

Jonathan Oxley
Board Member and Group Director, Competition
Ofcom
Riverside House
2a Southwark Bridge Road
London
SE1 9HA

19 July 2019

Dear Jonathan,

FTTP Exchange Upgrade trialling – regulatory waivers.

As you are aware, Openreach has begun consulting its industry customers and other stakeholders on an exchange-based approach to copper retirement, as we are keen to ensure a smooth transition from copper-based to fibre services, an objective Ofcom shares. On 21 March 2019, Openreach issued an industry consultation, 'An exchange-based approach to upgrading the UK's digital infrastructure with GEA-FTTP', which set out our proposed approach to the retirement of the copper network. On 17 June 2019 we issued a further industry consultation, covering proposals for 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 (the Trials Consultation).

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. As part of the Trials Consultation, we propose that in Salisbury we give notice in September 2019 that, on the basis of the exchange being fibre-enabled, we will implement a policy of 'stop-sell' (that is, stopping adding new supply to the copper network) in September 2020. As we indicate in the Trials Consultation (paragraph 159, this will require a waiver to our existing regulatory obligations to provide service. We have set out in the Annex 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.

Mark Shurmer
Managing Director, Regulatory Affairs

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Openreach Limited
Kelvin House, 123 Judd Street
London
WC1H 9NP
www.openreach.co.uk

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Registered Office:
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Registered in England and Wales no. 10690039

Openreach also intends to stop-sell WLR services but for the purposes of the period between 1 September 2020 and 1 April 2021 (at which point we currently expect Ofcom's regulation following Fixed Telecoms Market Review to come into force) but we are not requesting that Ofcom waive the requirement to supply new WLR services for premises in the Salisbury exchange area with a GEA-FTTP Technology Marker.

As Openreach transitions from copper-based to fibre services there will be further issues that need to be resolved in terms of ensuring there is an appropriate regulatory framework in place to facilitate this transition and ensure consumers are adequately protected. We look forward to continuing to engage with Ofcom on these issues both as part of the current Fixed Telecoms Market Review and more widely.

Yours sincerely



Mark Shurmer

Managing Director, Regulatory Affairs

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ANNEX

Regulatory changes required to Wholesale Local Access Market Review 2018

SMP Condition	Regulatory change required
Condition 1.1 (requirement to provide network access on reasonable request)	Consent from Ofcom that from September 2020, for premises in the Salisbury exchange area that have a GEA-FTTP Technology Marker, the requirement to provide network access will not require the Dominant Provider to provide access to its copper network for the purpose of new supply.
Condition 2.1(a) (requirement to provide Metallic Path Facilities)	Consent from Ofcom that from September 2020, for premises in Salisbury exchange area that have a GEA-FTTP Technology Marker, this requirement will not apply for the purpose of new supply
Condition 2.1(b) (requirement to provide Virtual Unbundled Local Access)	Consent from Ofcom that from September 2020, for premises in Salisbury exchange area that have a GEA-FTTP Technology Marker, this requirement will not impose any obligation on the Dominant Provider to provide such services over copper technology for the purpose of new supply.
Condition 2.1(c) (requirement to provide Sub-Loop Unbundling Services)	Consent from Ofcom that from September 2020, for premises in Salisbury exchange area that have a GEA-FTTP Technology Marker, this requirement will not apply for the purpose of new supply.