

26th November 2020

Competition Group
Ofcom
Riverside House
2A Southwark Bridge Road
London SE1 9HA

By email only: wftmr@ofcom.org.uk

Dear Sir/Madam

Response to Ofcom consultation: Revised proposals on regulating the transition from copper to fibre networks

BUUK has been providing gigabit ready full fibre broadband connections to the new build housing sector since 2008 and our fibre networks are often chosen by developers in preference to the solutions offered by the monopoly incumbent. We also operate a wholesale business, Open Fibre Networks (Wholesale) Limited, offering wholesale services to Communication Providers across the UK.

BUUK remains supportive of Ofcom's general principles behind the copper retirement proposals aiming to promote fibre investment by shifting the focus of regulation from copper to fibre, to support the migration to fibre services. We agreed with Ofcom in their January 2020, WFTMR consultation, that the faster that customers migrate from copper to fibre, the stronger the business case for investment in fibre network becomes. Clarity in the terms of this migration are key.

We are therefore disappointed that market participants will have to wait until early 2021 before Ofcom consult on the definitions of the circumstances in which premises can be excluded from the definition of an Openreach 100% complete ultrafast exchange area. This is an important decision as it will act as the trigger to the lifting of the copper-based control and movement to a fibre-based control. This is something that OFNL raised in its response to Ofcom's original consultation and in subsequent discussions with Ofcom officials. We remain unclear why Ofcom are unable to provide this guidance now and request urgent clarification in Ofcom's consultation decision to be published in quarter 4 2020/21.

It remains our view that requiring Openreach to obtain 100% penetration, including at new housing developments which are already gigabit capable fibre served, by one, two or more network providers would serve no useful purpose, add to costs, unnecessarily increase the timescales in rolling out fibre, undermine the competitive procurement process with developers and strand the asset of investors who have already provided gigabit fibre. Gigabit capable fibre fed new housing developments and existing 3rd party CP fibre access networks

should be recognised as alternatives to the incumbent and excluded from the penetration target as this could encourage anti-competitive behaviour by Openreach.

We believe our proposed approach would still align with government full fibre objectives, which do not require all fibre penetration to come from Openreach. It would also be in the consumers best interest for Openreach to focus on copper retirement as this would restrict any unnecessary expenditure on fibre areas that can access a competitive fibre market and stop any avoidable capital costs being passed on to consumers through the RAB process or similar price controls.

We would be happy to provide any further clarification to our responses if that would be helpful.

Yours sincerely

A handwritten signature in black ink, appearing to read 'K Hutton', with a long horizontal flourish extending to the right.

Keith Hutton
Regulation Director