Communications Network and access to Publicly Available Telephone Services.”
10. Ofcom’s reasons for making, and the effect of, the decisions set out in this Notification are contained in the statement entitled “*Delivering the Broadband Universal Service: Designating Universal Service Providers and setting conditions*”, which accompanies this Notification.

Ofcom’s duties and legal tests

11. In making these decisions, Ofcom has considered and acted in accordance with its general duties under section 3 of the Act and the six Community requirements set out in section 4 of the Act. In addition, in making decisions in relation to the universal service conditions, directions and approvals, including the decisions to revoke and modify the Telephony Conditions, Ofcom has considered the requirements of sections 45 to 47, 48A, 48C, 49, 49A, 49C, 67 and 68(3) and (4) of the Act, as appropriate and relevant to each such condition, direction or approval.
12. Copies of this Notification and the accompanying statement have been sent to the European Commission in accordance with sections 48C(2), 49C(2) and 66(8) of the Act.

Interpretation

13. For the purpose of interpreting this Notification:
 - a. except in so far as the context otherwise requires, words or expressions shall have the meaning assigned to them in this Notification, and otherwise any word or expression shall have the same meaning as it has in the Act or the Order;
 - b. words in the singular shall include the plural, and in the plural shall include the singular;
 - c. headings and titles shall be disregarded;
 - d. expressions which are cognate with those referred to in this Notification shall be construed accordingly; and
 - e. the Interpretation Act 1978 (c. 30) shall apply as if this Notification were an Act of Parliament.
14. In this Notification:
 - a. “**BT**” means British Telecommunications plc, whose registered company number is 01800000 and any British Telecommunications plc subsidiary or holding company, or any subsidiary of that holding company, all as defined in section 1159 of the Companies Act 2006;
 - b. “**Hull Area**” means the area defined as the “Licensed Area” in the licence granted on 30 November 1987 by the Secretary of State under section 7 of the

Telecommunications Act 1984 to Kingston upon Hull City Council and KCOM Group plc;

- c. **"KCOM"** means KCOM Group plc, whose registered company number is 02150618, defined as "Kingston" in the 2003 Notification (as amended) and the Telephony Conditions, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined in section 1159 of the Companies Act 2006;
- d. **"Rest of the UK"** means the area consisting of the United Kingdom excluding the Hull Area;
- e. **"United Kingdom"** has the meaning given to it in the Interpretation Act 1978 (c. 30).

15. Schedules to this Notification shall form part of this Notification.



Selina Chadha (Consumer Policy Director), Ofcom

A person duly authorised in accordance with paragraph 18 of the Schedule to the Office of Communications Act 2002

6 June 2019

SCHEDULE 1

UNIVERSAL SERVICE CONDITIONS FOR BT

Part 1: Application

1. The Conditions in Part 3 of this Schedule 1 shall:
 - a. apply to BT in the Rest of the UK; and
 - b. come into force:
 - i. in relation to Conditions A.1(a), A.2, A.4 (to the extent it concerns Telephony Services), E.1 to E.3 (inclusive), F.1 to F.3 (inclusive), G.1 to G.6 (inclusive), H.1 and I.1 on 6 June 2019; and
 - ii. in relation to the remainder of the Conditions on 20 March 2020.

Part 2: Definitions and interpretation

1. For the purpose of interpreting this Schedule 1:
 - a. except in so far as the context otherwise requires, words or expressions shall have the meaning assigned to them in this Schedule 1, and otherwise any word or expression shall have the same meaning as it has in the Act or the Order;
 - b. words in the singular shall include the plural, and in the plural shall include the singular;
 - c. headings and titles shall be disregarded;
 - d. expressions which are cognate with those referred to in this Schedule 1 shall be construed accordingly; and
 - e. the Interpretation Act 1978 (c. 30) shall apply as if this Schedule 1 were an Act of Parliament.
2. In this Schedule 1:
 - a. **“2003 Notification”** means the Notification dated 21 July 2003 made under Regulation 4(10) of the Electronic Communications (Universal Service) Regulations 2003 (as amended);
 - b. **“Act”** means the Communications Act 2003 (c. 21);
 - c. **“Alternative Broadband Services”** means either or both a connection and a service provided either on a commercial basis or through a publicly-funded intervention, each of which meets the Technical Specification;
 - d. **“Alternative Dispute Resolution Scheme”** or **“ADR Scheme”** means any dispute procedures for which Ofcom gives its approval for the resolution of disputes in relation to any Complaints between BT and USO Customers;
 - e. **“Bill”** means the information issued or made available by BT to an Eligible USO Customer about the charges levied and due for payment, or the debits and credits applied to the Eligible USO Customer’s account;
 - f. **“Broadband Connection”** means a connection provided by BT to an Eligible USO Customer under these Conditions which meets the Technical Specification;
 - g. **“Broadband Services”** means both a Broadband Connection and a service provided by BT to an Eligible USO Customer under these Conditions, each of which meets the Technical Specification;
 - h. **“BT”** means British Telecommunications plc, whose registered company number is 01800000, and any British Telecommunications plc subsidiary or holding company, or any subsidiary of that holding company, all as defined in section 1159 of the Companies Act 2006;

- i. **“Bulk Data”** means information provided by Ofcom to BT setting out a list of fixed locations in the Rest of the UK which meet the following criteria: (i) Alternative Broadband Services are not available to those locations; and (ii) Alternative Broadband Services are not forecast to be made available to those locations through a publicly-funded intervention within the period of one year;
- j. **“Complaint”** means: (a) an expression of dissatisfaction made by a USO Customer to BT related to either: (i) matters relating to BT’s obligations under these Conditions; (ii) the complaint-handling process itself; or (iii) the level of customer service experienced by the USO Customer; and (b) where a response or resolution is explicitly or implicitly expected;
- k. **“Condition”** means any of the universal service conditions imposed by Ofcom under sections 45 to 47, 48A, 48C, 67 and 68(3) and (4) of the Act and set out in this Schedule 1;
- l. **“Confirmed Order”** means an order for a Broadband Service made by an Eligible USO Customer which is communicated to BT by any method of communication, including by telephone, letter, email or webchat;
- m. **“Consumer Prices Index”** means the index of prices compiled by an agency or a public body on behalf of Her Majesty’s Government or a governmental department (which is the Office for National Statistics at the time of publication of this Notification) from time to time in respect of all items;
- n. **“Cost of Provision of Infrastructure”** means the costs directly attributable to the provision of a Broadband Connection, inclusive of relevant labour, capital and project management costs, and excluding any customer services equipment costs associated with that individual Premises;
- o. **“Customer Complaints Code”** means a code of practice containing relevant information about how Complaints from USO Customers are handled and how and when USO Customers can take their unresolved Complaints to an ADR Scheme;
- p. **“Eligibility Threshold”** means:
 - i. In the First Relevant Year, the amount of £46.10⁴ per month, which is inclusive of VAT and calculated as a monthly average payment over the fixed commitment period inclusive of any charges for a connection, monthly payments and any other relevant payments for Alternative Broadband Services;
 - ii. In Subsequent Relevant Years, the amount calculated as:

$$P_t = P_{t-1} * (1 + \Delta CPI_t)$$

which is inclusive of VAT and calculated as a monthly average payment over the fixed commitment period inclusive of any charges for a connection, monthly payments and any other relevant payments for Alternative Broadband Services rounded to the nearest £0.10;

Where:

P_t means the Eligibility Threshold for the Relevant Year;

P_{t-1} means the Eligibility Threshold for the Prior Year;

⁴ As set out in paragraph 5.59(a) of the statement which accompanies this Notification, the amount of £46.10 is set by reference to prices which prevailed as at November 2018, adjusted by Consumer Prices Index.

ΔCPI_t means the change in the Consumer Prices Index in the 12 months ending 3 months immediately before the beginning of the Relevant Year expressed as a percentage;

- q. **“Eligible USO Customer”** means a USO Customer whose Request for a Broadband Service meets the criteria in Condition A.3;
- r. **“Excess Costs”** means any costs of providing a Broadband Connection which are more than £3,400 excluding VAT;
- s. **“First Relevant Year”** means a period which starts on 20 March 2020 and ends on 19 March 2021 (inclusive);
- t. **“Hull Area”** means the area defined as the “Licensed Area” in the licence granted on 30 November 1987 by the Secretary of State under section 7 of the Telecommunications Act 1984 to Kingston upon Hull City Council and KCOM Group plc;
- u. **“Information Sharing Statement”** means the statement which BT is required to prepare and provide to Ofcom under Condition G.5;
- v. **“Ofcom”** means the Office of Communications as established under section 1 of the Office of Communications Act 2002;
- w. **“Ofcom Approved Complaints Code”** means the code of practice, as amended from time to time, annexed to Ofcom’s General Condition of Entitlement C4⁵ and entitled *“Ofcom approved complaints code of practice for customer service and complaints handling”*; except that references to the definitions used in that code shall be treated as references to the definitions and terms used in these Conditions as follows:
 - i. references to the Complaints Handling Procedures shall be treated as references to procedures for the handling of Complaints as defined in these Conditions that BT must have and comply with pursuant to Condition E.1(a);
 - ii. references to the Regulated Provider shall be treated as references to BT;
 - iii. references to a Complaint shall be treated as references to a Complaint as defined in these Conditions;
 - iv. references to a Relevant Customer shall be treated as references to a USO Customer;
 - v. references to a Complainant shall be treated as references to a USO Customer who makes a Complaint as defined in these Conditions to BT;
 - vi. references to a Customer Complaints Code shall be treated as references to a code of practice containing relevant information about how Complaints as defined in these Conditions from USO Customers are handled and how, and when, USO Customers can take their unresolved Complaints to an ADR Scheme as defined in these Conditions;
 - vii. references to an ADR Scheme shall be treated as references to an ADR Scheme as defined in these Conditions;
 - viii. references to an ADR Letter shall be treated as references to a notification issued from BT to a USO Customer concerning the USO Customer’s right to take their Complaint to an ADR Scheme as defined in these Conditions; and
 - ix. references to a Bill shall be treated as references to a Bill as defined in these Conditions;

⁵ The current unofficial consolidated version of Ofcom’s General Conditions of Entitlement is available at: https://www.ofcom.org.uk/_data/assets/pdf_file/0021/112692/Consolidated-General-Conditions.pdf

- x. **“Ofcom Information”** means information provided by Ofcom to BT under these Conditions, including the Bulk Data and the USO API;
- y. **“Openreach”** means Openreach Limited, whose registered company number is 10690039, and any subsidiary of Openreach Limited as defined in section 1159 of the Companies Act 2006;
- z. **“Order”** means The Electronic Communications (Universal Service) (Broadband) Order 2018;
- aa. **“Ordnance Survey’s AddressBase Product”** means the most up-to-date versions of:
 - (a) Ordnance Survey’s AddressBase Premium dataset for the United Kingdom except Northern Ireland; and
 - (b) Ordnance Survey’s AddressBase Islands dataset for Northern Ireland;⁶
- bb. **“Premises”** means either a USO Customer’s residence or place of business;
- cc. **“Prior Year”** means the 12 months ending on 19 March before the commencement of each Relevant Year;
- dd. **“Public Communications Network”** has the same meaning as in the 2003 Notification;
- ee. **“Publicly Available Telephone Service”** has the same meaning as in the 2003 Notification;
- ff. **“Relevant Year”** means the First Relevant Year and each Subsequent Relevant Year;
- gg. **“Request”** means the point of first contact by a USO Customer with BT to enquire about a Broadband Service pursuant to Condition A.1(b);
- hh. **“Rest of the UK”** means the area consisting of the United Kingdom excluding the Hull Area;
- ii. **“Subsequent Relevant Year”** means a period of 12 months subsequent to the First Relevant Year, the first of which starts on 20 March 2021 and ends on 19 March 2022, repeating thereafter for periods of 12 months from 20 March to 19 March (inclusive);
- jj. **“Technical Specification”** means, in relation to each form of broadband technology, all of the following characteristics specified in the Order: (a) a download sync speed of at least 10 megabits per second; (b) an upload sync speed of at least 1 megabit per second; (c) a contention ratio of no higher than 50:1; (d) latency which is capable of allowing the End-user to make and receive voice calls over the connection effectively; (e) the capability to allow data usage of at least 100 gigabytes per month;
- kk. **“Telephony Service”** means either or both a connection at a fixed location to the Public Communications Network and access to Publicly Available Telephone Services, including the ability to make and receive calls and facsimile;
- ll. **“United Kingdom”** has the meaning given to it in the Interpretation Act 1978 (c. 30);
- mm. **“USO API”** means information provided by Ofcom to BT for the purpose of assessing whether the criteria under Conditions A.3 and B.1 to B.11 (inclusive) are met through the application programming interface or other system which may be made available by Ofcom from time to time;
- nn. **“USO Customer”** means an End-user who has requested a Broadband Service from BT including Eligible USO Customers; and
- oo. **“VAT”** means value added tax chargeable under or pursuant to the Value Added Tax Act 1994, including any amendment to, or replacement of, the Value Added Tax Act 1994, and/or any similar tax.

⁶ The information concerning the Ordnance Survey’s AddressBase Product is available at:
<https://www.ordnancesurvey.co.uk/business-and-government/products/addressbase-products.html>

Part 3: Conditions

Section 1: Conditions applicable to Telephony Services and Broadband Services

Conditions A.1 to A.4 – Provision of Telephony Services and Broadband Services

- A.1 BT must provide one or both of the following upon request:
- a) subject to Condition A.2, Telephony Services;
 - b) subject to Condition A.3, Broadband Services.
- A.2 BT is required to provide Telephony Services where the request in respect of the Telephony Services is reasonable.
- A.3 Subject to the Conditions set out in Section 2, BT is required to provide Broadband Services where all of the following criteria are met:
- a) the Broadband Connection requested is to a fixed location which is a Premises;
 - b) Alternative Broadband Services at a price less than, or equal to, the Eligibility Threshold:
 - (i) are not available to that location; and
 - (ii) will not be made available to that location through a publicly-funded intervention within the period of one year beginning with the date on which the Request is made;
 - c) the provision of the Broadband Connection requested:
 - (i) will cost no more than £3,400 excluding VAT; or
 - (ii) will cost more than £3,400 excluding VAT, but any Excess Costs will be paid by the USO Customer.
- A.4 BT must ensure that its Electronic Communications Networks are installed, kept installed and run for the purpose of providing Broadband Services and/or Telephony Services.

Section 2: Conditions applicable to Broadband Services only

Condition B.1 – Eligibility assessment under Condition A.3(a)

- B.1 In order to make an assessment under Condition A.3(a) of whether a Request is for a fixed location which is a Premises, BT must first use the Ordnance Survey's AddressBase Product or another dataset as approved by Ofcom. Where the dataset used does not contain information in relation to that Premises, BT must:
- a) ask the USO Customer to provide evidence of liability in respect of that Premises for either council tax or non-domestic (business) rates; and
 - b) proceed on the basis that the criterion in Condition A.3(a) is met where the USO Customer provides that evidence.

Conditions B.2 to B.5 – Eligibility assessment under Condition A.3(b)(i)

- B.2 In order to make an assessment under Condition A.3(b)(i), BT must use any relevant information held by BT and the Ofcom Information.
- B.3 If BT concludes that an Alternative Broadband Service provided by BT is available to the USO Customer at the Premises at a price less than, or equal to, the Eligibility Threshold, BT must offer a Broadband Service to the USO Customer provided the remaining criteria in Condition A.3 are met, unless BT offers to provide such an Alternative Broadband Service to the USO Customer within the period of up to and including 30 calendar days from the Request.
- B.4 If BT concludes that an Alternative Broadband Service provided by one or more third parties is available to the USO Customer at the Premises:
- a) BT may assume for the purposes of making an assessment under Condition A.3(b)(i) that any such Alternative Broadband Service is available at a price less than, or equal to, the Eligibility Threshold and can be provided within the period of up to and including 30 calendar days;
 - b) BT must provide to the USO Customer, as soon as reasonably practicable, the name and contact details of the network operator(s) on whose network(s) any such Alternative Broadband Service is available; and
 - c) BT must inform the USO Customer, as soon as reasonably practicable, that in the event that such an Alternative Broadband Service at a price less than, or equal to, the Eligibility Threshold is not available within the period of up to and including 30 calendar days, the USO Customer has the right to make another Request for a Broadband Service.
- B.5 BT must proceed on the basis that the criterion in Condition A.3(b)(i) is met where a USO Customer who has previously received information from BT under Condition B.4:
- a) informs BT on a reasonable basis that Alternative Broadband Services are not available to the USO Customer at a price less than, or equal to, the Eligibility Threshold from any third party within the period of up to and including 30 calendar days; and
 - b) makes another Request for a Broadband Service.

Conditions B.6 to B.7 – Eligibility assessment under Condition A.3(b)(ii)

- B.6 In order to make an assessment under Condition A.3(b)(ii), BT must use the Ofcom Information. If BT concludes on the basis of that information that an Alternative Broadband Service will be made available to a Premises through a publicly-funded intervention within the period of one year beginning with the date on which a USO Customer made a Request:
- a) BT may assume that any Alternative Broadband Service available to the Premises will be available at a price less than, or equal to, the Eligibility Threshold;
 - b) BT must provide the name and contact details of the organisation listed in the Ofcom Information to the USO Customer as soon as reasonably practicable; and
 - c) BT must inform the USO Customer as soon as reasonably practicable that the USO Customer has the right to make another Request in the event that:
 - (i) an Alternative Broadband Service at a price less than, or equal to, the Eligibility Threshold has not been made available by that organisation within the period of one year beginning with the date on which the USO Customer made the Request to BT; or

- (ii) the USO Customer is informed that an Alternative Broadband Service at a price less than, or equal to, the Eligibility Threshold will not be made available by that organisation within the period of one year beginning with the date on which the USO Customer made the Request to BT.
- B.7 BT must proceed on the basis that the criterion in Condition A.3(b)(ii) is met where a USO Customer who has previously received information from BT under Condition B.6(c):
 - a) informs BT that an Alternative Broadband Service at a price less than, or equal to, the Eligibility Threshold:
 - (i) has not been made available by that organisation within the period of one year beginning with the date on which the USO Customer made the Request to BT; or
 - (ii) will not be made available by that organisation within the period of one year beginning with the date on which the USO Customer made the Request to BT; and
 - b) makes another Request.

Conditions B.8 to B.11 – Eligibility assessment under Conditions A.3(c)

- B.8 In order to make an assessment under Condition A.3(c), BT must, where the provision of a Broadband Connection to a Premises involves the deployment of infrastructure which is capable of serving more than one potentially eligible Premises, calculate the share of costs that is attributed to that individual Premises as follows:

$$\frac{\text{Total Cost of Provision of Infrastructure which is capable of being shared}}{\text{Number of relevant Premises}}$$

where the number of relevant Premises is the highest of:

- (i) 70%, or another proportion as approved by Ofcom from time to time, of the total number of potentially eligible Premises which can be served by that infrastructure; or
 - (ii) the actual number of Premises which can be served by that infrastructure and in respect of which Requests which meet the criteria in Condition A.3 have been made.
- B.9 In order to make an assessment under Condition A.3(c), BT must use any relevant information held by BT and the Ofcom Information.
- B.10 Where in accordance with the assessment carried out under Conditions B.8 and B.9, BT concludes that the provision of the Broadband Connection requested will cost no more than £3,400 excluding VAT, BT is required to provide Broadband Services to a USO Customer unless in the process of delivering that Broadband Connection BT concludes on the basis of an updated detailed survey that the cost of providing that Broadband Connection will exceed £6,800 excluding VAT due to factors which BT could not reasonably have foreseen when carrying out its assessment under Conditions B.8 and B.9. Where it is established that the cost of providing that Broadband Connection will exceed £6,800 excluding VAT under this Condition B.10, BT shall be subject to the obligations contained in Conditions A.3(c)(ii) and B.11(a) to B.11(e) (inclusive) except that only any excess costs over £6,800 excluding VAT shall be paid by that USO Customer.

- B.11 Where in accordance with the assessment carried out under Conditions B.8 and B.9, BT concludes that the provision of the Broadband Connection requested will cost more than £3,400 excluding VAT (the “Conclusion” for the purposes of this Condition B.11), BT must:
- a) inform the USO Customer of the Conclusion and provide its best estimate of the range of the Excess Costs;
 - b) inform the USO Customer that he or she has the right to request a full quotation of the Excess Costs to be provided with the timescales specified in Condition B.11(c);
 - c) if the USO Customer requests a full quotation of the Excess Costs, prepare and provide that full quotation to the USO Customer together with an explanation of the nature of the costs involved as soon as reasonably practicable and, in any event, no later than 60 calendar days beginning with the date on which the USO Customer requested that full quotation;
 - d) provide a Broadband Service to the USO Customer if the USO Customer reaches an appropriate agreement with BT in respect of payment of the sum of: (i) the Excess Costs under that full quotation; and (ii) VAT on those Excess Costs; and
 - e) if the USO Customer does not agree to pay the sum referred to in Condition B.11(d), inform the USO Customer that the costs of the provision of the Broadband Connection may change over time and that the USO Customer has the right to contact BT at a later date to request a Broadband Service.

Conditions C.1 to C.9 – Responding to Requests, delivering and provisioning Broadband Services

Responding to Requests

- C.1 BT must:
- a) act reasonably in making an assessment of whether the criteria set out in Condition A.3 are met in relation to each Request; and
 - b) take reasonable steps to use the most up-to-date information when assessing whether the criteria under Conditions A.3 and B.1 to B.11 (inclusive) are met.
- C.2 Where BT receives a Request from a USO Customer, subject to Condition C.3, BT must make the assessments referred to in Conditions B.1 to B.11 (inclusive) and inform the USO Customer of whether the criteria set out in Condition A.3 are met as soon as reasonably practicable and, in any event, no later than 30 calendar days beginning with the date of that Request.
- C.3 Where BT needs to request evidence from a USO Customer under Condition B.1(a), the period of 30 calendar days referred to in Condition C.2 may be extended by the number of calendar days during which BT awaited evidence from that USO Customer.
- C.4 In informing a USO Customer under Condition C.2, BT must:
- a) where the criteria set out in Condition A.3 are met, on the same date as informing the Eligible USO Customer, make an offer to provide a Broadband Service to the Eligible USO Customer;
 - b) where the criteria set out in Condition A.3 are not met, explain which of the criteria are not met and why; and
 - c) inform the USO Customer that he or she has the right to bring a Complaint and provide either an electronic or a physical copy, of the Customer Complaints Code.

Delivering Broadband Services

- C.5 BT must:
- a) take all necessary steps to ensure that each Confirmed Order is delivered as soon as reasonably practicable; and
 - b) seek to deliver each Confirmed Order within the period of 12 months from the date on which that Confirmed Order was placed.
- C.6 BT must deliver:
- a) at least 80% of all Confirmed Orders received in each Relevant Year within 12 months from the date on which each such Confirmed Order was placed;
 - b) at least 95% of all Confirmed Orders received in each Relevant Year within 18 months from the date on which each such Confirmed Order was placed; and
 - c) at least 99% of all Confirmed Orders received in each Relevant Year within 24 months from the date on which each such Confirmed Order was placed.
- C.7 BT may deliver up to and including 1% of all Confirmed Orders received in each Relevant Year within a period longer than 24 months from the date on which each such Confirmed Order was placed provided BT can demonstrate to Ofcom that:
- a) each such Confirmed Order was not capable of being delivered within that 24-month period; and
 - b) BT has taken all necessary steps to ensure that each such Confirmed Order is delivered as soon as reasonably practicable as required under Condition C.5(a).
- C.8 BT must, as soon as reasonably practicable, inform and keep each Eligible USO Customer who has placed a Confirmed Order updated of the following:
- a) what the Eligible USO Customer has the right to receive pursuant to BT's obligations under these Conditions;
 - b) the anticipated date of delivery of the Broadband Services; and
 - c) any change to the anticipated delivery date referred to in Condition C.8(b) including the provision of the following:
 - (i) a revised date of delivery of the Broadband Services; and
 - (ii) an explanation of the reason for the change to the anticipated delivery date referred to in Condition C.8(b).

Provisioning Broadband Services

- C.9 In each financial year, or any other period approved by Ofcom, BT must provide Broadband Services to Eligible USO Customers to at least the same quality of service levels relating to: (a) fault repair; (b) missed appointments; and (c) the provision of Broadband Services, as BT meets in providing Alternative Broadband Services in that same period.

Condition D.1 – Price and non-price terms and conditions relating to Broadband Services

- D.1 BT must ensure that:

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- a) any Broadband Service provided to an Eligible USO Customer is provided at a price no higher than the price at which BT provides the equivalent Alternative Broadband Service, or in the absence of the equivalent Alternative Broadband Service, the most comparable Alternative Broadband Service; and
- b) the terms and conditions upon which a Broadband Service is provided to an Eligible USO Customer do not require the Eligible USO Customer to pay for any additional service which is not necessary for the purpose of providing the Eligible USO Customer with that Broadband Service.

Conditions E.1 to E.3 – Complaints Handling and Dispute Resolution

E.1 BT must:

- a) have and comply with procedures for the handling of Complaints brought by USO Customers that conform with Section 1 of the Ofcom Approved Complaints Code;
- b) have and comply with a Customer Complaints Code that conforms with Section 2 of the Ofcom Approved Complaints Code; and
- c) retain written records of Complaints in conformity with Section 3 of the Ofcom Approved Complaints Code.

E.2 BT must:

- a) be a member of an ADR Scheme approved by Ofcom under these Conditions;
- b) comply with the ADR Scheme, including abiding by any final decision of the body which administers the ADR Scheme, within the time period specified in that final decision;
- c) ensure that USO Customers have the right to use the ADR Scheme free of charge;
- d) provide information in Bills about the ADR Scheme in conformity with Section 4 of the Ofcom Approved Complaints Code; and
- e) provide the ADR Scheme with all training, information and support necessary for resolving Complaints brought by USO Customers in relation to any matters relating to BT's obligations under these Conditions.

E.3 BT must monitor its compliance with Conditions E.1 and E.2 and the Ofcom Approved Complaints Code, including compliance by all employees and agents who interact with USO Customers and/or handle Complaints, and take appropriate steps to prevent the recurrence of any problems identified.

Conditions F.1 to F.3 – Reporting and record keeping

F.1 BT must maintain records, including records of all Requests made by USO Customers, for a period of 6 years from the date on which those records have been created, which must be sufficient to:

- a) demonstrate BT's compliance with these Conditions; and
- b) provide adequate evidence and explanations in support of any potential request made by BT for compensation for complying with any of BT's obligations under these Conditions.

F.2 BT must ensure that it has a cost accounting system which is adequate to:

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- a) separately record and calculate the incremental costs, revenues, assets and liabilities associated with the provision of Broadband Services; and
 - b) show and explain the transactions underlying the provision of Broadband Services.
- F.3 BT must comply with all such reporting requirements as Ofcom may from time to time direct in relation to BT's obligations under these Conditions.

Conditions G.1 to G.6 – Treatment of information

- G.1 In respect of any Ofcom Information, or any information otherwise collected by BT and/or Openreach in connection with performing the obligations under these Conditions, BT must:
- a) ensure that such information is used only for the purpose of performing its obligations under these Conditions; and
 - b) put in place measures, including appropriate separation of data, to prevent access to such information by any employee or agent of BT and/or Openreach who is not directly involved in any matters relating to BT's obligations under these Conditions.
- G.2 BT must ensure that in relation to any Bulk Data provided by Ofcom to BT, including but not limited to any Bulk Data that is shared by BT with Openreach:
- a) only named employees and/or agents of BT and Openreach who are working on the delivery of BT's obligations under these Conditions have access to the Bulk Data;
 - b) any such employees and/or agents do not influence any commercial deployment decisions whilst they have access to the Bulk Data; and
 - c) any such employees and/or agents do not influence any commercial deployment decisions for an appropriate period of time after they have ceased having access to the Bulk Data.
- G.3 BT must ensure that in relation to any Ofcom Information other than the information referred to in Condition G.2, or any information collected by BT and/or Openreach in connection with performing obligations under these Conditions, no employee or agent of BT and/or Openreach who is not working on the delivery of the universal service under these Conditions shall have access to that information.
- G.4 BT must maintain:
- a) a list of the names of all employees and agents, including their roles, who have received any material amount of information of the type referred to in Condition G.1 above; and
 - b) a description of the nature of the information so received.
- G.5 BT must:
- a) prepare and provide to Ofcom by no later than 5 July 2019 a non-confidential Information Sharing Statement which sets out a description of the measures BT has implemented in order to comply with conditions G.1 to G.4 (inclusive), in preparation for receiving the Ofcom Information. Such a description must include any measures implemented in the following areas:
 - (i) IT systems;

- (ii) arrangements to deal with the co-location of employees and/or agents of BT and/or Openreach who work on the delivery of BT's obligations under these Conditions with other employees and/or agents of BT and/or Openreach who are not working on the delivery of BT's obligations under these Conditions and, in particular, how the information described in Condition G.1 will be protected where such co-location occurs;
 - (iii) training and guidance for employees and agents of BT and Openreach to ensure BT's compliance with Conditions G.1 to G.4 (inclusive); and
 - (iv) internal compliance checks to ensure that the measures in place to manage information sharing in compliance with Conditions G.1 to G.4 (inclusive) are sufficient and appropriate, including risk assessments;
- b) update the Information Sharing Statement if material changes to the measures referred to in Condition G.5(a) are made once BT starts to receive any Ofcom Information.
- G.6 Ofcom may carry out, or arrange for another person to carry out, an audit of the measures implemented by BT to comply with Conditions G.1 to G.4 (inclusive). BT must:
- a) co-operate with any such audit; and
 - b) pay the costs of the audit.

Condition H.1 – Raising awareness of Broadband Services

- H.1 BT must take reasonable steps, including disseminating information in appropriate formats through appropriate channels, to raise awareness of the potential availability of Broadband Services under these Conditions among members of the public.

Condition I.1 – Directions, approvals and consents

- I.1 Ofcom may from time to time give, under these Conditions, a direction, approval or consent requiring BT to comply with additional requirements under these Conditions.

SCHEDULE 2

DIRECTION UNDER CONDITION F.3 OF SCHEDULE 1 TO BT

Part 1: Application

1. The Direction in Part 3 of this Schedule 2 shall:
 - a. apply to BT in the Rest of the UK; and
 - b. come into force on 20 March 2020.

Part 2: Definitions and interpretation

1. For the purpose of interpreting this Schedule 2:
 - a. except in so far as the context otherwise requires, words or expressions shall have the meaning assigned to them in this Schedule 2, and otherwise any word or expression shall have the same meaning as it has in the Act or the Order;
 - b. words in the singular shall include the plural, and in the plural shall include the singular;
 - c. headings and titles shall be disregarded;
 - d. expressions which are cognate with those referred to in this Schedule 2 shall be construed accordingly; and
 - e. the Interpretation Act 1978 (c. 30) shall apply as if this Schedule 2 were an Act of Parliament.
2. In this Schedule 2:
 - a. “**Act**” means the Communications Act 2003 (c. 21);
 - b. “**Alternative Dispute Resolution Scheme**” or “**ADR Scheme**” means any dispute procedures for which Ofcom gives its approval for the resolution of disputes in relation to any Complaints between BT and USO Customers;
 - c. “**Broadband Connection**” means a connection provided by BT to an Eligible USO Customer under the Conditions which meets the Technical Specification;
 - d. “**Broadband Services**” means both a Broadband Connection and a service provided by BT to an Eligible USO Customer under the Conditions, each of which meets the Technical Specification;
 - e. “**BT**” means British Telecommunications plc, whose registered company number is 01800000 and any British Telecommunications plc subsidiary or holding company, or any subsidiary of that holding company, all as defined in section 1159 of the Companies Act 2006;
 - f. “**Complaint**” means: (a) an expression of dissatisfaction made by a USO Customer to BT related to either: (i) matters relating to BT’s obligations under the Conditions; (ii) the complaint-handling process itself; or (iii) the level of customer service experienced by the USO Customer; and (b) where a response or resolution is explicitly or implicitly expected;
 - g. “**Condition**” means any of the universal service conditions imposed by Ofcom under sections 45 to 47, 48A, 48C, 67 and 68(3) and (4) of the Act and set out in Schedule 1;
 - h. “**Confirmed Order**” means an order for a Broadband Service made by an Eligible USO Customer which is communicated to BT by any method of communication, including by telephone, letter, email or webchat;

- i. **“Customer Complaints Code”** means a code of practice containing relevant information about how Complaints from USO Customers are handled and how, and when, USO Customers can take their unresolved Complaints to an ADR Scheme;
- j. **“Direction”** means the direction given under section 49, 49A(6) and 49C(2) of the Act and Condition F.3 of Schedule 1 and set out in this Schedule 2;
- k. **“Eligible USO Customer”** means a USO Customer whose request for a Broadband Service meets the criteria in Condition A.3;
- l. **“Excess Costs”** means any costs of providing a Broadband Connection which are more than £3,400 excluding VAT;
- m. **“First 6 Month Period”** means a period which starts on 20 March 2020 and ends on 19 September 2020 (inclusive);
- n. **“First Relevant Year”** means a period which starts on 20 March 2020 and ends on 19 March 2021 (inclusive);
- o. **“Hull Area”** means the area defined as the “Licensed Area” in the licence granted on 30 November 1987 by the Secretary of State under section 7 of the Telecommunications Act 1984 to Kingston upon Hull City Council and KCOM Group plc;
- p. **“Ofcom”** means the Office of Communications as established under section 1 of the Office of Communications Act 2002;
- q. **“Order”** means The Electronic Communications (Universal Service) (Broadband) Order 2018;
- r. **“Premises”** means either a USO Customer’s residence or place of business;
- s. **“Relevant Period”** means the First 6 Month Period and each Subsequent 6 Month Period;
- t. **“Relevant Year”** means the First Relevant Year and each Subsequent Relevant Year;
- u. **“Request”** means the point of first contact by a USO Customer with BT to enquire about a Broadband Service pursuant to Condition A.1(b);
- v. **“Rest of the UK”** means the area consisting of the United Kingdom excluding the Hull Area;
- w. **“Technical Specification”** means, in relation to each form of broadband technology, all of the following characteristics specified in the Order: (a) a download sync speed of at least 10 megabits per second; (b) an upload sync speed of at least 1 megabit per second; (c) a contention ratio of no higher than 50:1; (d) latency which is capable of allowing the End-user to make and receive voice calls over the connection effectively; (e) the capability to allow data usage of at least 100 gigabytes per month;
- x. **“Subsequent 6 Month Period”** means a period of 6 months subsequent to the First 6 Month Period, the first of which starts on 20 September 2020 and ends on 19 March 2021, repeating thereafter for periods of 6 months from 20 March to 19 September (inclusive);
- y. **“Subsequent Relevant Year”** means a period of 12 months subsequent to the First Relevant Year, the first of which starts on 20 March 2021 and ends on 19 March 2022, repeating thereafter for periods of 12 months from 20 March to 19 March (inclusive);
- z. **“United Kingdom”** has the meaning given to it in the Interpretation Act 1978 (c. 30); and
- aa. **“USO Customer”** means an End-user who has requested a Broadband Service from BT including Eligible USO Customers.

Part 3: Direction

1. For each Relevant Period, BT shall prepare and publish:
 - a. in relation to Requests received by BT:
 - i. the number of Requests received in each month;
 - ii. the number of Confirmed Orders received in each month;
 - iii. the number of Confirmed Orders received each month that involved a Customer agreeing to pay Excess Costs; and
 - iv. the number of Requests in each month where BT informed USO Customers that they did not meet the criteria set out in Condition A.3, together with an explanation of the reason(s) why each Request was not eligible;
 - b. in relation to the time period for responding to Requests:
 - i. the number of Requests in each month in respect of which BT informed USO Customers of whether the criteria set out in Condition A.3 were met within the period of up to and including 30 calendar days from the date of the Request; and
 - ii. the number of Requests in each month in respect of which BT informed USO Customers of whether the criteria set out in Condition A.3 were met in the period exceeding 30 calendar days from the date of the Request;
 - c. in relation to the provision of Broadband Services:
 - i. the number of Broadband Services delivered in each month; and
 - ii. the number of Broadband Services delivered in each month that were within the following periods from the dates on which Confirmed Orders were placed: 0 up to and including 6 months; more than 6 months up to and including 12 months; more than 12 months up to and including 18 months; more than 18 months up to and including 24 months; and more than 24 months;
 - d. in relation to the handling of Complaints and dispute resolution:
 - i. the number of Complaints received by BT in each month;
 - ii. the number of Complaints resolved by BT under Condition E.1 to the satisfaction of USO Customers in each month;
 - iii. the number of Complaints not resolved under Condition E.1 to the satisfaction of USO Customers in each month; and
 - iv. the number of Complaints referred by USO Customers to the ADR Scheme under Condition E.2 in each month.
2. For each Relevant Period, BT shall prepare and publish the information set out below which should be based on the quality of service parameters, definitions and measurement methods set out in Annex 1 to this Schedule 2, except in so far as Ofcom may from time to time consent otherwise:
 - a. the supply time of Broadband Services from the date of the Confirmed Order in each month;
 - b. the fault rate per access line for all Broadband Services in each month; and
 - c. the fault repair time for all Broadband Services in each month.
3. For each Relevant Period, BT shall prepare and deliver to Ofcom the data necessary for Ofcom to monitor BT's compliance with the following Conditions:
 - a. in relation to any Request in respect of which BT did not inform the USO Customer of whether the criteria set out in Condition A.3 were met within the period of up to and

- including 30 calendar days beginning with the date of that Request, the reason(s) why that information was not provided within the time period specified in Condition C.2;
- b. in relation to any Request in respect of which BT changed one or more of anticipated dates of delivery of a Broadband Service referred to in Condition C.8, the reason(s) why BT changed the anticipated delivery date(s); and
 - c. in relation to any Request in respect of which BT provided a Broadband Service after the period of 24 months beginning with the date on which an Eligible USO Customer placed a Confirmed Order, the reason(s) why that Broadband Service was not provided within that 24-month time period.
4. For each Relevant Year, BT shall prepare and deliver to Ofcom the data necessary for Ofcom to monitor BT's compliance with the obligations contained in Condition C.6 as follows:
 - a. for the First Relevant Year, in respect of Condition C.6(a) only; and
 - b. for each Subsequent Relevant Year, in respect of Conditions C.6(a), C.6(b) and C.6(c) (inclusive).
 5. The information referred to in paragraphs 1 to 3 (inclusive) must be published or provided to Ofcom (as applicable) as follows:
 - a. the first publication and provision to Ofcom must occur no later than 30 calendar days after the expiry of the First 6 Month Period; and
 - b. each subsequent publication and provision to Ofcom must occur no later than 30 calendar days after the expiry of each Subsequent 6 Month Period.
 6. The information referred to in paragraph 4 must be provided to Ofcom as follows:
 - a. no later than 3 months after the expiry of the First Relevant Year; and
 - b. each subsequent provision to Ofcom must occur no later than 3 months after the expiry of each Subsequent Relevant Year.
 7. For the purpose of paragraphs 1 and 2 of this Direction, publication shall be effected by:
 - a. placing a copy of the relevant information in a prominent place on any relevant publicly available website operated or controlled by BT; and
 - b. sending a copy of the relevant information to any person at that person's written request.
 8. Provision of information to Ofcom under paragraphs 3 and 4 of this Direction shall be effected by sending an email to a person designated by Ofcom, in the form notified by Ofcom from time to time.

ANNEX 1

QUALITY OF SERVICE PARAMETERS

Quality of service parameters, definitions and measurement methods referred to in paragraph 2 of the Direction

For BT providing Broadband Services

PARAMETER (Note 1)	DEFINITION	MEASUREMENT METHOD
Supply time for initial connection	ETSI EG 202 057	ETSI EG 202 057
Fault rate per access line	ETSI EG 202 057	ETSI EG 202 057
Fault repair time	ETSI EG 202 057	ETSI EG 202 057

Note 1

Parameters should allow for performance to be analysed at a regional level (i.e. no less than level 2 in the Nomenclature of Territorial Units for Statistics (NUTS) established by Eurostat).

SCHEDULE 3

UNIVERSAL SERVICE CONDITIONS FOR KCOM

Part 1: Application

1. The Conditions in Part 3 of this Schedule 3 shall:
 - a. apply to KCOM in the Hull Area; and
 - b. come into force:
 - i. in relation to Conditions A.1(a), A.2, A.4 (to the extent it concerns Telephony Services), E.1 to E.3 (inclusive), F.1 to F.3 (inclusive), G.1 to G.6 (inclusive), H.1 and I.1 on 6 June 2019; and
 - ii. in relation to the remainder of the Conditions on 20 March 2020.

Part 2: Definitions and interpretation

1. For the purpose of interpreting this Schedule 3:
 - a. except in so far as the context otherwise requires, words or expressions shall have the meaning assigned to them in this Schedule 3, and otherwise any word or expression shall have the same meaning as it has in the Act or the Order;
 - b. words in the singular shall include the plural, and in the plural shall include the singular;
 - c. headings and titles shall be disregarded;
 - d. expressions which are cognate with those referred to in this Schedule 3 shall be construed accordingly; and
 - e. the Interpretation Act 1978 (c. 30) shall apply as if this Schedule 3 were an Act of Parliament.
2. In this Schedule 3:
 - a. **"2003 Notification"** means the Notification dated 21 July 2003 made under Regulation 4(10) of the Electronic Communications (Universal Service) Regulations 2003 (as amended);
 - b. **"Act"** means the Communications Act 2003 (c. 21);
 - c. **"Alternative Broadband Services"** means either or both a connection and a service provided either on a commercial basis or through a publicly-funded intervention, each of which meets the Technical Specification;
 - d. **"Alternative Dispute Resolution Scheme"** or **"ADR Scheme"** means any dispute procedures for which Ofcom gives its approval for the resolution of disputes in relation to any Complaints between KCOM and USO Customers;
 - e. **"Bill"** means the information issued or made available by KCOM to an Eligible USO Customer about the charges levied and due for payment, or the debits and credits applied to the Eligible USO Customer's account;
 - f. **"Broadband Connection"** means a connection provided by KCOM to an Eligible USO Customer under these Conditions which meets the Technical Specification;
 - g. **"Broadband Services"** means both a Broadband Connection and a service provided by KCOM to an Eligible USO Customer under these Conditions, each of which meets the Technical Specification;
 - h. **"Bulk Data"** means information provided by Ofcom to KCOM setting out a list of fixed locations in the Hull Area which meet the following criteria: (i) Alternative Broadband

Services are not available to those locations; and (ii) Alternative Broadband Services are not forecast to be made available to those locations through a publicly-funded intervention within the period of one year;

- i. **“Complaint”** means: (a) an expression of dissatisfaction made by a USO Customer to KCOM related to either: (i) matters relating to KCOM’s obligations under these Conditions; (ii) the complaint-handling process itself; or (iii) the level of customer service experienced by the USO Customer; and (b) where a response or resolution is explicitly or implicitly expected;
- j. **“Condition”** means any of the universal service conditions imposed by Ofcom under sections 45 to 47, 48A, 48C, 67 and 68(3) and (4) of the Act and set out in Schedule 3;
- k. **“Confirmed Order”** means an order for a Broadband Service made by an Eligible USO Customer which is communicated to KCOM by any method of communication, including by telephone, letter, email or webchat;
- l. **“Consumer Prices Index”** means the index of prices compiled by an agency or a public body on behalf of Her Majesty’s Government or a governmental department (which is the Office for National Statistics at the time of publication of this Notification) from time to time in respect of all items;
- m. **“Cost of Provision of Infrastructure”** means the costs directly attributable to the provision of a Broadband Connection, inclusive of relevant labour, capital and project management costs, and excluding any customer services equipment costs associated with that individual Premises;
- n. **“Customer Complaints Code”** means a code of practice containing relevant information about how Complaints from USO Customers are handled and how, and when, USO Customers can take their unresolved Complaints to an ADR Scheme;
- o. **“Eligibility Threshold”** means:
 - i. In the First Relevant Year, the amount of £46.10⁷ per month, which is inclusive of VAT and calculated as a monthly average payment over the fixed commitment period inclusive of any charges for a connection, monthly payments and any other relevant payments for Alternative Broadband Services;
 - ii. In Subsequent Relevant Years, the amount calculated as:

$$P_t = P_{t-1} * (1 + \Delta CPI_t)$$

which is inclusive of VAT and calculated as a monthly average payment over the fixed commitment period inclusive of any charges for a connection, monthly payments and any other relevant payments for Alternative Broadband Services rounded to the nearest £0.10;

Where:

P_t means the Eligibility Threshold for the Relevant Year;

P_{t-1} means the Eligibility Threshold for the Prior Year;

ΔCPI_t means the change in the Consumer Prices Index in the 12 months ending 3 months immediately before the beginning of the Relevant Year expressed as a percentage.

⁷ As set out in paragraph 5.59(a) of the statement which accompanies this Notification, the amount of £46.10 is set by reference to prices which prevailed as at November 2018, adjusted by Consumer Prices Index.

- p. **“Eligible USO Customer”** means a USO Customer whose Request for a Broadband Service meets the criteria in Condition A.3;
- q. **“Exceptional Circumstances”** means any environmental factor, restriction to street access, or customer or third party wayleave process which has the following characteristics: (i) it is beyond KCOM’s control; (ii) it is beyond the normal range of expectations; (iii) it has a significant impact on either access or existing infrastructure that causes prolonged delay to the delivery of Broadband Services; and (iv) it is critical to the delivery of Broadband Services;
- r. **“Excess Costs”** means any costs of providing a Broadband Connection which are more than £3,400 excluding VAT;
- s. **“First Relevant Year”** means a period which starts on 20 March 2020 and ends on 19 March 2021 (inclusive);
- t. **“Hull Area”** means the area defined as the “Licensed Area” in the licence granted on 30 November 1987 by the Secretary of State under section 7 of the Telecommunications Act 1984 to Kingston upon Hull City Council and KCOM Group plc;
- u. **“Information Sharing Statement”** means the statement which KCOM is required to prepare and supply to Ofcom under Condition G.5;
- v. **“KCOM”** means KCOM Group plc, whose registered company number is 02150618, defined as “Kingston” in the 2003 Notification, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined in section 1159 of the Companies Act 2006;
- w. **“Ofcom”** means the Office of Communications as established under section 1 of the Office of Communications Act 2002;
- x. **“Ofcom Approved Complaints Code”** means the code of practice, as amended from time to time, annexed to Ofcom’s General Condition of Entitlement C4⁸ and entitled *“Ofcom approved complaints code of practice for customer service and complaints handling”*; except that references to the definitions used in that code shall be treated as references to the definitions and terms used in these Conditions as follows:
 - i. references to the Complaints Handling Procedures shall be treated as references to procedures for the handling of Complaints as defined in these Conditions that KCOM must have and comply with pursuant to Condition E.1(a);
 - ii. references to the Regulated Provider shall be treated as references to KCOM;
 - iii. references to a Complaint shall be treated as references to a Complaint as defined in these Conditions;
 - iv. references to a Relevant Customer shall be treated as references to a USO Customer;
 - v. references to a Complainant shall be treated as references to a USO Customer who makes a Complaint as defined in these Conditions to KCOM;
 - vi. references to a Customer Complaints Code shall be treated as references to a code of practice containing relevant information about how Complaints as defined in these Conditions from USO Customers are handled and how, and when, USO Customers can take their unresolved Complaints to an ADR Scheme as defined in these Conditions;

⁸ The current unofficial consolidated version of Ofcom’s General Conditions of Entitlement is available at: https://www.ofcom.org.uk/_data/assets/pdf_file/0021/112692/Consolidated-General-Conditions.pdf

- vii. references to an ADR Scheme shall be treated as references to an ADR Scheme as defined in these Conditions;
- viii. references to an ADR Letter shall be treated as references to a notification issued from KCOM to a USO Customer concerning the USO Customer's right to take their Complaint to an ADR Scheme as defined in these Conditions; and
- ix. references to a Bill shall be treated as references to a Bill as defined in these Conditions;
- y. **"Ofcom Information"** means information provided by Ofcom to KCOM under these Conditions, including the Bulk Data and the USO API;
- z. **"Order"** means The Electronic Communications (Universal Service) (Broadband) Order 2018;
- aa. **"Ordnance Survey's AddressBase Product"** means the most up-to-date versions of: (a) Ordnance Survey's AddressBase Premium dataset for the United Kingdom except Northern Ireland and (b) and Ordnance Survey's AddressBase Islands dataset for Northern Ireland;⁹
- bb. **"Premises"** means either a USO Customer's residence or place of business;
- cc. **"Prior Year"** means the 12 months ending on 19 March before the commencement of each Relevant Year;
- dd. **"Public Communications Network"** has the same meaning as in the 2003 Notification;
- ee. **"Publicly Available Telephone Service"** has the same meaning as in the 2003 Notification;
- ff. **"Relevant Year"** means the First Relevant Year and each Subsequent Relevant Year;
- gg. **"Request"** means the point of first contact by a USO Customer with KCOM to enquire about a Broadband Service pursuant to Condition A.1(b);
- hh. **"Rest of the UK"** means the area consisting of the United Kingdom excluding the Hull Area;
- ii. **"Subsequent Relevant Year"** means a period of 12 months subsequent to the First Relevant Year, the first of which starts on 20 March 2021 and ends on 19 March 2022, repeating thereafter for periods of 12 months from 20 March to 19 March (inclusive);
- jj. **"Technical Specification"** means, in relation to each form of broadband technology, all of the following characteristics specified in the Order: (a) a download sync speed of at least 10 megabits per second; (b) an upload sync speed of at least 1 megabit per second; (c) a contention ratio of no higher than 50:1; (d) latency which is capable of allowing the End-user to make and receive voice calls over the connection effectively; (e) the capability to allow data usage of at least 100 gigabytes per month;
- kk. **"Telephony Service"** means either or both a connection at a fixed location to the Public Communications Network and access to Publicly Available Telephone Services, including the ability to make and receive calls and facsimile;
- ll. **"United Kingdom"** has the meaning given to it in the Interpretation Act 1978 (c. 30);
- mm. **"USO API"** means information provided by Ofcom to KCOM for the purpose of assessing whether the criteria under Conditions A.3 and B.1 to B.11 (inclusive) are met through the application programming interface or other system which may be made available by Ofcom from time to time;
- nn. **"USO Customer"** means an End-user who has requested a Broadband Service from KCOM including Eligible USO Customers; and

⁹ The information concerning the Ordnance Survey's AddressBase Product is available at: <https://www.ordnancesurvey.co.uk/business-and-government/products/addressbase-products.html>

- oo. "**VAT**" means value added tax chargeable under or pursuant to the Value Added Tax Act 1994, including any amendment to, or replacement of, the Value Added Tax Act 1994, and/or any similar tax.

Part 3: Conditions

Section 1: Conditions applicable to Telephony Services and Broadband Services

Conditions A.1 to A.4 – Provision of Telephony Services and Broadband Services

- A.1 KCOM must provide one or both of the following upon request:
- a) subject to Condition A.2, Telephony Services;
 - b) subject to Condition A.3, Broadband Services.
- A.2 KCOM is required to provide Telephony Services where the request in respect of the Telephony Services is reasonable.
- A.3 Subject to the Conditions set out in Section 2, KCOM is required to provide Broadband Services where all of the following criteria are met:
- a) the Broadband Connection requested is to a fixed location which is a Premises;
 - b) Alternative Broadband Services at a price less than, or equal to, the Eligibility Threshold:
 - (i) are not available to that location; and
 - (ii) will not be made available to that location through a publicly-funded intervention within the period of one year beginning with the date on which the Request is made;
 - c) the provision of the Broadband Connection requested:
 - (i) will cost no more than £3,400 excluding VAT; or
 - (ii) will cost more than £3,400 excluding VAT, but any Excess Costs will be paid by the USO Customer.
- A.4 KCOM must ensure that its Electronic Communications Networks are installed, kept installed and run for the purpose of providing Broadband Services and/or Telephony Services.

Section 2: Conditions applicable to Broadband Services only

Condition B.1 – Eligibility assessment under Condition A.3(a)

- B.1 In order to make an assessment under Condition A.3(a) of whether a Request is for a fixed location which is a Premises, KCOM must first use the Ordnance Survey's AddressBase Product or another dataset as approved by Ofcom. Where the dataset used does not contain information in relation to that Premises, KCOM must:
- a) ask the USO Customer to provide evidence of liability by that Premises for either council tax or non-domestic (business) rates; and
 - b) proceed on the basis that the criterion in Condition A.3(a) is met where the USO Customer provides that evidence.

Conditions B.2 to B.5 – Eligibility assessment under Condition A.3(b)(i)

- B.2 In order to make an assessment under Condition A.3(b)(i), KCOM must use any relevant information held by KCOM and the Ofcom Information.
- B.3 If KCOM concludes that an Alternative Broadband Service provided by KCOM is available to the USO Customer at the Premises at a price less than, or equal to, the Eligibility Threshold, KCOM must offer a Broadband Service to the USO Customer provided the remaining criteria in Condition A.3 are met, unless KCOM offers to provide such an Alternative Broadband Service to the USO Customer within the period of up to and including 30 calendar days from the Request.
- B.4 If KCOM concludes that an Alternative Broadband Service provided by one or more third parties is available to the USO Customer at the Premises:
- a) KCOM may assume for the purposes of making an assessment under Condition A.3(b)(i) that any such Alternative Broadband Service is available at a price less than, or equal to, the Eligibility Threshold and can be provided within the period of up to and including 30 calendar days;
 - b) KCOM must provide to the USO Customer, as soon as reasonably practicable, the name and contact details of the network operator(s) on whose network(s) any such Alternative Broadband Service is available; and
 - c) KCOM must inform the USO Customer as soon as reasonably practicable that in the event that such an Alternative Broadband Service at a price less than, or equal to, the Eligibility Threshold is not available within the period of up to and including 30 calendar days, the USO Customer has the right to make another Request for a Broadband Service.
- B.5 KCOM must proceed on the basis that the criterion in Condition A.3(b)(i) is met where a USO Customer who has previously received information from KCOM under Condition B.4:
- a) informs KCOM on a reasonable basis that Alternative Broadband Services are not available to the USO Customer at a price less than, or equal to, the Eligibility Threshold from any third party within the period of up to and including 30 calendar days; and
 - b) makes another Request for a Broadband Service.

Conditions B.6 to B.7 – Eligibility assessment under Condition A.3(b)(ii)

- B.6 In order to make an assessment under Condition A.3(b)(ii), KCOM must use the Ofcom Information. If KCOM concludes on the basis of that information that an Alternative Broadband Service will be made available to a Premises through a publicly-funded intervention within the period of one year beginning with the date on which a USO Customer made a Request:
- a) KCOM may assume that any Alternative Broadband Service available to the Premises will be available at a price less than, or equal to, the Eligibility Threshold;
 - b) KCOM must provide the name and contact details of the organisation listed in the Ofcom Information to the USO Customer as soon as reasonably practicable; and
 - c) KCOM must inform the USO Customer as soon as reasonably practicable that the USO Customer has the right to make another Request in the event that:

- (i) an Alternative Broadband Service at a price less than, or equal to, the Eligibility Threshold has not been made available by that organisation within the period of one year beginning with the date on which the USO Customer made the Request to KCOM; or
 - (ii) the USO Customer is informed that an Alternative Broadband Service at a price less than, or equal to, the Eligibility Threshold will not be made available by that organisation within the period of one year beginning with the date on which the USO Customer made the Request to KCOM.
- B.7 KCOM must proceed on the basis that the criterion in Condition A.3(b)(ii) is met where a USO Customer who has previously received information from KCOM under Condition B.6(c):
- a) informs KCOM that an Alternative Broadband Service at a price less than, or equal to, the Eligibility Threshold:
 - (i) has not been made available by that organisation within the period of one year beginning with the date on which the USO Customer made the Request to KCOM; or
 - (ii) will not be made available by that organisation within the period of one year beginning with the date on which the USO Customer made the Request to BT; and
 - b) makes another Request.

Conditions B.8 to B.11 – Eligibility assessment under Conditions A.3(c)

- B.8 In order to make an assessment under Condition A.3(c), KCOM must, where the provision of a Broadband Connection to a Premises involves the deployment of infrastructure which is capable of serving more than one potentially eligible Premises, calculate the share of costs that is attributed to that individual Premises as follows:

Total Cost of Provision of Infrastructure which is capable of being shared

Number of relevant Premises

where the number of relevant Premises is the highest of:

- (iii) 70%, or another proportion as approved by Ofcom from time to time, of the total number of potentially eligible Premises which can be served by that infrastructure; or
 - (iv) the actual number of Premises which can be served by that infrastructure and in respect of which Requests which meet the criteria in Condition A.3 have been made.
- B.9 In order to make an assessment under Condition A.3(c), KCOM must use any relevant information held by KCOM and the Ofcom Information.
- B.10 Where in accordance with the assessment carried out under Conditions B.8 and B.9, KCOM concludes that the provision of the Broadband Connection requested will cost no more than £3,400 excluding VAT, KCOM is required to provide Broadband Services to a USO Customer unless in the process of delivering that Broadband Connection KCOM concludes on the basis of an updated detailed survey that the cost of providing that Broadband Connection will exceed £6,800 excluding VAT due to factors which KCOM could not reasonably have foreseen when carrying out its assessment under Conditions B.8 and B.9. Where it is established that the cost of providing that Broadband Connection will exceed £6,800 excluding VAT under this Condition B.10, KCOM shall be subject to the obligations contained in Conditions A.3(c)(ii) and

B.11(a) to B.11(e) (inclusive) except that only any excess costs over £6,800 excluding VAT shall be paid by that USO Customer.

- B.11 Where in accordance with the assessment carried out under Conditions B.8 and B.9, KCOM concludes that the provision of the Broadband Connection requested will cost more than £3,400 excluding VAT (the “Conclusion” for the purposes of this Condition B.11), KCOM must:
- a) inform the USO Customer of the Conclusion and provide its best estimate of the range of the Excess Costs;
 - b) inform the USO Customer that he or she has the right to request a full quotation of the Excess Costs to be provided with the timescales specified in Condition B.11(c);
 - c) if the USO Customer requests a full quotation of the Excess Costs, prepare and provide that full quotation to the USO Customer together with an explanation of the nature of the costs involved as soon as reasonably practicable and, in any event, no later than 60 calendar days beginning with the date on which the USO Customer requested that full quotation;
 - d) provide a Broadband Service to the USO Customer if the USO Customer reaches an appropriate agreement with KCOM in respect of payment of the sum of: (i) the Excess Costs under that full quotation; and (ii) VAT on those Excess Costs; and
 - e) if the USO Customer does not agree to pay the sum referred to in Condition B.11(d), inform the USO Customer that the costs of the provision of the Broadband Connection may change over time and that the USO Customer has the right to contact KCOM at a later date to request a Broadband Service.

Conditions C.1 to C.8 – Responding to Requests, delivering and provisioning Broadband Services

Responding to Requests

- C.1 KCOM must:
- a) act reasonably in making an assessment of whether the criteria set out in Condition A.3 are met in relation to each Request; and
 - b) take reasonable steps to use the most up-to-date information when assessing whether the criteria under Conditions A.3 and B.1 to B.11 (inclusive) are met.
- C.2 Where KCOM receives a Request from a USO Customer pursuant to Condition A.1(b), subject to Condition C.3, KCOM must make the assessments referred to in Conditions B.1 to B.11 (inclusive) and inform the USO Customer of whether the criteria set out in Condition A.3 are met as soon as reasonably practicable and, in any event, no later than 30 calendar days beginning with the date of that Request.
- C.3 Where KCOM needs to request evidence from a USO Customer under Condition B.1(a), the period of 30 calendar days referred to in Condition C.2 may be extended by the number of calendar days during which KCOM awaited evidence from that USO Customer.
- C.4 In informing a USO Customer under Condition C.2, KCOM must:
- a) where the criteria set out in Condition A.3 are met, on the same date as informing the Eligible USO Customer, make an offer to provide a Broadband Service to the Eligible USO Customer;
 - b) where the criteria set out in Condition A.3 are not met, explain which of the criteria are not met and why; and

- c) inform the USO Customer that he or she has the right to bring a Complaint and provide either an electronic or a physical copy of the Customer Complaints Code.

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- C.5 Unless Exceptional Circumstances have arisen, KCOM must provide a Broadband Service to an Eligible USO Customer who has placed a Confirmed Order as soon as reasonably practicable and, in any event, no later than the period of 12 months beginning with the date on which the Eligible USO Customer placed the Confirmed Order.
- C.6 Where Exceptional Circumstances have arisen, the period of 12 months referred to in Condition C.5 may be extended by the period of delay caused by those Exceptional Circumstances.
- C.7 KCOM must, as soon as reasonably practicable, inform and keep each Eligible USO Customer who has placed a Confirmed Order updated of the following:
 - a) what the Eligible USO Customer has the right to receive pursuant to KCOM's obligations under these Conditions;
 - b) the anticipated date of delivery of the Broadband Services; and
 - c) any change to the anticipated delivery date referred to in Condition C.7(b) including the provision of the following:
 - (i) a revised date of delivery of the Broadband Services; and
 - (ii) an explanation of the reason for the change to the anticipated delivery date referred to in Condition C.7(b).

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- C.8 In each financial year or any other period approved by Ofcom, KCOM must provide Broadband Services to Eligible USO Customers to at least the same quality of service levels relating to: (a) fault repair; (b) missed appointments; and (c) the provision of Broadband Services, as KCOM meets in providing Alternative Broadband Services in that same period.

Condition D.1 – Price and non-price terms and conditions relating to Broadband Services

- D.1 KCOM must ensure that:
 - a) any Broadband Service provided to an Eligible USO Customer is provided at a price no higher than the price at which KCOM provides the equivalent Alternative Broadband Service or in the absence of the equivalent Alternative Broadband Service, the most comparable Alternative Broadband Service; and
 - b) the terms and conditions upon which a Broadband Service is provided to an Eligible USO Customer do not require the Eligible USO Customer to pay for any additional service which is not necessary for the purpose of providing the Eligible USO Customer with that Broadband Service.

Conditions E.1 to E.3 – Complaints Handling and Dispute Resolution

- E.1 KCOM must:

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- a) have and comply with procedures for the handling of Complaints brought by USO Customers that conform with Section 1 of the Ofcom Approved Complaints Code;
 - b) have and comply with a Customer Complaints Code that conforms with Section 2 of the Ofcom Approved Complaints Code; and
 - c) retain written records of Complaints in conformity with Section 3 of the Ofcom Approved Complaints Code.
- E.2 KCOM must:
- a) be a member of an ADR Scheme approved by Ofcom under these Conditions;
 - b) comply with the ADR Scheme, including abiding by any final decision of the body which administers the ADR Scheme, within the time period specified in that final decision;
 - c) ensure that USO Customers have the right to use the ADR Scheme free of charge;
 - d) provide information in Bills about the ADR Scheme in conformity with Section 4 of the Ofcom Approved Complaints Code; and
 - e) provide the ADR Scheme with all training, information and support necessary for resolving Complaints brought by USO Customers in relation to any matters relating to KCOM's obligations under these Conditions.
- E.3 KCOM must monitor its compliance with Conditions E.1 and E.2 and the Ofcom Approved Complaints Code, including compliance by all employees and agents who interact with USO Customers and/or handle Complaints, and take appropriate steps to prevent the recurrence of any problems identified.

Conditions F.1 to F.3 – Reporting and record keeping

- F.1 KCOM must maintain records, including records of all Requests made by USO Customers, for a period of 6 years from the date on which those records have been created, which must be sufficient to:
- a) demonstrate KCOM's compliance with these Conditions; and
 - b) provide adequate evidence and explanations in support of any potential request made by KCOM for compensation for complying in relation to any matters relating to KCOM's obligations under these Conditions.
- F.2 KCOM must ensure that it has an accounting system which is adequate to:
- a) separately record and calculate the incremental costs, revenues, assets and liabilities associated with the provision of Broadband Services; and
 - b) show and explain the transactions underlying the provision of Broadband Services.
- F.3 KCOM must comply with all such reporting requirements as Ofcom may from time to time direct in relation to matters relating to KCOM's obligations under these Conditions.

Conditions G.1 to G.6 – Treatment of information

- G.1 In respect of any Ofcom Information, or any information otherwise collected by KCOM in connection with performing its obligations under these Conditions, KCOM must:
- a) ensure that such information is used only for the purpose of performing its obligations under these Conditions; and
 - b) put in place measures, including appropriate separation of data, to prevent access to such information by any employee or agent of KCOM who is not directly involved in any matters relating to KCOM's obligations under these Conditions.
- G.2 KCOM must ensure that in relation to any Bulk Data provided by Ofcom to KCOM:
- a) only named employees and/or agents of KCOM who are working on the delivery of KCOM's obligations under these Conditions have access to the Bulk Data;
 - b) any such employees and/or agents do not influence any commercial deployment decisions whilst they have access to the Bulk Data; and
 - c) any such employees and/or agents do not influence any commercial deployment decisions for an appropriate period of time after they have ceased having access to the Bulk Data.
- G.3 KCOM must ensure that in relation to any Ofcom Information other than the information referred to in Condition G.2, or any information collected by KCOM in connection with performing its obligations under these Conditions, no employee or agent of KCOM who is not working on the delivery of the universal service under these Conditions shall have access to that information.
- G.4 KCOM must maintain:
- a) a list of the names of all employees and agents, including their roles, who have received any material amount of information of the type referred to in condition G.1 above; and
 - b) a description of the nature of the information so received.
- G.5 KCOM must:
- a) prepare and provide to Ofcom at a date to be agreed, an Information Sharing Statement which sets out a description of measures KCOM has implemented to ensure its compliance with Conditions G.1 to G.4 (inclusive) in preparation for receiving any Ofcom Information. Such a description must include any measures implemented in the following areas:
 - (i) IT systems;
 - (ii) arrangements to deal with the co-location of employees and/or agents of KCOM who work on the delivery of the universal service under these Conditions with other employees and/or agents who are not working on the delivery of the universal service under these Conditions, and in particular, how the information described in Condition G.1 will be protected where such co-location occurs;
 - (iii) training and guidance for employees and agents of KCOM to ensure KCOM's compliance with Conditions G.1 to G.4 (inclusive); and

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- (iv) internal compliance checks undertaken by KCOM to ensure that the measures in place to manage information sharing in compliance with Conditions G.1 to G.4 (inclusive) are sufficient and appropriate, including risk assessments;
 - b) update the Information Sharing Statement if material changes to the measures referred to in Condition G.5(a) are made once KCOM starts to receive any Ofcom Information.
- G.6 Ofcom may carry out, or arrange for another person to carry out, an audit of the measures implemented by KCOM to comply with Conditions G.1 to G.4 (inclusive). KCOM must:
- a) co-operate with any such audit; and
 - b) pay the costs of the audit.

Condition H.1 – Raising awareness of Broadband Services

- H.1 KCOM must take reasonable steps, including disseminating information in appropriate formats through appropriate channels, to raise awareness of the potential availability of Broadband Services under these Conditions among members of the public.

Condition I.1 – Directions, approvals and consents

- I.1 Ofcom may from time to time give, under these Conditions, a direction, approval or consent requiring KCOM to comply with additional requirements under these Conditions.

SCHEDULE 4

DIRECTION UNDER CONDITION F.3 OF SCHEDULE 3 TO KCOM

Part 1: Application

1. The Direction in Part 3 of this Schedule 4 shall:
 - a. apply to KCOM in the Hull Area; and
 - b. come into force on 20 March 2020.

Part 2: Definitions and interpretation

1. For the purpose of interpreting this Schedule 4:
 - a. except in so far as the context otherwise requires, words or expressions shall have the meaning assigned to them in this Schedule 4, and otherwise any word or expression shall have the same meaning as it has in the Act or the Order;
 - b. words in the singular shall include the plural, and in the plural shall include the singular;
 - c. headings and titles shall be disregarded;
 - d. expressions which are cognate with those referred to in this Schedule 4 shall be construed accordingly; and
 - e. the Interpretation Act 1978 (c. 30) shall apply as if this Schedule 4 were an Act of Parliament.
2. In this Schedule 4:
 - a. **"2003 Notification"** means the Notification dated 21 July 2003 made under Regulation 4(10) of the Electronic Communications (Universal Service) Regulations 2003 (as amended);
 - b. **"Act"** means the Communications Act 2003 (c. 21);
 - c. **"Alternative Dispute Resolution Scheme"** or **"ADR Scheme"** means any dispute procedures for which Ofcom gives its approval for the resolution of disputes in relation to any Complaints between KCOM and USO Customers;
 - d. **"Broadband Connection"** means a connection provided by KCOM to an Eligible USO Customer under the Conditions which meets the Technical Specification;
 - e. **"Broadband Services"** means both a Broadband Connection and a service provided by KCOM to an Eligible USO Customer under the Conditions, each of which meets the Technical Specification;
 - f. **"Complaint"** means: (a) an expression of dissatisfaction made by a USO Customer to KCOM related to either: (i) matters relating to KCOM's obligations under the Conditions; (ii) the complaint-handling process itself; or (iii) the level of customer service experienced by the USO Customer; and (b) where a response or resolution is explicitly or implicitly expected;
 - g. **"Condition"** means any of the universal service conditions imposed by Ofcom under sections 45 to 47, 48A, 48C, 67 and 68(3) and (4) of the Act and set out in Schedule 3;
 - h. **"Confirmed Order"** means an order for a Broadband Service made by an Eligible USO Customer which is communicated to KCOM by any method of communication, including by telephone, letter, email or webchat;

- i. **“Customer Complaints Code”** means a code of practice containing relevant information about how Complaints from USO Customers are handled and how, and when, USO Customers can take their unresolved Complaints to an ADR Scheme;
- j. **“Direction”** means the direction given under section 49, 49A(6) and 49C(2) of the Act and Condition F.3 of Schedule 3 and set out in this Schedule 4;
- k. **“Eligible USO Customer”** means a USO Customer whose request for a Broadband Service meets the criteria in Condition A.3;
- l. **“Exceptional Circumstances”** means any environmental factor, restriction to street access, or customer or third party wayleave process which has the following characteristics: (i) it is beyond KCOM’s control; (ii) it is beyond the normal range of expectations; (iii) it has a significant impact on either access or existing infrastructure that causes prolonged delay to the delivery of Broadband Services; and (iv) it is critical to the delivery of Broadband Services;
- m. **“Excess Costs”** means any costs of providing a Broadband Connection which are more than £3,400 excluding VAT;
- n. **“First 6 Month Period”** means a period which starts on 20 March 2020 and ends on 19 September 2020 (inclusive);
- o. **“First Relevant Year”** means a period which starts on 20 March 2020 and ends on 19 March 2021 (inclusive);
- p. **“Hull Area”** means the area defined as the “Licensed Area” in the licence granted on 30 November 1987 by the Secretary of State under section 7 of the Telecommunications Act 1984 to Kingston upon Hull City Council and KCOM Group plc;
- q. **“KCOM”** means KCOM Group plc, whose registered company number is 02150618, defined as “Kingston” in the 2003 Notification, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined in section 1159 of the Companies Act 2006;
- r. **“Ofcom”** means the Office of Communications as established under section 1 of the Office of Communications Act 2002;
- s. **“Order”** means The Electronic Communications (Universal Service) (Broadband) Order 2018;
- t. **“Premises”** means either a USO Customer’s residence or place of business;
- bb. **“Relevant Period”** means the First 6 Month Period and each Subsequent 6 Month Period;
- cc. **“Relevant Year”** means the First Relevant Year and each Subsequent Relevant Year;
- u. **“Request”** means the point of first contact by a USO Customer with KCOM to enquire about a Broadband Service pursuant to Condition A.1(b);
- v. **“Subsequent 6 Month Period”** means a period of 6 months subsequent to the First 6 Month Period, the first of which starts on 20 September 2020 and ends on 19 March 2021, repeating thereafter for periods of 6 months from 20 March to 19 September (inclusive);
- w. **“Subsequent Relevant Year”** means a period of 12 months subsequent to the First Relevant Year, the first of which starts on 20 March 2021 and ends on 19 March 2022, repeating thereafter for periods of 12 months from 20 March to 19 March (inclusive);
- x. **“Technical Specification”** means, in relation to each form of broadband technology, all of the following characteristics specified in the Order: (a) a download sync speed of at least 10 megabits per second; (b) an upload sync speed of at least 1 megabit per second; (c) a contention ratio of no higher than 50:1; (d) latency which is capable of allowing the End-user to make and receive voice calls over the connection effectively; (e) the capability to allow data usage of at least 100 gigabytes per month;

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- y. **“United Kingdom”** has the meaning given to it in the Interpretation Act 1978 (c. 30);
and
- z. **“USO Customer”** means an End-user who has requested a Broadband Service from KCOM including Eligible USO Customers.

Part 3: Direction

1. For each Relevant Period, KCOM shall prepare and publish:
 - a. in relation to Requests received by KCOM:
 - i. the number of Requests received in each month;
 - ii. the number of Confirmed Orders received in each month;
 - iii. the number of Confirmed Orders received each month that involved a Customer agreeing to pay Excess Costs; and
 - iv. the number of Requests in each month where KCOM informed USO Customers that they did not meet the criteria set out in Condition A.3, together with an explanation of the reason(s) why each Request was not eligible;
 - b. in relation to the time period for responding to Requests:
 - i. the number of requests in each month in respect of which KCOM informed USO Customers of whether the criteria set out in Condition A.3 were met within the period of up to and including 30 calendar days of the date of the Request; and
 - ii. the number of Requests in each month in respect of which KCOM informed USO Customers of whether the criteria set out in Condition A.3 were met in the period exceeding 30 calendar days from the date of the Request;
 - c. in relation to the provision of Broadband Services:
 - i. the number of Broadband Services delivered in each month; and
 - ii. the number of Broadband Services delivered in each month that were within the following periods from the dates on which Confirmed Orders were placed: 0 up to and including 6 months; more than 6 months up to and including 12 months; more than 12 months up to and including 18 months; more than 18 months up to and including 24 months; and more than 24 months;
 - d. in relation to the handling of Complaints and dispute resolution for each month:
 - i. the number of Complaints received by KCOM in each month;
 - ii. the number of Complaints resolved by KCOM under Condition E.1 to the satisfaction of USO Customers in each month;
 - iii. the number of Complaints not resolved under Condition E.1 to the satisfaction of USO Customers in each month; and
 - iv. the number of Complaints referred by USO Customers to the ADR Scheme under Condition E.2 in each month.
2. For each Relevant Period, KCOM shall prepare and publish the information set out below, which should be based on the quality of service parameters, definitions and measurement methods set out in Annex 1 to this Schedule 4, except in so far as Ofcom may from time to time consent:
 - a. the supply time of Broadband Services from the date of the Confirmed Order in each month;
 - b. the fault rate per access line for all Broadband Services in each month; and
 - c. the fault repair time for all Broadband Services in each month.
3. For each Relevant Period, KCOM shall prepare and deliver to Ofcom data necessary for Ofcom to monitor KCOM's compliance with the following Conditions:

- a. in relation to any Request in respect of which KCOM did not inform the USO Customer of whether the criteria set out in Condition A.3 were met within the period of up to and including 30 calendar days beginning with the date of that Request, the reason(s) why that information was not provided within the time period specified in Condition C.2;
 - b. in relation to any Request in respect of which KCOM changed one or more of anticipated dates of delivery of a Broadband Service referred to in Condition C.7, the reason(s) why KCOM changed the anticipated delivery date(s); and
 - c. in relation to any Request in respect of which KCOM provided a Broadband Service after the period of 12 months beginning with the date on which an Eligible USO Customer placed a Confirmed Order, the reason(s) why that Broadband Service was not provided within the 12-month time period specified in Condition C.5, including the following:
 - i. an explanation of any steps taken by KCOM to manage a risk of those Exceptional Circumstances arising; and
 - ii. an explanation of any steps taken by KCOM to reduce the period of delay once those Exceptional Circumstances arose.
4. The information referred to in paragraphs 1 to 3 (inclusive) must be published or provided to Ofcom (as applicable) as follows:
- a. the first publication and provision to Ofcom must occur no later than 30 calendar days after the expiry of the First 6 Month Period; and
 - b. each subsequent publication and provision to Ofcom must occur no later than 30 calendar days after the expiry of each Subsequent 6 Month Period.
5. For the purpose of paragraphs 1 and 2 of this Direction, publication shall be effected by:
- a. placing a copy of the relevant information in a prominent place on any relevant publicly available website operated or controlled by KCOM; and
 - b. sending a copy of the relevant information to any person at that person's written request.
6. Provision of information to Ofcom under paragraph 3 of this Direction shall be effected by sending an email to a person designated by Ofcom, in the form notified by Ofcom from time to time.

ANNEX 1

QUALITY OF SERVICE PARAMETERS

Quality of service parameters, definitions and measurement methods referred to in paragraph 2 of the Direction

For KCOM providing Broadband Services

PARAMETER (Note 1)	DEFINITION	MEASUREMENT METHOD
Supply time for initial connection	ETSI EG 202 057	ETSI EG 202 057
Fault rate per access line	ETSI EG 202 057	ETSI EG 202 057
Fault repair time	ETSI EG 202 057	ETSI EG 202 057

Note 1

Parameters should allow for performance to be analysed at a regional level (i.e. no less than level 2 in the Nomenclature of Territorial Units for Statistics (NUTS) established by Eurostat).