

**Openreach's response to
Ofcom's Consultation:
"Promoting competition and
investment in fibre networks:
Telecoms Access Review"
Document 5**

12 June 2025

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Introduction

This document forms part of Openreach's response to the TAR Consultation, and covers responses to TAR Volume 5.

The full structure of the Openreach response is:

Openreach TAR Response Document 1	Executive Summary and Overall view on Market Analysis and Remedies
Openreach TAR Response Document 2	Responses to questions in TAR Consultation Volume 2
Openreach TAR Response Document 3	Responses to questions in TAR Consultation Volume 3
Openreach TAR Response Document 4	Responses to questions in TAR Consultation Volume 4
Openreach TAR Response Document 5	Responses to questions in TAR Consultation Volume 5
Openreach TAR Response Document 6	Responses to questions in TAR Consultation Volume 6 and Annexes
Annex 1: NERA Report: Response to Ofcom's TAR	Supports points on Market Analysis and Remedies in documents 1 to 4
Annex 2: Network Technology Report	Supports points on Market Analysis in documents 1 and 2
Annex 3: Criteria for Geographic Deregulation in Wholesale Broadband (Assembly Research report)	Supports points on Market Analysis in documents 1 and 2

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Openreach's Response to Ofcom's Consultation
Promoting competition and investment in fibre networks: Telecoms Access Review
Document 5 – Quality of Service

1. Summary

WLA

Openreach supports Ofcom's Quality of Service (QoS) proposals for MPF and FTTC services in the Wholesale Local Access (WLA) market, and for the Leased Line Access (LLA) and Inter-Exchange Connectivity (IEC) markets. In particular, we welcome the proposal to move to national standards in the WLA market, to reflect declining MPF and FTTC volumes as customers migrate to FTTP – although we propose that Ofcom reviews QoS policy for MPF and FTTC if repair or provision volumes fall below 0.25m per quarter for two consecutive quarters.

However, we disagree with Ofcom's proposal to introduce QoS standards for FTTP in Area 3, which we believe is neither objectively justified nor proportionate for the following reasons:

- 1) There is a high level of customer satisfaction for both ISPs and end-customers.
- 2) The difference in service quality that Ofcom has noted between Areas 2 and 3 is due to differences in geography and network architecture – it is not due to competitive pressure being higher in Area 2 than in Area 3.
- 3) Openreach's coverage in Area 3 as of May 2025 was [X]. This suggests that the introduction of QoS standards in Area 3 would be premature – it would impact service for only a very limited number of end customers and would also discourage Openreach from rolling out to hard-to-serve premises.
- 4) KPIs enable Ofcom (and other stakeholders) to monitor service quality and assess whether regulatory intervention would be appropriate.

We propose instead that Ofcom allows the market to mature, monitors FTTP service performance, and intervenes if it finds evidence that our service level is not sufficient, in line with Ofcom's general duties to intervene only in cases in which action is needed.

If Ofcom did decide to introduce FTTP QoS standards in the TAR, we propose that the minimum standards would need to be lower than those Ofcom has proposed, in order to be achievable and therefore meet the "Section 49 tests" listed by Ofcom in the Consultation - in particular the requirement for the QoS to be objectively justifiable and proportionate.¹ Lower QoS standards would also be required to enable Ofcom to meet its general duties as set out in Section 3 of the Communications Act, in particular Section 3.3(a), further to which Ofcom must have regard to the principles under which regulatory activities should be proportionate.

We disagree with the logic that Ofcom used to set the standards in the Consultation, in particular the use of Bluewave rurality data to set repair standards. We would propose instead that:

- the starting point for setting any standard for Area 3 should be Openreach's actual performance in Area 3 (not Area 2 or national performance); and
- any standards should take into account developments in the coming years that will impact service metrics. These include Customer Journey Optimisation², which will improve overall end customer experience but negatively impact on-time provision, and an expected increase in the proportion of hard-to-serve premises as FTTP coverage is extended to increasingly remote areas.

LLA and IEC

We are broadly supportive of Ofcom's proposal to retain the four existing QoS standards for LLA and IEC provision. We continue to have some concerns about the QoS standard for LLA and IEC repair, particularly its sensitivity to the underlying fault mix. The continued inclusion of Matters Beyond Our Reasonable Control (MBORC) events within the measurement of Openreach's repair performance leaves our ongoing compliance exposed to these events which are outside of our control and is inconsistent with MBORC's exclusion from other QoS standards. We would welcome further acknowledgement from Ofcom of these features of the QoS standards.

¹ TAR Vol 5, paras 6.14 and 6.15.

² For details of Customer Journey Optimisation, please see paragraph 106 onwards

PIA

We are fully supportive of Ofcom's approach not to impose specific QoS standards or mandate specific KPIs for PIA services. We agree with Ofcom that this approach is appropriate because Openreach and Physical Infrastructure Access (PIA) ISPs work together to continually improve and develop the PIA product.

2. Responses to Questions

Question 5.1: Do you agree with our proposal to retain a QoS SMP condition in all wholesale fixed telecoms markets in which we provisionally determine that BT has SMP and where we propose to apply transitional arrangements? Please set out your reasons and supporting evidence for your response.

1. Where competition in an area is more progressed, and more likely to develop, we would generally propose that remedies should be adapted accordingly – they should be targeted at the competitive harm identified.
2. Specifically for QoS:
 - i. Ofcom is proposing to have national standards for copper, and we accept this proposal. We further propose that copper QoS standards should continue to be calculated based on national volumes even if Ofcom subsequently deems some premises to be competitive, and therefore part of Area 1. This is because it would be unnecessarily complex to exclude the performance of premises in Area 1.
 - ii. For FTTP, Ofcom is only proposing to introduce QoS standards in Area 3, where, by definition, Ofcom considers competition to be limited. Whilst we accept Ofcom's proposal to have an SMP Condition, we disagree with the specific remedy that Ofcom proposes – i.e. the introduction of QoS standards for FTTP.

WLA QoS

Question 5.2: Do you agree with our proposals for QoS regulation in WLA markets for this review period? Please set out your reasons and supporting evidence for your response.

MPF/FTTC

3. We agree that:
 - i. Ofcom should continue to set QoS standards for copper services for the period 2026-31;
 - ii. these should be set at a national rather than a regional level, reflecting the expectation that national copper volumes in the late 2020s will be comparable to regional volumes in the early 2020s; and
 - iii. the minimum standards should be set at the levels proposed by Ofcom in TAR Vol 5 Table 3.2.
4. We propose that the use of MBORC for copper services should continue as specified in the 2021 Wholesale Fixed Markets Telecoms Review (WFTMR), i.e. the High Level MBORC allowance shall apply for up to two regions per year.³
5. As noted in paragraph 135 below, the regions should be aligned with Openreach's current management regions, i.e. the six management regions in Openreach's Service Delivery organisation (as of May 2025).
6. We also reiterate our suggestion, noted by Ofcom in the Consultation,⁴ that Ofcom reviews QoS policy for MPF and FTTC if repair or provision volumes fall below 0.25m per quarter for two consecutive quarters. This would enable Ofcom to review whether the metrics and targets would still be appropriate in light of the market changes that led to such low copper volumes. For example, we expect

³ Per WFTMR Vol 7 Schedule 3 para. 8b: "in the remaining two Relevant Regions the Dominant Provider must comply with Quality of Service Standards 1, 2, 3 and 5, except that in calculating the number of instances in which the Dominant Provider did not meet the relevant obligations, instances of failure occurring within an area that was subject to a High Level MBORC Declaration within eight weeks of the Dominant Provider making that High Level MBORC Declaration and the Fault or Order (as applicable) shall be excluded".

⁴ TAR Vol 3, para 3.55.

copper volumes to become increasingly concentrated in remote areas as end customers migrate to FTTP, which suggests that the current copper QoS standards could be too onerous in the late 2020s given the challenges of serving predominantly rural end customers.

Fibre to the Premises

FTTP QoS standards are not required

7. Openreach does not agree with Ofcom's proposal to introduce QoS standards for FTTP in Area 3. We propose instead that Ofcom allows the market to mature, monitors FTTP service performance and end customer satisfaction, and intervenes if it finds evidence that our service performance is not sufficiently high. This would be consistent with the approach that Ofcom proposes for PIA, for which Ofcom found "*there is no strong evidence that there is a QoS issue*", and it would monitor Openreach's performance and introduce PIA QoS standards if this monitoring highlighted areas of concern.⁵
8. The sections below provide the rationale for our position. We start by considering feedback from end customers and ISPs, and then assess the reasons that Ofcom provided in the Consultation for introducing QoS standards in Area 3 for FTTP. We conclude by highlighting the negative consequences of introducing QoS standards, including the negative impact on incentives to roll out further to hard-to-reach premises, and by proposing an alternative to QoS standards that we believe would be proportionate.

The FTTP market in Area 3 is immature, and Openreach has limited FTTP coverage

9. Ofcom proposes in the Consultation to introduce QoS standards for FTTP in the proposed new Area 3.
10. As shown in Figure 5.1, Area 3 has 3.7m premises, and Openreach had covered [X] of these ([X] of 3,696,393) as of May 2025. We understand that competitors have won funding for c. 300k premises in Area 3, while Openreach has BDUK Type C funding for [X] premises.

⁵ TAR Vol 5 paras 5.4-5.5

11. The limited build to date, and uncertainty about the extent to which future build will be driven by Openreach or Altnets, suggests that the Area 3 market is currently too immature to warrant the introduction of QoS standards.
12. The introduction of QoS standards would also act as a disincentive for Openreach to extend its Area 3 coverage, since future build is likely to include a significant proportion of hard-to-serve premises for which the level of QoS achievable is as yet unknown.

Figure 5.1: Premises by Area, and Openreach FTTP Coverage in Area 3
Openreach Coverage as of May 2025

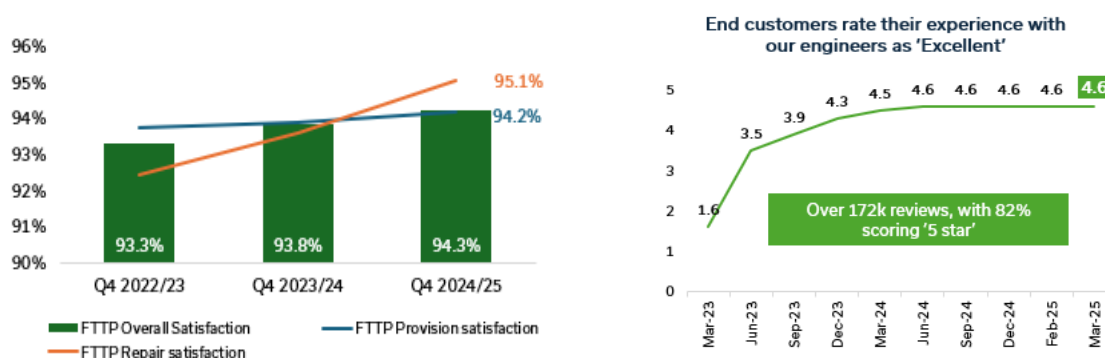
[X]

End customer satisfaction with Openreach's FTTP Services is very high

13. As shown in Figure 5.2, end customer satisfaction with the FTTP service has been high and growing since the end of the industrial action in FY22/23, and end customers' experience with our engineers has similarly been rated "Excellent".
14. Ofcom notes as part of its rationale for not introducing FTTP QoS standards in Area 2, that *"the absence of minimum standards to date does not appear to be resulting in significant consumer harm"*.⁶ Our consistently very strong end customer satisfaction scores suggest that this statement would be as applicable to Area 3 as to Area 2.

⁶ TAR Vol 5 para 3.35

Figure 5.2: FTTP End Customer Satisfaction



Source: Openreach Customer Service Surveys (left chart); Trustpilot (right chart)

SLGs already incentivise good service

15. Openreach pays SLGs to CPs when provision or repair work is late. Ofcom should take into account the impact of SLGs on quality of service in its assessment of whether QoS standards are necessary and proportionate.
16. We believe it would be disproportionate and unnecessary to additionally impose QoS standards when SLGs already provide strong incentives to Openreach.

KPIs indicate that Openreach's FTTP performance has been consistent

17. As Ofcom notes in paragraph 3.12 of the Consultation, "KPIs show that FTTP performance has generally either been maintained or improved" since March 2021.

FTTP is inherently reliable, leading to strong in-life performance

18. The case for introducing QoS Standards is particularly weak for repair, since the inherent reliability of FTTP greatly limits the number of end customers who are negatively impacted by FTTP faults:
 - i. Ofcom's proposed standards would apply only to premises in Area 3 where Openreach has FTTP coverage. As of May 2025, that was [X] premises.

- ii. Openreach's FTTP fault rate is around [X] faults per thousand lines per year, which is c. 60-65% lower than the corresponding rate for copper-based services. We would therefore expect around [X]% ([X]) of FTTP lines to have a fault in any given year, so the average end customer could expect to have one fault every [X]⁷ years. If we achieved 60% take-up within the current footprint of [X] premises in Area 3, we would expect there to be c. [X] faults per year.⁸
 - iii. When a fault does occur, Openreach is able to restore service in Area 3 by the following day in about [X] of cases, i.e. c. [X] of the expected c. [X] per year.
 - iv. When we are unable to repair a fault within one working day, we make this fault a priority, and aim to resolve it as soon as practicable.
19. In light of the above points, it is particularly unclear why Ofcom would consider it necessary to impose repair QoS standards. FTTP faults impact relatively few customers in Area 3 each year, and market forces and commercial pressures are already driving good outcomes. It would be disproportionate to introduce new regulation to address these faults given the high level of end customer satisfaction and the lack of evidence of customer harm.

The Consultation's rationale for introducing QoS standards is flawed

20. In the Consultation, Ofcom explained that it proposed to introduce FTTP QoS standards in Area 3 because:
- i. "Material and sustainable network competition is unlikely to develop in WLA Area 3. This means that without regulation, there is a greater risk of inadequate QoS delivered by Openreach (as described above), and therefore consumer harm"⁹.
 - ii. "Existing repair performance in WLA Area 3 is also already lower than in WLA Area 2, even when accounting for the fact that WLA Area 3 is more rural...

⁷ A fault rate of [X]% means [X] faults per [X] customers per year. This is equivalent to [X] faults per customer per year, so 1 fault per customer per [X] years.

⁸ Coverage of [X] multiplied by take-up of 60% and a fault rate of [X]% per year gives [X] faults per year, which has been rounded to c. [X]

⁹ TAR Vol 5 para. 3.43

This could, in part, be a consequence of the different competitive environments faced by Openreach in the two areas, mentioned above."¹⁰

21. We disagree with both of these points, for the reasons covered in the following two sections.
22. With respect to Ofcom's first reason for introducing FTTP QoS standards, the presence or absence of network competition for any particular end customer has not influenced how Openreach served that end customer.
23. We resource work by matching, as closely as we can, labour supply (the number of people we have available and their skills mix) with the demand for work. Work is prioritised according to a "staircase", which for example leads to overdue jobs being assigned a high priority. If helpful, we would be happy to present to Ofcom the details of how we prioritise and resource engineering work.
24. Ofcom has not demonstrated that there is a "*risk of inadequate QoS*" in either Area 3 or Area 2, so this cannot be used to justify the adoption of QoS in Area 3. On the contrary, we believe that the presence of competition in c. 90% of the UK puts competitive pressure on Openreach to improve service for all end customers on a nationwide basis.
25. Differences between Area 2 and Area 3 service performance are driven by differences in network architecture, not just rurality.
26. The second reason that Ofcom gives for introducing FTTP QoS standards relates to repair service performance being higher in Area 2 than in Area 3, even after "*accounting for the fact that WLA Area 3 is more rural*".¹¹
27. However, Ofcom's analysis only partially accounts for Area 3 being more rural and does not take into account significant differences between Openreach's network architecture in Area 2 and Area 3, which are the real drivers of the service differential between Area 2 and Area 3. For example, even after controlling for "rurality" using the Bluewave categories:
 - i. FTTP lines in Area 3 are on average longer than lines in Area 2;

¹⁰ TAR Vol 5 para. 3.44

¹¹ TAR Vol 5 para 3.44

- ii. faults in Area 3 are more likely to be in areas with a high proportion of overhead network (e.g. cables installed on poles) than faults in Area 2; and
 - iii. faults in Area 3 are more likely to be complex than faults in Area 2, e.g. they are more likely to require a pole to be replaced.
28. Such differences make Area 3 premises harder to serve than Area 2 premises, even after controlling for rurality using the Bluewave categories. We quantify this impact in paragraph 48 onwards, where we demonstrate that such differences fully explain the variation in service performance between Areas 2 and 3 – i.e. these differences are not *"a consequence of the different competitive environments faced by Openreach in the two areas"*,¹² which was a concern that Ofcom noted.

Negative consequences of introducing FTTP QoS standards in Area 3

29. As noted already, we believe that competition in Area 2 puts upward pressure on Openreach across the UK, including in Area 3.
30. Many of the concerns that Ofcom would have about introducing QoS standards in Area 2 are equally applicable to Area 3. For example:
- i. *"competition should be allowed to play out rather than introduce new regulation prematurely and risk undermining the benefits from QoS being driven by competition instead of regulation in the long term"*.¹³ It is currently unclear how much FTTP will be built by the various network providers in Area 3, and we would caution against imposing a regulatory solution until there is more clarity on this point – particularly since competition in Area 2 is already driving up service standards in Area 3.
 - ii. *"There is also a risk that standards are set above the competitive level and the higher costs imposed on both Openreach and competitors could lower the incentives for further investment"*.¹⁴ We believe there is a significant risk that standards in Area 3 would be unrealistically high, since we expect that premises in the final 5%-10% of the UK to be covered will become increasingly difficult to serve, and a significant proportion of these hard-to-serve premises

¹² TAR Vol 5 para 3.44

¹³ TAR Vol 3 para 3.33

¹⁴ TAR Vol 3 para 3.34

will be in Area 3. It is difficult to quantify this effect today, and this is another reason why we believe that now is not a good time for Ofcom to set FTTP QoS standards.

- iii. *"The absence of minimum standards to date does not appear to be resulting in significant consumer harm."*¹⁵ As noted already in paragraph 13, end customer satisfaction with Openreach's FTTP service is very high, so we do not believe there is a market failure that would warrant regulatory intervention.
 - iv. *"We consider that setting a minimum QoS standard to reduce the installation time of more complex installations may result in negative consequences. In particular, it may discourage Openreach from making FTTP available to premises which are more likely to have complex installations."*¹⁶ This point is arguably more relevant to Area 3 than Area 2, since we would expect the former to have a substantially higher proportion of such complex installations.
31. Our view is therefore that imposing QoS standards for FTTP in Area 3 is neither objectively justifiable nor proportionate.

Summary: we do not believe Ofcom should impose QoS standards in Area 3

32. We believe that the logic used by Ofcom to justify the introduction of QoS standards in Area 3 is flawed – in particular, the use of Bluewave categories to control for "rurality" only partially captures geographic differences between Area 2 and 3, and does not take into account important differences in network architecture between Areas 2 and 3, such as the differing proportions of overhead and underground plants, and differences in FTTP line length. It is factors such as these that impact service performance, rather than the "rurality" relied upon by Ofcom.
33. In addition, the high levels of end customer satisfaction for our FTTP services suggest that market forces are already driving the outcomes that Ofcom is seeking.

¹⁵ TAR Vol 3 para 3.35

¹⁶ TAR Vol 3 para. 3.38

34. Therefore, we believe that regulatory intervention is neither objectively justified nor proportionate, particularly since Openreach's FTTP coverage in Area 3 is currently (May 2025) less than [X]% of premises.
35. Given the potential downsides of introducing QoS standards for FTTP in Area 3 – many of which Ofcom noted in relation to Area 2 in the Consultation - **we propose that instead of introducing QoS standards, Ofcom should continue to monitor how the market evolves in Area 3, and only intervene if it finds clear evidence of concerns related to the quality of our delivery and repair services, or is concerned that such a failure in quality is likely.**
36. As Ofcom noted: *"KPIs would also reveal FTTP QoS performance over the period and, if a material issue with QoS becomes apparent during the 2026-31 period, we can consider if additional interventions are appropriate."*¹⁷

Openreach proposals if standards are introduced in Area 3

Proposed principles for determining QoS standards

37. If, notwithstanding the arguments set out above, Ofcom did decide to introduce FTTP QoS standards in Area 3, we propose that these should be based on the following principles:
- i. Any QoS standard should not mirror current performance, but instead only use current performance as a starting point;
 - ii. The starting point for setting any QoS standard for Area 3 should be Openreach's actual performance in Area 3 (not Area 2 or national performance);
 - iii. The QoS standards should be a backstop that Openreach would expect to exceed, not a minimum level that would be challenging to meet;
 - iv. QoS standards should take into account the impact of force majeure events; and

¹⁷ TAR Vol 3 para 3.41

- v. QoS standards should reflect developments in the coming years, developed in collaboration with our ISP customers, that will necessarily impact our performance against the service metrics. The latter include:
- a. Customer Journey Optimisation, which is improving the overall end customer experience but negatively impacting the on-time provision metric; and
 - b. an expected increase in the proportion of hard-to-serve premises as Openreach extends FTTP coverage to increasingly geographically complex and remote areas.

Comparison of Openreach's proposals and Ofcom's proposals

38. If Ofcom were to impose QoS standards, we would agree with the choice of metrics in the Consultation, and the restriction of QoS standards to Area 3 only, but believe the QoS standards proposed in the Consultation are too high.
39. Taking into account the above principles, as well as Ofcom's duty to ensure that the standards are proportionate and achievable, we propose that any QoS standards should be set as follows. The following sections explain the rationale for the values we are proposing.

Table 5.1 Openreach proposals for FTTP QoS metrics

Metric	Ofcom Proposal	Openreach Proposal
Repair within 1 working day (SML2)	79%	[X]% minus actual MBORC impact
Repair within 11 working days (SML2)	96%	[X]% minus actual MBORC impact
On-Time Provision	91%	[X]% minus actual MBORC impact
First Available Date – Working Days	90% within 18 days	[X]% within 18 days

*On-Time Repair*Ofcom's proposals

40. Ofcom has considered three options for FTTP Repair QoS standards from 1 April 2027:

Figure 5.2 Ofcom options for WLA FTTP Repair¹⁸

Option	Value
Option 1 (low): Openreach's average performance over 2023-24 in WLA Area 3	74%
Option 2 (medium): Openreach's performance in WLA Area 2 over 2023-24 which matches the rurality of WLA Area 3	79%
Option 3 (high): Openreach's average performance over 2023-24 nationally	83%

Source: Ofcom analysis of Openreach s135 to Ofcom. Openreach response dated 14 November 2024 to s135 notice dated 10 July 2024, questions A&B.

41. Ofcom's proposals for setting FTTP repair QoS standards are based on Option 2, i.e. Openreach's performance in WLA Area 2 over 2023/24 which "matches the rurality" of WLA Area 3. This is 5% higher than the actual Area 3 performance for 2023/24.
42. Ofcom rules out Option 1, as it suggests that Openreach should be able to achieve the same performance level in Area 3 as in Area 2 if rurality is taken into account.
43. Ofcom also rules out Option 3, suggesting this would be inappropriate since it does not take into account that, on average, premises in WLA Area 3 are more rural and therefore more costly to serve. Option 3 would also require a significant improvement from Openreach's current performance in WLA Area 3, which could result in significant costs.
44. We agree with Ofcom that Option 3 (i.e. setting an Area 3 QoS standard based on national performance) would not be appropriate as we agree that "rurality" would need to be taken into account if QoS standards were introduced in Area 3. However, the methodology that Ofcom proposed in the Consultation to account

¹⁸ TAR Vol 5 Table 3.3

for "rurality" is fundamentally flawed and leads to disproportionate outcomes in the setting of the QoS measures.

Ofcom's treatment of "rurality"

45. Ofcom uses the Bluewave rurality classification, which segments postcodes into geographical groupings based on population and spatial conditions. Bluewave classifies each postcode into one of seven categories, ranging from A (large city with a population of over 500,000), to G (remote rural area, i.e. a village or area with population less than 2,000 that is more than 10 miles from a large urban area, as defined in Locale Groups A, B and C).
46. Ofcom then calculates a proposed FTTP on-time repair standard for Area 3 as a weighted average, with the weighting being the number of faults in Area 3 in each Bluewave category.
47. Ofcom suggests that the difference in performance between Area 2 and Area 3 "could, in part, be a consequence of the different competitive environments faced by Openreach in the two areas".¹⁹

Why FTTP repair service performance is different in Areas 2 and 3

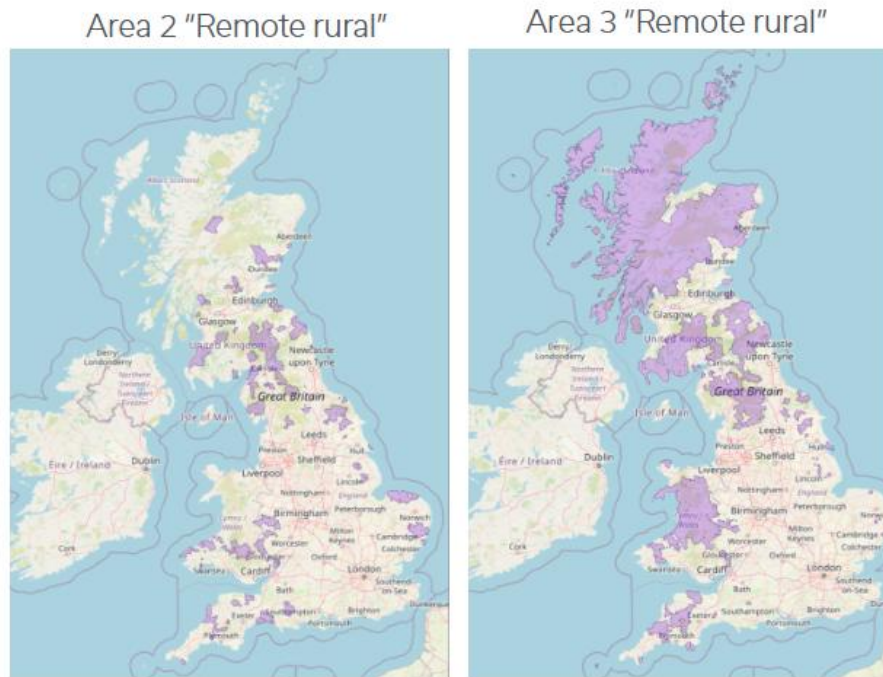
48. As already noted, the differences in service performance between Areas 2 and 3 are not due to Openreach modifying the way that it serves end customers. Differences between Area 2 and Area 3 performance at the same level of Bluewave rurality are due to differences in geography and network architecture that are not captured in the Bluewave data, as explained in the following sections.

Geographic differences

49. The maps in Figure 5.4 give an illustration of how different Areas 2 and 3 are, even within the regions classified in Ofcom's analysis as having the same "rurality". The purple-shaded areas show the "Remote Rural" Bluewave category, with the left-hand map showing this for Area 2 and the right-hand map showing Area 3.

¹⁹ TAR Vol 5 para. 3.44

Figure 5.4: Bluewave "Remote Rural" Regions in Area 2 and Area 3



50. The "Remote Rural" areas in Area 3:

- i. include large parts of northern Wales and Scotland which are far from any urban areas, and include many islands that can only be reached by boat. These areas are therefore considerably harder to access than those in Area 2; and
- ii. are more prone to adverse weather events (e.g. wind / rain / snow) that can disrupt engineering work and require more complex solutions than a fault that occurs in the same rurality in Area 2.

Fault complexity

51. Our analysis shows that faults are more complex in Area 3 than in Area 2, even accounting for rurality.
52. A proportion of our faults require additional work such as network replacement, pole replacement or have traffic management requirements. These are complex

faults, and require an “estimate” to be raised which specifies the additional work and materials required in order to rectify the fault.

53. Due to this complexity, where an estimate is raised, in 99% of the cases we do not fix the fault within the timeframe specified in the Service Level Agreement (SLA) for FTTP, i.e. by the end of the next working day.
54. Table 5.3 compares the propensity for an estimate to be raised in Area 2 and Area 3 in the two most rural Locale Groups, which covered 71% of our Area 3 faults in 2024/25 - the Accessible Rural (F) and the Remote Rural (G) groups.

Table 5.3 Propensity for an estimate to be raised in rural Locale Groups²⁰

Areas F and G Accessible and Remote Rural	Proportion of faults	
	Area 2	Area 3
No estimate raised	91.9%	87.6%
Estimate raised	8.1%	12.4%

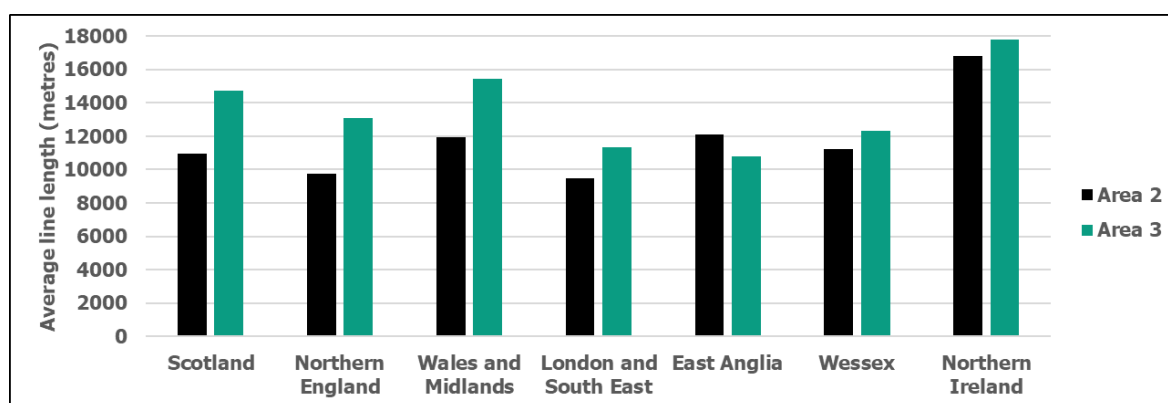
55. The data in Table 5.3 implies that in Bluewave rurality areas F and G, there is a 53% (i.e. (12.4%-8.1%)/8.1%) greater propensity for an estimate to be raised in Area 3 than in Area 2.
56. The increased propensity to require an estimate explains c. 4% points of the 5% points delta in on-time repair performance between Area 2 and Area 3.

FTTP line length

57. As shown in Figure 5.5, FTTP lines are longer in Area 3 than in Area 2, even after accounting for Bluewave rurality area.

²⁰ Source: Openreach data 2024/25

Figure 5.5: Average FTTP Line Length for Faults in 2024/25
Bluewave Areas F (Accessible Rural) and G (Remote Rural)



Source: Openreach Service Delivery Data and Insight, using Bluewave Locale Group data

58. Longer lines lead to faults being more difficult and time-consuming to identify and repair. This translates into higher and less predictable fault recovery times, and therefore lower on-time repair success.

Proportion of overhead vs underground network

59. Our analysis shows that we have a greater proportion of overhead network in Area 3 compared with Area 2, even accounting for rurality.
60. Figure 5.6 shows the percentage of faults that occur plotted against the percentage of overhead network in the exchange area where that fault occurs.

Figure 5.6: Faults by Proportion of Overhead Network²¹
Openreach financial year 2024/25
Bluewave Areas F (Accessible Rural) and G (Remote Rural)

[X]

Source: Openreach Service Delivery Data and Insight, using Bluewave Locale Group data

²¹ The sum of the points on each line in the chart is 100%. Each point corresponds to the proportion of faults in a given exchange type, e.g. c. [X]% of faults in Area 2 occur in exchanges where <10% of the network is overhead, versus c. [X]% for Area 3. The overhead/underground split data is only available as a percentage of network within an exchange area – it is not possible to split the data into “underground lines” and “overhead lines”, since many lines use a combination of underground and overhead routes.

61. The orange line is to the right of the blue line, indicating that Area 3 has more overhead network than Area 2 after controlling for Bluewave rurality. We have modelled this across all Bluewave rurality areas, and this drives a repair performance delta of c. 0.8% points between Area 2 and Area 3 after controlling for Bluewave rurality.

Calculation of proposed repair standards

Benchmark of current performance

62. Ofcom proposed in the Consultation to base FTTP repair QoS standards for Area 3 on Openreach's actual repair performance in Area 2, with adjustments made for Bluewave rurality. We believe this is the wrong basis for setting standards, since it does not take into account important differences between Area 2 and Area 3 such as fault complexity, line length and the proportion of network that is provided using poles.
63. We propose instead that the starting point for any QoS standards should be Openreach's actual performance in 2024/25 in Area 3. This corresponds to Option 1 in Annex 13, Table A13.10 of Ofcom's Consultation.
64. In 2024/25 Openreach's actual repair performance in Area 3 was:
- i. Repair within 1 working day (SML2): [X]%
 - ii. Repair within 11 working days (SML2): [X]%

Adjusting for Force Majeure / MBORC for repair

65. When setting copper QoS standards, Ofcom recognised that "there is a risk of force majeure events of such a magnitude for which no preparation by Openreach would be sufficient."²²
66. The QoS standards for copper on-time repair therefore include:²³

²² Quality of Service for WLR, MPF and GEA: Statement, 28 March 2018, page 76, para 5.60

²³ Quality of Service for WLR, MPF and GEA: Statement, 28 March 2018, page 63, para 5.5

- i. a 3% fixed allowance for force majeure, known as Local MBORCs; and
- ii. exemptions for High Level MBORCs for two regions in each year for periods of up to eight weeks per incident.

Ofcom's Rationale for Copper MBORC Allowances.

67. For Local MBORCs, Ofcom considered two main options:²⁴

- i. fixed allowances (e.g. 3%)
- ii. a 'case-by-case' basis, i.e. excluding from QoS calculations the actual number of faults that met some force majeure criteria

68. For copper services, Ofcom chose to use a fixed allowance instead of a case-by-case basis. The reasons it gave for this were that the fixed allowance would:²⁵

- i. reduce the regulatory burden;
- ii. reduce Openreach's incentives to game the regime; and
- iii. provide transparency regarding the level and rationale for the allowances.

Potential options for FTTP MBORC allowances

69. When setting FTTP repair QoS standards, Ofcom would face the same options for addressing *force majeure* that it faced when setting copper QoS standards, i.e. it could use fixed allowances or use a 'case-by-case' basis.

70. Since a fixed allowance was used to set copper QoS standards, the use of a fixed allowance for FTTP standards would provide a degree of consistency with existing regulation.

²⁴ Quality of Service for WLR, MPF and GEA: Statement, 28 March 2018, page 76 para 5.61

²⁵ Quality of Service for WLR, MPF and GEA: Statement, 28 March 2018, page 76 para 5.63

71. However, since FTTP standards would be limited to Area 3, any fixed allowance would need to take into account the specific risks for FTTP services posed by *force majeure* events in Area 3.
72. For FTTP, a key factor to consider is wind intensity, since wind can damage poles and result in faults. As shown in Figure 5.7, wind intensity in the UK is particularly high in Scotland, Wales and the west of England, and as shown earlier in Figure 5.4, a significant proportion of Area 3 premises are in these areas.

Figure 5.7: Wind Intensity Across the UK
Darker Shading Indicates Higher Windspeed
 Source: Met Office, HadUK-Grid Gridded Climate Observations



73. Tables 5.4 and 5.5 show the impact of major storms on FTTP on-time repair performance (for next-day repair, and next working day+10 respectively). By "major storm", we mean a storm that has led to the declaration of High Level MBORC. For example, in 2024/25 we declared national MBORC for two major storms, namely Darragh and Eowyn.
74. The data in Table 5.4 suggests – albeit based on just two years' data – that major storms have roughly twice the impact on FTTP next working day on-time repair in Area 3 as in Area 2. This is mainly due to the damage that strong winds cause to poles.
75. Table 5.4 also illustrates the high variability (and hence unpredictability) of major storms in Area 3. In 24/25, storms Darragh and Eowyn drove 2.2% of failure in Area

3, which was around five times as high as the impact of major storms in the previous year (0.4%).

76. Tables 5.4 and 5.5 only count the *direct* impact of MBORC on performance, by excluding faults that are covered by MBORC. More generally, *force majeure* events lead to considerable operational challenges that are not reflected in Table 5.4 or 5.5. For example, when resources are diverted into areas impacted by *force majeure* events, this puts strain on the areas that temporarily lose access to these resources.

Table 5.4: Impact of Major Storms on FTTP On-Time Repair by Next Working Day
April 2023 to March 2025

	Area 2		Area 3	
	23/24	24/25	23/24	24/25
Actual performance	[X]	[X]	[X]	[X]
Performance excluding MBORC failure due to major storms	[X]	[X]	[X]	[X]
Gap (major storm MBORC)	0.2%	1.2%	0.4%	2.2%

Table 5.5: Impact of Major Storms on FTTP On-Time Repair within 11 Working Days
April 2023 to March 2025

	Area 2		Area 3	
	23/24	24/25	23/24	24/25
Actual performance	[X]	[X]	[X]	[X]
Performance excluding MBORC failure due to major storms	[X]	[X]	[X]	[X]
Gap (major storm MBORC)	0.1%	0.3%	0.5%	0.8%

77. The volatility shown in Table 5.4 could potentially increase further in the coming years as Openreach rolls out FTTP to increasingly rural parts of the UK. These newly covered premises will be particularly susceptible to MBORC-driven faults, since they will:

- i. typically use mainly overhead network (which is vulnerable to wind damage), and;
 - ii. include significant numbers of premises in Scotland and the west of England²⁰, where storm frequency and severity tend to be relatively high.
78. Climate change may exacerbate these issues, with a recent report to Parliament highlighting "*the rapidly increasing severity of future risks*" from climate change.²⁶ This suggests the frequency and severity of extreme weather events will likely increase in the coming years, and this would in turn increase both the scale and volatility of network damage incurred by wind.

Openreach proposal for FTTP repair MBORC allowances

79. Since Openreach's FTTP coverage in Area 3 is still quite limited, at c. [X]% (May 2025), we have limited data on which to base any assessment of the potential *force majeure* impacts. This is problematic given the high year-to-year variances shown in Table 5.3 and reinforces our position that it would be premature to introduce FTTP Repair QoS standards in the TAR.
80. If Ofcom were, nonetheless, to impose FTTP repair QoS standards, we believe that the starting point for calculating the standards should be Openreach's 2024/25 actual performance before the impact of major storms, i.e. [X]% for next working day repair (Table 5.4) and [X]% for next working day + 10 repair (Table 5.5).
81. Ofcom would then need to choose between using a fixed MBORC allowance or accounting for MBORC on a case-by-case basis.
82. If Ofcom used a fixed MBORC allowance, we would suggest the following approach:
- i. Table 5.3 indicates that storms Darragh and Eowyn drove a combined impact on next working day repair of 2.2% points in 2024/25. This suggests that major storms each have an impact of c. 1% point. Similarly, the impact on repair by the next working day plus ten is around 0.5% points per major storm (Table 5.4).

²⁶ "Progress in adapting to climate change: 2025 report to Parliament"

- ii. The fixed allowance should reflect a scenario where the number of major storms is high but realistic. We suggest four major storms would be a reasonable assumption, i.e. twice as many as in FY2024/25.
- 83. This would lead to a fixed allowance of
 - i. 4% points for repair by next working day (four storms, each with a 1% point impact); and
 - ii. 2% points for next working day plus ten ($4 \times 0.5\%$ points).
- 84. Alternatively, Ofcom could adopt a case-by-case approach. In this case, we would suggest the following:
 - i. As with the fixed allowance, use as a starting point the [~~3~~] % performance in 2024/25 (before the impact of major storms).
 - ii. For the purposes of compliance with the QoS standards, allow Openreach to exclude from the on-time performance calculation all faults covered by MBORC declarations in any given year.
- 85. Given the unpredictability of future weather patterns, we propose that if Ofcom introduced QoS standards, these should use the case-by-case approach, and MBORC events should be excluded from any calculations of Openreach's compliance with the standards. This would be "*objectively justified and proportionate*", as required by the Section 49 test,²⁷ since:
 - i. The proposed pre-MBORC levels of [~~3~~] % (next day) and [~~3~~] % (next working day plus ten) would be consistent with "good service".
 - ii. It would exclude parameters over which Openreach had no control, and which had a disproportionately high impact in Area 3.
 - iii. It would be transparent, since it would be based on the existing MBORC notification process.
 - iv. Openreach already has controls in place that prevent any "gaming" of the MBORC process.

²⁷ TAR Vol 5, paras 6.14 and 6.15.

Impact of rolling out to increasingly hard-to-serve premises

86. We explained in paragraphs 51-61 how differences in network architecture between Areas 2 and 3 (e.g. line length and the proportion of overhead vs underground network) lead to differences in FTTP repair performance between Area 2 and Area 3, even after controlling for Bluewave rurality.
87. We expect to see a similar effect *within* Area 3 as we roll out to increasingly remote premises in the 2020s. The FTTP line length for future build in Area 3 is likely to be higher than that of the FTTP network in Area 3 today (May 2025), and similarly we would expect the proportion of overhead network to be higher.
88. It is difficult to quantify the impact that such changes will have on future Area 3 repair performance, since we do not yet know which premises we will build to in Area 3, and it is not clear what service benchmarks would be applicable for such new build.
89. We do nonetheless think it would be important to have an allowance in any QoS standards that reflected that Openreach will roll out to increasingly hard-to-serve premises, since QoS standards would otherwise act as a disincentive to Openreach to roll out to such premises.
90. We would suggest that allowances of 2% points for next-day repair, and 1% point on next-day-plus-10 repair, would be reasonable, and expect these would be sufficient to avoid any negative impact on FTTP rollout strategy.

Potential alternative approach for repair standards: anchoring to Area 2 performance

91. We also considered whether FTTP Repair QoS standards could be set such that Area 3 performance would need to be within a set range of Area 2 performance, e.g. "Area 3 on-time repair performance must be no more than X% points lower than Area 2 on-time repair performance", for some value of X.
92. We rejected this approach since:
- i. The delta between service performance in Area 2 and Area 3 will be highly sensitive to a range of factors specific to each Area. The delta will therefore be quite volatile (i.e. it will vary significantly over time), and it would not be

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clear how we could objectively determine in advance what a "reasonable" difference would be in any given year.

- ii. Any standard would need to be achievable, and the unpredictability and volatility of the delta between Area 2 and Area 3 performance could lead to any proposed standard being unachievable in one or more years.
- iii. We aim to continuously improve service for all end customers, and this method for setting standards would create a perverse incentive to reduce service levels for end customers in Area 2.

Conclusion: proposed repair standards

93. While we do not believe that Ofcom should introduce QoS standards for FTTP in the TAR, if they were introduced they would need to be proportionate, necessary and achievable. We would therefore propose setting them as follows:

- i. *Starting point* 2024/25 actual figures before the impact of major storms:
 - a. [X]% for next working day
 - b. [X]% for next working day plus 10
- ii. *Impact of rolling out to increasingly hard-to-serve premises:*
 - a. 2% for next working day
 - b. 1% for next working day plus 10
- iii. *Force majeure adjustment:* actual impact of MBORC events in any year, for both next working day and next working day plus ten

94. This would lead to FTTP repair QoS standards in Area 3 of:²⁸

- i. [X]% minus MBORC for next working day (c.f. Ofcom proposal 79%)
- ii. [X]% minus MBORC for next working day plus ten (c.f. Ofcom proposal 96%)

²⁸ TAR Vol 5 Table 1.1

On-Time Provision

95. Ofcom proposed in the Consultation to set an on-time provision QoS standard for FTTP in the proposed new Area 3 based on the actual national performance, using *"updated data from the year 2024-25, once it becomes available."*²⁹
96. Ofcom proposed to use national performance, rather than the performance in the new Area 3, since when comparing Area 2 and Area 3, it found service performance to be *"similar...both across the geographic market areas, and across [Bluewave] rurality."*³⁰

Comparison of Openreach performance between proposed new Area 3 and total UK

97. While we agree that the FTTP provision performance in Ofcom's proposed new Area 3 is *similar* to that of the proposed new Area 2, we note that performance has been consistently stronger in Area 2, as shown in Figure 5.8. Area 3 on-time provision performance in 2024/25 was [X]%, versus [X]% in Area 2, and we believe the delta of 1.3% points is sufficiently large to warrant the use of Area 3 actual performance as a starting point for setting QoS in Area 3, instead of national performance as Ofcom proposed in the Consultation.

Figure 5.8: FTTP On-Time Provision in Area 2 and Area 3
Based on Proposed New Areas 2 and 3 (per the Consultation)
 April 2023 to March 2025

[X]

Source: Openreach Service Delivery Data and Insight

98. Figure 5.8 shows on-time provision performance in the past two years in Bluewave Locale Groups F (Accessible Rural) and G (Remote Rural), split between Area 2 and Area 3, and also split by the type of provision activity required – the "Survey Network Note" (SNN).

²⁹ TAR Vol 5 para 3.88

³⁰ TAR Annex 13 para A13.76

Figure 5.9: FTTP On-Time Provision

Bluewave Areas F and G only (Accessible Rural, Remote Rural)

Coloured lines correspond to different network types, e.g. Direct in Ground, Underground or Overhead (i.e. poles)

[X]

Source: Openreach Service Delivery Data and Insight

99. Each coloured line in Figure 5.9 represents work in a different part of the network, e.g. underground in ducts (green lines), overhead (yellow lines) or direct-in-ground (blue lines). For any given coloured line (i.e. any given part of the network), the performance is similar (within 1-2% points) in Area 2 and 3 in both years.
100. However, on-time provision for underground jobs (the green lines) was c. [X]%, which was considerably higher than the [X]% on-time provision of overhead / pole-based jobs (the yellow lines).
101. As shown in Figure 5.10, Area 3 has a higher proportion of overhead volumes than Area 2 ([X]% vs [X]%), even after adjusting for Bluewave rurality which explains why Area 2 OTP performance is higher than Area 3 OTP performance.

Figure 5.10: FTTP On-Time Provision

Bluewave Areas F and G only (Accessible Rural, Remote Rural)

Breakdown of FTTP Repair Volumes by Network Type (overhead / underground etc), FY2024/25

"Area 2" and "Area 3" refer to the proposed new A2/A3 in Ofcom's Consultation

[X]

102. Overhead provisioning activity in the rural areas is more challenging and therefore less successful than underground provisioning activity, hence the lower on-time provisioning success.
103. The greater proportion of overhead success accounts for the vast majority of the difference between Area 2 and Area 3 performance, even when taking into account the different Bluewave ruralities. If an Area 3 standard was set using national performance as a starting point, these differences would effectively be ignored, and there would be a risk that the resulting standard would not be achievable.

104. The starting point for setting Area 3 QoS standards for FTTP provision would therefore need to be Openreach's actual performance of [X]% in 2024/25 in Ofcom's proposed new Area 3, rather than national performance.

Additional adjustments

105. In addition to using performance in the proposed new Area 3 as a starting point, rather than national performance, we propose that any on-time provision performance should take into account:
- i. the impact of Customer Journey Optimisation;
 - ii. the likely increase in complex provisions, as FTTP is rolled out to increasingly hard-to-serve premises; and
 - iii. Force Majeure events.

Customer Journey Optimisation

106. Openreach has worked extensively with ISPs to improve the FTTP provision process using "Customer Journey Optimisation" (CJO).
107. The key process change introduced by CJO is that Openreach commits to providing FTTP on a specific date for a higher proportion of end customers on the day that they place the order. This means that, on average, end customers are migrated to FTTP more quickly than was possible before CJO.
108. CJO improves end customer experience on average and has been welcomed by ISPs. However, it also leads to more cases where Openreach plans to complete a provision in a single visit but is unable to do so due to the need for unforeseen additional complex infrastructure work. Such cases generally lead to a delay in completing the provision, meaning Openreach is unable to complete the work by the originally committed date, and therefore misses the on-time provision target.
109. We have calculated that CJO drives a headwind of [X]% points to our on-time provision performance. We have also flagged to ISPs that for these CJO orders where additional complex work is required, we set a new target delivery date

against which a new on-time provision should be measured – the “On Time Provision CJO-adjusted” metric.

110. We have modelled that this offsets the [X] points on-time provision headwind by [X] points, i.e. overall CJO provides a net [X] points on-time provision headwind.
111. Since CJO has been introduced with the support of ISPs, we propose that this [X] points headwind should be fully reflected in any FTTP provision QoS standard.
112. We are reporting this new OTP_CJO adjusted metric to our Board, and propose to report this metric to Industry.

Increase in provision complexity

113. By May 2025, Openreach had rolled out FTTP to c. [X] of the c.3.7m premises in Area 3 (i.e. c. [X] of Area 3 premises). As we continue to expand coverage in the coming years, we anticipate that we will be covering increasingly remote and hard-to-serve premises in Area 3. This will greatly improve connectivity for end customers, many of whom have limited broadband speeds today.
114. However, the additional complexity will also be a headwind for Openreach’s on-time provision performance, since a higher proportion of provisions will require two or more visits and will thus be completed later than Openreach originally committed.
115. To estimate the headwind to on-time provision, we have considered how performance varies today between single-stage and KCI2 Assure provision.³¹ As shown in Table 5.6, the overall Area 3 on-time provision performance of [X] is a weighted average of the performance on single-stage provisions and KCI2 Assure provisions.

³¹ With single-stage provisions, we make a single visit to the end customer, and connect them during this visit. With KCI2 Assure provisions, we make two visits to the end customer – the first to conduct a survey to help to plan the work, and a second to connect the customer. KCI stands for Keeping Customers Informed.

Table 5.6: On-Time Provision Performance in Proposed New Area 3
Single Stage Provisions versus KCl2 Assure Provisions

	Proportion of Volume	May 2025 On-Time Provision
Single Stage	[X]	[X]
KCl2 Assure	[X]	[X]
Total	100%	[X]

116. As we roll out to increasingly hard-to-serve premises, we would expect the proportion of KCl2 Assure provisions to increase. There is no robust way to quantify this, since we do not yet know which Area 3 premises we will cover in the coming years. Nonetheless, we think it is quite possible that the proportion of KCl2 Assure provisions in Area 3 will double to [X]% as a result of rollout to hard-to-serve premises. If that were to happen, all other things being equal, overall On-Time Provision would fall from [X]% to [X]%, i.e. a reduction of c. [X]% points.
117. Ofcom, ISPs, the Government and other stakeholders are all keen for Openreach to roll out FTTP to hard-to-serve premises. It is important that such rollout does not inadvertently penalise Openreach by making QoS standards more difficult to achieve, and we therefore propose that any provision QoS standard should be adjusted to reflect in full the **headwind to on-time provision performance of [X]% points** that Openreach estimates would be a consequence of covering such premises.

Force Majeure / MBORC

118. As with FTTP repair, we believe that any FTTP QoS standard should include an allowance for *Force Majeure*, consistent with the measures introduced by Ofcom

with the copper QoS standards. For copper provisions, Ofcom determined that the Force Majeure allowance for provision should be 1% point³².

119. As can be seen in Figure 5.11, FTTP OTP performance is more volatile than that of copper.

Figure 5.11 Copper and FTTP On-Time Provision

[X]

120. This difference is driven by the lower maturity and greater complexity of the FTTP network, and higher demand volatility. These factors lead to a higher proportion of provisions requiring an engineering visit.
121. Figure 5.12 shows the volatility of on-time provision for visited journeys (i.e. where an engineer needs to attend the customer's premises) and unvisited journeys (i.e. where the provision does not need an engineer visit and can be completed remotely) for both copper and FTTP for the last two years. The chart shows that:
- On-time provision performance for both visited and unvisited provisions is similar for FTTP and copper.
 - There is much more volatility for visited on-time provision compared to unvisited on-time provision.

Figure 5.12: Visited versus Unvisited On-Time Provision Performance

[X]

122. Figure 5.13 shows the proportion of unvisited vs visited provision volumes for both copper and FTTP, and shows a much greater proportion of visited volumes for FTTP products. In 2024/25, for example, [X]% of copper provisions were visited, versus [X]% of FTTP provisions.
123. It is therefore the combination of the: (i) higher proportion of visited FTTP provisions, and (ii) greater on-time provision volatility for visited provisions, that drives the greater On-Time Provision volatility for FTTP.

³² Quality of Service for WLR, MPF and GEA: Statement, 28 March 2018, page 103 Table 7.1. The WFTMR set the values from 2020/21 in this table as the standards for 2021-2026.

Figure 5.13 Visited and Unvisited Volume Proportions

[X]

124. The volatility of FTTP provision performance implies that the force majeure allowance for provision should be at least as high as the 1% point allowance for copper. However, it is not clear how we could quantify any required increment above 1%.
125. We also note that when MBORC is declared, we prioritise repair work at the expense of provision by adjusting provision order books. This leads to an indirect effect of MBORC on provision performance, and if QoS standards were introduced this impact would need to be reflected in any fixed *force majeure* allowance. However, it is not clear how we could quantify this effect for the purposes of ensuring it was correctly reflected in a fixed allowance for *force majeure*.
126. Given the challenges posed with setting an objectively justifiable fixed allowance for provision MBORC, we propose that calculations of Openreach's performance against QoS standards should exclude any provision work in areas where Openreach has declared MBORC.
127. As with repair, we would continue to use well established governance processes to ensure that MBORC was only declared when there was a clear justification for doing so.

Calculation of proposed provision standards

128. As with FTTP repair, we believe it is premature to set QoS standards when Openreach is continuing to work with its customers on improving service, and the imposition of provision QoS standards would lead to perverse incentives for Openreach that would be detrimental to end customers.
129. Nonetheless, if Ofcom were to introduce an Area 3 on-time provision QoS standard for FTTP, then we propose this should be set as follows:
 - i. Starting point: [X]% actual on-time provision in the proposed new Area 3 in 2024/25.

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- ii. Less [X]% points headwind due to Customer Journey Optimisation.
 - iii. Less [X]% points headwind due to the increase in provision complexity (as Openreach rolls out FTTP to increasingly hard-to-serve premises).
 - iv. Less actual impact of MBORC declarations.
130. This would lead to an FTTP On-Time Provision standard of c. [X]% minus actual MBORC impact, i.e. ([X]% - [X]% - [X]%) minus actual MBORC impact. This compares with Ofcom's proposal of 91%³³.

First Available Date (FAD) - Openreach proposals if FTTP QoS standards are introduced

131. Ofcom proposes in the Consultation to introduce QoS standards for the First Available Date for FTTP provisions in Area 3, such that for at least 90% of visited orders, Openreach must offer the end customer an installation appointment within 18 working days of the order being placed.
132. As with the other metrics, Openreach does not believe that regulatory intervention is required with respect to First Available Date. Nonetheless, if Ofcom does decide to introduce such a standard, we agree that the Consultation's proposal for at least 90% of visited orders being offered an appointment visit within 18 working days would be a reasonable backstop, since this provides an acceptable level of service for end customers whilst being achievable for Openreach.

WLA transparency requirements

133. Ofcom proposes to
- i. "retain the same transparency obligations as in WFTMR21 for FTTC and MPF products³⁴"; and

³³ TAR Vol 5 Table 1.1

³⁴ TAR Vol 5 para 3.89

- ii. retain the existing KPI obligations for FTTP, but additionally require that these be provided separately for the proposed new WLA Area 2 and Area 3, as well as for the total UK.³⁵
134. Openreach appreciates that transparency data helps Ofcom and other stakeholders understand whether further regulation or removal of regulation would be appropriate. As such, we agree with Ofcom's transparency proposals for WLA products.
 135. We suggest that for both copper and FTTP products, the regional breakdowns that Openreach provides are aligned with Openreach's organisational structure, which has changed since the WFTMR.
 136. At the start of the WFTMR period we had seven management regions (including Northern Ireland) for our copper products. We now have six management regions (including Northern Ireland): Wessex; London & South East; Scotland; Northern England; Wales & West Midlands; and Northern Ireland.
 137. For FTTP we currently have three management regions: GB North; GB South and Northern Ireland.
 138. We suggest that Ofcom says in the TAR that it would consider changing the regions covered by Openreach's KPIs if Openreach made organisational changes during the TAR period.

LLA and IEC QoS

Question 5.3 Do you agree with our proposal to keep the same QoS regulations in place for LLA and IEC markets for this review period? Please set out your reasons and supporting evidence for your response.

Provision metrics (MTTP, Upper Tails, Certainty, Crosslink)

139. Openreach broadly accepts Ofcom's proposal to retain the same provision QoS standards for LLA and IEC markets as were in place in the WFTMR.

³⁵ TAR Vol 3 paras. 3.89-3.90b

140. Openreach continually looks to improve its service to ISPs and end customers against already high standards. This includes innovations in the way that we approach provisions – we are pleased to have recently been able to explore new processes that allow us to deliver some orders extremely quickly. This has led to some good outcomes for the customers affected. It has also reduced our live workstack.
141. We note that one feature of the Upper Tails measure is that reductions in the workstack due to faster completion of orders, dilutes the denominator over which the tails percentage is calculated. We cannot as easily influence tail orders (which are affected by factors such as wayleaves which are outside our control). Therefore, should the measure lead to outcomes that would be contrary to Ofcom's general duties³⁶ and appear to prevent us from improving overall delivery times, we will submit evidence and make representations to Ofcom.

Repair metrics (on-time repair)

142. Openreach continues to have concerns about the sensitivity of our performance against the leased lines repair QoS standard to the underlying fault mix. We have set out these concerns previously both in response³⁷ to a bespoke consultation on this issue and also in our initial TAR submission.³⁸
143. In summary of these submissions, the current QoS metric for repair requires that at least 94% of all faults achieve a restored service within the SLA of the relevant product.³⁹ This metric is a poor measure of our actual performance. Under this current measure we face risks to our performance from underlying fault mix trends and events that are outside our control.
144. Changes in the fault mix (i.e. increases or decreases in the volumes of different fault types) affect the sensitivity of achievability of the current metric. This risk remains and is an inherent feature of a metric made up of a composite of different

³⁶ Communications Act, Section 3.1.a) and Section 3.4.d).

³⁷ [Openreach Submission](#) published as Annex 1 to Ofcom (2023), 'Quality of Service for Ethernet and Dark Fibre', July.

³⁸ Openreach Initial TAR Submission July 2024.

³⁹ The SLA is 5 hours for Ethernet and Cablelink services and 18 hours for dark fibre (reflecting that faults on this service must be fibre faults by definition).

fault types. Our recent and ongoing compliance with the current measure is not a reflection of this risk reducing in the long-term.

145. We have also explained that the inclusion of faults caused by MBORC in the measurement of our performance puts us at risk of non-compliance through no fault of our own. Faults arising from such events are typically the hardest to repair. By definition, we do not have control over their volume and therefore when there are increases in the volume of these events, our overall performance suffers through no fault of our own. We have seen such increases in the last few years and expect them to increase further, due to a greater amount of third-party work on or near our network (using PIA) and an increase in adverse weather conditions. We therefore continue to believe that MBORC faults should be excluded from the measurement of the QoS standard. There would be precedents for this approach, e.g. the high-level MBORC allowance for WLA QoS standards.
146. In its Consultation on a potential change to the leased lines repair QoS standard, Ofcom concluded it would not be appropriate to remove MBORC via a narrow direction change mid-market review. It committed to fully reappraising the repair standard – including the approach to MBORC – during the TAR. The extent of this reappraisal is limited to a single paragraph of the Consultation, which primarily refers back to the 2023 consultation.⁴⁰
147. We request that Ofcom looks again at our submissions on this issue and reflects them in reviewed QoS proposals, or that Ofcom states explicitly that should Openreach miss any future QoS repair metric, the fault mix is a factor that it will consider when deciding whether to open an investigation or to take measures if needed.

Future developments

148. EAD2.0 is a new product that Openreach is developing in conjunction with its ISP customers. While we will be continuing to supply EAD once we have launched EAD2.0, we expect that some customers will elect to order EAD2.0 services instead of EAD services. Accordingly, EAD2.0 is a partial substitute for EAD and consequently our understanding is that it would be captured within the definition

⁴⁰ Tar Vol 5, para 4.47.

of 'Relevant Ethernet Services' as described within the QoS Directions,⁴¹ and hence the QoS standards would apply to EAD2.0.

149. [REDACTED].

150. The overall impact of EAD2.0 on repair performance is therefore difficult to predict given there will be no EAD2.0 volumes prior to the implementation of the TAR. Therefore, we welcome Ofcom's Consultation statement in relation to EAD2.0, that it will be open to assessing any new evidence that it receives should we find the current QoS standards are not appropriate for this new product.

PIA QoS

Question 5.4: Do you agree with our proposal not to impose specific QoS standards or transparency requirements in the physical infrastructure market? Please set out your reasons and supporting evidence for your response.

151. We are fully supportive of Ofcom's approach not to impose specific QoS standards or to mandate specific KPIs for PIA services - and we fully agree with Ofcom's reasoning not to do so as set out in the Consultation.⁴²

152. We agree with Ofcom's position that the proposed QoS SMP condition (SMP Condition 10) for PIA that enables it to impose KPIs to identify potential undue discrimination in the physical infrastructure market is appropriate at this time. This is because a broad range of voluntary KPIs have already been agreed by industry, Ofcom and Openreach which are working well and allowing for considerable transparency in relation to PIA.⁴³

153. The two categories of KPIs that are currently produced are:

- i. Operational KPIs (also referred to as service performance KPIs), which measure various aspects of the PIA product's performance, and each Altnets' use of PIA.

⁴¹ TAR Vol. 7 Part E: Draft legal instruments Draft Quality of Service Directions.

⁴² TAR Vol 5, paras. 5.1 to 5.5.

⁴³ Openreach has published a continuous range of NUD and other KPIs since early 2019.

- ii. No Undue Discrimination (NUD) KPIs - which compare PIA metrics to Openreach's 'own-use' of physical infrastructure.
154. Openreach has worked extensively with stakeholders to produce this range of KPIs, and we are committed to continuing to work with stakeholders to enhance our reporting going forward.⁴⁴
155. The current KPI outputs also point to Ofcom's approach being the appropriate and proportionate decision at this time. This is demonstrated by the data shown in Table 3.4 provided in response to Question 3.4 (see Openreach TAR Response Document 3). This shows favourable NUD comparators for PIA along with very good operational performance against PIA SLAs.
156. We fully accept that Ofcom will continue to monitor Openreach's performance as part of its ongoing work on PIA implementation and monitoring and we are committed to supporting that work - as we have done throughout the last review period.
157. Further, if Ofcom were to encounter concerns during the review period which led it to consider imposing interventions pursuant to the proposed QoS SMP condition, then it could at that point exercise its direction-making powers. Ofcom does not have to attempt to prejudge the situation at this time.
158. Ofcom explains this point further in the Consultation⁴⁵ by reference to the ongoing level of engagement between Openreach and PIA users, which means that many new developments, including trials like the recent and highly successful Underground Proof of Concept (UGPOC) fundamentally changes work processes both for Altnets and Openreach.⁴⁶
159. For example, the UGPOC enabled PIA users to streamline their Self-Provide Orders (SPO) processes, leading to faster Network Adjustment (NA) completion times with fewer Openreach touchpoints – an innovation that has contributed to SPOs now representing c.99% of all Underground (UG) NAs, far exceeding the c. 1% of UG NAs carried out by Openreach. This is a prime example of where a

⁴⁴ In fact, this is happening on a continuous and ongoing basis - for example with the release of individual Altnet KPI reporting in April 2025.

⁴⁵ TAR Vol 5, para. 5.2

⁴⁶ Other examples of major developments and changes which have impacted performance and will continue to do so, are the Tour of Duty (TOD) piloting trials and the transition to the new Openreach Services Agreement (OSA2) - i.e. the new contractual framework that Openreach has introduced for working with its civil engineering partners.

mandated QoS standard or KPI would have quickly become meaningless given the large differences in data sample size and the differing complexity of tasks carried out by each party.⁴⁷

160. This means that these operational and systems changes do make it very challenging for Ofcom to prejudge what an appropriate QoS standard should be, or indeed to define what metrics or transparency requirements could reasonably be mandated. This is why a more flexible but still demanding suite of NUD and transparency measures are a good alternative, and this is what Ofcom is proposing to put in place.

⁴⁷ Altnets often pass more complex NAs to Openreach as a NASO order whereas they are able to progress and complete more straightforward NAs as SPOs.