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Telecoms Access Review 2026
Network & Communications
Ofcom

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2 June 2025,

CONSULTATION: PROMOTING COMPETITION AND INVESTMENT IN FIBRE NETWORKS: TELECOMS ACCESS REVIEW 2026-31

I welcome the opportunity to respond to this Ofcom consultation on plans for regulation of the fixed telecoms markets that underpin fixed line, mobile and business broadband connections for the period from April 2026 to March 2031.

Digital connectivity is pivotal to Scotland's economic future. In an increasingly interconnected and technology-driven world, digital infrastructure is a key platform for economic growth and innovation. Access to reliable broadband and mobile services enables businesses to expand their reach, become more efficient and reach customers in new ways. The same technology is also fundamentally transforming the way that the public sector operates and delivers services to citizens.

Ensuring that every individual, business and community in Scotland can access reliable, high-speed connectivity is not just an infrastructure challenge. It is a fundamental enabler of economic growth, social inclusion and environmental sustainability.

The Scottish Government is committed to creating an environment that stimulates and maximises commercial investment in telecoms networks, while – through programmes such as R100 and Project Gigabit in Scotland (PGiS) – targeting investment to extend future-proofed digital infrastructure into areas that sit beyond the scope of commercial deployment.

Through our Full Fibre Charter, the Scottish Government is working directly with operators to identify and tackle barriers to infrastructure deployment. We have made use of devolved powers to extend rates relief on newly laid and lit fibre and introduced new legislation to require gigabit-capable infrastructure in new build housing developments. We are committed to working with the UK Government and Ofcom to ensure that the reserved legislative and regulatory regime supports investment in Scotland.

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The period of the Wholesale Fixed Telecoms Market Review (WFTMR) 2021-2026 has seen significant investment in full-fibre networks across Scotland, driven both by commercial activity and publicly funded interventions. I would urge Ofcom to ensure that the regulatory environment continues to incentivise faster deployment, with a particular focus on rural areas.

Ofcom's *Connected Nations update: Spring 2025* shows that full fibre coverage in Scotland now stands at 67% with gigabit-capable coverage at 79%. While this progress is welcome, both figures fall short of the projections set out in the first '*Connected Nations – Planned Network Deployments*' report published in 2022. While prevailing macroeconomic conditions have undoubtedly contributed to this shortfall, it is important that the legislative and regulatory environment continues to support investment through the next review period – to close this gap and to go further.

Future Ofcom Connected Nations reports would benefit from analysis of the impact of public subsidy on these headline figures in the newly defined Area 3, incorporating planned R100 and PGiS activity in Scotland.

Wholesale Local Access (WLA)

It is clear that there are structural barriers to investment, reflected in Scotland's disproportionately high share of Area 3 premises. I would encourage Ofcom to ensure that the regulatory approach for Area 3 reflects these barrier; and to consider targeted flexibility or other remedies that could make it easier for suppliers to access infrastructure and extend services in these harder to reach areas.

I welcome the extension of WLA Area 2 (areas where there is the potential to have material and sustainable network level competition) to approximately 90% of UK premises, made possible by increased commercial coverage. This is a positive step for consumer choice. However, it remains the case that, due to Scotland's unique geography, a disproportionate number of premises remain in Area 3, where such competition is unlikely to emerge, compared to the rest of the UK. Our own analysis, based on operator data, indicates that around 22% of premises in Scotland will fall within the newly defined Area 3 – well above the UK average.

I also welcome the proposal to move the anchor product charge control from Openreach's 40 megabits per second (Mbps) download/10 Mbps upload (40/10) to the 80 Mbps download/20 Mbps upload (80/20) product. This is a positive and timely change, which should ensure that price regulation continues to protect consumers as the market evolves and the demand for higher bandwidth and data use increases.

Quality of Service (QoS) Requirements

While consumers in the newly defined Area 3 are unlikely to have choice at network level, I welcome proposals to introduce a backstop of quality of service requirements around both installation and repairs of FTTP by Openreach from 2027. We anticipate that the majority of premises delivered through the R100 and Project Gigabit Type C contracts will fall within Area 3 and therefore within the scope of these new proposals.

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Extreme weather events, such as those experienced earlier this year, highlight the critical importance of connectivity for our rural and island communities. When disruption occurs, it is essential that network operators act swiftly to restore services..

One of the issues that came to light in the aftermath of the outage suffered on Shetland in October 2022 is that not all Internet Service Providers (ISPs) serving Scotland's islands have the capability to offer back-up connectivity if their primary service is unavailable. With the deployment of an additional 16 subsea cables to 15 Scottish islands through the R100 North contract, I would ask Ofcom to consider how it can incentivise strengthened service resilience on our islands. This may require ISPs to ensure the provision of back-up solutions, while working with Government and other agencies to reduce the risk and impacts of potential damage to sub-sea infrastructure.

While competition in Area 2 is expected to deliver consumer benefits, I want to emphasise the importance of transparency around Openreach's performance in these areas. As FTTP build and take-up accelerates, it is critical that Ofcom continues to monitor and report on QoS to ensure that high standards are maintained.

Copper Retirement

We support Ofcom's overall approach to copper retirement, including the use of regulation to manage the transition from copper-based products to fibre-based products as coverage milestones are reached in each exchange area. Evolving cost controls in line with fibre roll-out is a sensible approach. However, I do have concerns around the proposed use of defined exclusions in calculating the second threshold that triggers this shift.

The consultation suggests excluding very high cost premises (for example, in rural areas) from the coverage target used to determine when cost controls should transfer from copper to FTTP services. While that may seem a reasonable approach, it will be important to strike the right balance. A cost threshold set too low could discourage investment in more remote locations, potentially widening the digital divide.

The consultation also highlights the challenges Openreach faces in accessing multi-dwelling units (MDUs) due to wayleave issues. My officials are engaging with network operators and UK Government counterparts on potential reforms to the Electronic Communications Code that could address this. I am concerned that removing MDUs from the coverage calculation at this stage could unintentionally deter investment in those premises, favouring easier to reach single dwellings and creating an urban digital divide.

In our view, the blanket removal of MDUs from the calculation should only be considered once all legislative and regulatory options to resolve access barriers have been fully explored. I note Ofcom's intention to consult on this matter following the outcome of the Telecoms Access Review. My officials would welcome further discussions to fully assess the impact of proposals on copper retirement plans in Scotland.

Access to Openreach Ducts and Poles

Through our engagement with alternative network providers (altnets), we understand that Openreach's Physical Infrastructure Access (PIA) product is widely regarded as the preferred route for deploying telecommunications infrastructure. By enabling the reuse of

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existing ducts and poles, PIA reduces deployment costs and avoids unnecessary civil engineering and infrastructure duplication.

I urge Ofcom to consider whether the current pricing model for PIA – particularly the use of distance-based charging – is appropriate for rural and island communities. Removing this approach or introducing targeted relief could help level the playing field, enabling fairer competition and ensuring more equitable access to gigabit-capable broadband across all of Scotland.

Fair access to PIA remains crucial to large scale commercial deployment by altnets. Historically, this has been more challenging in Scotland due to the greater proportion of telegraph poles located on private land compared with the rest of the UK. However, recent reforms to the Electronic Communications Code, through the Product Security and Telecommunications Infrastructure (PSTI) Act, have reduced the need for altnets to acquire additional wayleaves to share underground ducts and reuse telegraph poles.

To make full use of these changes, it is important that Openreach shares detailed information with altnets about existing wayleaves. This will allow providers to assess whether current permissions support infrastructure sharing under the new rules. The pricing framework for the 2026-31 period should actively support altnets in benefitting from this legislative change.

Beyond the scope of the Telecoms Access Review, I would welcome continued engagement with Ofcom on broader telecoms issues. This includes reforms to the broadband Universal Service Obligation (USO) and proposals to improve broadband connectivity to Very Hard to Reach (VHTR) premises, once the UK Government's position on these matters is confirmed.

The Scottish Government's view is that a 'safety net' remains essential to ensure that all premises – especially those not included in commercial build plans or publicly funded interventions – can access a decent and affordable broadband connection. Ensuring that this is in place will help mitigate the risk of a deepening digital divide across the UK.

Yours sincerely



Richard Lochhead

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