

Jonathan Oxley
Group Director of Competition
Ofcom
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25 November 2019

Dear Jonathan,

FTTP Exchange Upgrade and WLR withdrawal trials – regulatory waivers for commercial offer

As you are aware, Openreach will be conducting trials of both FTTP Exchange Upgrade (in Salisbury) and WLR withdrawal (in Mildenhall), which will enable Openreach and CPs to test migration processes and better understand the issues that will need to be addressed. Following industry feedback, we would like to introduce a time-limited commercial offer in both Salisbury and Mildenhall to drive CP engagement and encourage early migrations.

In summary, under this proposed offer lines migrating to target technologies in the trials areas will receive:

- No charge for self-install or the cheapest connection option
- No increase in rental charges for 12 months for the closest available bandwidth product on the target technology i.e. customers would continue to pay the same rental charges for 12 months and then pay the rental charges associated with the target product
- No charge for Left-In-Jumper recovery, ceasing tie cables or associated Early Termination Charges

We intend this offer to be available from launch (targeting 1 Feb 2020) until 1 May 2021.

Under the 2018 Wholesale Local Access Market Review, Ofcom has identified that BT has Significant Market Power in the market for wholesale local access at a fixed location in the United Kingdom excluding the Hull Area. As a result, it imposes on BT a number of remedies and we understand that our proposed commercial offer will require waivers to our existing regulatory obligations for us to implement the offer.

We have set out in Annex A to this letter a list of the changes that we consider will be required and which we request Ofcom make. We understand Ofcom will need to consult on these changes.

Yours sincerely



Mark Shurmer
Managing Director, Regulatory Affairs
Openreach

ANNEX A

Regulatory changes required to Wholesale Local Access Market Review 2018

SMP Condition	Regulatory change required
Condition 4.1 (No undue discrimination)	Consent from Ofcom that from February 2020 for the duration of the commercial offer in Salisbury and Mildenhall, different prices can be charged to different customers for the same rental services
Condition 4.4 (No undue discrimination)	Consent from Ofcom that from February 2020 for the duration of the commercial offer in Mildenhall, a different price can be charged for rental services used to provide access to VULA
Condition 5 (Equivalence of Inputs basis)	Consent from Ofcom that from February 2020 for the duration of the commercial offer in Salisbury and Mildenhall, this requirement will not apply for the purpose of pricing where lines have migrated from WLR or MPF.
Condition 7B.5 (VULA charge control)	Consent from Ofcom that from February 2020 for the duration of the commercial offer in Salisbury, the requirement that the FTTP 40/10 rental price should be the same as the FTTC 40/10 rental price will not apply.