

# Promoting competition and investment in fibre networks: Telecoms Access Review 2026–31

Volume 1: Overview, summary and structure

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**Consultation**

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# Contents

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## Section

1. Overview.....	3
2. Introduction and summary of proposals.....	9
3. Structure of the rest of this consultation.....	31

# 1. Overview

- 1.1 **This document sets out Ofcom’s proposals for our regulation of the fixed telecoms markets that underpin broadband, mobile and business connections, for the period from April 2026 to March 2031. Our proposals are designed to promote competition and investment in high quality gigabit-capable networks – bringing faster, better broadband to people across the UK.**<sup>1</sup>
- 1.2 Access to high-quality, reliable and secure networks is central to all aspects of our digital lives and a key driver of economic growth. This is why ensuring that UK consumers have access to high quality full-fibre and gigabit-capable networks and services is a priority for Ofcom. This market review is an important part of our programme of work to deliver this priority.
- 1.3 Our strategy since 2016 has been to promote investment in gigabit-capable networks through network competition where this is viable. Investment in faster, more reliable, future-proof networks directly benefits consumers and businesses that use these networks for work, accessing public services and entertainment. This also drives economic growth, supporting higher productivity and innovation across all sectors of the economy, providing opportunities for the deployment of new technologies and for public sector transformation. In addition, the network competition we are seeking to promote should bring longer term benefits from innovation, choice, and stronger incentives to price keenly to attract customers and to further improve quality of service.
- 1.4 In the Wholesale Fixed Telecoms Market Review 2021, we put in place a detailed regulatory framework with the aim of promoting investment and network competition in line with our strategy.<sup>2</sup> We also recognised that the long-term nature of network investments requires regulatory stability and therefore set expectations about future regulation to 2031 and beyond. The market review process requires us to review the relevant markets every five years taking account of recent and prospective market developments, but our decisions in 2021 stand as the starting point for this review.
- 1.5 Since 2021, we have seen significant build by Openreach and a wide range of other companies, putting the UK on course to deliver wide availability of gigabit-capable networks. Our regulatory framework has underpinned investment in full fibre of £3-6bn a year, and investment is still ongoing. Since May 2021, the number of premises with access to full fibre has increased from 6.9m premises (24%) to 20.7m (69%) in July 2024, while coverage of gigabit-capable networks has increased from 11.6m premises (40%) to 25m premises (83%).<sup>3</sup> This level of build exceeds what we expected in 2021, giving even more consumers and businesses access to high quality gigabit-capable networks at increasingly attractive prices, allowing them to benefit from new and innovative services that play an important role in supporting economic growth.

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<sup>1</sup> Gigabit-capable networks typically refers to networks using fibre to the premises (FTTP), also known as full fibre, and cable networks that are able to offer services with download speeds of at least 1 Gbit/s.

<sup>2</sup> Ofcom. 18 March 2021. [Wholesale Fixed Telecoms Market Review 2021-26](#).

<sup>3</sup> Ofcom. 16 December 2021 [Connected Nations 2021](#), and 5 December 2024. [Connected Nations 2024](#). These figures are based on coverage of residential premises.

**Table 1: Number of UK premises covered by full-fibre and gigabit-capable networks**

	May 2021	July 2024
Coverage of gigabit-capable networks	11.6m (40%)	25m (83%)
Coverage of full-fibre networks	6.9m (24%)	20.7m (69%)

- 1.6 In addition, build by rival networks has led to a significant increase in the number of premises with a choice of network, with 70% of premises now having access to at least two networks (one network from another provider in addition to Openreach), and 22% of premises have access to at least three networks.<sup>4</sup>
- 1.7 We recognise the huge strides made by the industry in rolling out full-fibre networks. But there is more to do. Further investment is needed to deliver high-quality services to all parts of the UK. In addition, attracting customers from legacy networks to full fibre is key to the success of all providers. Across all providers, take-up of full fibre is increasing: as of July 2024 average take-up had risen to 35% of premises where full fibre is available.<sup>5</sup> We also recognise that it takes time for new entrants to become well-established competitors and that they face considerable challenges overcoming the incumbency advantages of Openreach. New networks need to build customer bases and achieve scale in order to become sustainable competitors over the longer term.
- 1.8 In developing our proposals, we have considered not only the interests of consumers and businesses today, but also the investment, innovation and competition that is needed to deliver for them in the future. We want to see network competition continue to develop where this is sustainable and where it delivers benefits to consumers. Given take-up is critical, we consider it important that our regulation maintains an opportunity for reasonably efficient altnets to compete and increase take-up during this review period. We also want to continue to promote efficient commercial deployments to further extend coverage in the remaining, harder to reach areas.
- 1.9 Private sector investment in gigabit-capable networks is unlikely to deliver everywhere, and more remote rural areas may not see the same investment as more urban areas. Therefore, as well as promoting commercial investment, our regulation in 2021 and our proposals in this review complement public funding schemes that seek to deliver high-quality broadband to areas not otherwise reached by these deployments. The UK Government is investing £5bn into its Project Gigabit scheme to subsidise rollout in the hardest-to-reach areas across the UK. It has awarded over 30 contracts, with around 1m premises in scope, with more procurements under way.<sup>6</sup> This is alongside other broadband investment programmes from the devolved governments: in Wales the Superfast Cymru programme, in Scotland the Reaching 100% (R100) programme, and in Northern Ireland Project Stratum.
- 1.10 In this review we are also considering leased lines services, which are high-capacity connections used by large businesses and other networks. These services are often essential in helping businesses meet their communications needs and providing their connectivity to the internet and to cloud-based services. They are also used by fixed and

<sup>4</sup> Openreach figures represent coverage of all its networks, including copper-based services as well as full fibre. The other providers' networks will be gigabit-capable.

<sup>5</sup> Ofcom. 5 December 2024. [Connected Nations 2024](#).

<sup>6</sup> BDUK. 27 November 2024. [Project Gigabit progress update](#).

mobile network operators to provide connectivity as part of their own networks, including by mobile network operators to connect to their cell sites, and so are important in supporting services for all users across the UK. In 2021 we sought to promote investment in networks providing leased lines (as well as those providing broadband services) and we have seen significant growth by business-focussed providers, and other providers supporting both broadband and leased lines services are also seeking to compete. We want to continue to promote network competition where viable to deliver better connectivity, higher quality of service and lower prices for these critical services, alongside protection for end-users in areas where competition is unlikely to deliver these good outcomes on its own.

1.11 Our proposals in this review are summarised below.<sup>7</sup>

### What we are proposing – in brief

We are proposing that BT has significant market power (SMP) in a number of markets, and so are proposing a regulatory framework to address the competition concerns that arise as a result.<sup>8</sup> Our proposed remedies are the same as in our last review, except where recent or prospective market developments indicate an update is necessary to provide regulatory stability and maintain incentives for investment and network competition. Our proposals are:

**Maintaining access to Openreach’s telegraph poles and underground ducts:** We propose that Openreach will continue to be required to allow all network operators to deploy and operate their own fibre networks using its infrastructure through its Physical Infrastructure Access (PIA) products. To ensure a level playing field between Openreach and other network operators, we propose that Openreach will continue to be subject to a strict no undue discrimination obligation and that the charges paid by other operators should reflect a fair share of Openreach’s costs, based on their use of Openreach infrastructure. While our approach to PIA rental charges is broadly consistent with that set out in 2021, we have made some adjustments to ensure that there is a level playing field.

**Continuation of our approach to regulating wholesale broadband differently in different parts of the UK, to reflect the potential for effective network competition:** We recognise that competitive conditions are different across the UK for the supply of wholesale broadband services, and so propose to maintain our overarching approach to reflect this. While we have seen significant network investment since 2021 by rivals to Openreach, we do not think there are any areas yet where competition is sufficiently well-established or effective (i.e. ‘Area 1’).<sup>9</sup> We therefore propose to define two distinct geographic areas:

- *Area 2, where there is, or there is likely to be potential for, material and sustainable competition.* We propose that this area is expanded from 70% to cover 90% of UK premises, reflecting more widespread build (actual and planned) by altnets than envisaged in 2021. We propose to continue setting regulation that promotes investment and competition by alternative providers (including maintaining a stable regulatory environment for those investments already made), while also providing

<sup>7</sup> In this review we are considering the UK excluding Hull. KCOM is the incumbent provider in the Hull area, so we review the relevant markets in the Hull area in a separate market review.

<sup>8</sup> Our SMP proposals relate to BT Group. However, the markets we have considered relate to services provided by Openreach. As such, in this summary we refer to Openreach in setting out our proposed remedies.

<sup>9</sup> We propose that Area 1 would be defined on the basis of there being existing (and not planned) presence from two rival networks which are sufficiently well-established.

protection to consumers as competition develops. We propose to do this by continuing to set flat, inflation-adjusted prices for a basic superfast broadband product whilst allowing flexibility on pricing for other speed services. To ensure this price cap remains effective, we propose to move the regulation from Openreach's products that support download speeds of up to 40 Mbit/s to those supporting up to 80 Mbit/s, in line with changes in the market driven by the increasing use of data by consumers.

- *Area 3, where there is not, and there is unlikely to be potential for, material and sustainable competition.* In the remaining 10% of the UK, we will continue to focus on allowing Openreach the opportunity to recover the reasonable costs of its investments in rolling out its full-fibre network commercially, but recognise the important role public subsidy will play in rollout in this area. We also seek to promote competition based on access to Openreach's network to protect consumers. As in Area 2, we propose to move the price cap regulation from Openreach's products that support download speeds of up to 40 Mbit/s to those supporting up to 80 Mbit/s, and set flat, inflation-adjusted prices for these products.

**Fair wholesale prices for Openreach and other networks:** While Openreach is able to make its full-fibre services attractive to its Internet Service Provider (ISP) customers, we propose to maintain restrictions on deals that could stifle investment and the development of sustainable network competition. Specifically, we propose to continue to restrict Openreach's ability to set geographic discounts and to extend this to cover all charges (not just rental charges as in the previous review). We are also concerned that Openreach could offer commercial terms that deter ISPs from using competing networks, depriving these networks of demand and undermining the development of network competition in the long run. We propose that Openreach should continue to be required to give notice of the introduction of certain commercial terms, and that this notice period be extended from 90 days to 120 days. This allows us to assess any deals before they take effect. We are also providing updated guidance on the types of commercial offers that we might consider to be problematic.

**Supporting migration from legacy networks and exchange exit:** As Openreach lays a full-fibre network to replace the ageing copper network, it should not have to incur unnecessary costs in running two parallel networks. We propose to continue our support for a gradual transition away from Openreach's copper-based network, while facilitating the wider objectives of this review, including promoting network competition and protecting consumers. We propose to progressively transfer regulation (including price protections) from copper to full-fibre services in line with the approach set out in 2021. Openreach will also start to exit exchanges during this review period and is currently negotiating with its customers on specific terms of exit. We are supportive of Openreach's objectives, which provide the opportunity for both Openreach and other providers to consolidate infrastructure, reduce energy consumption and increase efficiency. We are proposing to maintain our existing regulation where appropriate, to mitigate risks to competition and consumers during this review period, as well as proposing changes to rules for services that connect exchanges together, to reflect exchange exit.

**Continuation of our approach to regulate leased lines differently in different parts of the UK, to reflect the level of current or prospective competition:** We recognise that competitive conditions are different across the UK for the supply of leased lines services, and we propose different market boundaries compared to wholesale broadband services reflecting differences in how the markets have developed since 2021. We are not revisiting

our previous assessment of the Central London Area (CLA), which has been deregulated since 2019. Elsewhere, we propose different regulation in different areas as follows:<sup>10</sup>

- *High Network Reach (HNR) area*, where there is significantly more leased lines network competition, but BT still has SMP. In this area, which covers 9% of UK postcode sectors, we propose that Openreach should provide access to its leased lines services at fair and reasonable prices.
- *Area 2 where there is, or there is likely to be the potential for, material and sustainable competition*. In this area, which covers 42% of UK postcode sectors, we propose to continue to require Openreach to provide access to its active leased lines services, and to set flat, inflation-adjusted price caps.
- *Area 3 where there is not, and there is unlikely to be potential for, material and sustainable competition*. In this area, which covers 46% of UK postcode sectors, we propose to continue to require Openreach to provide dark fibre and to set prices based on its reasonable costs. In addition, we propose to continue to require Openreach to provide access to its active leased lines services. For higher bandwidth active services, we propose to maintain flat, inflation-adjusted price caps while the market transitions to dark fibre. For lower bandwidth active services (1 Gbit/s and below), we propose to reduce prices in line with costs as dark fibre is a less attractive alternative than we expected in 2021.

**Inter-exchange connectivity (IEC) market:** IEC services are used by telecoms providers to connect BT exchanges located in different geographic areas in order to deliver traffic between their customers and their own networks. IEC services typically use similar products to those in the leased lines access market, such as leased lines at different bandwidths and dark fibre. We propose to deregulate exchanges where there has been an increase in competitor presence since our last review such that Openreach now faces two or more competitors. In cases where Openreach faces one or no competitor at an exchange, we propose to require Openreach to provide dark fibre, with prices set to reflect reasonable costs. Compared to our approach in 2021, this extends the availability of dark fibre to exchanges where there is one competitor present or nearby, because we do not expect further material competitive investment in these exchanges. Our proposals seek to promote competition through access to dark fibre, which we consider to be an attractive remedy for IEC services, and to protect consumers from high prices. We also propose to continue to require Openreach to provide active IEC services from these exchanges and propose to set flat, inflation-adjusted prices.

**Quality of service (QoS):** We are proposing to broadly maintain the existing rules for how quickly Openreach must carry out repairs and installations of its main network access products in regulated markets including copper-based broadband, Ethernet and dark fibre. However, to reflect the decline in Openreach's copper-based broadband services over the review period, we are proposing an adjustment in how performance is assessed. Where customers have no choice but to rely on Openreach for their full-fibre broadband services (i.e., Area 3), we are proposing new backstop QoS standards.

**Our approach beyond 2031:** Consistent with the approach we set out in 2021, we recognise that the investments being made by all network operators in gigabit-capable networks have long payback periods and material competition takes time to develop and become

<sup>10</sup> The size of the HNR area, Area 2 and Area 3 are shown as a percentage of postcode sectors, excluding Hull. The sum of the three areas does not equal 100%, with the remaining postcode sectors being in the CLA.

sustainable. While our future decisions will depend on the circumstances that exist when we carry out our next reviews, we are reiterating how we would approach future decisions. If we consider that investment and sustainable competition are still in the process of emerging beyond 2031, we would expect to continue to regulate in a way that continues to support this. If there is a need to move to cost-based regulation of Openreach in the future, we will honour the fair bet principle. This means that in setting any price controls, we would expect to allow BT to keep the upside (i.e. returns in excess of its cost of capital it has earned up to that point), as well as ensuring it can earn its cost of capital going forwards. This means that BT would have the opportunity to earn a return above its cost of capital over the whole fibre investment cycle.

- 1.12 We are seeking stakeholders' views on our proposals. The closing date for this consultation is 12 June 2025. We intend to publish our final decisions in March 2026.



## 2. Introduction and summary of proposals

- 2.1 This section describes the regulatory framework, sets out the strategic context for our proposals and how it is consistent with our legal duties, and provides a detailed summary of our proposed decisions on market definition and SMP findings and remedies.
- 2.2 We commenced our review in March 2024.<sup>11</sup> Since then we have engaged with a wide range of stakeholders, who have provided a number of submissions. We have also gathered data via formal information requests. We have taken our stakeholder engagement and the data we have gathered into account in our analysis. We discuss our stakeholder engagement to date further below.
- 2.3 We are making proposals in relation to the following markets:
- Physical infrastructure market.
  - Wholesale local access market (WLA).
  - Leased lines access market (LLA).
  - Inter-exchange connectivity market (IEC).

### Regulatory Framework

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#### Market review process

- 2.4 Annex 5 provides an overview of the market review process. As required by the regulatory framework, we have reviewed the markets listed above in three analytical stages:
- we have identified and defined the relevant markets (market definition);
  - we have assessed whether the markets are effectively competitive, which involves assessing whether any operator has significant market power (SMP) in any of the relevant markets (market analysis); and
  - where we find SMP, we apply appropriate regulatory obligations, based on the nature of the competition problems identified in the relevant markets (remedies).

#### Forward Look

- 2.5 Market reviews look ahead to how competitive conditions may change in the future. For the purposes of this review, for each market we have conducted a forward-looking assessment of the market, taking into account expected or foreseeable developments that may affect competition in the market for the period up to March 2031.
- 2.6 The prospective nature of our assessment over this period means that we have gathered a range of evidence to assess actual market conditions as well as to produce forecasts that we consider will appropriately reflect developments over time. Where appropriate, we have exercised our regulatory judgement to reach decisions on the evidence before us with

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<sup>11</sup> Ofcom. 24 March 2024. [Telecoms Access Review 2026](#).

a view, ultimately, to addressing the competition concerns we identify in order to further the interests of citizens and consumers in these markets.

## Strategic context

- 2.7 Our Strategic Review of Digital Communications (DCR) in 2016 set out how we intended to exercise our functions to regulate communications markets in accordance with our duties. It set out our intention to regulate to encourage large-scale deployment of new full-fibre networks both to homes and businesses, drive widespread availability of competing ultrafast broadband services and support the roll out of 5G networks.<sup>12</sup>
- 2.8 This strategy is reflected in Ofcom’s annual Plan of Work, in which a key priority for us is delivering internet we can rely on.<sup>13</sup> We seek to achieve this through delivering the following outcomes for consumers:
- Availability of high-quality networks where they are needed.
  - Reliable and secure networks that people can depend on.
  - People trust the networks and services that they use.
  - Consumers are confident and able to engage and make choices in the market to get the right services for them.
  - Consumers are able to access services which are affordable.
- 2.9 Large scale deployment of new full-fibre networks helps deliver this key priority. New full-fibre networks, alongside existing hybrid fibre/coaxial cable networks, are able to support services with download speeds of over 1 Gbit/s, and are known as gigabit-capable networks.<sup>14</sup>
- 2.10 Our view is that gigabit-capable networks are beneficial to consumers of communications services (including both consumers and businesses) and citizens in general as they:
- support higher speed and higher capacity broadband services compared to older legacy networks relying on copper cables and can provide symmetric broadband services (i.e. services where the upload and download speeds are the same);
  - do not suffer from deterioration in performance over distance, as is the case for copper, and do not suffer from performance degradation caused by interference between the lines being used by different customers;<sup>15</sup>
  - are likely to have lower fault rates, for example as they are not susceptible to faults caused by water ingress and corrosion;

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<sup>12</sup> Ultrafast broadband networks are those that can support services with a download speed of at least 300 Mbit/s.

<sup>13</sup> Ofcom. 26 March 2024. [Ofcom’s Plan of Work 2024/25](#). We have consulted on our Plan of Work for 2025/26. See Ofcom. 4 December 2024. [Ofcom’s Plan of Work 2025/26](#).

<sup>14</sup> Whilst the cable networks were deployed some time ago, full-fibre networks are being rolled out now, and so we focus on deployment of full-fibre networks, but take account of the cable network when considering network competition between gigabit-capable networks.

<sup>15</sup> On copper networks, speeds can suffer especially at busy times due to electromagnetic interference between lines that are bundled closely together.

- may offer other performance benefits; and <sup>16</sup>
  - are future-proofed in that they can be upgraded to support higher speed services as demand increases.
- 2.11 Our strategy is to promote investment in gigabit-capable networks through network competition in areas where this is sustainable. We consider that network competition brings potentially significant benefits to consumers, compared to competition based on regulated access to wholesale services provided by a single network.
- 2.12 Network competition creates stronger incentives to attract and retain customers by offering them the services they want, and so is a more effective spur for innovation and investment in high quality networks than access-based competition. This is because network providers have much greater scope for product differentiation and can strive to win customers and generate higher margins by offering a better service than their competitors. For example, network providers can differentiate on important attributes such as speed, reliability and quality of service. The threat this poses to legacy networks of losing customers to new and existing network competitors is a powerful driver of continued investment in high quality networks, delivering long-term benefits to consumers.
- 2.13 By exposing more of the value chain to competition, network competition also provides strong incentives for firms to innovate, to become more efficient and reduce costs. As a result, market forces play a much stronger role in shaping decisions about what networks to build, what technologies to use, and how to deliver them more cost effectively.
- 2.14 We recognise that promoting network competition may entail the replication of network investments. However, it will deliver significant benefits to consumers in the longer term from innovation (including innovation to increase efficiency and reduce costs), choice, stronger incentives to price keenly to attract customers, and higher quality of service.
- 2.15 We have seen these benefits start to deliver following the approach we set in our 2021 market review, with significant deployment by a wide range of networks which has, in turn, led to significantly more build by Openreach than expected. These newer networks have also deployed using newer technologies, providing even higher speed services for consumers, and driving upgrades by Openreach. We have seen the prices for services provided over full fibre reducing. And large ISPs have reached commercial agreements with multiple networks to provide their services, which is delivering, or has the potential to deliver, benefits in terms of prices, speeds and quality of service improvements to more and more consumers. We discuss these points further below.
- 2.16 We recognise that network competition may not be viable everywhere. Our strategy in areas where network competition is unlikely is still to provide incentives for commercial investment (most likely by Openreach) and provide access to the SMP operator's network to promote downstream competition.

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<sup>16</sup> For example, full-fibre networks may be better in terms of latency, jitter and packet loss due in part to the removal of electronic equipment in the copper access network. Latency is the measure of the time taken for a packet to travel from one end of the end network to the other. Jitter is the measure of the variation in latency between packets. Packet loss is the measure of how many packets are lost crossing the network.

## Implementation of our strategy and outcomes to date

### Wholesale Fixed Telecoms Market Review 2021 (the WFTMR21)

- 2.17 In our review of wholesale fixed telecoms markets in 2021 (the WFTMR21), we sought to implement our strategy and to deliver good outcomes for consumers through sustained support for competition in gigabit-capable networks in as many areas of the UK as possible.
- 2.18 Therefore, our regulation sought to promote investment in such networks by Openreach and other companies in order to promote network-based competition. In areas of the UK where there was unlikely to be material and sustainable competition to Openreach in the commercial deployment of competing networks, we set regulation that sought to promote investment by Openreach and ensure appropriate access to competitors in the interests of consumers.
- 2.19 The economics of building and operating telecoms networks meant that we did not expect there to be competing networks everywhere in the UK. We labelled areas that we considered had or were likely to have the potential for material and sustainable competition as Area 2.<sup>17</sup> These areas covered 70% of premises in the UK. In these areas we sought to create the conditions that would allow alternative network providers (altnets) to build and for Openreach to respond to the competitive threat posed by the altnets, by investing in deploying its own full-fibre network.<sup>18</sup>
- 2.20 In the remaining 30% of the UK where we considered material and sustainable competition was unlikely (which we labelled Area 3), Openreach committed to Ofcom to build full fibre to 3.2 million premises commercially by March 2026. As a result, to support investment by Openreach and to provide access to Openreach's network so that consumers could benefit from Openreach's investment, we set broadly the same regulatory conditions in Area 3 as Area 2. This also supported commercial investment by altnets where they found this to be attractive.
- 2.21 We also recognised that the long-term nature of network investments requires clarity and stability of regulation and so we set the expectation that we would maintain a consistent approach in the period 2021 to 2031 where the evidence indicated our strategy was working.

### Market developments following the WFTMR21

- 2.22 Since the WFTMR21, we have seen significant progress towards achieving our strategic objectives.
- 2.23 There has been significant investment by many companies, including Openreach, in gigabit-capable networks across the UK. Networks have been deployed, or are being deployed by, a wide range of companies, many using access to Openreach's ducts and poles as an important part of the build. As of December 2024, more than 140 providers had already deployed network using access to Openreach's physical infrastructure (or had placed orders to do so). These providers had ordered 185,000 km of duct, and over 111,000 km had

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<sup>17</sup> We said that Area 1 would be areas where there were at least two established rival networks to BT but did not find anywhere meeting these conditions in the WFTMR21.

<sup>18</sup> An altnet is a network provider, other than Openreach or Virgin Media O2, that operates within the UK and builds its own network infrastructure for wholesale and/or retail provision of broadband services. Some altnets also offer leased lines services.

- already been used. They had ordered approximately 1.3m attachments to poles, of which 830,000 attachments had already been used.<sup>19</sup>
- 2.24 These network deployments range from covering millions of premises, mainly in urban and sub-urban areas, to smaller deployments, often in more rural areas. In turn, we have seen Openreach repeatedly increase its build plans in response to this rollout by other providers. In 2019 it stated a target of 15 million premises passed by the middle of this decade, and in 2020 increased this target to 20 million premises passed, and is now targeting a build of 25 million premises passed by the end of 2026 with ambitions to pass 30 million premises by 2030.<sup>20</sup>
- 2.25 There has been significant build in more rural areas – our approach to incentivising build in Area 3 by setting a pricing approach that allowed Openreach to recover its costs of rolling out in these higher-cost areas has been successful. Openreach has already met its commitment to build to 3.2m premises in Area 3, with its target now being 6.2m rural premises by the end of 2026.<sup>21</sup> Altnets have also delivered significant coverage in more rural areas, with just over 40% of premises in Area 3 having access to at least one provider other than Openreach.<sup>22</sup>
- 2.26 Build by multiple providers has also driven innovation in the use of different technologies, with some altnets deploying the latest technology, which is capable of offering higher speed symmetric services.<sup>23</sup> Openreach is now focusing on upgrading its deployment to also offer these higher speeds, in addition to continuing its build programme.
- 2.27 The availability of gigabit-capable networks (including publicly funded build) in July 2024 was 25m premises (83%), with the number of premises with access to full fibre being 20.7m (69%). Gigabit-capable coverage is likely to meet the Government’s target of reaching 85% of premises by end of 2025. Planned availability, based on all altnets’ plans, is for gigabit-capable coverage to reach 97% in 2027, though we note not all plans will necessarily be delivered.<sup>24</sup> The plans for further rollout on top of the significant rollout we have already seen are an indication of the confidence of network operators to continue to invest in rolling out full fibre over the next few years.
- 2.28 Whilst the amount of build by 2026 is likely to exceed what we expected, we still anticipate further build in the next review period (2026-2031). As noted above, Openreach has indicated its aspiration to build to 30 million premises by 2030. We expect some further altnet build, although this may be more limited given the investment climate has changed

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<sup>19</sup> Source: Openreach. Where multiple PIA users make use of the same duct or attach cables to the same pole, this is counted multiple times in these figures. For example, if two providers each use the same kilometre of duct, this shows as two kilometres in the data; if two providers each attach two attachments to the same pole, this counts as four attachments. The total kilometres of unique duct and the number of unique poles that are used by PIA users will be lower. Note that providers might use the same duct or the same pole to serve different end users and/or compete for the same end user. By way of context, there are 496,000 km of duct and 4.1m poles in Openreach’s network.

<sup>20</sup> BT Group. [BT Group plc - Annual Report 2024](#). Page 60. Accessed on 27 February 2025.

<sup>21</sup> BT Group. [BT Group plc - Annual Report 2024](#). Page 34. Accessed on 27 February 2025.

<sup>22</sup> Ofcom analysis of Connected Nations coverage data for July 2024.

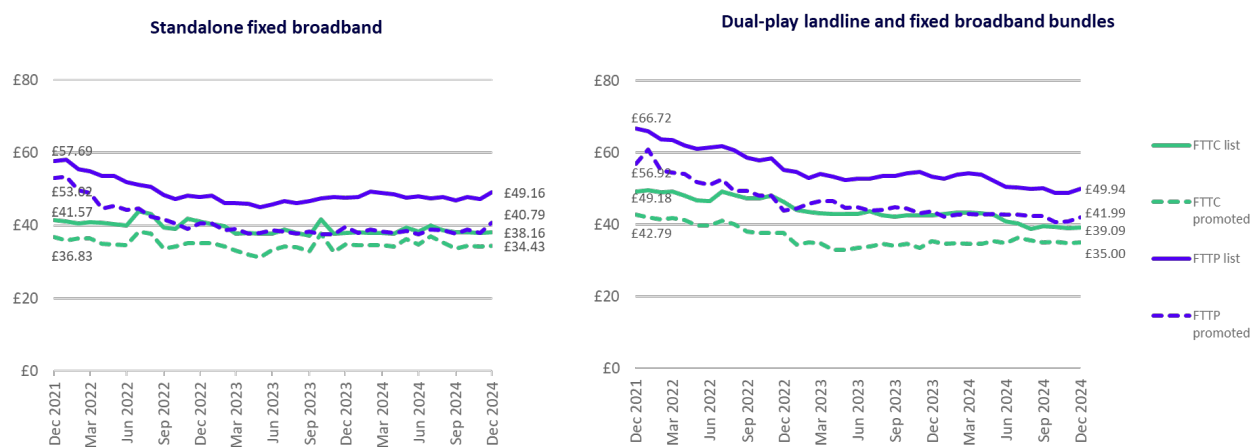
<sup>23</sup> Some altnets have deployed XGS-PON technology, which supports 10 Gbit/s capacity both upstream and downstream.

<sup>24</sup> We expect that the Government’s target has been exceeded since we published our last Connected Nations update. [Gigabit Broadband Coverage Reaches 85 Percent of UK Premises - ISPreview UK](#). Accessed on 22 January 2025.

since 2021. Nevertheless, commercial build could extend further into rural areas, though there will continue to be an important role for public funding through BDUK and the programmes of the Nations’ governments to reach the most expensive premises.

2.29 As well as this increased availability, the prices of full-fibre services have reduced considerably since 2021, as shown in Figure 2.1. Full-fibre prices are also much closer to the price of legacy (Fibre To The Cabinet - FTTC) services even though the quality of services and average speeds will be much better for full fibre. At the wholesale level, Openreach has reduced its prices through the Equinox offers (which we reviewed, as discussed in paragraph 2.36 below).

**Figure 2.1 Prices for residential broadband services delivered on FTTC and full-fibre networks since WFTMR21 (average monthly real-terms prices)**



Source: Ofcom / Pure Pricing’s Monthly Broadband Pricing Tracker reports  
Adjusted for CPI (December 2024 prices)

2.30 The significant level of build has led to an increase in the number of premises with access to multiple networks. Historically, only those premises served by Virgin Media O2 (VMO2) had a choice of networks and VMO2 was available to about half of the UK premises. Now, just over 70% of premises have at least one alternative to Openreach, and almost one-quarter have two or more.<sup>25</sup>

2.31 While altnets have deployed to around half of the UK, they also need to build customer bases and achieve scale in order to become sustainable competitors over the longer term.

2.32 Across all providers, take-up is increasing, with 49% of customers in areas where gigabit-capable networks are available taking up gigabit-capable services as of July 2024, an increase from 42% the previous year. Take-up of full-fibre networks is slightly lower at 35%, and is higher in rural areas than urban areas. The lower take-up of full fibre is reflective of the time taken to build a base once the network is available, as shown in Table 2.1 below.

<sup>25</sup> In referring to Openreach, we mean all of Openreach’s full-fibre and legacy networks.

**Table 2.1: Likelihood of full-fibre take-up with respect to length of time available<sup>26</sup>**

Years full fibre has been available at the premises	Probability that full fibre has been taken up
One year or less	12%
Greater than one year, up to two years	27%
Greater than two years, up to three years	37%
Greater than three years, up to four years	47%
Greater than four years	53%

2.33 Altnets are building customer bases through their own retail activities, through wholesale agreements, or both. Developing a retail business can take time as the altnet builds a strong reputation to compete with existing brands, while wholesale agreements can be complex and time-consuming to negotiate and implement. Altnets also face considerable challenges overcoming the incumbency advantages of Openreach.

2.34 However, the increased choice of networks has led to large retail ISPs choosing alternatives to Openreach. Other than BT and VMO2 (which are both vertically integrated), the other largest retail brands have deals in place to use networks other than Openreach, including CityFibre.<sup>27</sup> These deals give the retail ISPs access to networks using the latest technologies at competitive prices. In turn, these deals give the altnets a degree of confidence about take-up on their network, supporting further investment and rollout.

2.35 Build has been more fragmented than we expected in 2021, with there likely to be over 100 altnets deploying fibre networks in the UK. A relatively small number of these altnets account for the majority of altnet build to date, with a long tail of smaller altnets. Given the large number of companies that have entered the market, consolidation is likely to be a feature of the market in the coming years.

### Other initiatives that sit alongside and support delivering our objectives

2.36 In the WFTMR21, we recognised that we would need to monitor the market and the implementation of our remedies to ensure we remained on track to meet our objectives. Since the WFTMR21 we have undertaken a number of activities in this regard:

- Duct and Pole Access (DPA) implementation - Access to Openreach's ducts and poles is a key part of Ofcom's strategy to support investment. We recognised that the products that Openreach was supplying to industry, and the processes by which they were provided, required further development to ensure they could be consumed at scale. We have been working through these issues with Openreach, the OTA2 and the industry and significant improvements have been made, resulting in the significant usage of PIA

<sup>26</sup> Ofcom. 5 December 2024. [Connected Nations 2024](#). Table 2.5.

<sup>27</sup> CityFibre. [Sky and CityFibre sign partnership](#). Accessed on 6 March 2025. CityFibre. [Vodafone anchors CityFibre's nationwide Full Fibre...](#). Accessed on 6 March 2025. Platform X Communications. [PXC set to partner with fastest growing alt net Netomnia and Brsk](#). Accessed on 6 March 2025.

that we now see.<sup>28</sup> We continue to monitor the development of PIA and respond to concerns raised with us.

- Consideration of Openreach pricing offers and ongoing monitoring - we introduced a requirement for Openreach to give at least 90 days' notice of the introduction of certain commercial terms (such as volume discounts) that might deter retail ISPs from using competing networks. Since then, we have considered two offers from Openreach (Equinox and Equinox 2) notified under this process. Having assessed each of the offers and stakeholders' views, Ofcom decided not to prevent them from being introduced. Alongside our assessment of the terms of the Equinox 2 offer, we also considered stakeholder concerns about the level of pricing under that offer and Openreach's practice of discussing and developing discounts with ISPs. However, we did not at that time identify any concerns that would lead us to take further action. We continue to periodically monitor the impact of these offers on ISPs.
- Openreach Monitoring Unit (OMU) - We recognise the significant role Openreach plays in these markets, and its behaviour is key in ensuring that competition operates fairly for all network builders. For this reason, in our 2021 annual monitoring report we announced that going forward, the scope of the OMU's work would include issues relating to the broader outcomes of the WFTMR21 (in addition to monitoring Openreach and BT's compliance with the Commitments). This means monitoring Openreach's activities in relation to investment, consumer outcomes and competition. Industry stakeholders raised concerns about Openreach's fibre build plans and 'overbuild'. During 2022 we engaged with Openreach to understand the circumstances associated with specific build decisions in detail. We found no evidence to suggest Openreach has rolled out its fibre network to target or harm competitors, or that these build decisions were not commercially rational.<sup>29</sup> However, we continue to monitor Openreach's build plans and decisions.
- Investigation into Openreach's failure to meet Quality of Service (QoS) standards on 2022/23 - It is also important that we make sure Openreach delivers its services at a good standard and in the WFTMR21 we set QoS conditions on it to achieve this. The obligations are intended to be a lower bound, met under all but very exceptional circumstances. We monitor Openreach's performance against these and will investigate where it does not meet the required standards. On 18 March 2024 Ofcom concluded an own-initiative investigation into Openreach's compliance with its quality of service obligations in the LLA and WLA markets during 2022/23. We found that Openreach had contravened its SMP conditions by failing to meet three of its obligations.<sup>30</sup>

2.37 We will continue to monitor Openreach's behaviour, market developments, the evolution of competition and consumer outcomes after we conclude this review, as we have during the WFTMR21.

2.38 The remedies we put in place to address BT's significant market power in the WFTMR21 are just one of the ways we seek to achieve the best outcomes for consumers. They sit

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<sup>28</sup> The Office of the Telecommunications Adjudicator (OTA2) is an organisation independent of Ofcom and the industry, tasked with overseeing cooperation between telecoms providers.

<sup>29</sup> Ofcom. 29 November 2022. [Open letter to industry about concerns raised with Ofcom associated with Openreach build.](#)

<sup>30</sup> There were a number of factors we considered that meant we did not impose a penalty or other remedies on this occasion. Ofcom. 7 June 2024. [Investigation into Openreach's quality-of-service performance in leased lines access and wholesale local access in 2022/23.](#)



alongside our other initiatives which support our objectives in terms of gigabit-capable network rollout, take-up and competition, including:

- One Touch Switch (OTS)<sup>31</sup> – New rules came into effect on 3 April 2023 requiring providers to operate a ‘One Touch Switch’ (OTS) process for residential customers looking to switch their landline or broadband services. In September 2024, OTS went live. This makes broadband switching quicker, easier and more reliable, so that for the first time customers moving between different networks or technologies will have their switch managed entirely by their new provider.
- End Of Contract Notifications (ECNs)<sup>32</sup> – our ECN regulations require broadband providers to notify consumers of when their contracts are coming to an end and the best deals that they have available for that consumer in order to provide consumers with up-to-date information to help them to decide whether, and when, to switch their provider.
- Requiring clearer information about broadband technologies<sup>33</sup> - As gigabit-capable network rollout continues, consumers have an increasing choice of networks and services to choose from. It is important they have sufficient information to make the right decision for them. We also want to support consumers in migrating with confidence from older to newer technologies, including from copper-based to full-fibre-based broadband. In December 2023, we published a statement setting out our decision to help consumers make more informed choices. It explains how and when we think broadband providers should tell people about the underlying technology used to deliver their service. Alongside the statement, Ofcom has issued guidance to ensure providers give consumers this information in a clear and unambiguous way.

2.39 We also recognise that in parts of the UK the costs of deployment are such that they are unlikely to see any commercial deployment of gigabit-capable networks. In these areas, public funding programmes will continue to play an important role. The UK Government, through Project Gigabit, is supporting gigabit roll out alongside other broadband investment programmes from devolved governments in the UK's nations, including the Superfast Cymru programme in Wales, the Reaching 100% (R100) programme in Scotland, and Project Stratum in Northern Ireland. While this funding will extend coverage of full fibre beyond the commercial rollouts, other technologies such as Fixed Wireless Access (FWA) or satellite are likely to play a role in addressing the needs of the hardest-to-reach areas.

## The Telecoms Access Review 2026 (TAR26)

### Our objectives for this review

2.40 In this review we identify a number of markets and propose whether any party has SMP in those markets. We propose appropriate remedies based on the nature of the competition concerns that we have identified, taking into account our legal powers and duties. Where we have discretion in setting remedies (e.g. where our competition concerns could be addressed by several different approaches to remedies) we exercise our discretion in favour of an approach that promotes our objectives for this review.

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<sup>31</sup>Ofcom. 12 Sept 2024. [Simpler and quicker broadband switching is here.](#)

<sup>32</sup>Ofcom. 12 April 2022. [Are you in or out of contract?](#)

<sup>33</sup>Ofcom. 16 Sept 2024. [Customers to get clearer broadband information](#)

- 2.41 Our objectives reflect our strategic priorities as set out above. Where network competition is viable, our objectives are:
- to promote investment and competition in networks by Openreach and other providers;
  - to promote upstream access to Openreach’s physical infrastructure to drive network competition; and
  - to seek to protect consumers and competition based on access to Openreach’s network whilst network competition develops.
- 2.42 Where network competition is not viable, our objectives are:
- to protect consumers and to promote competition based on access to Openreach’s network which allows downstream providers to offer consumers a choice of retail services; and
  - to seek to promote investment by Openreach in gigabit-capable networks in areas that are unlikely to see the emergence of competing networks, so that consumers in these areas can also obtain the benefits of an upgraded network and improved services.
- 2.43 Our proposed remedies focus on addressing the competition concerns specifically arising in each of the markets we identify. However, we also recognise that some networks offer competition in multiple services (for example, broadband and leased lines) meaning the approach to remedies in one market may also be relevant in other markets.
- 2.44 These objectives remain the same as for the WFTMR21.

### Our duties under the Act<sup>34</sup>

- 2.45 We consider that our objectives for this review, and the proposals in this consultation, are consistent with our duties in section 3 of the Communications Act 2003 (the Act). This includes our principal duty to further the interests of citizens in relation to communication matters, and to further the interests of consumers in relevant markets, where appropriate by promoting competition. In particular, we further the interests of citizens and consumers by setting our regulation to create appropriate conditions to incentivise both Openreach and other operators to invest in gigabit-capable networks, through network competition where viable, and appropriate investment incentives where not. We have described above the benefits that gigabit-capable networks can deliver for consumers in terms of higher speed and better quality services.
- 2.46 In addition, the resulting network competition in areas where this is viable should bring benefits to consumers in the long term from innovation (including innovation to increase efficiency and reduce costs), choice, stronger incentives to price keenly to attract customers and higher quality of service. In the long run, it also may allow deregulation in certain areas. However, in the period while network competition develops and in areas of the UK where network competition is unlikely to be viable, we also recognise the need to maintain retail competition and protect consumers’ interests by ensuring access to Openreach’s network, and by regulating pricing and quality of service, where appropriate.

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<sup>34</sup> Annex 5 describes our statutory duties and the matters we should have regard to in the performance of our functions.

- 2.47 We consider that our objectives and our proposals are also consistent with the requirement on us, in carrying out our functions, to secure the availability throughout the UK of a wide range of communications services. As noted above, we consider that incentivising network investment across the UK through both network competition and the right investment incentives is the best way to meet the growing demand for high speed and data intensive communications services and will provide a platform for innovative new services to develop.
- 2.48 Of the other factors mentioned in section 3 of the Act, we have had regard, in particular, to the desirability of promoting competition in relevant markets, the desirability of encouraging investment and innovation in relevant markets, the desirability of encouraging the availability and use of high speed data transfer services throughout the United Kingdom, as well as to the interests of consumers in respect of choice, price, quality of service and value for money.
- 2.49 We have also had regard to the principles under which our regulatory activities should be transparent, accountable, proportionate, consistent and targeted only at cases where action is needed.
- 2.50 We consider that our objectives and proposals are also consistent with our duties set out in section 4 of the Act, in particular, and for the reasons set out above:
- the first requirement to promote competition;
  - the second requirement to promote the interests of all members of the public in the United Kingdom;
  - the third requirement to take account of the desirability of Ofcom's carrying out of its functions in a manner which, so far as practicable, does not favour one form of or means of providing electronic communications networks, services or associated facilities over another (i.e. to be technologically neutral);
  - the fourth requirement to encourage the provision of network access for the purposes of securing efficiency and sustainable competition, efficient investment and innovation and the maximum benefit for persons who are customers of communications providers and of persons who make associated facilities available; and
  - the sixth requirement to promote connectivity and access to very high capacity networks by members of the public and businesses in the United Kingdom.

### Statement of Strategic Priorities (SSP)

- 2.51 Our view is that our strategic approach is consistent with the UK Government's ambition to provide gigabit-capable networks and make them widely available across the UK. Specifically, our approach is supportive of the government's target of nationwide gigabit coverage by 2030.
- 2.52 As required by section 2B(2) of the Communications Act 2003, we have had regard to the previous government's Statement of Strategic Priorities (SSP) for telecoms, management of radio spectrum and postal services.<sup>35</sup> In particular, we have had regard to the following priority areas covered by the SSP: world-class digital infrastructure, furthering the interests

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<sup>35</sup> DCMS. [Statement of Strategic Priorities for telecommunications, the management of radio spectrum, and postal services](#). Accessed on 6 March 2025.

of telecoms consumers and ensuring secure and resilient telecoms infrastructure. We set out in Volume 3, Section 1 further details in relation to the SSP.

- 2.53 The current UK Government is expected to designate a replacement SSP before we issue our final statement. We will be required to have regard to that (rather than the current SSP) in reaching our final decisions.

### Growth Duty

- 2.54 In formulating our proposals we have also had regard to our “growth duty”, a statutory obligation to have regard to the desirability of promoting economic growth in undertaking this review, and to the statutory guidance that accompanies that growth duty.<sup>36</sup> We do so in the context of our primary duty to further the interests of citizens and consumers, where appropriate by promoting competition, and having regard, in particular to the desirability of encouraging investment and innovation.
- 2.55 We have set out above the manner in which we believe our proposals in this document will incentivise investment in new networks by a broad range of existing and new providers, and provide a stable regulatory environment for long-term investments already made. We expect this investment and the resulting network competition to promote economic growth by enabling the provision of faster and better communications services to consumers and businesses, driving innovation, increased efficiency and reduced costs. In doing so we are considering not only consumers’ and business’ interests today, but thinking about the investment, innovation and competition that is needed to deliver for consumers and businesses in the future.
- 2.56 As the UK economy becomes increasingly dependent on digital services, better telecoms infrastructure enables growth in the wider economy by enabling (and accelerating) the development of other services and technologies, and increasing productivity. For example, investment in rolling out newer telecoms technologies that can support higher speed services can in turn stimulate business innovation and investment, as firms can benefit from providing enhanced functionality for users which would be unsupported on older generations of broadband. The deployment of better telecommunications networks across business enterprises improves productivity by facilitating the adoption of more efficient processes and supports consumers accessing services delivered by businesses and the public sector. Faster broadband may also lead to more rapid dissemination of knowledge for businesses and consumers, e.g. they find it easier to compare prices which in turn stimulates competition across a range of markets.
- 2.57 We set out in further detail in Volume 3, Section 1 how we have had regard to our growth duty and to the accompanying statutory guidance.

### Our approach beyond 2031

- 2.58 This document sets out our proposals for regulation until March 2031. However, consistent with the approach we set out in 2021, we recognise that the investments being made by all network operators in gigabit-capable networks have long payback periods and material competition takes time to develop and become sustainable. While our future decisions will depend on the circumstances that exist when we carry out our next reviews, we are reiterating how we would expect to approach future decisions.

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<sup>36</sup> Section 108 of the [Deregulation Act 2015](#). Accessed on 6 March 2025.

- 2.59 By 2031, our strategy will have allowed a window of ten years for network rollout to occur and competition to develop. We expect competition from new providers to continue to develop as they establish themselves as sustainable competitors. This will put us on a path to even greater deregulation in the future, allowing competition to replace regulation permanently. Where effective competition emerges, there will be no need for Ofcom to regulate.
- 2.60 If we consider that sustainable competition and investment are still in the process of emerging beyond 2031, we would expect to continue to regulate in a way that continues to support this, while ensuring that consumers continue to be protect. In considering this, we would expect to look at the extent to which investment has already led to an increase in material and sustainable competition during the preceding ten years, and the extent to which competition may credibly intensify further beyond 2031.
- 2.61 If there is a need to move to cost-based regulation of Openreach in the future, we will honour the fair bet principle. In setting any controls, we would expect to allow BT to keep the upside (i.e. returns in excess of its cost of capital it has earned up to that point), as well as ensuring it can earn its cost of capital going forwards. This means that BT would have the opportunity to earn a return above its cost of capital over the whole fibre investment cycle.
- 2.62 We set out our expected future approach in more detail in Volume 4, Section 1.

### Engagement with stakeholders

- 2.63 Since launching our review, we have engaged with a broad range of stakeholders, including UK and Nations governments, industry bodies, communications providers and industry analysts.
- 2.64 We have received a significant number of inputs from stakeholders. We have published non-confidential versions of these submissions, and we have considered them in developing the proposals in this consultation document.<sup>37</sup> We do not, however, refer to each submission or respond to each point stakeholders have raised in this document.

### Demand side remedies

- 2.65 Stakeholders' submissions have asked us to consider 'demand side' interventions that would aim to increase take-up of gigabit-capable services. Our view is that take-up of gigabit-capable services is essential to furthering consumer interests, to help realise the benefits of the investment that has been made in gigabit-capable networks, including driving economic growth across the UK. Take-up is also important for altnets to become established competitors in fixed telecoms markets.
- 2.66 However, we consider that demand side issues (and any potential interventions) are outside the scope of TAR26. Issues such as the information available to consumers on gigabit-capable networks available at their premises are more appropriately considered and addressed through consumer-focused interventions that apply to all providers, rather than through TAR26 rules that only apply to providers with SMP and aim to address competition concerns in wholesale markets.

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<sup>37</sup> Ofcom. [Telecoms Access Review 2026](#).

## Summary of our proposals

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### Market definitions

- 2.67 We propose a single national (excluding Hull) upstream product market for the supply of telecoms physical infrastructure.
- 2.68 We propose three product markets downstream of the physical infrastructure market:
- a product market for the supply of wholesale local access (WLA) at a fixed location;
  - a product market for the supply of leased line access (LLA); and
  - a product market for the supply of inter-exchange connectivity (IEC).
- 2.69 For the wholesale local access and leased line access markets, we propose to identify separate geographic markets in which the conditions of competition are different.
- 2.70 For wholesale local access we propose to identify two geographic markets:
- WLA Area 2 - postcode sectors in which there is, or there is likely to be potential for, material and sustainable competition to BT in the commercial deployment of competing networks; and
  - WLA Area 3 - postcode sectors in which there is not, and there is unlikely to be potential for, material and sustainable competition to BT in the commercial deployment of competing networks.
- 2.71 For leased lines access we propose to identify the following geographic markets:<sup>38</sup>
- High Network Reach (HNR) area - postcode sectors where, due to the presence of at least two current material and sustainable competitors, there is sufficiently well-established competition to BT in the commercial deployment of competing networks; and
  - For the remaining postcode sectors in the rest of the UK:
    - > LLA Area 2 - postcode sectors in which there is, or there is likely to be potential for, material and sustainable competition to BT in the commercial deployment of competing networks;
    - > LLA Area 3 - postcode sectors in which there is not, and there is unlikely to be potential for, material and sustainable competition to BT in the commercial deployment of competing networks.
- 2.72 The premises covered by the Area 2 and Area 3 geographic markets are different for WLA and LLA. This reflects differences in the presence of networks that provide WLA and/or LLA services, leading to geographic variations in the conditions of competition for WLA and LLA.
- 2.73 In relation to IEC, we propose to identify each new BT+2 exchange, and each BT+1 and BT Only exchange as a distinct geographic market.<sup>39 40</sup>

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<sup>38</sup> We do not revisit our assessment of the Central London Area which has been deregulated since 2019.

<sup>39</sup> We do not revisit our assessment of exchanges categorised as BT+2 in previous reviews. These have already been deregulated.

<sup>40</sup> BT Only, BT+1 and BT+2 refer to the number of rival Principal Core Operators (PCOs) present at a particular exchange. A PCO is a telecoms provider with its own network infrastructure, which has a substantial footprint, and offers a wholesale inter-exchange connectivity service to other telecoms providers.

## SMP proposals

2.74 We propose BT has SMP as shown below.

**Table 2.2: Summary of SMP proposals**

Product market	Geographic market	SMP?
Physical Infrastructure	National (excluding Hull)	✓
WLA	Area 2	✓
	Area 3	✓
LLA	HNR area	✓
	Area 2	✓
	Area 3	✓
IEC	BT Only	✓
	BT+1	✓
	BT+2	✗

## Remedies

2.75 In the light of our SMP proposals we are proposing a number of remedies in each of the relevant markets.

2.76 In each of these relevant markets we propose a general network access obligation supplemented by transparency, non-discrimination or equivalent of inputs (EOI) and financial reporting requirements, plus price controls and quality of service requirements where appropriate.

2.77 We also propose a number of specific network access remedies, which require BT (via Openreach) to provide particular forms of network access in each product market. Our proposals for each of the markets we have identified are set out in the following tables.

### Physical Infrastructure market

2.78 The table below sets out the remedies we propose to impose on BT in the physical infrastructure market.

**Table 2.3: Summary of our remedies for physical infrastructure market**

PIA Specific Access Remedy	Network access <sup>41</sup>	Transparency <sup>42</sup>	Charge control	Quality of Service	EOI / Non-discrimination	Restriction on geographic discounts
Physical infrastructure access	✓	✓	Cost based	✗ Voluntary KPIs	Non-discrimination	✗

### Wholesale Local Access market

2.79 For WLA Area 2, our proposed remedies are:

**Table 2.4: Summary of our remedies in the WLA Area 2**

WLA Specific Access Remedies - Area 2	Network access	Transparency	Charge Control	Quality of Service	EOI / Non-discrimination	Restriction on geographic discounts
MPF <sup>43</sup> (anchor)	✓ No Network Access requirement for new copper services	✓	Flat prices in real terms	Repair, provision, and appointment standards. KPIs.	EOI	✓
FTTC 80/20 (anchor)	✓	✓	Flat prices in real terms	Repair, provision, and appointment standards. KPIs.	EOI	✓
FTTC (all other bandwidths)	✓	✓	✗	Repair, provision, and appointment standards. KPIs.	EOI	✓

<sup>41</sup> Network access includes a requirement for Openreach to have a Statement of Requirements (SoR) process under which access seekers can request new forms of access.

<sup>42</sup> Transparency includes requirements to publish a reference offer, provide notifications for changes to existing terms and conditions and for new forms of network access, and notify technical information. There is also a requirement for financial reporting.

<sup>43</sup> There is also a SLU network access requirement. See Volume 3, Section 4 for further detail on SLU.



WLA Specific Access Remedies - Area 2	Network access	Transparency	Charge Control	Quality of Service	EOI / Non-discrimination	Restriction on geographic discounts
<b>G.fast</b> (all bandwidths)	✓	✓	✗	Repair, provision, and appointment standards. KPIs.	EOI	✓
<b>FTTP</b> (all bandwidths)	✓	✓	✗ 80/20 where no copper service is available	✗ KPIs only	EOI	✓

2.80 For WLA Area 3 our proposed remedies are:

**Table 2.5: Summary of our remedies in the WLA Area 3**

WLA Specific Access Remedy - Area 3	Network access	Transparency	Charge Control	Quality of Service	EOI / Non-discrimination	Restriction on geographic discounts
<b>MPF<sup>44</sup></b> (anchor)	✓ No Network Access requirement for new copper services	✓	Flat prices in real terms	Repair, provision, and appointment standards. KPIs	EOI	✗
<b>FTTC 80/20</b> (anchor)	✓	✓	Flat prices in real terms	Repair, provision, and appointment standards. KPIs	EOI	✗

<sup>44</sup> There is also a SLU network access requirement. See Volume 3, Section 4 for further detail on SLU.

WLA Specific Access Remedy - Area 3	Network access	Transparency	Charge Control	Quality of Service	EOI / Non-discrimination	Restriction on geographic discounts
FTTC (all other bandwidths)	✓	✓	✗	Repair, provision, and appointment standards. KPIs	EOI	✗
FTTP or G.fast (all bandwidths)	✓	✓	✗ 80/20 where no copper service is available	Repair, provision, and appointment standards. KPIs	EOI	✗

2.81 In addition, we want our regulation to support a smooth transition from BT's legacy copper network to its new full-fibre network, while facilitating the wider objectives of this review.

2.82 We are proposing to maintain our existing approach of moving regulation from copper to full fibre on an exchange area by exchange area basis using a staged approach. The regulation in place will change as ultrafast coverage increases in the area as set out below.<sup>45</sup>

**Table 2.6: Summary of our copper retirement requirements in the WLA Area 2 and Area 3 markets**

	Conditions to be met	Deregulation
<b>First Threshold</b>	75% of exchange has ultrafast coverage 12-month notification required prior to implementation <sup>46</sup>	“stop sell” of new provides of WLA services where FTTP is available. No change to WLA copper services regulation where FTTP is not available. Parallel running of charge controls on FTTC 80/20 and FTTP 80/20
<b>Second Threshold</b>	Exchange ultrafast coverage complete (less excluded premises) + minimum of two years after stop-sell 12-month notification required prior to implementation	In addition to stop sell, charge control on FTTC 80/20 removed at premises where FTTP is available. No change to WLA copper services where FTTP is not available.

<sup>45</sup> By ‘ultrafast’ we mean broadband services provided using the Openreach network capable of delivering a minimum of 300 Mbit/s services, be this by full fibre or G.fast.

<sup>46</sup> The complete list of required notifications is available in Volume 3, Section 2.

## Leased Lines Access market

2.83 For the HNR area, our proposed remedies are:

**Table 2.7: Summary of our remedies in the LLA High Network Reach (HNR) area**

Leased lines Specific Access Remedy – HNR area	Network access	Transparency	Charge Control	Quality of Service	EOI / Non-discrimination	Restriction on geographic discounts
<b>Ethernet and WDM Leased lines (all bandwidths)</b>	✓	✓	✗ Fair and reasonable prices	✗ KPIs only	EOI	✗
<b>Dark fibre</b>	✗	✗	✗	✗	✗	✗

2.84 For LLA Area 2, our proposed remedies are:

**Table 2.8: Summary of our remedies in the LLA Area 2**

Leased lines Specific Access Remedies – Area 2	Network access <sup>41</sup>	Transparency <sup>42</sup>	Charge Control	Quality of Service	Eoi / Non-discrimination	Restriction on geographic discounts
<b>Ethernet Leased lines (all bandwidths)</b>	✓	✓	Flat prices in real terms	Repair, provision, and iCDD certainty standards. KPIs.	EOI	✓
<b>WDM Leased lines (all bandwidths)</b>	✓	✓	Flat prices in real terms	✗ KPIs only	EOI	✓
<b>Dark fibre</b>	✗	✗	✗	✗	✗	✗

2.85 For LLA Area 3 our proposed remedies are:

**Table 2.9: Summary of our remedies in the LLA Area 3**

Leased lines Specific Access Remedy – Area 3	Network access <sup>41</sup>	Transparency <sup>42</sup>	Charge Control	Quality of Service	EOI / Non-discrimination	Restriction on geographic discounts
<b>Ethernet Leased lines</b> (low bandwidth – 1 Gbit/s and below)	✓	✓	Cost-based	Repair, provision, and iCDD certainty standards. KPIs	EOI	✗
<b>Ethernet Leased lines</b> (very high bandwidth – above 1 Gbit/s and optical services)	✓	✓	Flat prices in real terms	Repair, provision, and iCDD certainty standards. KPIs	EOI	✗
<b>WDM Leased lines</b> (all bandwidths)	✓	✓	Flat prices in real terms	✗ KPIs only	EOI	✗
<b>Dark fibre</b>	✓	✓	Cost-based	Repair, provision, and iCDD certainty standards. KPIs	EOI, external sales only	✗

### Inter-exchange connectivity (IEC) market

2.86 Our proposals for IEC are as follows:

**Table 2.10: Summary of remedies for IEC at BT Only and BT+1 exchanges**

IEC Specific Access Remedy	Network access	Transparency	Charge control	Quality of Service	EOI / Non-discrimination	Restriction on geographic discounts
<b>Ethernet Leased lines</b> (all bandwidths)	✓	✓	Flat prices in real terms	Repair, provision, and iCDD certainty standards. KPIs	EOI	✗

IEC Specific Access Remedy	Network access	Transparency	Charge control	Quality of Service	EOI / Non-discrimination	Restriction on geographic discounts
WDM Leased lines (all bandwidths)	✓	✓	Flat prices in real terms	✗ KPIs only	EOI	✗
Dark fibre	✓	✓	Cost based	Repair, provision, and iCDD certainty standards. KPIs	EOI External sales only	✗

## Impact Assessment and Equality Impact Assessment

### Impact Assessment

- 1.1 Section 7 of the Communications Act requires us to carry out and publish an assessment of the likely impact of implementing a proposal which would be likely to have a significant impact on businesses or the general public, or when there is a major change in Ofcom’s activities.
- 2.87 More generally, impact assessments form part of good policy making and we therefore expect to carry them out in relation to a large majority of our proposals. We use impact assessments to help us understand and assess the potential impact of our policy decisions before we make them. They also help us explain the policy decisions we have decided to take and why we consider those decisions best fulfil our applicable duties and objectives in the least intrusive way. Our impact assessment guidance sets out our general approach to how we assess and present the impact of our proposed decisions.<sup>47</sup>
- 2.88 As set out above, this consultation covers a large number of proposed remedies across a range of markets. Our impact assessment, set out in Annex 21, summarises our proposals and cross refers to our detailed proposals in Volumes 3 to 6, where we consider each of our proposed remedies (together with any other options we have considered), our objectives, our assessment of the impact, including impacts on consumers, stakeholders, competition and investment, our reasoning, the evidence we have considered and an assessment of the proportionality of our proposed intervention.

### Equality Legislation and Welsh Language

- 1.2 Ofcom is also subject to duties under the Equality Act 2010 (‘the EA 2010’). This includes the public sector equality duty set out in section 149, which requires Ofcom, in the exercise of our functions, to have due regard to the need to: a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the EA

<sup>47</sup> Ofcom. 19 July 2023. [Statement: Impact assessment guidance.](#)

2010; b) advance equality of opportunity between persons who share a “relevant protected characteristic” and persons who do not share it; and c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

- 2.89 The relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation.<sup>48</sup>
- 2.90 In addition, section 75 of the Northern Ireland Act 1998 requires us to promote good relations between people sharing specified characteristics, including people of different religious beliefs, political opinions or racial groups.
- 2.91 The Welsh language has official status in Wales. To give effect to this, certain public bodies, including Ofcom, are required to comply with Welsh language standards in relation to the use of Welsh.
- 2.92 Annex 21 sets out our Equality Impact Assessment and Welsh Language Impact Assessment.

The overview section in this document is a simplified high-level summary only. The proposals we are consulting on and our reasoning are set out in the full document.

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<sup>48</sup> Section 4 of the [Equality Act 2010](#). Accessed on 6 March 2025.

## 3. Structure of the rest of this consultation

3.1 Our proposals are set out in seven volumes and 23 Annexes, which together set out our analysis of fixed telecoms access markets in the UK and the remedies we are proposing to impose on BT:

- Volume 1 provides an overview and summary of our decisions;
- Volume 2 sets out our market analysis and SMP assessment for physical infrastructure, wholesale local access, leased lines access and inter-exchange connectivity services;
- Volume 3 sets out our approach to remedies, our approach to copper retirement and exchange exit, and our proposals on non-pricing remedies for all the markets (physical infrastructure, wholesale local access, leased lines access and inter-exchange connectivity services);
- Volume 4 sets out our proposed pricing remedies including for the charge controls for PIA, metallic path facility (MPF), and the virtual unbundled local access (VULA) 80/20 Mbit/s service, leased lines access, and IEC including dark fibre together with a range of ancillary services supporting use of these services;
- Volume 5 sets out our proposed quality of service remedies;
- Volume 6 sets out our proposed financial reporting requirements; and
- Volume 7 sets out the proposed SMP conditions.

3.2 The Annexes contain details which are referred to in each of the volumes and are an integral part of our reasoning. A full list of annexes is available below:

- A1. Responding to this consultation
- A2. Ofcom's consultation principles
- A3. Consultation cover sheet
- A4. Consultation questions
- A5. Regulatory framework
- A6. Overview of telecoms networks
- A7. Methodology for geographic assessment of WLA network coverage and market shares
- A8. Choice of anchor products
- A9. Leased lines geographic analysis
- A10. Inter-exchange connectivity analysis
- A11. Guidance on PIA network adjustments and no undue discrimination compliance
- A12. Regulatory support for copper retirement: Further details on the Defined Exclusions Approach
- A13. Quality of service performance and locational analysis

- A14. Revenue & cost modelling for active legacy Services
- A15. Fibre network cost modelling
- A16. Modelling of the RAB in WLA Area 3
- A17. Dark fibre cost modelling
- A18. Calculation of PIA Maximum Charges
- A19. Cost of Capital for BT Group
- A20. Cost of Capital for the Relevant Services
- A21 Impact Assessments
- A22. Glossary
- A23. CEPA Report on Cost of Capital