

Telecommunications Access Review 2026-31

Welsh Government Response

Fast and reliable broadband is now a prerequisite for modern society, not having access can have a detrimental impact on residents and businesses. For residents, good connectivity allows them to stay in touch with families and friends, access lifelong learning opportunities and public services, enjoy entertainment and benefit from cheaper goods and services. For businesses it provides access to a global marketplace, enables efficiencies and to work from anywhere. But these opportunities need to be open to everyone no matter where they are.

The Telecoms Access Review (TAR) provides an opportunity to improve access for more people and businesses to high quality broadband, to drive competition further and create resilience.

This is a narrative response rather than addressing specific consultations questions and sets out the Welsh Government view. It is focused through the lens of the Digital Strategy for Wales, which seeks to ensure that residents, businesses and the public sector are able to access the fast and reliable digital connectivity they need.

The Welsh Government is broadly content with the focus and content of the TAR. However, the proposals in the review will not deliver for the hardest to reach.

The review appears to ignore solutions for the very hardest to reach premises instead placing the onus on public sector interventions to connect those premises that do not form part of a commercial fibre roll-out and are unlikely to. These premises represent a fourth area. Ofcom needs to consider its regulatory powers and how it can incentivise network operators to deploy commercially, including the use of non-fibre options, to drive the deployment of high-quality broadband into the very hardest to reach areas, WLA Area 4. There are three key imperatives on Ofcom:

- Through the Plan of Work Ofcom highlighted that 'delivering internet we can rely on' through the 'availability of high-quality networks **where they are needed**' is a priority.
- The second requirement of section 4 of Communications Act 2003 requires Ofcom to 'promote the interests of **all** members of the public in the United Kingdom' this includes those people who live in harder to reach areas.
- The Statement of Strategic priorities designated by the Secretary of State requires 'An 'outside in' approach to deployment that means gigabit-capable connectivity across **all** of the UK is achieved on a similar timescale, and no areas are left behind'.

The TAR provides an opportunity to deliver against these imperatives and so deliver high quality broadband for everyone, not just those in more densely populated areas.

While the focus on gigabit capable networks is appropriate, for the hardest to reach areas, providing usable and reliable broadband should be the immediate priority for residents and businesses languishing on slow speeds.

Due to its topography and population density premises and postcodes in Wales are over-represented in WLA Area 3. In Wales, 71 per cent of postcode areas fall within WLA Area 3, compared to 82 per cent across the UK. Ofcom needs to ensure that the incentives for Openreach are sufficient to ensure that they build deeper into WLA Area 3 in challenging environments such as those that exist in Wales.

While the Wholesale Fixed Telecoms Market Review in 2021 (WFTMR2021) has undoubtedly been successful in driving full fibre deployment further than expected that success is not spread evenly across the UK. Ofcom figures for planned deployments show that gigabit capable broadband coverage in Wales is 4 per cent less than anticipated following the WFTMR 2021.

The review outlines the increase in the number of premises with a choice of network provider, however, Wales does not enjoy the same depth of market of network operators found in other parts of the UK, affecting both competition and resilience. Ofcom should consider what further measures it can take to encourage competition in WLA Area 2 and 3.

It is important that Ofcom reflects on the differential impacts across the UK when assessing the success of the WFTMR2021 and consequently how the TAR can address some of these longstanding inequities.

The Welsh Government recognises the contribution that Physical Infrastructure Access has made to expanding alternative networks and supports its continued use.

Ofcom states that because Openreach committed to building full fibre to 3.2 million premises in WLA Area 3 through the WFTMR2021 Ofcom set broadly the same regulatory conditions in WLA Area 3 as WLA Area 2. As Openreach has met this commitment there is a need for Ofcom to reconsider whether regulatory conditions in both areas should remain broadly the same or would further regulatory intervention in WLA Area 3 increase Openreach coverage.

The Welsh Government welcomes plans to continue to monitor Openreach activities. Overbuild, in particular, is an issue that has been raised with Welsh Government on several occasions by alternative providers.

Ofcom states that existing alternative infrastructure is unlikely to exert a material constraint on BT and that the threat of entry or expansion by new or existing operators would not effectively constrain BT. However, would Virgin Media and nexfibre together constrain BT to a material extent?

In considering alternative access services in defining the leased line access product market the hypothetical monopolist framework considers whether a significant non-transitory increase in price would cause customers to switch from a leased line to an alternative. While this works for the majority of the country, in rural areas where leased lines are uneconomic, alternatives such as fixed wireless access and other wireless technologies are required and therefore consideration should be given to including these in the product market.

On exchange exit, the impact on customers, particularly vulnerable customers, needs to be considered carefully as outlined in the TAR. The expectation set out that the impact on vulnerable customers needs to be considered, managed and risks mitigated appears to be vague. Ofcom should be clearer on what action it expects providers to take. Similarly, the TAR states that 'Openreach will need to provide alternative connectivity solutions where regulated services are impacted by exchange exit, that comply with its regulatory obligations', clarity on what alternatives should be considered and how they will be monitored would be useful.

The Welsh Government is concerned that Openreach will no longer be required to meet the quality-of-service standards for its copper-based access products in each of its seven management regions. This could lead to a deterioration in service for those areas where meeting the standards are more challenging, specifically remote and rural areas, and for those customers that rely on copper-based products because fibre products are not yet available. Also, setting a backstop minimum quality-of-service standard in WLA Area 3 based on previous performance by Openreach seems unambitious. While the arguments in terms of the detrimental impact of too stretching a target on incentives for Openreach to offer FTTP are well made a target that offers a degree of stretch would be preferable to ward off complacency.