

## Your response

Question	Your response
<p><b>Question 1:</b> Do you have any comments on Ofcom's proposed Work Plan for 2025/26?</p>	<p>Confidential? – N</p> <p><b>Introduction</b></p> <p>Liberty Global appreciates the opportunity to provide input on Ofcom's Plan of Work for 2025/2026 ('PW2025/26') and supports Ofcom's commitment to engage with stakeholders. We appreciate that input provided to this consultation will be considered in work Ofcom will do in 2025/26 towards its missions to make communications work for everyone and how it will deliver this.</p> <p>Liberty Global is a world leader in converged broadband, video and mobile communications services through Gigabit networks and an active investor in cutting-edge infrastructure, content and technology ventures. We are long term investors in the UK, through our joint ventures Virgin Media O2 and nexfibre, as well as the Formula E electric vehicle racing series, the edge data centre provider Atlas Edge and the renewable energy companies Egg and Believ.</p> <p>Liberty Global acknowledges that Ofcom's upcoming work, as set out in the PW2025/26, includes multiple carry over items from the previous years or items that are part of its regular activities. In the following sections of this response, Liberty Global addresses specific initiatives identified in the PW2025/26, referring to specific paragraphs of the PW2025/26. Liberty Global may respond in more detail when the initiative in question is consulted upon by Ofcom, also in regard of initiatives Liberty Global does not comment on as part of this response.</p> <p>We note that the plan of work is centred around four priorities, <i>'Internet and post we can rely on'</i>, <i>'Media we trust and value'</i>, <i>'We live a safer life online'</i> and <i>'Enabling wireless in the UK economy'</i>, which are informed by Ofcom's duties as an independent statutory regulator, as well as the UK Government's Statement of Strategic Priorities and statutory guidance. We write with specific regard to the priorities <i>'Internet and post we can rely on'</i> and <i>'Enabling wireless in the UK economy'</i> as well as <i>'How we deliver'</i>.</p>

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	<p data-bbox="699 271 1214 304"><b>Ofcom work plan 2025/26 – Key Priorities</b></p> <p data-bbox="699 327 1142 360"><b>1. ‘Internet and post we can rely on’</b></p> <p data-bbox="699 383 1347 450"><i>Regulatory framework promoting roll-out Gigabit networks</i></p> <p data-bbox="699 472 1385 936">Operators must be able to achieve scale – not just in terms of the total number of subscribers an operator has in the UK, but in relation to the full utilisation of Gigabit networks. When fixed and mobile network assets achieve high penetration and are thus highly utilised, they deliver increased returns on investment by spreading the costs of rolling out, and maintaining, infrastructure to serve more customers. A key factor in realising that return on investment is the extent of infrastructure duplication at which investors can reasonably be expected to make a fair return based on reasonable expectations about the evolution of market shares.</p> <p data-bbox="699 958 1385 1308">Decisions that force a market structure designed around short-term demand-side outcomes may produce long-term results that are harmful to consumers if operators cannot earn a reasonable return and so stop investing or exit the market. We have shown in a report commissioned from SPC networks that ultimately it would be wrong to set a per se rule on the minimum number of operators in a market if that number is economically unsustainable, deterring efficient investment</p> <p data-bbox="699 1330 1390 1989">Commercial network cooperation is another way to enable operators to continue rolling out Gigabit networks at pace and scale. In a follow up report commissioned from SPC Networks we have shown that combining or pooling resources amongst operators provides more certainty over return and ensures efficient roll-out by avoiding wasteful duplication of costs, ultimately turning a negative business case into an attractive investment opportunity. In addition, commercial network sharing results in increased competition as more networks can operate profitably, both in rural, less populous areas and in urban areas. Consumers will benefit from faster roll-out of Gigabit networks, particularly to areas that may not otherwise be covered by commercially built broadband, and from better quality services and additional value-added service components included in product offerings since the cooperation partners are looking to differentiate</p>

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	<p>their proposal to the consumer. There may also be environmental benefits because sharing may require less network build with associated disruption.</p> <p>We ask Ofcom, in itself and together with the CMA, to enable and incentivise pro-competitive consolidation and network cooperation, as this will enable the sector to continue to roll out Gigabit networks</p> <p><i>Telecoms Access Review</i></p> <p>With regards to the priority ‘Internet and post we can rely on’, the upcoming Telecoms Access Review (‘TAR’) is of particular interest to us as a long-term investor in the UK’s telecoms and digital infrastructure. Liberty Global strongly supports Ofcom’s intention that the TAR promote competition and investment in gigabit-capable broadband and provide regulatory certainty for the five years from April 2026. Regulatory certainty is a prerequisite to incentivise investment and innovation, and to foster consumer welfare. Operators are struggling to make reasonable returns on investment to meet demands for the rollout of Gigabit networks. Underinvestment hinders the sector’s growth and prevents the UK from fully benefiting from technological advancements brought about by Gigabit networks. To that end, we believe that Ofcom should actively consider giving a further steer as to the likely trajectory of the regulatory regime, from 2031-36, so that long run investment incentives can be maximised.</p> <p>While competition in retail markets is vibrant, competition in the wholesale market is very limited. Openreach is still benefitting from its legacy monopoly position which makes it very difficult for other operators to effectively compete at the wholesale level. This may also have a chilling effect on operators’ ability to invest in Gigabit networks as utilization of the network is an important metric – to be able to recoup CAPEX investment. Next to enabling and incentivizing consolidation and cooperation, a consistent application of competition law principles is important, and regulators must be willing to take action to protect competition. In the period since the introduction of the previous SSP, Openreach has been able to leverage its position to engage in exclusionary behavior through the introduction of its Equinox 2 pricing</p>

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	<p>scheme that has not been effectively addressed by Ofcom or the CMA.</p> <p>We look forward to engaging in more detail when the project is open for consultation ahead of the final statement being published by Q4 2025/26. We ask Ofcom that the TAR provides regulatory certainty, provides for appropriate regulation of OR preventing OR from exclusionary behavior driving competition from the market before it is able to effectively develop.</p> <p><i>Statement of Strategic Priorities</i></p> <p>We also note the UK Government's intention to designate a new Statement of Strategic Priorities ('SSP') for telecommunications, the management of radio spectrum and postal services. The SSP provides a rare opportunity for the government to directly facilitate growth and further investment in the sector, allowing government and industry together to further expand the reach of Gigabit networks and subsequently open-up opportunities for industries across the UK. The new SSP should not be overly prescriptive, rather should set clear priorities for Ofcom preserving Ofcom's role as an independent regulator underpinning its capacity as facilitator. Ofcom's approach to market regulation is essential to regulatory stability and with the TAR process now underway, it is important that Ofcom adopt an approach consistent with their past decisions. Given the significance of the SSP and how it will inform Ofcom's duties, we are following this with interest and welcome Ofcom's intention to include a review of what has been done in consequence of the SSP in your Annual Report.</p> <p><b>2. 'Enabling wireless in the UK economy'</b></p> <p>As above, as a long-term investor in the UK's telecoms and digital infrastructure, and with our joint venture Virgin Media O2, Ofcom's plan of work and projects concerning wireless connections is another significant interest.</p> <p>We urge Ofcom to consider, as to spectrum management concerning this priority and any related projects, that the most important driver for successful spectrum policy should not be focus on maximising (auction) returns, but rather pursuing a set of balanced objectives</p>

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	<p>that focusses on the <i>overall</i> benefits of spectrum allocation (including returns, but also availability, coverage and other aspects related to the UK Digital Strategy and inclusion targets, as well as economic growth).</p> <p>It should be ensured it remains economically viable for operators to deliver the best outcomes to consumers – i.e. not encouraging unnecessary new entrants when competition is deemed sufficient, avoiding setting spectrum prices that are unreflective of today’s observed market prices, and encouraging infrastructure sharing. Also, the existing attitude to private spectrum trading should be continued allowing the market to move spectrum to those with most value and likelihood of using it and discouraging hoarding.</p> <p><b>3. ‘How we deliver’</b></p> <p>As outlined in the PW2025/26, we recognise how Ofcom will use its partnerships, both domestically and internationally, to deliver its commitments, and particularly note the continued workings with the Digital Regulators Cooperation Forum to support a coherent regulatory approach to digital services and issues and understand the opportunities and risks of AI.</p> <p>AI is arguably the most consequential emerging technology at present. AI presents transformative opportunities for all areas of the economy, from public services like the NHS, to industries like manufacturing. For AI to thrive, gigabit networks are essential.</p> <p>With the digital ecosystem in constant evolution, operators are constantly evolving and adapting their products and services to meet customers’ needs. This flexibility will become even more critical to realise the full capabilities of AI and it cannot exist without regulatory stability and predictability. Overregulation – or potentially misregulation – should be avoided as it would hamper innovation and could destabilise the emergence of a particular technology or business model.</p> <p>As such we note and support Ofcom’s continued work regarding AI as well as the planned engagement with the UK Government to take forward its AI agenda, especially in view of the AI Opportunities Action Plan launched on 13 January 2025, given the potential for gigabit networks to support the industry. We therefore look forward to</p>

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	reading Ofcom's update to the Strategic Approach to AI publication in 2025/26.

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