Approach to the copper retirement second threshold calculation

Telecoms Access Review 2026-31

Statement

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1. Overview

1.1 **This document relates to the second threshold of our copper retirement framework. It sets out our decision to allow Openreach to exclude premises from the ultrafast coverage requirement that it must meet before the charge control on copper-based services is disapplied in an exchange area where FTTP is available.**

1.2 Access to high-quality, reliable and secure networks is central to all aspects of our digital lives and a key driver of economic growth. This is why ensuring that people and businesses have access to high quality full-fibre and gigabit-capable networks and services is a priority for Ofcom.

1.3 The UK is undergoing a major modernisation of its telecoms infrastructure. Openreach and other companies are investing significantly in full-fibre networks to replace legacy copper networks, delivering faster, more reliable and more resilient connectivity. These investments support productivity and innovation across all sectors of the economy, providing opportunities for the deployment of new technologies and for public sector transformation. High quality connectivity also facilitates the development and adoption of AI applications.

1.4 Nearly 25m homes already have access to full fibre (82%), and about 27m homes have access to gigabit-capable services (89%). Over time, customers currently using Openreach's legacy copper-based network will migrate, either to Openreach's fibre to the premises (FTTP) network or to rival networks. Around 47% of all premises with access to full fibre are now taking it up.[1]

1.5 Attracting customers from legacy networks to full-fibre networks is key to ensuring the benefits from the investment in full-fibre networks are realised – for consumers, businesses, the economy, and society more broadly. It also supports the efficient use of new infrastructure, and helps sustain investment and competition. Eventually Openreach's copper-based network can be decommissioned to avoid the costly running of two parallel networks. This is known as 'copper retirement'.

1.6 We want our regulation to support the retirement of Openreach's copper-based network, while facilitating the wider objectives of the Telecoms Access Review 2026-31 (TAR26) to promote competition and investment in high quality gigabit-capable networks. In the TAR26 Statement, which we published in March 2026, we retained our three-stage approach to moving regulation from copper-based services to full fibre on an exchange-by-exchange basis to support copper retirement.

1.7 At the same time as the TAR26 Statement, we published a consultation on the second threshold of our copper retirement framework (March 2026 Consultation). The second threshold requires Openreach to provide ultrafast coverage to 100% of the premises in an exchange area, excluding any premises that Ofcom directs, and to meet certain notice periods, before the charge control on copper-based services is disapplied at premises, in that exchange area, where FTTP is available.

[1] Ofcom. 13 May 2026. Connected Nations update: Spring 2026. Broadband availability figures relate to residential premises. Take-up relates to residential and commercial premises.

1.8 In the March 2026 Consultation, we set out our proposed approach for allowing Openreach to exclude premises from the second threshold calculation, and the proposed draft direction that would implement this approach.

1.9 In this Statement, having carefully considered responses to our consultation, we set out our decision to implement our proposals. Our decision establishes a workable approach to the second threshold for the 2026-2031 review period.

1.10 As we explained in the TAR26 Statement, we consider that pricing flexibility forms an important part of the phased transition from copper to full-fibre services and helps support migration and facilitate the eventual retirement of the copper network. This will support investment and will benefit consumers, businesses and the wider economy. In addition, consumers on the Openreach network always remain protected by a charge control. Where the charge control on copper-based services is disapplied, a charge control applies to FTTP services and consumers can migrate to these services. If FTTP services are not available, then the charge control on copper-based services will remain in place. Finally, the inclusion of a date for implementation allows industry additional time to prepare for migrating vulnerable customers.

1.11 In setting clear, realistic and achievable criteria for when the charge control on copper-based broadband services will no longer apply, including a clear date for implementation, we are providing all players in the market with clarity on this process for this review period. We believe our approach also maintains a reasonable opportunity for alternative networks to compete and increase take-up.

What we have decided – in brief

A fixed percentage approach to excluding premises, set at 10% of premises in an exchange area. We have decided to allow Openreach to exclude a fixed percentage of premises from the second threshold coverage requirement, and to set that fixed percentage at 10% of premises in an exchange area. This means that, subject to all other criteria for the second threshold also being met, Openreach would be able to reach the coverage requirement of the second threshold when it reaches 90% ultrafast coverage in an exchange area.

Introduce a date from which these exclusions can be applied. We have decided that these exclusions can be applied from 1 April 2029 onwards. Prior to this date, Openreach would be unable to exclude premises from the 100% ultrafast coverage required to meet the second threshold.

1.4 Accordingly, from 1 April 2029, in exchanges where exclusions are applied and the required conditions are met, pricing regulation on copper-based services will be lifted.

1.5 We will consider the conditions for further deregulation of copper services in advance of the start of the next market review period (the 2031-36 market review period). We recognise the importance of full deregulation for consumers as well as providers, and the benefits of a timely and orderly transition away from legacy copper networks. As part of this work, we will consider a range of possible approaches to full deregulation. Our current thinking is that full deregulation of copper-based services could start to take effect from 2031. We plan to start engaging with stakeholders well ahead of consulting on our proposals for the 2031-36 market review, so that stakeholders views can inform those proposals.

2. Our duties and impact assessment

Our duties under the Act

2.1 We have decided to make a direction in the WLA Area 2 and WLA Area 3 markets setting out the premises to be excluded for the purpose of assessing whether the second threshold is met. The direction is made under SMP condition 1.7(b). We consider that this is consistent with our duties in section 3 of the Communications Act 2003 (the Act). This includes our principal duty to further the interests of citizens in relation to communication matters, and to further the interests of consumers in relevant markets, where appropriate by promoting competition. In particular, we further the interests of citizens and consumers by setting proportionate regulation to create appropriate conditions to incentivise both Openreach and other operators to invest in gigabit-capable networks, through network competition where viable, and appropriate investment incentives where not.

2.2 Of the other factors mentioned in section 3 of the Act, we have had regard, in particular, to the desirability of promoting competition in relevant markets, the desirability of encouraging investment and innovation in relevant markets, the desirability of encouraging the availability and use of high speed data transfer services throughout the United Kingdom, as well as to the interests of consumers in respect of choice, price, quality of service and value for money.

2.3 We have also had regard to the principles under which our regulatory activities should be transparent, accountable, proportionate, consistent and targeted only at cases where action is needed. We think that the fixed percentage approach we are implementing is a proportionate regulatory approach. We have taken into account stakeholder responses in reaching this final decision.

2.4 We consider that our decision is consistent with our duties set out in section 4 of the Act, below, for the reasons set out above. Our section 4 duties under the Act are to:

a) promote competition;
b) promote the interests of all members of the public in the United Kingdom;
c) take account of the desirability of Ofcom carrying out its functions in a manner which, so far as practicable, does not favour one form of or means of providing electronic communications network, services or associated facilities over another;
d) encourage the provision of network access for the purposes of securing efficiency and sustainable competition, efficient investment and innovation and the maximum benefit for persons who are customers of communications providers and of persons who make the associated facilities available; and
e) promote connectivity and access to very high capacity networks by members of the public and business in the United Kingdom.

The 2026 Statement of Strategic Priorities

2.5 The Statement of Strategic Priorities (SSP) was designated on 27 April 2026 (the "2026 SSP").[2] When carrying out our telecoms functions, we are required to have regard to the SSP that has been designated by the Secretary of State (section 2B(2) of the Act).

2.6 The 2026 SSP sets out one strategic priority which is particularly relevant to this Statement:

- Strategic Priority 1: Driving growth through world class fixed and wireless digital infrastructure.

2.7 In accordance with our duty, we have had regard to the 2026 SSP in reaching our decision. We consider that the decision set out in this Statement is in line with Strategic Priority 1 and in particular Strategic Priority 1c: supporting growth and productivity through modernisation of fixed and wireless telecoms networks.

2.8 Ofcom shares the Government's view of the importance of network modernisations for economic growth, security, service quality and to protect consumers.[3] In this Statement, we are seeking to implement an aspect of the regulatory transition from copper-based services to full fibre. This is part of our package of remedies set out in the TAR26 Statement that aim to support investment and network competition.

2.9 In reaching our decision we have considered the potential impacts on consumers and on the development of network competition. We consider that our decision balances our objectives, including maintaining a reasonable opportunity for altnets to compete and increase take-up.

2.10 We consider that our decision also sets clear, realistic and achievable criteria for when the charge control on copper-based broadband services will no longer apply. This provides all players in the market with clarity for this review period.

2.11 Openreach highlighted some of the changes made to the draft SSP, noting that the designated SSP refers to Ofcom taking "an evidence-based" rather than "cautious" approach when considering removing remedies, and that the designated SSP adds a new expectation that regulatory intervention should be proportionate and adapt as competition evolves.[4] [5] In reaching our decision, we have had regard to the designated SSP. We do not consider our approach to be "cautious". We have taken into account the evidence available to us and explain in this Statement how our decision appropriately balances our objectives, and why it is proportionate.

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[2] Department for Science, Innovation and Technology. 30 April 2026. Statement of Strategic Priorities for telecommunications, the management of radio spectrum, and postal services. Accessed 3 September 2026.

[3] Ofcom. 4 June 2026. Letter from Dame Melanie Dawes to The Rt Hon Liz Kendall.

[4] Openreach response to the March 2026 Consultation. Paragraph 95 (a). Openreach also notes that the Government added a sub-priority for the modernisation of telecom networks. Openreach response to the March 2026 Consultation. Paragraph 95 (b).

[5] DSIT. 21 July 2025. Proposed Statement of Strategic Priorities for telecommunications, the management of radio spectrum, and postal services. Accessed 4 September 2026.

Growth Duty

2.12 In reaching our decision, we have also had regard to our "growth duty".[6] As noted above, this decision is part of our package of remedies set out in the TAR26 Statement that aim to support investment and network competition. In the TAR26 Statement, we set out our expectation that this investment and the resulting network competition would promote economic growth by enabling the provision of faster and better communications services to consumers and businesses, driving innovation, increased efficiency and reduced costs.[7]

2.13 Some stakeholders argued that the approach we proposed in the March 2026 Consultation - and have decided to adopt in this Statement – is not aligned with the Government's objectives for growth.[8] We disagree. We explain in this Statement that our approach will support the transition from legacy networks to full fibre. This transition will deliver economic benefits as consumers and businesses migrate to better, more reliable services, and legacy networks are ultimately retired.

Impact assessment and equality impact assessment

Impact assessment

2.14 Section 7 of the Act requires us to carry out and publish an assessment of the likely impact of implementing a proposal which would be likely to have a significant impact on businesses or the general public, or when there is a major change in Ofcom's activities.

2.15 More generally, impact assessments form part of good policy making and we therefore expect to carry them out in relation to a large majority of our proposals. We use impact assessments to help us understand and assess the potential impact of our policy decisions before we make them. They also help us explain the policy decisions we have decided to take and why we consider those decisions best fulfil our applicable duties and objectives in the least intrusive way. Our impact assessment guidance sets out our general approach to how we assess and present the impact of our proposed decisions.[9]

2.16 Our March 2026 Consultation included our impact assessment for the purposes of section 7 of the Act.

[6] Our growth duty is a statutory obligation under section 108 of the Deregulation Act 2015 to have regard to the desirability of promoting economic growth in exercising our functions, and to the statutory guidance that accompanies that growth duty.

[7] Ofcom. March 2026. Statement: Promoting competition and investment in fibre networks: Telecoms Access Review 2026-31. Volume 1. Paragraphs 2.62-2.65 and Volume 3. Paragraphs 1.172-1.181.

[8] Openreach considered that, without significant change, Ofcom's approach risks creating a disconnect with government policy which calls for a more supportive, less cautious approach and for agile, responsive regulation that encourages innovation to support growth. Openreach response to the March 2026 Consultation. Paragraphs 7 and 95-97. Gigaclear mentioned that inefficient overbuild risks undermining the Government's objective of supporting economic growth. Gigaclear response to the March 2026 Consultation. Paragraph 21. Separately, VodafoneThree highlights that getting the transition right matters for economic growth (as well as inclusion and public confidence in digital change). VodafoneThree response to the March 2026 Consultation. Page 10.

[9] Ofcom. 19 July 2023. Statement: Impact assessment guidance.

Equality impact assessment and Welsh language

Equality impact assessment

2.17 Ofcom is subject to duties under the Equality Act 2010 ('the EA 2010'). These include the public sector equality duty set out in section 149, which requires Ofcom, in the exercise of our functions, to have due regard to the need to:

a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the EA 2010;
b) advance equality of opportunity between persons who share a "relevant protected characteristic"[10] and persons who do not share it; and
c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

2.18 In addition, section 75 of the Northern Ireland Act 1998 requires us to promote good relations between people sharing specified characteristics, including people of different religious beliefs, political opinions or racial groups.

2.19 When thinking about equality we think more broadly than persons that share protected characteristics identified in equalities legislation and think about potential impacts on various groups of persons (see paragraph 4.7 of our impact assessment guidance).

2.20 In particular, section 3(4) of the Communications Act also requires us to have regard to the needs and interests of specific groups of persons when performing our duties, as appear to us to be relevant in the circumstances. These include:

a) the vulnerability of children and of others whose circumstances appear to us to put them in need of special protection;
b) the needs of persons with disabilities, older persons and persons on low incomes; and
c) the different interests of persons in the different parts of the UK, of the different ethnic communities within the UK and of persons living in rural and in urban areas.

2.21 We examine the potential impact our policy is likely to have on people, depending on their personal circumstances. This also assists us in making sure that we are meeting our principal duty of furthering the interests of citizens and consumers, regardless of their background and identity.

Our consultation position

2.22 Our March 2026 Consultation Equality Impact Assessment (EIA) identified the potential impacts that our proposal may have on equality groups and the measures in place to mitigate the risks associated with pricing deregulation. We also considered that our proposal was likely to have a positive impact on all consumers, including those in equality groups, as all consumers will ultimately benefit from being moved to faster, more reliable broadband.[11]

[10] The relevant protected characteristics are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation (Section 4 of the Equality Act 2010). We refer to groups of people with these protected characteristics as 'equality groups'.
[11] Ofcom. March 2026. Consultation on the approach to copper retirement second threshold. Paragraphs 2.18-2.33.

Stakeholder responses

2.23 Some stakeholders mentioned our consultation's EIA in their responses. Community Fibre said that Ofcom needed to take full account of the warnings raised in the EIA regarding the short-term adverse impacts that the regulatory transition from copper to fibre to the premises (FTTP) services may have on some specific groups (older consumers, disabled consumers and people from lower socio-economic backgrounds), noting that these groups are significantly represented in communities living in London's Multi-Dwelling Units (MDUs). Frontier Economics highlighted that our EIA recognised that many of the customers that may remain on copper in April 2029 were likely to be vulnerable.[12]

2.24 In addition, PXC and INCA raised concerns that our proposals could exacerbate the 'digital divide' within the UK due to premises type and geographic location.[13] The Advisory Committee for Northern Ireland (ACNI) highlighted the specific demographics of Northern Ireland, noting a significant rural population, dispersed population and a higher proportion of customers who may be vulnerable (due to age, disability, lower incomes or reliance on legacy landline), as well as greater migration challenges for those in rural and hard-to-reach areas.[14]

Our Equality Impact Assessment

2.25 Our decision is aligned with the proposal set out in our March 2026 Consultation and many of the equality impacts identified below are therefore similar to those identified in our consultation.

2.26 The potential impacts that our decision may have on equality groups remain similar to the impacts identified in relation to the decisions we have made in the TAR26 Statement. This is because our decision is part of the wider copper retirement framework established in the WFTMR21 and retained in the TAR26.

2.27 As with our decisions in the TAR26 Statement, our decision on excluding premises from the second threshold calculations aims to facilitate the transition from copper-based broadband services. As explained in our TAR26 Statement, the rollout of gigabit-capable networks is a key enabler of the migration to faster, more reliable services. The transition away from, and eventual retirement of, the legacy copper network to these new networks is key to delivering the widest range of benefits to consumers. As such, we remain of the view that our approach is likely to have a positive impact on all consumers, including those in equality groups.

2.28 We recognise, as set out in our consultation's EIA and as noted by Community Fibre that, in the short term, this approach may have a temporary adverse impact on some equality groups. In particular, it may impact some older consumers, disabled consumers, and people from different socio-economic groups/backgrounds (including those that might be financially vulnerable) due to the general risks that are associated with migrations. These groups may also be at risk of having to pay higher retail prices for copper-based services if they are unable or unwilling to switch to FTTP. As explained below, in making our decision,

[12] Community Fibre response to the March 2026 Consultation. Page1. Frontier Economics response to the March 2026 Consultation. Section 2.1.
[13] PXC response to the March 2026 Consultation. Pages 4 and 6. INCA response to the March 2026 Consultation. Paragraph 49.
[14] ACNI response to the March 2026 Consultation. Page 1.

we have considered these potential short-term risks, as well as the measures that mitigate them, and the adequate protection of consumers.

2.29 In relation to the general risks associated with migrations, our approach aims to allow Openreach to encourage the migration from copper-based services to FTTP. As experience from the PSTN retirement shows, service migration is complex, involves significant risk to some consumers and needs to be effectively managed, particularly for vulnerable consumers. The migration to FTTP might therefore negatively impact consumers, especially the most vulnerable one, without mitigating measures in place.

2.30 In relation to the risk of higher retail prices, those relate to the implementation of the second threshold. Currently, Openreach can only notify the second threshold when there is 100% ultrafast coverage in the exchange. Our decision allows Openreach to notify the second threshold when meeting 90% ultrafast coverage in the exchange from 1 April 2029. Therefore, we expect our decision will allow Openreach to raise prices for copper-based network access at the wholesale level sooner than it would absent our decision.

2.31 Increases in retail prices for copper-based services where FTTP services are available may have an adverse impact on people who may be unable or unwilling to switch to FTTP from different socio-economic groups/backgrounds, including those that might be financially vulnerable who already find it difficult to afford fixed broadband service.[15] Increases in retail prices for copper-based services may have an adverse impact on people who are not in a position to migrate quickly. This could be because they are vulnerable, or the migration is complex. Given it may take longer to migrate vulnerable customers, these customers may face higher prices for an extended period of time. Also, ISPs may not have adequate time to prepare for complex migrations.

2.32 In our TAR26 Statement, we have set out the following measures that will mitigate the potential impacts of pricing deregulation:

- To protect consumers from the risks associated with migrations, we are adopting a phased process in the transition of regulation from copper-based broadband services to FTTP-based services.
- To protect consumers from price rises at the retail level, we have imposed charge controls on Openreach's wholesale charges, as set out in Volume 4, Section 1. The charge controls apply to copper-based services where FTTP is not yet available, but will transition to the FTTP 80/20 anchor product as Openreach progresses its FTTP rollout and associated deregulation of copper in each exchange area.

2.33 This means that pricing protections remain in place throughout the transition from copper-based services to FTTP. Where the charge control on copper-based services is disapplied, a charge control applies to FTTP services and consumers can migrate to these services. If FTTP services are not available, then the charge control on copper-based services will remain in place.

2.34 In addition, ensuring adequate protection for consumers has been a factor in making our decision. In particular, we have assessed whether the different options we have identified for excluding premises from the second threshold (the Fixed Percentage Approach and the Defined Exclusions Approach), and the alternatives suggested by stakeholders, provide adequate protection to consumers. We have also considered how vulnerable consumers

[15] Ofcom. 2024. Communications Affordability Tracker.

might be affected by our approach to exclusions to the second threshold calculation below and in paragraphs 3.156-3.166.

2.35 Accordingly, to allow Openreach and ISPs additional time to prepare for migrating vulnerable customers and to limit the risk that customers who are unable or unwilling to move to FTTP face higher copper prices for a prolonged period of time, we are including a date (1 April 2029) in the Fixed Percentage Approach, at which point the exclusions to the second threshold calculation will start to apply.

2.36 It is important that vulnerable consumers are appropriately protected throughout telecoms modernisation programmes, including the retirement of copper-based services. We recognise, as Frontier Economics highlighted, that some customers remaining on copper services after 1 April 2029 may be vulnerable, and we believe that there are measures in place to mitigate potential challenges for those customers. We are committed to continue to work with industry and the UK Government to ensure that customers, particularly those who are vulnerable, are supported and protected through technological transitions. We are also committed to consider what general principles there are across digital transitions to deliver the best outcomes for consumers, industry and economic growth, building on the practical experience gained from transitions such as from the PSTN. We will continue with this work through our ongoing monitoring programmes.[16]

2.37 We note that Openreach and several ISPs have programmes in place to protect vulnerable consumers while migrating their services away from legacy technologies. The major providers and network operators have also signed a number of voluntary charters with the Government to ensure that vulnerable customers are protected and supported during the migration.[17]

2.38 In addition to the above, financially vulnerable consumers may also be eligible for social tariffs, i.e. cheaper broadband and phone packages that can help households to afford their communications services and thereby mitigate the potential negative impacts stemming from higher retail prices.

2.39 In response to concerns about the impact of our proposals on rural communities in Northern Ireland, and potential risks of the digital divide, we discuss stakeholder comments regarding customers without an FTTP connection in paragraphs 4.20-4.21. We believe that Openreach will continue to build according to its investment case.

Welsh language

2.40 The Welsh language has official status in Wales. To give effect to this, certain public bodies, including Ofcom, are required to comply with Welsh language standards in relation to the use of Welsh, including the general principle that Welsh should not be treated less favourably than English in Wales.

[16] Our monitoring programmes are set out in more detail in the TAR2026 Statement. Ofcom. March 2026. Statement: Promoting competition and investment in fibre networks: Telecoms Access Review 2026-31. Volume 1. Section 2. As an example, a summary of how Ofcom monitors the PSTN switchover can be found at: Protecting customers during the migration to digital landlines.

[17] For example, DSIT. 24 March 2026. PSTN Network Operator Charter and Fixed Telecoms Modernisation Charter. Accessed 4 September 2026.

2.41 As we acknowledged for the decisions we have made in the TAR2026 Statement, this decision will enhance connectivity for all customers, including Welsh speakers.[18] As a result, they are likely to indirectly have positive effects on opportunities to use Welsh and treating Welsh no less favourably than English. As networks are increasingly built to premises with Welsh language speakers, providers will be incentivised to develop their Welsh language practices for the sake of retaining and effectively serving the needs of customers.

2.42 We received no stakeholder comments on our Welsh language assessment.

Structure of this document

2.43 In Section 3, we set out our decision on excluding premises from the second threshold calculation. This section includes:

- background on previous decisions relating to copper retirement, as well as the proposals we set out in the March 2026 Consultation;
- an overview of the stakeholders' responses to the March 2026 Consultation as they relate to the exclusion of premises from the second threshold calculation; and
- our reasoning and decision on using a fixed percentage approach to excluding premises set at 10% of premises in an exchange area, and to allow Openreach to apply these exclusions from 1 April 2029.

2.44 In Section 4, we discuss other comments raised by stakeholders in response to our March 2026 Consultation.

[18] The Welsh Language Impact Assessment for our decisions made in the TAR26 Statement is set out in Annex 18. Ofcom. March 2026. Statement: Promoting competition and investment in fibre networks: Telecoms Access Review 2026-31.

3. Approach to exclusions to the second threshold calculation

3.1 This section sets out our decision on allowing Openreach to exclude premises from the 100% exchange coverage requirement for the purpose of the second threshold calculation in the copper retirement framework.

3.2 In summary, after further consideration and taking into account stakeholders' feedback, we have decided to allow Openreach to exclude a fixed percentage of premises from the second threshold calculation. We have decided to set that fixed percentage at 10% of premises in an exchange area. We have also decided that these exclusions can only be applied from 1 April 2029.

3.3 Below we provide background to the copper retirement framework, summarise stakeholders' feedback on the second threshold calculation, and explain the reasoning behind our decision.

Background

Decisions on copper retirement

3.4 In the TAR26 Statement, we decided to maintain the WFTMR21 framework of a three-stage regulatory transition from copper services to full-fibre services, on an exchange-by-exchange basis. This three-stage transition occurs when certain criteria are met.

3.5 The first threshold refers to the criteria that Openreach must meet to stop selling copper-based services in an exchange area. It applies at premises where FTTP is available, when Openreach has met certain notification conditions, and there is at least 75% of premises with ultrafast services available within the exchange area.[19] [20]

3.6 The second threshold refers to the criteria that Openreach must meet for the charge control on copper services to be withdrawn in an exchange area.[21] It applies when:

a) Openreach makes ultrafast services available at 100% of the premises in the exchange area (excluding any premises that Ofcom directs);
b) Openreach has published a notice at least 12 months in advance of the date when it expects to reach that threshold;[22]
c) at least two years has passed since the First Threshold Notice was issued;

[19] SMP condition 8.2. Openreach must publish a notice at least 12 months in advance of the date when it expects 75% of premises in an exchange area to be covered by ultrafast, and must publish a 'First Threshold Notice' notifying industry and Ofcom the threshold has been met.
[20] SMP conditions 1.6-1.11.
[21] Provided FTTP is available on reasonable request for the end-user served by the relevant exchange, this means that the inflation indexed charge controls on MPF, SOGEA 80/20, and FTTC 80/20 connections and rentals are disapplied, and the requirement that charges for copper services at other bandwidths are fair and reasonable is disapplied. See Ofcom. March 2026. Statement: Promoting competition and investment in fibre networks: Telecoms Access Review 2026-31. Volume 3. Section 2.
[22] SMP condition 8.2.

d) those premises are passed with Openreach FTTP (if they are not, price control regulation continues to apply to the anchor copper service at those premises); and
e) Openreach publishes a ‘Second Threshold Notice’ notifying industry and Ofcom the threshold has been met.[23]

3.7 The third threshold refers to the criteria that Openreach must meet for the complete withdrawal of regulation of copper services. In the TAR26 Statement, we decided not to define criteria for the third threshold for the 2026-31 review period.[24] In Section 4, we elaborate on our current thinking with regard to the third threshold.

Our proposals

3.8 In the March 2026 Consultation, we explained that we want our regulation to support the retirement of Openreach’s copper-based network, while facilitating the wider objectives of the Telecoms Access Review 2026-31 to promote competition and investment in high quality gigabit-capable networks, and to provide adequate protection for consumers. We therefore considered it appropriate to define what premises could be excluded for the purposes of assessing whether the second threshold is met.

3.9 We considered two potential options for defining such premises in practice:

a) **Defined Exclusions Approach:** Defining the specific circumstances under which premises would be excluded when assessing whether the second threshold is met. This was the approach envisaged in the WFTMR21.
b) **Fixed Percentage Approach:** Setting a fixed percentage of premises that would be excluded when assessing whether the second threshold is met. We envisaged that this percentage would be the same in each exchange area.

3.10 We explained that, under the **Defined Exclusions Approach (DEA),** we considered that the following premises could fall under the definition of exclusions: premises that Openreach is unable to access, high-cost premises that are served by non-Openreach providers using public funding, and other very high-cost premises. We considered this option on the basis that it would set a very high bar to the number of permitted exclusions.[25] This is because most stakeholders tended to see the DEA as an opportunity to set a very high bar for excluding premises.

3.11 For the **Fixed Percentage Approach (FPA)**, we proposed to:

a) Set the fixed percentage for excluded premises at 10%. This would allow Openreach the option to exclude up to 10% of premises in an exchange area for the purposes of assessing whether the second threshold has been met in that area. This fixed percentage figure would apply to each exchange area in the UK.
b) Introduce a date from which these exclusions can be applied. We proposed that these exclusions could only be applied from 1 April 2029 onwards. Prior to this date, Openreach would be unable to exclude premises from the 100% ultrafast coverage requirement to meet the second threshold coverage.[26]

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[23] SMP conditions 1.6-1.11.
[24] Ofcom. March 2026. Statement: Promoting competition and investment in fibre networks: Telecoms Access Review 2026-31. Volume 3. Paragraphs 2.171-2.176.
[25] Ofcom. March 2026. Consultation on the approach to copper retirement second threshold. Paragraphs 3.71-3.73
[26] Ofcom. March 2026. Consultation on the approach to copper retirement second threshold. Paragraph 3.104

3.12 We assessed the DEA and the FPA in relation to their impact on the following factors:

a) Openreach's investment in gigabit-capable networks;
b) network competition; and
c) consumer protection.

3.13 We considered that these factors reflect our wider objectives, set out in the TAR26 Statement, Volume 3, Section 1, and are also broadly reflective of the issues that various stakeholders considered we should take into account in our approach to copper retirement. We also considered the practicability and proportionality of different options, i.e. which option would appropriately balance our objectives, and do so in the least burdensome way. This includes consideration of the administrative burden for Ofcom and Openreach.[27]

3.14 We provisionally concluded that our preferred approach is the Fixed Percentage Approach. We considered that the FPA better meets our objectives, is far less onerous to implement than the DEA, and is therefore a proportionate approach.[28]

Stakeholder responses

3.15 Fourteen stakeholders responded to our consultation: Openreach, five internet service providers (ISPs) or ISP organisation, six alternative networks (altnets) or altnet organisation, and two consumer bodies.[29] [30]

3.16 Most respondents overall supported the deregulation and removal of copper services as FTTP coverage increases, in order to improve connectivity for customers. Stakeholders had differing views on how quickly copper deregulation should proceed and how the second threshold should be designed:

a) Openreach argued that deregulation should progress faster.
b) Most ISPs and consumer representatives supported copper deregulation in principle but urged caution given our proposal's potential impacts on Openreach investment, network competition, and consumer protection.
c) Most altnets expressed concerns about the potential impact on network competition.

3.17 Some stakeholders disagreed with the concept of having a second threshold. VodafoneThree, Sky, Frontier Economics and PXC said that increasing copper prices should

[27] Ofcom. March 2026. Consultation on the approach to copper retirement second threshold. Paragraphs 3.45-3.48.
[28] Ofcom. March 2026. Consultation on the approach to copper retirement second threshold. Paragraphs 3.150-3.151
[29] In addition to its response to our March 2026 consultation, Sky commissioned a report from Frontier Economics, provided separately from Sky's submission (Sky response to the March 2026 Consultation. Paragraph 7). Therefore, we have included the report from Frontier Economics as part of the submissions by the five ISPs. Sky refers to analysis carried out by Frontier Economics throughout its response to the March 2026 consultation. Sky refers to analysis carried out by Frontier Economics throughout its response to the March 2026 consultation.
[30] Although we did not receive a formal submission from the Scottish Government, we have reflected the concerns they raised in their response to the TAR26 March 2025 Consultation. Scottish Government response to TAR26 March 2025 Consultation. Page 3.

not be the primary tool for migrating customers to FTTP given, in particular, the potential for consumer harm.[31]

3.18 The following section is structured as follows:

a) Stakeholder views on assessing the Fixed Percentage Approach (FPA);
b) Stakeholder views on assessing the Defined Exclusions Approach (DEA); and
c) Stakeholder proposals for alternative exchange-specific Fixed Percentage Approaches.

3.19 Comments on other issues are considered in Section 4.

Stakeholder comments on assessing the Fixed Percentage Approach (FPA)

3.20 Our proposed FPA would exclude 10% of premises in an exchange area from the second threshold calculation, meaning that Openreach would be able to reach the coverage requirement at 90% ultrafast coverage. We proposed that these exclusions can be applied from 1 April 2029.

3.21 We believe PXC has misunderstood our proposals and incorrectly believed that we were proposing more exclusions, in addition to the 10%. This is made evident in paragraph 3.4 of its response to the March 2026 consultation.[32]

Stakeholder comments on the proposed design of the Fixed Percentage Approach

Approach to setting the fixed percentage

3.22 In the March 2026 Consultation, we proposed setting the fixed percentage of excluded premises at 10%.[33] Our proposal was intended to be realistic and achievable, while being at a level where there is a reasonable prospect of Openreach actually retiring copper-based services.

3.23 Openreach and CityFibre commented on the appropriateness of this framework.

a) Openreach stated that our approach should be more ambitious and place greater weight on supporting migration to FTTP.[34]
b) CityFibre said that our approach lacked sufficient reasoning and that we should also consider the impact on competition and consumers.[35]

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[31] VodafoneThree response to the March 2026 Consultation. Pages 5 and 7. Sky response to the March 2026 Consultation. Paragraphs 5, 7, 19-23. Frontier Economics response to the March 2026 Consultation. Sections 2.1, 2.3, 2.5 and 2.6. PXC response to the March 2026 Consultation. Paragraphs 2.7-2.8.

[32] Paragraph 3.4 of PXC's response refers to two levels of exclusions to the premises base against which the second threshold is measured, therefore accelerating the point in which price deregulation can begin. PXC response to the March 2026 Consultation. Page 3.

[33] We proposed that this fixed percentage would apply in all exchanges. Stakeholders' responses on varying it between exchanges are summarised in paragraphs 3.63-3.66 below.

[34] Openreach said that circumstances have changed since the WFTMR21, when the three-threshold approach was first introduced. In brief, it considered that: (i) Ofcom should be less concerned about impacts on competition (especially on altnet deployment); (ii) faster migration would benefit consumers and support investment in FTTP; (iii) a well-managed migration process can protect vulnerable consumers; and (iv) a less cautious approach is better aligned with Government policy. Openreach response to the March 2026 Consultation. Paragraphs 34-103.

[35] CityFibre response to the March 2026 Consultation. Paragraphs 4.10-4.12.

Setting the fixed percentage at 10%

3.24 Openreach, Community Fibre, INCA and CityFibre felt that the rationale for our proposal of 10% exclusions was unclear, arbitrary and/or not supported by sufficient evidence.[36]

3.25 Openreach argued that the second threshold should not delay migration where FTTP is already available, and that 90% Openreach FTTP coverage would be unachievable in many exchanges, including some that have already passed the first threshold.[37]

3.26 Openreach estimated that it will achieve [✂]% FTTP coverage nationwide by 2033, with the average level of coverage achieved by UK exchanges being around [✂]%. Therefore, if we proceed with the FPA, it considered that the fixed percentage should be set at 20%. Even in this scenario, about [✂]% of exchanges would not reach the second threshold.[38]

3.27 In contrast, some other stakeholders considered that, if we were to adopt the FPA, then the fixed percentage should be lower.[39]

a) Sky/Frontier Economics argued for a lower fixed percentage given the risk that Openreach ceases building FTTP once the second threshold is met. They also stated that delaying the threshold would mitigate the impact of higher prices on consumers.[40] [41] Frontier Economics suggested that Openreach FTTP coverage is already above 90% in many exchanges (around [✂]), implying that Openreach can achieve higher coverage levels.[42]
b) VodafoneThree suggested a fixed percentage of 5% alongside additional conditions to justify and review exclusions (see Section 4).[43]
c) INCA suggested delaying any fixed percentage until 2031, when more data would be available. Alternatively, it proposed a lower 3% figure, which would be reviewable in 2031 for exchanges unable to reach 97% Openreach FTTP coverage.[44]

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[36] Openreach response to the March 2026 Consultation. Paragraph 117. Community Fibre response to the March 2026 Consultation. Pages 2-3. INCA response to the March 2026 Consultation. Paragraph 30. CityFibre response to the March 2026 Consultation. Paragraph 4.11.

[37] Openreach response to the March 2026 Consultation. Paragraphs 116-118.

[38] Openreach said that [✂] exchanges would not reach an 80% threshold and, in Tables 2 and 3 of its response, referred to a total of 5,322 non-urban exchanges and a total of 263 urban exchanges. Openreach confidential response to the March 2026 Consultation. Paragraphs [✂]. Openreach response to the March 2026 Consultation. Tables 2 and 3.

[39] PXC referred to a threshold of 100%. However, as explained above, it appears to have misunderstood our proposals. PXC response to the March 2026 Consultation. Paragraph 6.1(a).

[40] Sky response to the March 2026 Consultation. Paragraphs 3, 7, 14-16. Frontier Economics response to the March 2026 Consultation. Sections 2.4 and 4.1.

[41] Frontier Economics also referred to the impact of the second threshold on competition between ISPs that use Openreach's network. We summarise these points in Section 4 below.

[42] Frontier Economics suggested a fixed percentage of 5% as an example; this could be combined with a mechanism to exempt further premises in certain exchanges. We set this 'hybrid-approach' out in the DEA sub-section below. Frontier Economics response to the March 2026 Consultation. Sections 1.3, 2.6, 3.3, 4.2, and 4.3. Frontier Economics confidential response to the March 2026 Consultation. [✂]. Sky response to the March 2026 Consultation. Paragraphs 4, 13-18.

[43] VodafoneThree proposed, for instance, requiring premises-level evidence and justification for exclusions combined with regular review, sunset provisions and regulatory oversight and sampling. VodafoneThree response to the March 2026 Consultation. Section 6.

[44] INCA response to the March 2026 Consultation. Paragraph 57. INCA's concerns about the impact of the proposed FPA on investment, network competition and consumers are summarised in paragraphs 3.37, 3.40 and 3.45-3.46 below. INCA submissions about how we calculate whether the thresholds are met are summarised in Section 4.

3.28 Finally, Gigaclear suggested that our proposed fixed percentage reflected Openreach's aspiration to deploy FTTP to 30m premises. It said that this 30m figure did not represent an unconditional commitment to build and should not be relied upon.[45]

Choice of date

3.29 Fewer stakeholders commented on the proposed date of 1 April 2029.[46] Those respondents largely agreed with us. However, CityFibre, VMO2 and INCA questioned whether 1 April 2029 was appropriate.[47]

3.30 CityFibre and VMO2 were concerned that 1 April 2029 may be too soon given the potential impact of the second threshold on network competition.[48] INCA suggested that 1 April 2029 was the earliest possible date to safely implement the second threshold but considered that 2031 would be more appropriate, given INCA's concerns with the proposed FPA.[49]

3.31 In contrast Openreach disagreed with needing a date at all. It said that the deferred date introduced delay to implementing the second threshold, with no clear objective or benefit, negatively impacting network competition and consumer protection.[50]

3.32 Openreach further suggested that deregulation in Northern Ireland should start sooner than 1 April 2029, due to the high level of FTTP coverage (exceeding 90%). It also said that there was strong network competition across Northern Ireland. Openreach also argued that Northern Ireland would be a good "pathfinder" for how to approach deregulation.[51]

Stakeholder comments on assessing the FPA against our objectives

3.33 Stakeholders commented on the impact of our proposals on our objectives. Many felt our approach would negatively impact our objectives, as described below.

Openreach's investment in gigabit-capable services

3.34 Sky/Frontier Economics, VMO2, VodafoneThree and CityFibre believed that 90% Openreach ultrafast coverage was significantly lower than what was achievable in some exchanges. Those stakeholders and others expressed concern that our proposals disincentivised Openreach from building further than 90% coverage, leaving some consumers "stranded" without FTTP on legacy technologies.[52]

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[45] Gigaclear response to the March 2026 Consultation. Paragraphs 51-53.
[46] Openreach response to the March 2026 Consultation. VMO2 response to the March 2026 Consultation. Frontier Economics response to the March 2026 Consultation. PXC response to the March 2026 Consultation. VodafoneThree response to the March 2026 Consultation. Sky response to the March 2026 Consultation. INCA response to the March 2026 Consultation. CityFibre response to the March 2026 Consultation. (VodafoneThree, Sky and PXC were amongst those who agreed with the proposed date).
[47] Sky and VodafoneThree agreed with our choice of date. However, Sky also recommended a minimum period following FTTP being made available at a premises during which wholesale charge control for copper services should remain in place. Sky response to the March 2026 Consultation. Paragraphs 24-26. VodafoneThree response to the March 2026 Consultation. Section 2.
[48] CityFibre said that the majority of build plans would be complete by 2029, however there would likely be residual build until 2031, particularly under Project Gigabit. CityFibre response to the March 2026 Consultation. Paragraph 5.5. VMO2 response to the March 2026 Consultation. Paragraphs 34-40.
[49] INCA response to the March 2026 Consultation. Paragraph 53.
[50] Openreach response to the March 2026 Consultation. Paragraphs 139-144.
[51] Openreach response to the March 2026 Consultation. Paragraphs 145-150.
[52] VMO2 response to the March 2026 Consultation. Paragraph 15; VodafoneThree response to the March 2026 Consultation. Page 7; Frontier Economics response to the March 2026 Consultation. Pages 27-29; Sky response to the March 2026 Consultation. Paragraph 9; CityFibre response to the March 2026 Consultation. Paragraphs 4.5-4.6. INCA response to the March 2026 Consultation. Paragraphs 28 and 50.

3.35 As explained above, Openreach supported a less cautious approach to setting the second threshold, which it considered would better support investment in FTTP.[53]

Network competition

3.36 Some stakeholders said that faster deregulation would have a negative impact on network competition, by undermining altnets' opportunity to compete.[54] Other stakeholders raised concerns that our proposed FPA framework incentivised overbuild.[55]

Opportunities to compete for take-up

3.37 CityFibre, INCA, Wessex Internet and Sky/Frontier Economics said that network competition could be harmed if altnets were not ready to win customers as they migrate to FTTP networks, at the point of pricing deregulation.[56] VMO2 similarly highlighted that ISPs could prioritise rapid migration to FTTP to avoid incurring higher copper wholesale costs, which could have a negative effect on competition.[57]

3.38 VMO2 stated that our guidance on conditional terms identifies Openreach commercial terms that significantly accelerate FTTP migration as potentially problematic. It said that this should be taken into account when considering the second threshold, as the competitive impact of faster FTTP migration depends heavily on whether alternative wholesale options (other than Openreach) are available.[58]

3.39 Openreach argued that concerns around altnet build and altnets' opportunity to compete, were unfounded. This is due to the progress of altnet build so far, the slowing rate of future altnet build, and since altnets have the opportunity to win FTTP customers away from Openreach in the future.[59]

Overbuild

3.40 INCA, Gigaclear, and Wessex Internet said our proposals would incentivise inefficient Openreach overbuild of altnets, in order to reach 90% coverage and trigger the second threshold. BUUK expressed this concern in relation to new build.[60] Gigaclear said the potential for this could deter future altnet investment.[61] INCA said Ofcom had not

[53] Openreach response to the March 2026 Consultation. Paragraph 39.
[54] VMO2 response to the March 2026 Consultation. Paragraphs 23-29. Sky response to the March 2026 Consultation. Paragraph 7. Frontier Economics response to the March 2026 Consultation. Section 3.2. CityFibre response to the March 2026 Consultation. Paragraph 4.6. Wessex Internet response to the March 2026 Consultation. Page 5. INCA response to the March 2026 Consultation. Paragraph 6.
[55] INCA response to the March 2026 Consultation. Paragraph 6. Gigaclear response to the March 2026 Consultation. Paragraphs 13-16. BUUK response to the March 2026 Consultation. Pages 1-2; Wessex Internet response to the March 2026 Consultation. Section 3.
[56] Frontier Economics response to the March 2026 Consultation. Page 23; CityFibre response to the March 2026 Consultation. Paragraph 4.6. Wessex Internet response to the March 2026 Consultation. Section 4. INCA response to the March 2026 Consultation. Paragraph 10.
[57] VMO2 said that rapid migration would occur during a period of altnet consolidation, where new wholesale arrangements are still evolving. VMO2 response to the March 2026 Consultation. Paragraphs 23-24.
[58] VMO2 response to the March 2026 Consultation. Paragraph 28.
[59] Openreach response to the March 2026 Consultation. Paragraphs 15-16, 48-52 and 84-90.
[60] INCA response to the March 2026 Consultation. Paragraphs 26-27 and 37-40. Gigaclear response to the March 2026 Consultation. Paragraphs 5, 13-14, 56-70. BUUK response to the March 2026 Consultation. Page 1. Wessex Internet response to the March 2026 Consultation. Section 3.
[61] Gigaclear response to the March 2026 Consultation. Paragraphs 13-15.

sufficiently evidenced our position in the March 2026 consultation that the FPA would not affect Openreach's build incentives.[62]

Consumer protection

3.41 Stakeholders were nearly unanimous in raising concerns about the impact of the FPA on consumers, such as harm from higher copper broadband prices.

3.42 Sky/Frontier Economics stated that a significant number of Sky's customers would remain on copper broadband ([✂] as of 1 April 2029), despite having access to FTTP. They were concerned that these customers would be exposed to higher prices for longer periods. Sky/Frontier Economics considered that the remaining customers on copper broadband were likely to be insensitive to price increases, risking consumer harm without accelerating FTTP take-up.[63] VodafoneThree highlighted the potential disruption caused by significant numbers of customers being migrated mid-contract.[64]

3.43 ACNI, VMO2, Sky, CityFibre, Community Fibre, UKCTA, Frontier Economics and Which? highlighted that vulnerable customers were at particular risk of higher copper broadband prices, and would require more time to safely migrate and to better understand the process.[65]

3.44 Openreach had opposing views stating that pricing is an effective tool for signalling to ISPs to migrate customers onto FTTP.[66]

a) Firstly, Openreach stated that the risks to vulnerable consumers are less relevant due to evolving migration processes and industry safeguards (Critical National Infrastructure (CNI) and Telecare).
b) Secondly, Openreach noted that staged price increases and advanced notice used for WLR encouraged ISPs to migrate customers beforehand, meaning they avoided higher copper prices.[67]

Balancing our factors for consideration and our duties

3.45 Some stakeholders (INCA, VMO2, Wessex Internet, UKCTA) submitted that we have not correctly balanced our factors for consideration and unduly prioritised administrative convenience.[68]

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[62] INCA response to the March 2026 Consultation. Paragraph 39.
[63] Frontier Economics response to the March 2026 Consultation. Sections 2.1-2.2. Frontier Economics confidential response to the March 2026 Consultation. [✂]. Sky response to the March 2026 Consultation. Paragraph 7.
[64] VodafoneThree response to the March 2026 Consultation. Page 6.
[65] VMO2 response to the March 2026 Consultation. Paragraphs 30-33. ACNI response to the March 2026 consultation. Page 2; Which? response to the March 2026 Consultation. Page 5; CityFibre response to the March 2026 Consultation. Paragraph 4.3; UKCTA response to the March 2026 Consultation. Paragraph 18. Community Fibre response to the March 2026 Consultation. Page 2-3. Sky response to the March 2026 Consultation. Paragraph 7. Frontier Economics response to the March 2026 Consultation. Page 5. Community Fibre also suggested that experience in the PSTN switch off showed the difficulties faced by industry in identifying and safeguarding vulnerable customers through transition. Community Fibre response to the March 2026 Consultation. Page 2
[66] Openreach response to the March 2026 Consultation. Paragraph 77.
[67] Openreach response to the March 2026 Consultation. Pages 3, 13 and 15. Paragraphs 5, 69 and 80.
[68] INCA response to the March 2026 Consultation. Paragraph 3. VMO2 response to the March 2026 Consultation. Page 2. Wessex Internet response to the March 2026 Consultation. Section 2. UKCTA response to the March 2026 Consultation. Paragraphs 4 and 14.

3.46 Some stakeholders (INCA, CityFibre) also believed that we had unduly prioritised Openreach's investment in gigabit-capable services. CityFibre specifically argued that by proposing the FPA in the March 2026 consultation, we prioritised Openreach's full-fibre investment case over Ofcom's primary duty under section 3 of the Communications Act 2003 to further consumers' interests, where appropriate by promoting competition. It said investment duties are secondary to that primary duty, so any inconsistency should be resolved in favour of protecting consumers and competition.[69]

3.47 In contrast, as mentioned above, Openreach considered our proposals too cautious.

Stakeholder comments on assessing the Defined Exclusion Approach (DEA)

3.48 Most stakeholders (VMO2, VodafoneThree, Sky/Frontier Economics, PXC, UKCTA, Which?, Wessex Internet, CityFibre and Community Fibre) supported a DEA as the mechanism to define exclusions.[70]

Stakeholder comments on defining the Defined Exclusions Approach

3.49 Stakeholders said that the DEA was better at excluding only premises where deploying FTTP was particularly difficult, meaning that it was more closely aligned with Ofcom's objectives.[71] [72] [73]

3.50 VMO2 disagreed with our proposition in the March 2026 consultation that a DEA would set a higher bar for exclusions, stating that a DEA could be calibrated to be proportionate and practicable.[74]

3.51 VodafoneThree referred to the key elements of how the DEA should work in practice: (i) premises by premises designations; (ii) clear eligibility criteria and documented evidence of the barriers to deploying FTTP; (iii) multiple documented attempts to overcome those barriers; (iv) random audits by Ofcom; and (v) a mandatory review after 24 month of all excluded premises.[75] PXC saw an exclusions mechanism as requiring individually justified and audited exclusions based on standardised evidence, subject to transparency.[76] Wessex Internet also considered that the DEA would result in transparency and predictability for all market participants.[77]

[69] CityFibre response to the March 2026 Consultation. Paragraphs 4.7 and 4.8.
[70] PXC did not support lowering the threshold of 100% unless there are changes to the exclusions. In that context, PXC envisaged that exclusions should be exceptional and individually justified. PXC response to the March 2026 Consultation. Paragraphs 1.2, 3.6, 5.5, 6.1 (a)
[71] As stated for instance by VMO2. VMO2 response to the March 2026 Consultation. Paragraph 9.
[72] Wessex Internet response to the March 2026 Consultation. Section 2. VodafoneThree response to the March 2026 Consultation. Section 6. UKCTA response to the March 2026 Consultation. Paragraphs 4, 14 and 20; Which? response to the March 2026 Consultation. Page 3. VMO2 response to the March 2026 Consultation. Paragraph 10.
[73] The Scottish Government was concerned about the impact of setting too low a cost threshold for high-cost premises, and including very high cost premises and MDUs as part of the exclusions permitted under a DEA, given this could risk creating a rural and an urban digital divide. Scottish Government response to TAR26 March 2025 Consultation. Page 3.
[74] VMO2 response to the March 2026 Consultation. Paragraph 10.
[75] VodafoneThree response to the March 2026 Consultation. Page 8.
[76] PXC response to the March 2026 Consultation. Paragraph 5.5.
[77] Wessex Internet response to the March 2026 Consultation. Section 6.

3.52 Stakeholders' views on the evidence that we could use to implement the DEA are summarised in paragraphs 3.60-3.62 below, when discussing practicality and the administrative burden.

Stakeholder comments on assessing the DEA against our factors for consideration

3.53 VMO2, VodafoneThree, Sky/Frontier Economics, CityFibre, Community Fibre, and Wessex Internet stated that a well-designed DEA approach would better achieve our objectives than the FPA. However, there were fewer comments on the reasons why the DEA achieves this. Stakeholders also considered that the administrative burden entailed by the DEA was proportionate given the potential risks of harm raised by the FPA.[78] [79]

Openreach's investment in gigabit-capable networks

3.54 CityFibre, Sky/Frontier Economics, VodafoneThree and VMO2 argued that the DEA provided stronger incentives than the FPA for Openreach to expand FTTP build to as many premises as possible.[80] CityFibre said that, since the DEA provided a stronger incentive for Openreach to deploy FTTP, it reduced the number of consumers that only have access to copper broadband.[81]

Network competition

3.55 Some stakeholders believed that the DEA presented the least risk to network competition. There appear to be two main reasons for this.

3.56 Firstly, as discussed above, some stakeholders were concerned that altnets may not be ready to compete for copper customers at the point of pricing deregulation.[82] In view of this concern, those stakeholders favoured an approach that reduced any risks to altnets' ability to win migrating customers, including the DEA.[83]

[78] Wessex Internet response to the March 2026 Consultation. Section 7. VodafoneThree response to the March 2026 Consultation. Pages 7-8, UKCTA response to the March 2026 Consultation. Paragraphs 4, 14 and 20; Which? response to the March 2026 Consultation. Page 3. VMO2 response to the March 2026 Consultation. Paragraph 10. Sky response to the March 2026 Consultation. Paragraphs 8-12.

[79] Wessex Internet also said that the DEA would be more consistent with the principle of proportionality that underpins Ofcom's regulatory duties. Wessex Internet response to the March 2026 Consultation. Page 5.

[80] CityFibre response to the March 2026 Consultation. Paragraph 4.9. Sky response to the March 2026 Consultation. Paragraph 9. Frontier Economics response to the March 2026 Consultation. Page 29. VodafoneThree response to the March 2026 Consultation. Page 7. As also explained above, VMO2 said that a DEA would better reflect the underlying rationale for exclusions. VMO2 response to the March 2026 Consultation. Paragraph 8.

[81] CityFibre response to the March 2026 Consultation. Paragraph 4.5.

[82] CityFibre and Frontier Economics specifically said that the DEA presents the least risk to network competition. Otherwise, stakeholders did not explicitly make a link to the DEA. This concern was expressed by INCA in relation to the second threshold more generally, and by VMO2 and to some extent Wessex Internet in relation to the downside of the FPA. CityFibre response to the March 2026 Consultation. Paragraphs 3.6 and 4.6. Frontier Economics response to the March 2026 Consultation. Sections 3.2-3.3. INCA response to the March 2026 Consultation. Paragraph 10. VMO2 response to the March 2026 Consultation. Paragraphs 23-27.

[83] Frontier Economics response to the March 2026 Consultation. Section 3.3. Sky response to the March 2026 Consultation. Paragraph 10. Wessex Internet response to the March 2026 Consultation. Section 3. CityFibre response to the March 2026 Consultation. Paragraph 4.6-4.7. VMO2 response to the March 2026 Consultation. Paragraphs 23-27. INCA response to the March 2026 Consultation. Paragraphs 13-14.

3.57 Secondly, INCA, Gigaclear and Wessex Internet argued that certain premises served by altnets should be treated as exclusions, including under a DEA. They consider that this would avoid incentivising Openreach to overbuild altnets.[84] [85]

Consumer protection

3.58 Community Fibre, CityFibre, VodafoneThree, Wessex Internet, Sky/Frontier Economics, VMO2 and Which? believed that the DEA would better protect consumers against price rises.[86]

3.59 Wessex Internet considered that the DEA can incorporate various safeguards (e.g. for vulnerable users). It thus considered that the DEA would protect these consumers.[87]

Practicality and administrative burden

3.60 In the March 2025 Consultation, we considered that the following premises could fall under the definition of exclusions: (i) high-cost premises that are served by non-Openreach providers using public funding; (ii) other high-cost premises; and (iii) premises that Openreach is unable to access.[88] Stakeholders believed existing data could be used to support a DEA:

a) INCA, Wessex Internet and CityFibre said that data on publicly funded build was available from BDUK; Wessex Internet said that this data was available to the degree of accuracy required.[89]
b) CityFibre said that Ofcom could monitor Openreach's assessments of high-cost premises.[90]
c) Sky/Frontier Economics believed a DEA could be developed using existing Openreach tools and evidence.[91]
d) Community Fibre said that Ofcom's Connected Nations work already gathers the necessary information.[92]

3.61 In relation to premises that Openreach is unable to access, CityFibre said that government initiatives were underway to make wayleaves easier to obtain.[93]

3.62 To lessen the administrative burden, Sky/Frontier Economics suggested a hybrid FPA/DEA approach. This would involve a fixed percentage of 5%. However, Ofcom would retain the

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[84] INCA response to the March 2026 Consultation. Paragraph 3-6 and 44 and paragraphs 93-94; Wessex Internet response to the March 2026 Consultation. Page 3. Gigaclear response to the March 2026 Consultation. For instance, paragraphs 18, 26-28.
[85] BUUK also considered that new build should be part of exclusions. BUUK response to the March 2026 Consultation. Pages 1-2. We consider new build separately in Section 4 on other comments.
[86] Sky response to the March 2026 Consultation. Paragraph 10. Frontier Economics response to the March 2026 Consultation. Page 30. Community Fibre response to the March 2026 Consultation. Pages 2-3. CityFibre response to the March 2026 Consultation. Paragraphs 4.2-4.4. VodafoneThree response to the March 2026 Consultation. Page 6. Wessex Internet response to the March 2026 Consultation. Page 6. Which? response to the March 2026 Consultation. Page 3.
[87] Wessex Internet response to the March 2026 Consultation. Pages 5-6.
[88] Ofcom. March 2025. Consultation: Promoting competition and investment in fibre networks: Telecoms Access Review 2026-31. Volume 3, Section 2. Paragraph 2.68.
[89] INCA response to the March 2026 Consultation. Paragraph 41. Wessex Internet response to the March 2026 Consultation. Sections 6 and 1. CityFibre response to the March 2026 Consultation. Paragraph 3.5.
[90] CityFibre claimed that Ofcom already carries out a similar exercise in relation to the USO. CityFibre response to the March 2026 Consultation. Paragraphs 3.3-3.6.
[91] Such as cost modelling, build and geographic data. Sky response to the March 2026 Consultation. Page 2-3.
[92] Community Fibre response to the March 2026 Consultation. Page 3-4.
[93] CityFibre response to the March 2026 Consultation. Paragraph 3.5.

ability to grant an exchange-level exemption if Openreach demonstrate genuine and unavoidable barriers to achieving 95% ultrafast coverage.[94] INCA also considered a hybrid approach between the DEA and FPA, accounting for the material characteristics of exchanges, without imposing burden on Openreach or Ofcom.[95]

Stakeholder proposals for an exchange-specific Fixed Percentage Approach

3.63 Openreach, Gigaclear and VMO2 suggested modifications of the FPA where, rather than setting the same fixed percentage in all exchanges, it varies.[96]

3.64 Openreach can face problems in gaining access to MDUs and found that more MDUs are located within urban areas. It found that 42% of premises in dense urban areas were MDUs, compared with 13% in suburban, 7% in rural and 3% in very rural areas.[97] It found applying the same fixed percentage of 10% would suggest that the second threshold is unachievable in most urban areas.[98] To rectify this, Openreach suggested defining two or more exchange types, each with a different fixed percentage.[99]

3.65 Gigaclear suggested two alternative models of the FPA:[100]

a) **Urban and rural exchange categories**: exchanges would be classified as 'urban' or 'rural' with the 90% threshold applying to urban exchanges, and varying exclusions applying to rural exchanges. The rural figure would incorporate altnet lines in excluded premises where it can be demonstrated that rollout by two FTTP networks would not be economically viable, unless the rate was lower than 10%, whereby the 10% exclusion would apply.[101]

b) **Parent-child exchange group level**: the 90% coverage requirement for the second threshold would be applied to a group of exchanges. This would allow Openreach to reach the second threshold by achieving a high level of build in some exchanges, relieving Openreach from making inefficient overbuild decisions in other exchanges in that group.[102]

3.66 VMO2 stated that a uniform fixed percentage would be a "broad-brush measure" and inaccurately reflect differences in FTTP deployment conditions and competitive dynamics.[103] It suggested a more granular FPA framework to derive thresholds at exchange-level using existing Openreach commercial rollout plans. It considered that this would limit the risk that Openreach ceases build once 90% coverage has been achieved.[104]

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[94] Sky response to the March 2026 Consultation. Page 2.
[95] INCA response to the March 2026 Consultation. Paragraph 43.
[96] Sky and INCA both suggested a hybrid DEA/FPA model as discussed earlier in the section.
[97] Openreach response to the March 2026 Consultation. Paragraph 127.
[98] Openreach response to the March 2026 Consultation. Paragraph 128.
[99] Openreach response to the March 2026 Consultation. Paragraph 132.
[100] We understand that Gigaclear is making these alternative suggestions because it is concerned that our proposed FPA may incentivise Openreach to overbuild altnets in rural areas.
[101] Gigaclear said that safeguards may be needed at excluded premises, such as a commitment from altnets to provide wholesale access. Gigaclear response to the March 2026 Consultation. Paragraphs 105-116.
[102] Gigaclear response to the March 2026 Consultation. Paragraphs 115-128.
[103] VMO2 response to the March 2026 Consultation. Paragraphs 12-17.
[104] VMO2 recognised our arguments that assigning different fixed percentages at a more granular level could introduce complexity and would need to take account of changes in Openreach's build plans over time. VMO2

Our reasoning and decision

3.67 Below, we discuss the following:[105]

a) The factors we have considered in assessing options for defining exclusions to the second threshold;
b) Our assessment of the FPA;
c) Our assessment of the DEA;
d) Our assessment of the exchange-specific FPA suggested by stakeholders; and
e) Our decision and legal tests.

3.68 We discuss other comments raised by stakeholders in Section 4.

3.69 We note that some stakeholders argued that increased pricing flexibility for copper services should not be relied upon as a primary mechanism to encourage migration to FTTP. Respondents raised concerns about the potential for higher prices, the impact on vulnerable consumers, and whether pricing signals would be effective in encouraging customers to migrate.

3.70 As we explained in TAR26 Statement, we consider that pricing flexibility forms an important part of the phased transition from copper to FTTP services and helps facilitate the eventual retirement of the copper network. This statement does not reconsider whether the second threshold should exist, or whether pricing deregulation should form part of the copper retirement framework. Those decisions were made in the TAR26 Statement. Instead, this Statement considers the narrower question of whether we should direct that certain premises are excluded when assessing whether the second threshold has been met. We assess stakeholder concerns in that context.

Our factors for consideration

3.71 As set out in the TAR26 Statement (Volume 3, Section 2), in considering potential alternative approaches to supporting copper retirement, we consider the impact of those alternative options on the following factors:

a) Openreach's investment in gigabit-capable networks;
b) network competition; and
c) consumer protection.

3.72 We consider that these factors reflect our wider objectives, set out in the TAR26 Statement, Volume 3, Section 1. We note that these factors are also broadly reflective of the issues that various stakeholders considered we should take into account in our approach to copper retirement.[106]

considered, however, that the effort involved should not be treated as disproportionate when set against potential for harm. VMO2 response to the March 2026 Consultation. Paragraphs 20-21.

[105] Openreach also recommended a premises-by-premises approach, rather than an exchange-by-exchange approach, to the phased deregulation of copper-based services. We explained in the March 2026 Statement our reasoning for not adopting a premises-by-premises approach as recommended by Openreach. Ofcom. March 2026. Statement: Promoting competition and investment in fibre networks: Telecoms Access Review 2026-31. Volume 3, Section 2. Paragraphs 2.86-2.113

[106] We used these factors in our March 2025 Consultation to consider options for defining the second threshold. We consider that they are relevant to our approach to copper retirement more generally.

3.73 We have had regard to these factors in assessing the options for defining exclusions to the second threshold.

3.74 We have also considered the practicability and proportionality of different options, i.e. which option would appropriately balance our objectives, and do so in the least burdensome way. This includes consideration of the administrative burden for Ofcom and Openreach.[107]

3.75 We discuss below in general terms how we think about our approach to excluding premises from the second threshold against the factors above.

Openreach's investment in gigabit-capable networks

3.76 We consider how different options impact Openreach's investment in gigabit-capable networks.

3.77 As we explained in the TAR26 Statement, in choosing between approaches to specifying the conditions for each stage of copper retirement, we are not seeking to incentivise Openreach to build more than it otherwise would, in order to meet the conditions for regulation to move from copper to full fibre. There are many factors that influence where and when Openreach builds.[108]

3.78 Rather, the copper retirement framework is intended to support Openreach's full-fibre investment case more generally, by gradually shifting regulation away from copper services, ahead of copper retirement. This gives Openreach increasing flexibility to encourage customers to migrate off its legacy copper network, thereby potentially limiting the extent to which it incurs the costs of operating both copper and full-fibre networks in parallel. We have recognised since the WFTMR21 that our regulation should support this transition, in order to support Openreach's full-fibre investment case.

3.79 This means that in assessing the impact of different approaches to excluding premises from the second threshold on this factor, we consider whether the option supports Openreach's full-fibre investment by giving it increasing flexibility to encourage customers to migrate off its legacy copper network, ahead of copper retirement.

3.80 In our view, this will not be the case if an approach to excluding premises from the second threshold results in the second threshold being widely unachievable by Openreach notwithstanding its current build plans to cover 30 million premises.

Network competition

3.81 The copper retirement framework is intended to support Openreach's full-fibre investment case. However, given our wider objectives, we consider how different options impact the development of network competition.

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[107] We note the Government's broader commitment to reduce the administrative costs of regulation on business by 25% by the end of the Parliament.

[108] As mentioned in the TAR26 Statement, in practice, Openreach has a large and complex deployment model that incorporates a range of inputs, including costs, geographical surveying as well as estimated take-up. A range of variables are taken into account, such as cost and complexity to build the remaining footprint, operational considerations including contracted scope and resource availability and commercial dynamics at a point in time. Openreach response dated 16 February 2026 to s135 dated 3 February 2026, Question 6. Ofcom. March 2026. Statement: Promoting competition and investment in fibre networks: Telecoms Access Review 2026-31. Volume 3. Paragraph 2.67.

3.82 As we explained in the TAR26 Statement, the impact of allowing Openreach flexibility to increase copper-based prices could be positive or negative. Where the choice of altnet or Openreach FTTP is available, then the development of network competition is unlikely to be harmed. Indeed, altnets may benefit, since the migration from the copper network may result in additional consumers switching away from Openreach and migrating to the altnet. Conversely, where customers are not yet able to move to an altnet, then giving Openreach flexibility to encourage customers off copper more quickly could have an impact on the development of network competition.[109]

3.83 It is not our objective to delay our support for copper retirement until all altnets have finished their build and/or are ready to compete. The WFTMR21 contained a package of measures to promote investment by both altnets and Openreach, and our support for copper retirement was part of that package.

3.84 That said, we do want our package of remedies overall to maintain a reasonable opportunity for (reasonably efficient) altnets to compete and increase take-up.[110] Therefore, in assessing the impact of different options on this factor, we consider whether different options could undermine this aim. For example, to the extent that customers are not yet able to move to an altnet, an option that allows Openreach greater flexibility to encourage customers off copper very quickly could pose a greater risk to maintaining that reasonable opportunity compared to an option with a more gradual pace of pricing deregulation (all else equal).

3.85 Some stakeholders stated that certain approaches could encourage Openreach to overbuild existing or planned altnet networks in order to meet the second threshold, potentially affecting altnet investment incentives and the development of network competition. We have considered these responses and the potential for such impacts. We considered similar concerns in the TAR26 Statement.[111]

3.86 Conversely, Openreach stated that there was no need to delay copper pricing deregulation to promote the development of network competition, given that altnet build was slower, given that altnets had other opportunities to win customers than the window of opportunity provided by the switch from copper-based services to full fibre, and given copper retirement could in some cases support altnet investment.[112]

3.87 The fact that altnet build is slowing does not change our objective to maintain a reasonable opportunity for altnets to compete and increase take-up. Moreover, while we recognise that altnets can compete for take-up outside of the copper to full fibre transition, the migration of customers from copper to full fibre provides a particular window of opportunity for networks to compete to increase take-up.[113] As such, we consider that too

[109] Ofcom. March 2026. Statement: Promoting competition and investment in fibre networks: Telecoms Access Review 2026-31.Volume 3, Section 2. Paragraphs 2.71-2.78.
[110] We expand on how we consider take-up in Volume 3, Section 1 of the March 2026 Statement. Ofcom. March 2026. Statement: Promoting competition and investment in fibre networks: Telecoms Access Review 2026-31.
[111] Ofcom. March 2026. Statement: Promoting competition and investment in fibre networks: Telecoms Access Review 2026-31. Volume 3. Paragraphs 2.117-2.119.
[112] Openreach response to the March 2026 Consultation. Paragraphs 84-91.
[113] Ofcom. March 2026. Statement: Promoting competition and investment in fibre networks: Telecoms Access Review 2026-31. Volume 3. Paragraphs 1.55, 9.38.

fast a pace of copper price deregulation could pose a greater risk to our aim of maintaining a reasonable opportunity for altnets to compete.[114]

Consumer protection

3.88 We consider whether different options provide adequate levels of consumer protection.

3.89 The rollout of gigabit-capable networks is a key enabler of the migration to better, more reliable services. The transition away from the legacy copper network to these new networks, and eventual retirement of copper, is key to delivering the widest range of benefits to consumers. Giving Openreach flexibility to encourage customers to migrate off its legacy copper network – including through pricing flexibility – supports this transition and so benefits consumers generally.

3.90 However, as we explain in the TAR26 Statement, the flexibility that our copper retirement framework affords Openreach – specifically, the removal of the charge control on copper-based services at premises where FTTP is available – could carry a risk of harm to some consumers.

3.91 Importantly, the intended effect of the second threshold is to use higher prices as a lever to encourage migration from copper-based services to FTTP. Once the second threshold is met in an exchange area, the charge control on copper-based access services will be lifted for premises where Openreach FTTP is available. This gives Openreach flexibility to increase wholesale charges for copper-based services. ISPs may react in a number of ways. For example, they may increase retail prices for customers taking copper-based services. ISPs may also undertake other activities ahead of or alongside these price increases, for example, proactively migrating customers to FTTP, or directly encouraging customers to migrate. In its response to the March 2025 Consultation, Sky noted that ISPs may also eventually decide to withdraw copper-based services.[115]

3.92 Customers will also continue to benefit from regulated price protection. Where the charge control on copper-based services is disapplied, a charge control applies to FTTP 80/20 services and consumers can migrate to those services.[116] Ultimately, consumers will be better served by migrating to faster, more reliable networks.

3.93 At the same time, we recognise that some customers may require additional time or support to migrate. This could be because they are vulnerable, or the migration is complex.[117] These customers may face higher prices for an extended period of time before they are able to migrate.

3.94 How long these customers face higher prices for will depend on a range of factors. We recognise that the complete withdrawal of regulation of copper-based services (the third threshold) could help limit the period of higher prices, as it would allow Openreach to cease copper-based services. As we have decided not to define criteria for the third threshold in

[114] See also Ofcom. March 2026. Statement: Promoting competition and investment in fibre networks: Telecoms Access Review 2026-31. Volume 3. Paragraph 2.98.
[115] Sky response to March 2025 Consultation. Paragraph 88.
[116] If FTTP services are not available, then the charge control on copper-based services will remain in place.
[117] Customers may not be able to migrate to FTTP within a set timescale for a wide range of reasons, especially as FTTP migration involves a physical appointment at the premises – e.g. telecare alarm if not yet on a VoIP service, literacy skills, medical conditions such as dementia, hospital stays, mobility issues, etc. It may also take longer for ISPs to prepare for complex migrations.

this review period, some customers who remain on copper-based services could face higher prices until at least 2031.

3.95 In general, the more premises affected, and the sooner price rises occur in this review period, the greater the risk of harm. This is because there is less time for Openreach and ISPs to migrate these customers ahead of those copper price increases.

3.96 Based on experience of other technology migrations, there is also a possibility that there is a tail of non-vulnerable consumers that are unwilling to switch in response to price increases. As a result, these consumers may pay higher prices for an extended period of time. We note some stakeholders identified this as a risk.

3.97 We consider pricing flexibility to be an important part of the phased framework to support the retirement of the copper network. By design, this flexibility applies before everyone has migrated off copper. However, given the risks to customers that require additional time and support to migrate, we consider that an approach that results in a significant number of consumers paying higher prices for a prolonged period of time is less likely to offer adequate protection to consumers.

Assessing the Fixed Percentage Approach

3.98 In this section, we first define the FPA. We then assess the FPA against the three factors above. We also consider the practicability of the FPA, including the administrative burden on Ofcom and Openreach.

3.99 As we explained in the March 2026 Consultation, defining the option first is important, because its impact on Openreach's ability to meet the conditions for the second threshold depends on its practical features. In turn, the extent of Openreach's ability to meet the second threshold impacts our assessment.

3.100 Some stakeholders considered that setting a single fixed percentage would not reflect circumstances in particular exchanges. We consider the negative consequences that stakeholders said arise from this when assessing the FPA's impact on Openreach investment, network competition and consumers below. Stakeholders also suggested alternative approaches to address the concerns that they identified:

a) We consider Sky/Frontier Economics' proposal for a hybrid FPA/DEA approach (which it considered could be combined with a lower fixed percentage) as part of our assessment of the DEA.
b) We consider various stakeholders' proposal to set different fixed percentages in different exchanges as a distinct option later in this section.
c) We consider INCA's proposal that premises with government-funded altnet FTTP should be excluded from the denominator for the second threshold calculation in Section 4.

Design of the Fixed Percentage Approach

3.101 In the March 2026 Consultation, our proposed design of the FPA was as follows:

a) Set the fixed percentage for excluded premises at 10%. This would allow Openreach the option to exclude up to 10% of premises in an exchange area for the purposes of assessing whether the second threshold has been met in that area. This fixed percentage figure would apply to each exchange area in the UK.
b) Introduce a date from which these exclusions can be applied. We proposed that these exclusions could only be applied from 1 April 2029 onwards. Prior to this date,

Openreach would be unable to exclude premises from the 100% ultrafast coverage requirement to meet the second threshold.

3.102 Below, we set out our response to stakeholder comments and our decision in respect of the design of the FPA.

Approach to setting the fixed percentage

3.103 In the March 2026 Consultation, we set out our overarching approach to defining exclusions, which informed our choice of fixed percentage under the FPA. We consider that this approach remains appropriate, for the reasons set out below.

3.104 The copper retirement framework is intended to support Openreach's full fibre investment case by gradually shifting regulation away from copper services, ahead of copper retirement. Consistent with this intention, we consider that exclusions under the second threshold:

a) Should result in the second threshold being realistic and achievable. By realistic and achievable, we mean that there is a reasonable prospect of Openreach achieving the conditions required to trigger the second threshold at a material number of exchanges. In considering this factor, our goal is not to reach the second threshold in a specific number of exchanges (i.e. we do not have a target number of exchanges in mind), particularly given uncertainty (discussed below) about future Openreach build; and
b) Be at a level where there is a reasonable prospect of Openreach making the commercial decision to actually retire copper-based services within a reasonable time period after the second threshold is reached. This limits the time that consumers can remain on deregulated copper broadband services, facing higher prices. Retirement of copper-based services will need to be implemented on an exchange-by-exchange basis, as Openreach will need to discontinue MPF services from local exchanges and eventually FTTC services from parent exchanges. For those services to be discontinued, we expect that Openreach will have reached a high level of FTTP coverage, so that it can offer suitable alternative services to most of its customers.[118] This means that, given a range of reasonable and achievable options for the second threshold, we will err towards the one with a high level of FTTP coverage.

3.105 Openreach considered that we should adopt a "less cautious" approach. We disagree. We consider that the framework above strikes the right balance between supporting Openreach's investment in gigabit capable networks (by being realistic and achievable) while protecting consumers (by being at a level that gives a reasonable prospect of Openreach making the commercial decision to actually retire copper-based services within a reasonable time period after the second threshold is reached) and maintaining a reasonable opportunity for altnets to compete and increase take-up.

3.106 We consider that our overarching approach to defining exclusions is consistent with the Government's Strategic Statement of Priorities, which states that *"Ofcom should set out clear, realistic and achievable criteria for when copper regulation can be withdrawn, in order to inform the networks operators who will make the final decisions*."[119]

3.107 CityFibre considered that we had not adequately explained why we had adopted this framework, including why exclusions under the second threshold should not be limited to

[118] Some customers will likely be reliant on altnets and alternatives to fixed broadband.
[119] DSIT, 30 April 2026, Statement of Strategic Priorities for telecommunications, the management of radio spectrum, and postal services. Accessed 14 July 2026.

just those premises where there are exceptional circumstances beyond Openreach's control.[120] We consider that such an approach would not necessarily achieve our intention for the copper retirement framework. This is because even though Openreach already plans to go to the vast majority of premises where build is commercially viable, this may fall short of covering all premises except those where there are exceptional circumstances (depending on how these are defined).[121] Therefore, limiting exclusions to just those premises where exceptional circumstances apply would make it difficult for Openreach to achieve the conditions required to trigger the second threshold.[122] The only way to achieve these conditions would be for Openreach to build more than it otherwise would. However, the copper retirement framework is not aimed at incentivising this.

3.108 Given this overarching approach, we aim to set a fixed percentage of exclusions so that the second threshold is realistic and achievable, while being at a level where there is a reasonable prospect of Openreach making the commercial decision to actually retire copper-based services within a reasonable time period after the second threshold is reached (i.e. a high level of FTTP coverage).

Setting the fixed percentage at 10%

3.109 We have decided to set the fixed percentage at 10%. We recognise that this involves a degree of regulatory judgement. However, we disagree with respondents' comments that our reasoning for proposing a fixed percentage of 10% was unclear or arbitrary.[123] In deciding to adopt a fixed percentage at 10%, we have taken into account the information available to us on Openreach commercial rollout plans by exchange area and its performance in stop sell tranches. We have also considered stakeholders' comments and evidence.[124]

Connected Nations evidence on current and planned Openreach coverage

3.110 We have considered the impact of setting the fixed percentage at different levels on the number of exchanges and premises potentially reaching the second threshold. To do this, we have used Openreach's commercial rollout plans for the UK to 2031, by exchange, submitted to Connected Nations.[125] [126] Figure 1 shows the results of this analysis for

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[120] CityFibre also said we should also consider the impact on competition and consumers. We do so as part of our assessment of the impact of the FPA below.

[121] We note that most stakeholders see there being a relatively high bar for exceptional circumstances to apply. Ofcom. March 2026. Consultation on the approach to copper retirement second threshold. Paragraphs 3.72-3.76.

[122] While some exchanges may reach the second threshold in this review period if exclusions were limited to just those premises where exceptional circumstances apply, it is unlikely to be a widely achievable.

[123] Openreach response to the March 2026 Consultation. Paragraph 117 (the approach is "unclear"). CityFibre response to the March 2026 Consultation. Paragraphs 4.11-4.13.

[124] Contrary to Gigaclear's suggestion, Ofcom's position is not dependent on Openreach's aspiration to deploy FTTP to 30m premises. The evidence we have relied upon is set out below.

[125] As was done in the March 2026 Consultation, we report the results using 'all plans' from Openreach, rather than just 'high confidence' plans. 'High confidence' plans are those where low-level design has been completed and funding committed. Thus, particularly when looking ahead several years, these may omit build that will ultimately occur but where the low-level design phase simply has not yet been reached.

[126] There is uncertainty about the extent to which build will actually match Openreach's 'all plans' forecasts. BT also has an ambition to deploy FTTP to 30 million premises (BT Group plc, Annual Report 2026, page 22). As highlighted in paragraphs 52-53 of Gigaclear's response to the March 2026 Consultation, such an ambition is not the same as a confirmed plan. [✂]. Notwithstanding these limitations, we consider that Connected Nations data offers the best available evidence in relation to Openreach's future build. We discuss the sensitivity of our results in paragraphs 3.116-3.117 below.

January 2026, the latest data on completed (i.e. actual) deployment, and for April 2029, which we proposed as the earliest date that Openreach can begin to raise prices in exchange areas which have passed the second threshold.

3.111 Figure 1 shows that a material number of exchanges could reach the threshold of having 90% Openreach ultrafast coverage by April 2029.[127] Openreach estimates it will deploy ultrafast broadband to [✂] of premises in the UK by April 2029, with an estimated [✂] 30-50%, of exchanges having passed 90% ultrafast coverage. We estimate that [✂] premises within these exchanges would have access to Openreach FTTP and would thus potentially be subject to copper price deregulation with 10% exclusions. This equates to [✂] of all UK premises.[128]

3.112 Figure 1 also estimates the impact of the fixed percentages suggested by stakeholders. The analysis shows that, with a 20% exclusions rate (i.e. if the second threshold applies after 80% Openreach ultrafast coverage), [✂] of exchanges and [✂] of all UK premises could potentially reach the second threshold by April 2029. With a 5% exclusions rate, [✂] of exchanges and [✂] of all UK premises could potentially reach the second threshold. With a 3% exclusions rate, [✂] of exchanges and [✂] of all UK premises could potentially reach the second threshold. With no exclusions permitted at all, [✂] of exchanges and [✂] of all UK premises could potentially reach the second threshold by this date.

Figure 1: Share of total Openreach exchanges with at least X% Openreach ultrafast coverage – current (January 2026) and forecast (April 2029; all plans)[129]

[✂]

3.113 Figure 1 estimates the number of exchanges that may reach the second threshold by April 2029. We anticipate that this number will continue to grow during the remaining two years of this market review, as Openreach continues to deploy FTTP.

3.114 This suggests that, in future, a material number of exchanges could reach the second threshold if the fixed percentage is set at 10%. A much greater proportion of exchanges could reach the second threshold if the fixed percentage is set at 20%. We consider that both of these approaches are likely to be realistic and achievable.

3.115 In contrast, a much smaller proportion of exchanges could reach the second threshold if the fixed percentage is set at 5%, 3%, or 0%. This suggests that there is a risk that these options may not be realistic and achievable.

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[127] We use Openreach ultrafast broadband coverage, rather than FTTP coverage, when calculating the impact of different fixed percentages on the number of exchanges reaching the second threshold. This reflects SMP condition 1.7(b) which states that a Second Threshold notice can be published for an exchange only if a First Threshold Notice was published a minimum of two years prior and ultrafast network access is available to 100% of relevant premises. Ofcom. March 2026. [Statement: Promoting competition and investment in fibre networks: Telecoms Access Review 2026-31](). Volume 7, Schedule 1.

[128] Ofcom analysis of Openreach response dated 1 July 2026 to s135 notice dated 17 June 2026, resubmitting information provided to CN requests named CT-FT24 and CN-FT26. This figure includes those premises that would not be subject to higher prices as they do not have FTTP coverage.

[129] Analysis of data collected by Connected Nations. Assumes the number of exchanges and premise base remains constant between January 2026 and April 2029. Ofcom analysis of Openreach response dated 13 February 2025 to CN request named CN-FT24, referenced 01719355, dated 18 June 2024. Ofcom analysis of Openreach response dated 1 July 2026 to s135 notice dated 17 June 2026, referenced 02207592, resubmitting information provided to CN requests named CN-FT24 and CN-FT26.

3.116 We acknowledge that there is uncertainty about how many exchanges may reach 90% ultrafast coverage. Any build plans beyond 2026 are still subject to change and therefore Figure 1 represents an approximation of the potential scale of price deregulation. If the speed of deployment is different to the latest plans, an exchange may reach 90% ultrafast coverage at a different time than forecast.

3.117 Small changes to the deployment of Openreach FTTP up to April 2029 are unlikely to significantly affect the number of exchanges reaching the second threshold. Large deviations from forecasted deployment would have substantial impacts on the number of exchanges reaching the second threshold. Indeed, the proportion of exchanges that could reach the second threshold by April 2029 has decreased by about [✂] percentage points from January 2025 data, used for the March 2026 Consultation, to January 2026 data, used for this Statement.[130] This is primarily due to changes in OR's forecasting approach.

3.118 Frontier Economics claimed that Openreach FTTP coverage is already above 90% in a significant number of exchanges. Frontier Economics' figures do not align with the results of our analysis using Connected Nations data.[131] We consider that our Connected Nations data, which is gathered using our statutory powers and assembled using an established process, is the best available evidence. We have thus relied on it, rather than the results of Frontier Economics' analysis.

Evidence on Openreach FTTP coverage already achieved in stop sell exchanges

3.119 As well as the forecasts discussed above, we have considered evidence on Openreach's actual progress to date in those exchanges where its build is most advanced.

3.120 Openreach is currently reporting to stakeholders its progress in exchange areas where a stop sell (first threshold) notification has been issued. Table 1 below shows progress in those exchanges that passed the first threshold at least three years ago. This represents 501 exchanges. We have focused on these exchanges since they provide an indication of Openreach's progress in extending coverage after the first threshold is reached, given a reasonable amount of time.[132]

3.121 The figures in Table 1 relate to Openreach's FTTP coverage, which will tend to be slightly lower than its ultrafast coverage. They are also averages for that particular tranche, meaning some individual exchanges will be higher and some will be lower. Nonetheless, this evidence suggests that a fixed percentage of 5% or less (as proposed by some stakeholders) is unlikely to be realistic and achievable. Only in the very earliest tranches,

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[130] Ofcom analysis of Openreach response dated 13 February 2025 to CN request named CN-FT24, referenced 01719355, dated 18 June 2024. Ofcom analysis of Openreach response dated 1 July 2026 to s135 notice dated 17 June 2026, resubmitting information provided to CN requests named CN-FT24 and CN-FT26.

[131] Frontier Economics also said that, based on its analysis, the percentage of exchanges with greater than 75% FTTP coverage is much higher, i.e. [✂], than our expectation that around a third of exchanges will reach the first threshold coverage requirements of 75% by April 2026 quoted in the TAR26 Statement. Volume 3. Paragraph 2.58. Frontier Economics response to the March 2026 Consultation. Page 28. Footnote 47. On 17 August 2026, a First Threshold Notice was in place in 1,572 exchanges and had been notified in a further 641 (Openreach confirmatory s135 dated 5 August 2026, response dated 21 August 2026, question 1). This equates to c40% (i.e. 2,213 out of c5,600) of all exchanges. Frontier Economics' estimate is thus out of line with the actual number of exchanges where Openreach has (or is in the process of) activated the first threshold..

[132] The later tranches of exchanges where the stop sell has been implemented, tranches 10 to 21, and tranches where the stop sell is notified but not implemented, tranches 22 to 25, all have lower average FTTP coverage than 90%.

where stop sell has been in place the longest, is Openreach's average FTTP coverage above 95%.

3.122 This evidence also shows that it is feasible for Openreach to achieve FTTP coverage considerably above 80% i.e. the level associated with the 20% fixed percentage that it proposed. Thus, a fixed percentage of 20% would likely include exchanges where considerable further build can be expected i.e. it would not just include those exchanges where there is a reasonable prospect of Openreach making the commercial decision to actually retire copper-based services within a reasonable time period after the second threshold is reached.

Table 1: Openreach Stop Sell Tranches coverage progress as of June 2026.[133]

Tranche	Exchanges in tranche	Date Stop Sell implemented	Average FTTP coverage as at June 2026
Salisbury	1	1 December 2020	97%
1a	13	29 June 2021	95%
1b	94	13 October 2021	94%
2	26	13 October 2021	93%
3	47	25 January 2022	92%
4	69	29 April 2022	93%
5	67	2 August 2022	91%
6	51	1 November 2022	90%
7	46	8 February 2023	92%
8	46	9 May 2023	89%
9	41	8 August 2023	91%

Decision on adopting a 10% fixed percentage for the period to April 2031

3.123 We acknowledge that there is a range of possible fixed percentages that could be adopted. However, we do not agree with stakeholders' suggestions for a lower or higher percentage than the 10% proposed in the March 2026 Consultation. The lower percentages suggested by some stakeholders result in a second threshold that does not appear to be realistic and achievable. The higher percentage suggested by Openreach risks including more exchanges where there is not a reasonable prospect of Openreach making the commercial decision to actually retire copper-based services within a reasonable time period after the second threshold is reached.

3.124 Stakeholders that advocated for a lower fixed percentage were concerned that the fixed percentage of 10% that we proposed would cause undue risks of harm to consumers and competition. As we discuss in our assessment of the FPA below, we remain of the view that this is not the case.

[133] Openreach response dated 21 August 2026 to s135 dated 5 August 2026, Question 1.

3.125 In practice, a 10% fixed percentage of exclusions means that Openreach needs to reach at least 90% ultrafast coverage in each exchange to meet the coverage requirement of the second threshold.[134]

Choice of date

3.126 In March 2026, we proposed setting 1 April 2029 as the earliest date by which Openreach can begin to raise copper prices in exchange areas which have passed the second threshold using the fixed percentage of exclusions. This date is mid-way through the 2026-31 market review period.

3.127 By defining the level of exclusions Openreach is permitted to use when assessing coverage of an exchange area against the second threshold, we are facilitating Openreach being able to start increasing copper prices in this review period, to support copper retirement. We are effectively proposing to allow Openreach to bring forward the application of the second threshold, compared to the status quo where no such exclusions have been defined (i.e. Openreach currently needs to reach 100% coverage to trigger the second threshold). In doing so, this may increase the risk of harm to consumers, as discussed above.

3.128 As explained above, we would be concerned if a significant number of consumers paid higher prices for copper-based services for a prolonged period of time before the copper network can be retired. In practice, we are concerned about the risk of consumer harm if Openreach were able to notify price rises immediately after the publication of this Statement.

3.129 With a fixed percentage of 10%, there is a possibility that [✂] of exchanges could be eligible for the 12-month notice of the second threshold as of October 2026.[135] We estimate that [✂] premises within these exchanges would have access to Openreach FTTP (this equates to [✂] of all UK premises).[136] This means that [✂] of consumers in those exchanges could begin to start facing higher prices on their services from October 2027.[137] This is significantly higher than the potential number of consumers that may be affected by price rises if Openreach is required to achieve 100% coverage.[138]

3.130 Importantly, by setting a 1 April 2029 date, we are allowing Openreach and ISPs additional time to migrate vulnerable consumers and deal with the learnings arising from the

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[134] Openreach may trigger the second threshold where it achieves 100% ultrafast coverage of the relevant premises served by that exchange, excluding any premises that we direct, that is to say, 10% of the relevant premises served by that exchange. There is no bar on Openreach achieving higher coverage than 90%.

[135] This comprises those exchanges where planned Openreach ultrafast coverage is 90% or higher by October 2027. For simplicity, this calculation has not taken into account that a Second Threshold Notice can only be issued if a First Threshold Notice was published a minimum of two years prior.

[136] Ofcom analysis of Openreach response dated 1 July 2026 to s135 notice dated 17 June 2026, resubmitting information provided to CN requests named CT-FT24 and CN-FT26. The estimates reflect limitations in the forecast data such that between July 2027 and October 2028 inclusive, the numbers of premises passed with Openreach FTTP are likely underestimates. [✂]. However, October 2027 is only part way through this period so the effect of this on our coverage estimates is likely to be limited.

[137] As set out in paragraph 3.160 below, as of July 2025 around [✂] of customers within Openreach's FTTP footprint were taking copper broadband. This is expected to decrease as customers migrate to FTTP over time. Introducing the 1 April 2029 date allows more time for this process to happen.

[138] Without the introduction of the FPA, consumers would only face higher prices in exchange areas where Openreach achieves 100% coverage. As of February 2026, Openreach had reached 100% ultrafast coverage in 9 exchanges that had around 1,600 premises between them. Openreach believes it could potentially reach 100% ultrafast coverage in a small number of additional exchanges by April 2028, most of which will be very small (typically less than 500 premises per exchange).

migration of these consumers and their equipment, and the ongoing retirement of the copper network. BT plans to switch off the PSTN in January 2027, and Openreach plans to exit its first tranche of exchanges by April 2028.

3.131 Respondents had different views on the date. While Openreach disagreed on having a date at all, as it delays implementing the second threshold, other respondents either agreed with the date, or questioned whether it may be too early.[139]

3.132 We recognise that there can be arguments for making this date earlier, to provide more support for Openreach's FTTP investment case, or later, to provide additional protection against the potential risks to consumers from prices rising in an area for an extended period of time. Stakeholder responses to our March 2026 Consultation, as well as to our March 2025 Consultation, illustrate this. Ultimately, we have used our regulatory judgement in deciding on this date, balancing these considerations.

3.133 We disagree with Openreach that the deferred date introduces further delay without a benefit.[140] As explained above, the 1 April 2029 date allows Openreach and ISPs additional time to prepare for migrating vulnerable customers. A date also limits the risk that customers who are unable or unwilling to move to FTTP face higher copper prices for a prolonged period of time.

3.134 CityFibre, INCA and VMO2 commented on the link between the implementation date of April 2029 and network competition.[141] We discuss this below, as part of our assessment of the FPA.

3.135 Openreach suggested that we should deregulate exchanges in Northern Ireland sooner than 1 April 2029, potentially using Northern Ireland as a pathfinder for the wider application of the second threshold.[142] We do not agree. Openreach can already notify the second threshold where it reaches 100% ultrafast coverage in an exchange.[143] Where there is less than 100% ultrafast coverage in an exchange, we consider that the date of 1 April 2029 remains appropriate for the reasons set out above.

3.136 Practically, a date of implementation of 1 April 2029 enables the start of Openreach's ability to increase copper-based prices in exchanges with exclusions. As noted above, Openreach is required to provide at least 12 months' advance notice of the date when it expects to meet the second threshold in each exchange area. Where Openreach wishes to make use of the 10% exclusion in an exchange area, it would be able to issue a second threshold notification for an exchange area from 1 April 2028 (assuming the other relevant conditions for issuing such a notification are met); however, the exclusions would only apply from 1 April 2029,

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[139] Openreach response to the March 2026 Consultation. Paragraphs 139-144.Sky response to the March 2026 Consultation. Paragraphs 24-26. VodafoneThree response to the March 2026 Consultation. Section 2. CityFibre response to the March 2026 Consultation. Paragraph 5.5. VMO2 response to the March 2026 Consultation. Paragraphs 34-40. INCA response to the March 2026 Consultation. Paragraph 53.
[140] Openreach response to the March 2026 Consultation. Paragraph 139.
[141] CityFibre response to the March 2026 Consultation. Paragraphs 5.5-5.7; INCA response to the March 2026 Consultation. Paragraph 53. VMO2 response to the March 2026 Consultation. Paragraphs 34-40.
[142] Openreach response to the March 2026 Consultation. Paragraphs 145-150.
[143] As long as two years have elapsed since the first threshold was notified.

and any price increases for copper-based services for premises in these exchange areas could also only be effective from 1 April 2029.[144]

3.137 Openreach will still be able to issue Second Threshold Notifications and introduce copper price increases prior to 1 April 2029 in exchange areas where it has achieved 100% ultrafast coverage, in accordance with the SMP conditions. Openreach has already done so in nine exchange areas.[145]

Assessing the FPA against our objectives

3.138 In this section, we assess the FPA (as described above) against each of three factors set out in paragraphs 3.71-3.97. We also consider the practicability of the FPA, including the administrative burden on Ofcom and Openreach.

Openreach's investment in gigabit-capable networks

3.139 The FPA would support Openreach's full-fibre investment case by gradually shifting regulation away from copper services, giving Openreach increasing flexibility to encourage customers to migrate off its legacy copper network.

3.140 A fixed percentage of 10% means the second threshold is met once Openreach ultrafast coverage in an exchange reaches 90%. As explained above, we estimate that this level of coverage is achievable in a material number of exchanges. The FPA therefore provides Openreach with increasing flexibility to raise copper prices in a material, and growing, part of its FTTP footprint. While we recognise that setting a date of 1 April 2029 before Openreach can start applying the 10% exclusions does limit this flexibility for Openreach to later in the market review period, we consider this date does not have a major impact on the support the FPA provides to its FTTP investment case.

3.141 We disagree with Sky/Frontier Economics, VMO2, VodafoneThree, INCA, CityFibre and Gigaclear[146] that our FPA approach would undermine Openreach's incentive to build beyond 90% coverage in an exchange and result in consumers not receiving FTTP services. As explained above, there are many other factors apart from the ability to meet the conditions for pricing deregulation that influence where and when Openreach builds.[147]

[144] Therefore, we consider that this would meet CityFibre's concern that there needs to be sufficient notice, and should not undermine competition. CityFibre response to the March 2026 Consultation. Paragraphs 5.2 and 5.5-6.

[145] Openreach. 13 October 2025 GEN091/25 and 5 March 2026 GEN011/26. Accessed on 9 March 2026.

[146] INCA response to the March 2026 Consultation. Paragraph 49. VMO2 response to the March 2026 Consultation. Paragraph 15. VodafoneThree response to the March 2026 Consultation. Page 7. Frontier Economics response to the March 2026 Consultation. Pages 27-29. Sky response to the March 2026 Consultation. Paragraph 9. CityFibre response to the March 2026 Consultation. Paragraphs 4.5-4.6. INCA response to the March 2026 Consultation. Paragraphs 28 and 50. Gigaclear response to the March 2026 Consultation. Page 2, paragraph 6.

[147] We disagree with INCA's claim (in paragraph 37 of its response to the March 2026 Consultation) that Ofcom has failed to present substantial arguments for why the second threshold would not lead to overbuild. Our position reflects the TAR26 Statement. Ofcom. March 2026. Statement: Promoting competition and investment in fibre networks: Telecoms Access Review 2026-31. Volume 3, Section 2. Paragraph 2.67. Further details, including supporting evidence, are set out in the March 2025 Consultation. Ofcom. March 2025. Consultation: Promoting competition and investment in fibre networks: Telecoms Access Review 2026-31. Volume 3, Section. Paragraphs 2.47-2.49.

Network competition

3.142 In this section, we consider whether the FPA could undermine our aim to maintain a reasonable opportunity for altnets to compete and increase take-up.

a) First, we discuss the concern that the FPA may lead to faster migration of FTTC to FTTP on the Openreach platform, reducing the opportunity for altnets to compete for those customers.
b) Second, we consider stakeholders' concern that the FPA would incentivise Openreach to overbuild altnets, potentially affecting altnet investment incentives and the development of network competition.

Opportunity to compete for take-up

3.143 As explained above, we expect Openreach to achieve the level of coverage required to trigger the second threshold in a material number exchanges over the course of this review period.

3.144 The impact of copper price rises on altnets, and therefore network competition, is uncertain as it depends on altnets' ability to attract customers that switch away from legacy services. Some altnets may benefit since the migration from copper may result in additional consumers switching away from Openreach and migrating to the altnet. However, where customers are not yet able to move to an altnet, then giving Openreach flexibility to encourage customers off copper more quickly could have an impact on the development of network competition.

3.145 Stakeholder responses highlight the complicated relationship between the second threshold and network competition. Some ISPs (VMO2, Sky/Frontier Economics) and some altnets (INCA, CityFibre, Wessex Internet) were concerned that our proposed approach may not give altnets an opportunity to compete for take-up.[148] In contrast, Openreach was not concerned given that: (i) altnet build was slowing (the implication being that delaying the second threshold has a limited impact on the number of premises where altnets are present and able to compete); (ii) altnets have the opportunity to win FTTP customers from Openreach after they have migrated; and (iii) some altnets may benefit from the second threshold, depending on their particular business plans.[149]

3.146 VMO2 said that we should be mindful of the same risks to network competition as we identified with Openreach commercial terms that significantly accelerate migration to FTTP.[150] On this specific point, we note that our concern about these types of commercial terms is reduced, in particular given the extent of altnet-ISP wholesale deals that are now up and running.[151]

[148] Frontier Economics response to the March 2026 Consultation. Page 23. CityFibre response to the March 2026 Consultation. Paragraph 4.6. Wessex Internet response to the March 2026 Consultation. Section 4. INCA response to the March 2026 Consultation. Paragraph 10. VMO2 response to the March 2026 Consultation. Paragraphs 23-24.
[149] Openreach response to the March 2026 Consultation. Paragraphs 84-91.
[150] VMO2 response to the March 2026 Consultation. Paragraph 28.
[151] Ofcom. March 2026. Statement: Promoting competition and investment in fibre networks: Telecoms Access Review 2026-31. Volume 3. Paragraph 9.201.

3.147 We also note that specifying that exclusions can only be applied from 1 April 2029 reduces any risks to competition as it means deregulation happens later.[152]

3.148 We recognise that, compared to the current situation where Openreach needs to achieve 100% coverage to trigger the second threshold, the FPA could still have an impact on altnets beyond 1 April 2029, to the extent that they are still not able to compete for these customers at that point.

3.149 However, while any impacts on altnets are uncertain, our view more generally is that they are unlikely to be so great as to undermine our strategy to promote network competition, given the overall package of measures we have imposed in the TAR26 Statement. As such, our view is that the FPA (including the date of 1 April 2029) is unlikely to undermine our aim to maintain a reasonable opportunity for altnets to compete and increase take-up.

Overbuild

3.150 INCA, Gigaclear and Wessex Internet argued that the FPA could incentivise Openreach to extend FTTP deployment beyond its commercial plans in order to meet the second threshold. They argued that this could result in inefficient overbuild of existing or planned altnet networks. There were specific concerns about rural areas, government-funded areas or new-build developments.[153]

3.151 We recognise that, in theory, Openreach could have an incentive to increase deployment in areas where its planned FTTP coverage would otherwise fall short of the level required to meet the second threshold. However, we are not persuaded that the design of the second threshold would materially alter Openreach's deployment incentives in practice.

3.152 As explained in paragraphs 3.77 above, there are many other factors apart from the ability to meet the conditions for pricing deregulation that influence where and when Openreach builds. We thus do not consider that the prospect of reaching the second threshold in the final part of this review period is likely to lead Openreach to deploy FTTP in areas where doing so would not otherwise be commercially attractive.[154] Accordingly, what Gigaclear (for example) characterises as the consequences of overbuild are not materially affected by the FPA.

3.153 This reasoning applies equally to concerns about rural areas, government-funded premises and new-build developments. Indeed, to the extent such locations are more costly or less commercially attractive to serve, that reinforces our view that the design of the second threshold is unlikely to materially change Openreach’s incentives to build there.

3.154 More generally, we do not consider overbuild to be inherently harmful. Infrastructure competition can benefit consumers and support innovation and investment. As we explained in the TAR26 Statement, our concern is with overbuild that is not commercially

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[152] As explained in paragraph 3.101, the purpose of the 1 April 2029 date is to address the risk of consumer harm if Openreach were able to notify price rises immediately after the publication of this Statement. However, where customers are not yet able to move to an altnet, we note that it also provides additional time for that altnet to prepare to compete for those customers.

[153] INCA response to the March 2026 Consultation. Paragraphs 26-27 and 37-40. Gigaclear response to the March 2026 Consultation. Paragraphs 5, 13-14, 56-70. Wessex Internet response to the March 2026 Consultation. Section 3.

[154] The requirement to achieve 90% ultrafast coverage in order to trigger copper price deregulation during this review period should not be interpreted as implying that Openreach must achieve this level of coverage in all exchanges in order for copper deregulation to apply beyond 2031. Future decisions on the copper retirement framework beyond 2031 will be taken as part of the next market review.

motivated and may harm competition. We have already set out our approach to assessing such conduct in the TAR26 Statement.[155]

3.155 INCA argued that there is a tension between Ofcom's view that copper pricing flexibility can support migration and investment, and our view that the second threshold is unlikely to materially influence Openreach's deployment decisions. We do not agree. The purpose of the second threshold is to facilitate migration by permitting greater pricing flexibility where a high level of FTTP coverage has already been achieved. The fact that pricing flexibility may support Openreach's overall investment case does not mean that the coverage requirement is likely to materially alter Openreach's decision on whether to deploy FTTP in a particular exchange.[156]

Consumer protection

3.156 We have considered whether the FPA option is effective in providing adequate protection to consumers.

3.157 The impact that second threshold exclusions could have on consumers is through the impact of higher prices, and the consequences for vulnerable consumers and consumers who are subject to price increases but are unable or unwilling to migrate to FTTP.[157]

3.158 Many stakeholders (Sky, Frontier Economics, ACNI, VMO2, CityFibre, Community Fibre, UKCTA, Which? and VodafoneThree) said that the FPA could lead to higher prices, with consequences for vulnerable consumers and for consumers who are subject to price increases but are unable or unwilling to migrate to FTTP.

3.159 As outlined above, the inclusion of the 1 April 2029 date in the FPA allows Openreach and ISPs additional time to prepare for migrating vulnerable customers. Both Openreach and ISPs will have had insights and experience from the PSTN switch off and exchange exit programmes. BT plans to switch off the PSTN in January 2027, and Openreach plans to exit its first tranche of exchanges by April 2028. This date also limits the risk that customers who are unable or unwilling to move to FTTP face higher copper prices for a prolonged period of time.

3.160 This date also reduces the number of consumers in general that are likely to face higher prices once the second threshold is met. As of July 2025, around [✂] of customers within Openreach's FTTP footprint were taking copper broadband, compared to [✂] in July 2024.[158] The number of customers taking up copper broadband is expected to decrease as customers migrate to FTTP over time[159], so by April 2029 we would expect only a small minority of customers to be on deregulated copper. For those exchanges that reach the

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[155] Ofcom. March 2026. Statement: Promoting competition and investment in fibre networks: Telecoms Access Review 2026-31. Volume 3. Paragraphs 1.106-1.113.
[156] As mentioned in paragraphs 3.77-3.78
[157] As explained in paragraph 3.77 above, there are many other factors apart from the ability to meet the conditions for pricing deregulation that influence where and when Openreach builds. We thus do not consider that the FPA will have a material impact on the number of premises without access to FTTP. We discuss stakeholders' views in relation to monitoring these premises in Section 4.
[158] This estimate includes a pro rata adjustment to account for a subset of ADSL customers where we do not have data on whether or not they are within Openreach's FTTP footprint. Ofcom analysis of Openreach, BT, Sky, TalkTalk, PXC and Vodafone responses to CN-FT24 request.
[159] Full fibre take-up has steadily increased at premises where FTTP is available, from 35% in July 2024 to 47% in January 2026. Ofcom. 13 May 2026. Connected Nations update: Spring 2026. In contrast, copper volumes are expected to decrease, see paragraph 3.162

second threshold after April 2029, the proportion of customers on copper broadband is likely to be even lower.

3.161 To illustrate, if we assume 10%-20% of customers on copper broadband within Openreach's FTTP footprint switch to FTTP each year, by April 2029 the proportion of customers still on copper broadband will fall to around [✂].[160] We recognise that this calculation includes simplifying assumptions. For example:

a) Current copper broadband take-up may be lower than [✂] in exchanges that will reach the second threshold by April 2029. This is because these are the exchanges with higher full fibre coverage, so FTTP may have been available for longer, so households will have had more time to switch already.
b) ISPs might also take action to encourage customers to migrate to FTTP ahead of the 1 April 2029 date.
c) On the other hand, those customers still on copper broadband in these exchanges might be less prone to switching, for example because they are less engaged with the market.

3.162 We also note that the forecasts of WLA volumes used for the TAR26 Statement suggest that copper volumes will be decreasing over the review period, and specifically by around [✂].[161]

3.163 These low levels of estimated copper broadband take-up are against the backdrop of falling real prices for residential FTTP services. As noted in our 2026 *Pricing and consumer engagement* report, in the three years to September 2025, the average list and promoted prices for standalone full-fibre services fell by 13% and 16% respectively, as providers reduced prices to encourage take-up of these services.[162]

3.164 In summary, we expect only a small minority of customers will be impacted by higher copper prices as exchanges reach the second threshold.[163] [164]

3.165 The magnitude of the copper price increases that Openreach will introduce for premises with access to FTTP in exchanges passing the second threshold is currently unclear. The extent to which these are passed on into higher retail prices is also uncertain. However, as explained in paragraph 3.92 above, customers will continue to benefit from regulated price protection. Where the charge control on copper-based services is disapplied, a charge control applies to FTTP 80/20 services and consumers can migrate to those services.[165]

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[160] Between 2020 and 2025, the proportion of households switching broadband provider each year ranged from 13%-18% (Source: Ofcom 2025 pricing and engagement report, p.15). Customers that switch broadband provider within Openreach's FTTP footprint are likely to take-up FTTP. This is due to stop sell (where the exchange has passed the first threshold) and the incentives created by Openreach's Equinox FTTP discounts (which encourage ISPs to focus on selling Openreach FTTP, where it is available).
[161] Ofcom volumes model prepared for TAR26. Ofcom. March 2026. Statement: Promoting competition and investment in fibre networks: Telecoms Access Review 2026-31. Annex 4. Paragraphs A4.39.
[162] Ofcom. 26 February 2026. Pricing and consumer engagement. Pages 35-36.
[163] VodafoneThree said that higher Openreach prices could lead to in-contract retail price increases for consumers, which could disruptive. Any such disruption would be limited given the relatively small numbers of copper broadband consumers expected to be affected by deregulation. VodafoneThree response to the March 2026 Consultation. Page 9-10.
[164] Frontier Economics estimated that in April 2029 there might be around [✂] Sky customers that take copper broadband despite Openreach FTTP being available. This will overstate the number that will face higher copper broadband prices, since not all these customers will be in exchanges that reach the second threshold.
[165] If FTTP services are not available, then the charge control on copper-based services will remain in place.

Ultimately, customers will be better served by migrating to newer, more reliable networks. The One-Touch-Switch process, as well as requirements such as End of Contract notifications, will also help consumers switch providers where appropriate to find cheaper deals.[166]

3.166 Therefore, our view remains that our proposed FPA provides adequate protection to consumers.

Practicality and administrative burden

3.167 We have also considered the practicability of the FPA, including the administrative burden on Ofcom and Openreach, as this is relevant to our assessment of proportionality.

3.168 We remain of the view that the FPA we proposed would be straightforward to establish, implement and monitor, as it replicates the approach to the first threshold. The first threshold uses a constant fixed percentage of 75% at each exchange across the UK and has resulted in clear and simple monthly reporting to industry, with visibility of the exchanges as they progress through the notification stages. The FPA would do likewise.

Balancing our factors for consideration and our duties

3.169 Some stakeholders (INCA, VMO2, Wessex Internet, UKCTA) submitted that we have not correctly balanced our factors for consideration and unduly prioritised administrative convenience.[167] We have a duty to ensure that any direction we set is proportionate and it is therefore appropriate that we assess which approach can achieve our objectives in the least burdensome way.

3.170 We also do not consider that we have not given enough, or given too much, prominence to Openreach's investment in gigabit-capable services.

3.171 In relation to not prioritising sufficiently Openreach's investment, we agree with Openreach that FTTP take-up benefits consumers, businesses and the UK economy.[168] However, we disagree with Openreach that our approach is too cautious or delays copper retirement.

3.172 We welcome and support current measures to protect vulnerable consumers. However, as explained above, it is important to ensure that ISPs have sufficient time to prepare to undertake more complex migrations and learn the lessons from current transitions programmes. This is why we have introduced a clear date for implementation. We also consider it important to adopt an approach that is consistent with maintaining a reasonable opportunity for altnets to compete and increase take-up.

3.173 As we explained in the TAR26 Statement, we recognise that earlier deregulation could allow Openreach to encourage migration to FTTP at some premises sooner than the current approach. This would support Openreach's FTTP investment case more generally. However, we do not consider that accelerating the regulatory transition will have a material impact on how quickly Openreach can fully withdraw copper-based services. We expect that

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[166] For a summary of Ofcom interventions, see our Pricing and consumer engagement report. Pages 10 – 13. Note also the role of social tariffs, whereby many providers offer eligible customers discounted prices for fixed broadband services. Ofcom. 26 March 22026. Pricing and consumer engagement report. Pages 83-86.

[167] INCA response to the March 2026 Consultation. Paragraph 3. VMO2 response to the March 2026 Consultation. Page 2. Wessex Internet response to the March 2026 Consultation. Section 2. UKCTA response to the March 2026 Consultation. Paragraphs 4 and 14.

[168] Openreach response to the March 2026 Consultation. Paragraphs 14-17, 26 and 61.

Openreach will have reached a high level of FTTP coverage before these services are fully withdrawn.[169]

Conclusion

3.174 Taking into account the factors discussed above, we remain of the view that the FPA appropriately balances our objectives. In particular, we consider that it would support Openreach's FTTP investment case. It provides adequate protection for consumers, notably because including a clear start date (1 April 2029) as part of the FPA allows Openreach and ISPs additional time to prepare for migrating vulnerable customers. It is also unlikely to undermine our aim of maintaining a reasonable opportunity for altnets to compete and increase take-up.

3.175 We consider that the FPA would be straightforward to implement.

3.176 We disagree with CityFibre that our FPA proposal prioritised Openreach's investment case in a way that is inconsistent with our duty under section 3 of the Act to further the interest of consumers, where appropriate by promoting competition.[170] Sections 3 and 4 of the Act also impose duties on us related to investment and innovation.[171] In addition, consumers and businesses will ultimately benefit from the transition away from, and retirement of, the copper network as they migrate to better, more reliable services. We have balanced our objectives in the manner that we consider appropriate, and set out in Section 2 above how our decision is consistent with our regulatory duties.[172]

Assessing the Defined Exclusions Approach (DEA)

3.177 In this section, we first define the DEA. We then assess the DEA against our three factors for consideration. We also consider the practicability of the DEA, including the administrative burden on Ofcom and Openreach.

Defining the Defined Exclusions Approach

3.178 In the March 2026 Consultation, we explained that, under the DEA, we would define the specific circumstances under which premises would be excluded when assessing whether the second threshold is met in an exchange. We considered that the following premises could fall under the definition of exclusions: premises that Openreach is unable to access, high-cost premises that are served by non-Openreach providers using public funding, and other high-cost premises.

3.179 In responses to the March 2026 Consultation, we consider that many stakeholders tended to see the DEA as an opportunity to set a very high bar for excluding premises, in line with

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[169] Ofcom. March 2026. Statement: Promoting competition and investment in fibre networks: Telecoms Access Review 2026-31. Volume 3, Section 2, Paragraph 2.123.

[170] CityFibre response to the March 2026 Consultation. Paragraphs 4.7-4.8.

[171] For example, sections 3(4)(d) and (e) require us, when carrying out our principal duties, to have regard when we consider them relevant to the desirability of encouraging investment and innovation and the desirability of encouraging the availability and use of high speed data transfer services; section 4(10A) requires us to act in accordance with a requirement to promote connectivity and access to very high capacity networks by members of the public and businesses.

[172] See also sections 3(6), 3(7) and 4(11) of the Act in relation to the hierarchy of duties.

responses to the March 2025 Consultation.[173] [174] While there were fewer comments on why the DEA was preferred compared with comments on the concerns raised by the FPA, this was an implication of the nature of the concerns raised. There were notable exceptions to this view, which we discuss separately below and in the next section on assessing the exchange-specific FPA.[175]

3.180 We recognise that, in theory, the DEA could be designed so that it defines categories of exclusions but sets a relatively lower bar. This is also a point raised by VMO2, which commented that the DEA does not necessarily impose a high threshold.

3.181 However, lowering the bar for exclusions would make it easier for Openreach to reach the second threshold and therefore reduce the benefits of the DEA in relation to consumer protection and network competition highlighted by a number of stakeholders.[176] Given this, we have assessed a DEA option assuming that it would set a very high bar for exclusions as we consider that this is the approach favoured by many stakeholders.

3.182 Stakeholders also tended to see the DEA as more closely linked to the concept of identifying premises unable to receive ultrafast services due to exceptional circumstances beyond Openreach's control, as originally envisaged by the WFTMR21. Indeed, VMO2 specifically commented that the design of the DEA maintains a direct link between the underlying rationale for exclusions and the premises to be excluded.[177]

3.183 However, as set out in paragraphs 3.64 and 3.107, we do not consider that exclusions under the second threshold need to be limited to just those premises where there are exceptional circumstances beyond Openreach's control.

3.184 Some stakeholders suggested that altnet coverage should be taken into account when designing the exclusions mechanism. We discuss this in Section 4.

3.185 Some stakeholders (VodafoneThree and PXC) highlighted the conditions they consider should be attached to the DEA or an exclusion mechanism that would need to justify or review individual exclusions. We consider that we would only need to assess those suggestions if we were to adopt a DEA.

3.186 We disagree with Wessex Internet that the DEA would, of itself, result in transparency and predictability for all market participants.[178] Any exclusions mechanism with notification period would provide some transparency and predictability for industry. As for consumers,

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[173] CityFibre response to the March 2026 Consultation. Paragraph 4.2-4.6. UKCTA response to the March 2026 Consultation. Paragraph 19. Sky response to the March 2026 Consultation. Paragraphs 2 and 4. Frontier Economics response to the March 2026 Consultation. Page 5. VodafoneThree response to the March 2026 Consultation. Sections 6 and 7. PXC response to the March 2026 Consultation. Paragraph 1.3. Which? response to the March 2026 Consultation. Page 5. Community Fibre response to the March 2026 Consultation. Page 2-3. Wessex Internet response to the March 2026 Consultation. Section 2.

[174] Ofcom. March 2026. Consultation on the approach to copper retirement second threshold. Paragraphs 3.72.

[175] Openreach and Gigaclear suggested alternatives that would lead to faster deregulation. See section below on exchange-specific FPA. Wessex Internet considered that the DEA would result in faster copper switch off. We discuss the proposed inclusion of altnet coverage in Section 4.

[176] We also note the Scottish Government's concern that setting too low a cost threshold for high-cost premises, and including MDUs as part of the exclusions permitted under a DEA, could risk creating rural and urban digital divides. Scottish Government response to TAR26 March 2025 Consultation. Page 3.

[177] VMO2 response to the March 2026 Consultation. Paragraph 9.

[178] Wessex Internet response to the March 2026 Consultation. Section 6.

they can check whether FTTP is available at their property under any mechanism.[179] However, it would be less clear to industry, under the DEA, why certain exchanges do not reach the second threshold and which exchanges those will be.

Assessing the DEA against our factors for consideration

3.187 Many stakeholders strongly supported the DEA above the FPA. In general, they considered that the DEA more closely aligned with Ofcom's objectives. They viewed the DEA as less likely than the FPA to result in risks of harm to consumer protection and network competition, as the impact of a more stringent exclusions mechanism delayed the application of the second threshold. Stakeholders considered that the administrative burden entailed by the DEA was proportionate, compared with the risks to consumers and competition raised by the FPA.

3.188 However, there were generally fewer comments explaining why the DEA better meets our objectives.

3.189 In this section, we assess the DEA against the three factors in turn, then consider the potential administrative burden entailed by the DEA.

Openreach's investment in gigabit-capable networks

3.190 We do not consider that the DEA would support Openreach's full-fibre investment case.

3.191 Some stakeholders considered that the DEA would provide stronger incentives for Openreach to build to as many premises as is reasonably practicable than the FPA. This is because Openreach would be incentivised to build beyond the proposed fixed threshold in some exchanges, thereby incentivising Openreach's investment in FTTP coverage.[180]

3.192 As mentioned above, we are not persuaded that the design of the second threshold would materially alter Openreach's deployment incentives. In addition, many stakeholders continue to see the DEA as setting a very high bar for excluding premises. This will make it more difficult for Openreach to reach the conditions required to trigger the second threshold. While some exchanges may reach the second threshold in this review period, it is unlikely to be widely achievable. As such, we do not consider the DEA would support Openreach's full-fibre investment case.

Network competition

3.193 We consider that the DEA would be unlikely to undermine our aim to maintain a reasonable opportunity for altnets to compete and increase take-up.

3.194 As mentioned above, the impact of price rises on altnets, and therefore network competition, is uncertain as it depends on altnets' ability to attract customers that switch away from legacy services.

3.195 While generally stakeholders believed the DEA better achieved our objectives, comments on network competition tended to focus on the perceived disadvantages of the FPA, rather

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[179] We understand that ISPs typically provide a coverage checker so consumers can assess the availability of different services. Alternatively, consumers can check the availability of FTTP from Openreach with Openreach coverage checker. Accessed 1 September 2026.

[180] CityFibre response to the March 2026 Consultation. Paragraph 4.9. Sky response to the March 2026 Consultation. Paragraph 9. Frontier Economics response to the March 2026 Consultation. Page 29. VodafoneThree response to the March 2026 Consultation. Page 7. VMO2 explained that a DEA would better reflect the underlying rationale for exclusions. VMO2 response to the March 2026 Consultation. Paragraph 8.

than explicitly why the DEA would better support network competition. Where stakeholders commented specifically on why the DEA would better support network competition, they had a range of views, depending on whether they were concerned about altnets' opportunity to compete for take-up or the risk of overbuild by Openreach.

3.196 Some stakeholders continued to be concerned about Openreach being able to reach the second threshold, in the scenario where altnets are not in a position to compete for copper customers when pricing freedom on copper services is introduced.[181] Accordingly, those stakeholders favoured an approach that reduced risks to altnets' ability to win migrating customers.[182] Frontier Economics and CityFibre specifically considered the DEA better supported network competition.

3.197 On the other hand, INCA, Gigaclear, and Wessex Internet (and BUUK in relation to new build) were concerned about overbuild from Openreach. They therefore suggested taking into account certain altnet coverage as part of the exclusions, under a DEA or hybrid approach. We explained why this would lead to faster deregulation, and why we rejected this approach, in the TAR26 Statement. We discuss this further in Section 4.

3.198 Generally, an option that allows Openreach less flexibility to encourage customers off copper very quickly is more likely to maintain a reasonable opportunity for altnets to compete and increase take up, compared to an option with a faster pace of deregulation (all else equal). While some altnets may benefit from a faster pace of migration, taking account of the balance of stakeholders' views, we therefore consider that the DEA is unlikely to undermine our aim to maintain a reasonable opportunity for altnets to compete and increase take-up.

Consumer protection

3.199 Stakeholders generally commented that the DEA would be better than our proposed FPA at protecting customers. We agree that the DEA is likely to provide adequate consumer protection. Again, as the DEA would set a high bar for exclusions, it is likely to result in a slower pace of regulatory transition from copper to full fibre. As a result, the number of consumers paying higher prices for an extended period of time – and the associated risk of harm to vulnerable customers – would be lower.

Practicability and administrative burden

3.200 We have also considered the extent to which the DEA would impose an administrative burden on Openreach, Ofcom, and other stakeholders, as this is relevant to our assessment of proportionality.

3.201 In summary, for the reasons outlined below, we consider that the process of defining and identifying excluded premises under the DEA faces significant practical challenges. In

[181] CityFibre specifically said the DEA presents the least risk to network competition. Frontier Economics likewise considered that the DEA would likely offer the best protection to competition. Otherwise, stakeholders did not explicitly make a link to the DEA. This concern was expressed by INCA in relation to the second threshold more generally, and by VMO2 and to some extent Wessex Internet in relation to the downside of the FPA. CityFibre response to the March 2026 Consultation. Paragraphs 3.6 and 4.6. Frontier Economics response to the March 2026 Consultation. Sections 3.2-3.3. INCA response to the March 2026 Consultation. Paragraph 10. VMO2 response to the March 2026 Consultation. Paragraphs 23-27.

[182] This is our interpretation of VMO2's position as the link is not explicit in VMO2's response. We infer this position as VMO2 highlighted the risks of the FPA and supported the DEA.

addition, there would remain an element of judgement or inaccuracy when seeking to define the exact premises to exclude in an exchange area.

3.202 In the March 2025 Consultation, we carefully considered the feedback from stakeholders on possible avenues by which some premises could be identified as part of the Defined Exclusions Approach. Ultimately, we did not believe we would have robust data that would support the identification at a UPRN level of all premises for all types of exclusions.

3.203 Some stakeholders believed that the necessary information to develop a DEA was available. However, we have not received additional submissions providing evidence on how we could identify UPRN data for all three types of exclusions.

3.204 We consider the challenges in implementing each of the categories of exclusions outlined in the March 2026 Consultation in turn.

Premises that Openreach is unable to access

3.205 In the TAR26 Statement and the March 2026 Consultation, we explained that there are instances in which Openreach will be unable to obtain permission to access land or premises to provide ultrafast services, such as MDUs. We explained that premises that Openreach cannot access could theoretically be identified at a UPRN level. However, having considered stakeholders' suggestions, our provisional view was that it was challenging to identify an appropriate stage in the wayleave process that could be used as a reasonable exclusion criterion. We also agreed with Openreach that a scaled process for identifying premises it is unable to access would likely pose a significant administrative burden.[183]

3.206 We agree with CityFibre that, for premises that Openreach cannot access, there are significant legislative efforts, both implemented and in train, which facilitate the obtention of wayleaves except in particular circumstances. We consider that this is consistent with a view that, given possible changes, it is not currently appropriate to define the right stage to define premises which Openreach is unable to access as exclusions. In any event, we remain of the view that this would entail a significant administrative burden.

3.207 We agree with Community Fibre that it is generally possible to identify MDU premises, with or without FTTP, from the Connected Nations data.[184] It remains the case that, from that data, it is not possible to identify MDU premises which Openreach is unable to access. It is also not possible to use the Connected Nations data to identify the other categories of exclusions. The Connected Nations data does not include full information on premises served using government funding, and does not include information on whether premises without FTTP are very high-cost.

3.208 We recognise that Openreach already possesses detailed cost modelling, build data, and geographic insights as part of its FTTP planning. We note that Sky has not provided additional information to support its view that it is possible to design an exclusions framework grounded in those existing tools and evidence.[185] We discuss below the significant challenges to implementing the DEA.

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[183] Ofcom. March 2026. Consultation on the approach to copper retirement second threshold. Paragraph 3.93.
[184] Community Fibre explains that we have this data from the information provided to Ofcom by industry for the Connected Nations report. However, to adopt the DEA, we need to put in place a mechanism that is workable by Openreach, rather than have the data ourselves. We therefore discuss the availability of this data to Openreach. Community Fibre response to the March 2026 Consultation. Page 3.
[185] Sky response to the March 2026 Consultation. Paragraph 11.

High-cost premises that are served by non-Openreach providers using public funding

3.209 Although there has been more data available[186], there remain issues identifying exactly which premises have been built using public funding.[187]

3.210 We recognise that, as highlighted by INCA, Wessex Internet and CityFibre, there is data on publicly funded build available from BDUK. We also recognise the point made by CityFibre that BDUK is continually improving its reporting processes. We agree that it may be possible to continue to improve the identification of premises more closely within the 2026-31 review period. To that end, we have sought updated information from the Government on the data available on government-funded FTTP broadband lines across the UK.[188] While address-level data is mostly available for government-funded gigabit infrastructure, there is not yet a sufficiently complete UK-wide dataset to identify all premises relevant to this calculation. It is not yet clear when such a dataset will be available.

3.211 Wessex Internet noted information on government-funded premises was available to the degree of accuracy required, implying that a degree of approximation would be acceptable to implement the DEA.[189] We acknowledge that the DEA could be implemented even where there is approximation in the information available.[190] We consider that a regulatory mechanism that supports pricing deregulation should be based on a clear methodology, so that the outcome results in certainty for industry. In practice, with approximate information, there would need to be either a percentage representing the margin of error, or a mechanism to revisit exclusions at regular intervals. The first one is akin to assigning different percentages to different exchanges, which we discuss below. Both are also likely to be onerous to implement.

3.212 In any event, we still believe this would be resource intensive to implement for Openreach and Ofcom. It is likely to include an administrative burden for altnets as well, as they would need to identify past and present premises addresses according to the funding attached, ensure those are easily identifiable and shareable, and contribute to any process to exchange information on specific premises not published by BDUK (even if this process does not involve sharing premises information with Openreach directly).

Other very high-cost premises

3.213 In order to exclude premises based on cost, we would be reliant on Openreach modelling costs for excluded premises in a way that would be justifiable, auditable and transparent. We remain of the view that this is a challenging task that would require ongoing resourcing to develop and maintain, particularly as the actual costs of deploying to a premises may deviate from Openreach's modelled costs, the fact that the costs of deployment can evolve over time, and the fact high costs may vary across the country.[191] In addition, the ongoing monitoring of excluded premises under this approach is likely to result in a significant administrative burden.

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[186] BDUK. January 2026 OMR and premises in BDUK (England and Wales).
[187] Ofcom. March 2025. Consultation: Promoting competition and investment in fibre networks: Telecoms Access Review 2026-31. Annex 12. Paragraph A12.17.
[188] Meeting with BDUK and DSIT. 29 July 2026.
[189] Wessex Internet response to the March 2026 Consultation. Section 1.
[190] Wessex Internet highlights that it should be possible to identify publicly funded gigabit-capable deployment to the degree of accuracy required. Wessex Internet response to the March 2026 Consultation. Section 1.
[191] Ofcom. March 2025. Consultation: Promoting competition and investment in fibre networks: Telecoms Access Review 2026-31. Annex 12. Paragraphs A12.22-A12.24

3.214 CityFibre said it was unclear why Ofcom could not monitor Openreach's cost assessment as it does for the universal service obligation (USO). As explained above, we remain of the view that this is a challenging task. This is the case even if we were to set a cost threshold, as the right level for this threshold would need to be determined and its application monitored.

Conclusion

3.215 We want our regulation to support the retirement of Openreach's copper-based network, while facilitating the wider objectives of this review.

3.216 Taking into account the factors discussed above, we remain of the view that the DEA does not appropriately balance our objectives. In particular, setting a very high bar for excluding premises does not support Openreach's FTTP investment case in the way set out above. We recognise that the DEA is likely to provide adequate protection for consumers, and is unlikely to undermine our aim to maintain a reasonable opportunity for altnets to compete.

3.217 We have also considered the practicability of the DEA, including the administrative burden on Ofcom and Openreach. We have considered stakeholder comments, but remain of the view that there are significant challenges to implementing the DEA, and it is likely to be onerous to implement.

3.218 Sky/Frontier Economics suggested that we retain the ability to grant an exchange-level exemption if Openreach can demonstrate genuine and unavoidable barriers preventing it achieving 95% ultrafast coverage. We would have the ability to direct this, or to refine the second threshold at a later stage, if we consider this appropriate (subject to statutory consultation requirements).

Assessing the exchange-specific FPA

3.219 Some stakeholders were concerned that setting the same fixed percentage for all exchanges does not reflect variations in exchange conditions. Given their concerns, some stakeholders suggested various alternatives for setting different fixed percentages at different exchanges.

3.220 In this section, we describe the suggested alternatives. We then assess these alternative approaches against our three factors for consideration. We also consider their practicability, including the administrative burden on Ofcom and Openreach.

Defining the various exchange-specific FPA suggested by stakeholders

3.221 Openreach, Gigaclear, and VMO2 suggested alternatives to using the same fixed percentage across the UK.

3.222 As with the DEA and the FPA, the impact of the proposed alternatives on Openreach's ability to meet the conditions for the second threshold depends on their design and practical features, which in turn impacts our assessment. Therefore, to carry out our assessment, we have taken into account stakeholders' objectives in proposing the alternatives, as well as the detailed examples they provided.

3.223 Openreach suggested using differentiated percentages for different categories of exchanges. Openreach gave the example of non-urban and urban exchanges and appeared to favour setting a larger fixed percentage in urban areas.[192] Openreach's suggestion seems to aim to increase the numbers of exchanges that could meet the second threshold, compared with the FPA.[193] Accordingly, we consider that this alternative would generally allow Openreach to meet the second threshold at lower levels of ultrafast coverage than under our proposed FPA, and in a greater number of exchanges.

3.224 Gigaclear suggested two different possible alternatives to the FPA. We understand that Gigaclear's main objective is to avoid creating what it sees as an incentive for Openreach to overbuild altnets in rural areas.

3.225 Firstly, Gigaclear suggested applying a fixed percentage of 10% to urban exchanges but applying a different fixed percentage in rural areas. The fixed percentage in a particular rural exchange would reflect the number of premises passed by altnets.[194] However, because Gigaclear proposed that this rural fixed percentage would always be at least 10%, the permitted coverage threshold would always be 90% or less in rural exchanges. This alternative would enable Openreach to reach the second threshold in rural exchanges even where it has materially lower ultrafast coverage than under our proposed FPA. Thus, this alternative would allow a greater number of exchanges to reach the second threshold, compared with our proposed FPA.

3.226 Secondly, Gigaclear suggested applying a fixed percentage of 10% across a group of exchanges. Under this approach, as long as Openreach exceeds the permitted coverage threshold within the grouping, it could then notify the second threshold in all those exchanges, even those where its ultrafast coverage is below 90%.[195]

3.227 This again results in Openreach being able to reach the second threshold in some rural exchanges at lower levels of FTTP coverage than under our proposed FPA. The overall impact of this proposal on the number of exchanges able to reach the second threshold would vary depending on the specific coverage thresholds achieved within the different exchanges. Applying a threshold over a wider area generally allows greater flexibility. However, it is uncertain whether this alternative would lead to a greater number of exchanges able to reach the second threshold.

3.228 Finally, VMO2 suggested assigning different fixed percentages at a more granular level, such as for each exchange. The different fixed percentages for each exchange would be informed by Openreach's roll out plans.

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[192] Openreach response to the March 2026 Consultation. Paragraph 133. To illustrate, for a similar proportion of [✂] non-urban and urban exchanges being able to reach the second threshold, the permitted coverage threshold would be 90% in non-urban exchanges but between [✂] and [✂] in urban exchanges (using Openreach's figures). Openreach confidential response to the March 2026 Consultation. [✂]

[193] This is our interpretation from Openreach's statement that this differentiation would reduce the number of premises excluded from the benefits of a managed and timely move from copper to fibre. Openreach response to the March 2026 Consultation. Paragraph 134.

[194] Gigaclear proposed that this would apply to those altnet lines where it can be demonstrated that rollout by two FTTP networks would not be commercially viable. It also said that other safeguards may be needed, such as a commitment from altnets to provide wholesale access. Gigaclear response to the March 2026 Consultation. Paragraphs 106-113.

[195] This second Gigaclear proposal goes beyond the issue that we consulted on in the March 2026 Consultation. It involves changing the area which the second threshold relates to, rather than how many premises are excluded for when assessing whether that threshold is met. As such, it relates to matters that were decided in the TAR26 Statement.

3.229 It is not clear to us whether VMO2's proposed approach is likely to lead to faster or slower deregulation than our FPA approach. This would depend on a number of factors, for instance, the date at which a snapshot of planned build would be taken to determine the fixed percentage,[196] the number of exchanges in which Openreach considers that it has reached its commercial build before that date,[197] and the number of exchanges where forecasted build is below or above 90% at that date.[198] [199]

3.230 However, we have inferred that VMO2 envisages that its proposed approach would lead to slower deregulation.[200] We are therefore treating this option as leading to slower deregulation.

Assessing the exchange-specific alternatives to the FPA suggested by stakeholders against our factors for consideration

3.231 In this section, we assess the alternatives to the FPA suggested by stakeholders against the three factors in turn, then consider the practicality and administrative burden of these alternatives.

Openreach's investment in gigabit-capable networks

3.232 We have considered whether the proposed alternatives would support Openreach's full-fibre investment case by gradually shifting regulation away from copper services, giving Openreach increasing flexibility to encourage customers to migrate off its legacy copper network, thereby potentially limiting the extent to which it incurs the costs of operating both copper and full-fibre networks in parallel.

3.233 With the possible exception of VMO2's approach, we consider that this is likely to be the case. The proposed alternatives are generally likely to make it achievable for Openreach to reach the second threshold. In addition, compared with our proposed FPA, the proposed alternatives are likely to result in a lower percentage threshold being set in some exchanges, and in some cases, increase the number of exchanges where price deregulation would apply. As such, we consider that those alternatives would support Openreach's full-fibre investment case.

3.234 The possible exception is VMO2's proposal. If we were to assume that this option is closer to the DEA than the FPA, then the impact on Openreach's investment might also be closer to the impact of the DEA, as described in paragraph 3.190-3.192 above. In brief, such an

[196] For example, as part of Connected Nations we ask Openreach for its FTTP build plans over the next three years. Using these forecasts without further adjustment to set the fixed percentage would mean that that the necessary level of coverage would be reached at the latest after three years in every exchange where Openreach achieved its plans. On the other hand, VMO2 may envisage Ofcom gathering data on the maximum extent of Openreach's commercial build in each exchange, until Openreach stops any build. If this were used to set the fixed percentage (and assuming such data actually exists) then it would not be met in an exchange until commercial build was entirely complete.

[197] In exchanges in which Openreach has already reached the limit of its commercial build, pricing deregulation could presumably be notified immediately (if the first threshold has already been in place for one year).

[198] Where planned commercial build is below 90%, those exchanges could be deregulated earlier than under the FPA.

[199] Even taking the maximum extent of Openreach's build as the chosen approach, that approach may still lead to faster deregulation than under a DEA. This is because even though Openreach already plans to go to the vast majority of premises where build is commercially viable, this may fall short of covering all premises except those where there are exceptional circumstances (depending on how these are defined).

[200] Our inference reflects VMO2's concern about "premature" deregulation in exchanges where the need for exclusions is low. VMO2 response to the March 2026 Consultation. Paragraph 20.

approach would mean that while some exchanges may reach the second threshold in this review period, it is unlikely to be widely achievable. As such, and depending precisely on how it was implemented, VMO2's proposal might not support Openreach's full-fibre investment case.

Network competition

3.235 We have considered whether the proposed alternatives could undermine our aim to maintain a reasonable opportunity for altnets to compete and increase take-up.

a) First, we discuss whether the proposed alternatives may lead to faster migration of FTTC to FTTP on the Openreach platform, reducing the opportunity for altnets to compete for those customers.
b) Second, we consider whether the proposed alternatives would incentivise Openreach to overbuild altnets, potentially affecting altnet investment incentives and the development of network competition.

Opportunity to compete for take-up

3.236 As discussed above, the impact on network competition of different options for the exclusions mechanism is uncertain because it depends on altnets' ability to attract customers that switch away from legacy services. We explain this in paragraphs 3.144-3.149 as part of our assessment of the FPA against network competition above.

3.237 Against this uncertain backdrop, we also note that compared with the FPA, those proposed alternatives which are likely to result in a lower percentage threshold being set in some exchanges could increase the number of exchanges where price deregulation would apply. Therefore, to the extent that affected customers are still not able to move to altnets at the point the lower threshold is met, there could be a greater risk to maintaining their reasonable opportunity to compete for take-up. Conversely VMO2's proposal could result in a slower pace of deregulation, which could reduce this risk.

3.238 However, while any impacts on altnets are uncertain, our view more generally is that they are unlikely to be so great as to undermine our strategy to promote network competition, given the overall package of measures we have imposed in the TAR26 Statement. As such, our view is that an exchange-specific FPA is unlikely to undermine our aim to maintain a reasonable opportunity for altnets to compete and increase take-up.

Overbuild

3.239 Gigaclear's alternatives aim to avoid what Gigaclear considers to be inefficient overbuild by Openreach. However, as explained in paragraphs 3.150-3.155 above, we are not persuaded that the design of the second threshold would materially alter Openreach's deployment incentives in practice. There are many other factors apart from the ability to meet the conditions for pricing deregulation that influence where and when Openreach builds. More generally, as explained in paragraph 3.154, we do not consider overbuild to be inherently harmful.

3.240 This equally applies to Openreach's and VMO2's suggested alternatives.

Consumer protection

3.241 We have considered whether the proposed alternatives are effective in providing adequate protection to consumers.

3.242 The impact that second threshold exclusions could have on consumers is through the impact of higher prices, and the consequences for vulnerable consumers and consumers who are subject to price increases but are unable or unwilling to migrate to FTTP.[201]

3.243 With the possible exception of VMO2's approach, we are concerned that the alternatives suggested by stakeholders would result in some exchanges reaching the second threshold when FTTP build by Openreach is not at a level where there is a reasonable prospect of Openreach making the commercial decision to actually retire copper-based services within a reasonable time period after the second threshold is reached. This would not be in line with our objective to provide adequate consumer protection, as customers in those areas may be subject to price rises for Openreach legacy services for a prolonged period of time.

3.244 In addition, where alternatives would result in a higher number of exchanges where Openreach could reach the second threshold, they would have the consequence of increasing the pace of deregulation compared with our proposed FPA or the DEA. This would lead to increased risks of harm for consumers, particularly vulnerable consumers. Given this, we consider that proposed alternatives that would lead to faster deregulation are generally unlikely to provide adequate consumer protection.

3.245 The possible exception is VMO2's proposal. If we were to seek to set the fixed percentage in each exchange in a way that brings this approach closer to a DEA option, then it is likely to result in a slower pace of regulatory transition from copper to full fibre. As a result, the number of consumers paying higher prices for an extended period of time – and the associated risk of harm to vulnerable customers – would also be closer to impact of the DEA as described in paragraph 3.199 above. We therefore consider that this approach might provide adequate consumer protection.

Practicality and administrative burden

3.246 We have also considered the practicability of the suggested alternatives, including the administrative burden on Ofcom and Openreach, as this is relevant to our assessment of proportionality.

3.247 From an administrative perspective, specifying an exchange specific fixed percentage is likely to be complex, but once the fixed percentages have been specified, an exchange specific FPA is likely to be fairly straightforward to implement and monitor, as it largely replicates the approach to the first threshold.

3.248 We recognise that, in theory, it could be feasible to apply differentiated percentages to a few different categories of exchanges, as suggested by Openreach. For instance, exchanges could be categorised into urban or non-urban exchanges, as suggested by Openreach and Gigaclear (in its first alternative). A similar approach to that used to set the nationwide FPA could then be applied to each exchange category.

3.249 Some of the other proposals are considerably more complicated and therefore involve an additional administrative burden:

a) Gigaclear, as part of its first approach, suggested calculating the fixed percentage for rural exchanges taking into account altnet coverage, subject to an assessment of

[201] As explained in paragraphs 3.77 above, there are many other factors apart from the ability to meet the conditions for pricing deregulation that influence where and when Openreach builds. We thus do not consider that the alternatives proposed by stakeholders will have a material impact on the number of premises without access to FTTP. We discuss stakeholders' views in relation to monitoring these premises in Section 4 below.

whether two FTTP networks are commercially viable in a particular area (and possibly also whether other safeguards are in place, such as wholesale access being available). Such an exercise is likely to be complicated and different circumstances in different rural exchanges would presumably result in many different fixed percentages.

b) As explained above, it is unclear how in practice the exchange-specific fixed percentage would be calculated under VMO2s approach. It could be possible to design a mechanism where thresholds are set at a more granular level, although given the available data this may differ from how VMO2 envisaged this option working.[202] In practice, this might be a complicated exercise, for instance, seeking and verifying information on Openreach build plans as well as determining the appropriate date at which commercial build is finished and the (potentially) very many different fixed percentages.

Conclusion

3.250 There is some uncertainty about the impact of the alternatives suggested by stakeholders. In general, we consider that these alternatives are unlikely to appropriately balance our factors for consideration. For example, some of the approaches are likely to lead to a fairly fast pace of deregulation which lead to increased risks of harm for consumers, whereas (depending precisely on how it was implemented) VMO2's proposal might not support Openreach's full-fibre investment case.

3.251 We recognise that, in theory, it would be possible to apply different fixed percentages to different categories of exchanges or even to individual exchanges. However, it would be complex to establish in practice, and would involve some degree of administrative burden. It is also likely to delay the introduction of a clear framework for applying the second threshold.

Conclusion

3.252 Having assessed the FPA, the DEA, and the exchange-specific alternatives to the FPA suggested by stakeholders, we conclude that the FPA best meets our objectives, is the least onerous to implement, and is therefore a proportionate approach.

3.253 Compared with the DEA, the FPA better supports Openreach's FTTP investment case. It is also unlikely to undermine our aims of maintaining a reasonable opportunity for altnets to compete and increase take-up, and providing adequate protection for consumers. The FPA is also far less onerous and complex to implement than the DEA.

3.254 Compared with the alternatives suggested by stakeholders of designing an exchange-specific FPA, we do not consider that the additional granularity suggested by stakeholders is necessary to achieve our objectives (given we do not consider that the second threshold

[202] VMO2 referred to the information Ofcom regularly gathers on current and planned FTTP coverage as part of Connected Nations. However, as explained in footnote 196, just using this information could result in a fixed percentage that is very easy for Openreach to achieve. VMO2 also referred to gathering other evidence on the assumptions and criteria underlying Openreach's build plans, from other public bodies in relation to project Gigabit build and/or from Openreach in relation to the USO. VMO2 did not explain how it envisaged this information would be used. VMO2 response to the March 2026 Consultation. Paragraph 21.

needs to reflect the specific circumstances of each exchange), and more granular approaches would introduce additional delay, complexity and administrative burden.[203]

3.255 We also note that the exclusions mechanism will be in place for only two years until the start of the next market review period, from 1 April 2029 to 1 April 2031. We will have the opportunity to review the second threshold, and define the third threshold, as part of our next market review commencing in March 2031.

3.256 Therefore, and based on the above, we have decided to adopt the Fixed Percentage Approach.

Direction and legal tests

3.257 We have decided to make a direction in the WLA Area 2 and WLA Area 3 markets setting out the premises to be excluded for the purpose of assessing whether the second threshold is met. The direction is set out in Annex 1. The direction is made under SMP condition 1.7(b).[204]

3.258 We consider that the direction meets the criteria set out in section 49(2) of the Act. In particular, it is:

a) objectively justifiable in that it aims to define the premises that should be excluded for the purposes of assessing whether the second threshold is met. For the reasons set out above, we consider that the direction appropriately balances our objectives by supporting Openreach's FTTP investment case. It is also unlikely to undermine our aim to maintain a reasonable opportunity for altnets to compete and increase take-up, and to provide adequate protection for consumers;
b) not unduly discriminatory, in that it applies only to Openreach, which is the only operator we have found to have SMP in the markets in which the direction applies;
c) proportionate, in that it achieves our objectives and is far less burdensome than the alternative option we have considered; and
d) transparent, in that it is clear in its requirements and intention, as explained in this document.

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[203] We therefore also specifically disagree with VMO2 that the effort involved in setting more granular (e.g. exchange level) fixed percentages should not be treated as disproportionate when set against the scale of the policy effects at stake. VMO2 response to the March 2026 Consultation. Paragraph 20.

[204] As set out in Volume 3, Paragraph 2.3 of the March 2026 Statement, we have decided to maintain the WFTMR21 framework to support copper retirement, including SMP condition 1.7(b). That condition says that the Dominant Provider may publish a Threshold Notice in respect of a Local Serving Exchange where a First Threshold Notice has been published in relation to that Local Serving Exchange for a minimum period of 2 years and Ultrafast network access is available to 100% of Relevant Premises served by that Local Serving exchange but excluding any premises that Ofcom may from time to time direct. The second threshold is the threshold that Openreach must meet for the charge control on copper services to be withdrawn in a completed exchange area at premises where full fibre is available. Ofcom. March 2026. Statement: Promoting competition and investment in fibre networks: Telecoms Access Review 2026-31.

4. Stakeholder comments on other issues

4.1 In this section, we summarise stakeholders' comments on other issues raised, in addition to issues raised on the design of the exclusions mechanism discussed in Section 3, and set out our response to those comments.

Stakeholder responses

4.2 Other comments raised by stakeholders are outlined below. These comments range from deregulation where copper fault rates are high, to migration of SOGEA customers and retail competition. These points were raised by Openreach, ISPs, altnets and consumer groups.

Deregulation where copper fault rates are higher

4.3 In exchange areas where copper customers experience high fault rates and have access to FTTP, Openreach suggested copper regulation should be removed rather than waiting for exchange-level thresholds to be met. Openreach explained that this would create better performance for customers and be more economical for Openreach, as well as maintain consumer protection at the premises level.[205]

Changing how ultrafast coverage is calculated

4.4 Stakeholders suggested alternative ways in which ultrafast coverage could be calculated for the purposes of assessing whether the second threshold is met.

4.5 **New Build:** INCA and BUUK stated that new build premises should be excluded from the threshold calculations. BUUK also suggested clarifying our regulation so that only sites with an existing Openreach copper connection at the time of first threshold notification are counted.[206]

4.6 **Taking other networks' coverage into account for the second threshold:**[207] Altnets proposed various ways in which altnet coverage could be included in our approach to the second threshold, to avoid incentivising overbuild by Openreach. Wessex Internet suggested a defined exclusions approach that incorporated altnet coverage.[208] INCA suggested that BDUK funded premises should be incorporated with an FPA exclusion

[205] Openreach response to the March 2026 Consultation. Page 28-29.
[206] INCA response to the March 2026 Consultation. Paragraph 34. BUUK response to the March 2026 Consultation. Pages 1 and 3.
[207] In addition, if its other recommendations are not adopted, INCA called on Ofcom to set up an industry group to identify an alternative practicable approach that better protects competition and consumers. Relatedly, Gigaclear suggested that we use the time before 1 April 2029 to continue engaging with industry on the design of the second threshold. INCA response to the March 2026 Consultation. Page 9. Gigaclear response to the March 2026 Consultation. Paragraph 132.
[208] Wessex Internet response to the March 2026 Consultation.

percentage.[209] As mentioned in Section 3, Gigaclear also proposed two alternative approaches.[210] [211]

4.7 Finally, Gigaclear queried whether it was possible for BT to provide wholesale network access using commercially negotiated rights of use of altnets' access networks, and whether premises covered by those rights of use could then be included in BT's progress towards the copper retirement thresholds.[212]

Application of the charge control

Circumstances in which the charge control is lifted

4.8 Both PXC and UKCTA asked Ofcom to clarify that, when the second threshold is triggered, the copper charge control would only be removed where ultrafast services were available at the individual premises.[213]

Transitional protections in lifting the charge control

4.9 Sky/Frontier Economics considered transitional protections to be essential and proposed that there should be a minimum period following FTTP being made available to a premises before copper charge controls can be lifted.[214] Frontier Economics referenced the safeguards included in the European Commission's Gigabit Recommendation.[215] VodafoneThree was concerned about avoiding what it saw as a cliff edge for those on copper services and recommended a glidepath allowing for gradual increases in prices.[216]

SOGEA

4.10 VodafoneThree, PXC and UKCTA believed that SOGEA customers should be excluded from price increases to avoid unnecessary and disruptive repeat migrations.[217] VodafoneThree said this is a particular risk for disengaged and vulnerable customers.[218] If SOGEA remained in scope, PXC called for materially longer notice periods before pricing deregulation.[219]

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[209] INCA response to the March 2026 Consultation. Paragraph 57.
[210] Gigaclear response to the March 2026 Consultation. Paragraphs 96-128.
[211] A report from Cartesian commissioned by Gigaclear expands on the proposal to exclude altnet coverage, adding other alternative technologies such as satellite to the premises that could be excluded from the second threshold. The report from Cartesian also suggests that the second threshold is based on the percentage of customers remaining on the copper network. Cartesian. The State of UK Fibre - Scenarios and Solutions. 29 July 2026.
[212] Gigaclear response to the March 2026 Consultation. Paragraphs 96-102.
[213] PXC response to the March 2026 Consultation. Paragraph 1.4. UKCTA response to the March 2026 Consultation. Paragraph 16.
[214] Sky response to the March 2026 Consultation. Paragraphs 25-26. Frontier Economics response to the March 2026 Consultation. Page 6.
[215] Frontier Economics response to the March 2026 Consultation. Section 1.3.1. Frontier Economics gave as examples: the wholesale copper price increases cannot lead to excessive increases in retail prices, cannot result in a margin squeeze, must be non-discriminatory and cannot last for longer than 2-3 years.
[216] VodafoneThree response to the March 2026 Consultation. Section 7.
[217] PXC characterised this as excluding SOGEA connections from both the first and second thresholds. However, in the light of paragraph 2.4 of its response, we understand its intention to be to avoid charge controls being removed on SOGEA. VodafoneThree response to the March 2026 Consultation. Sub-section 3. PXC response to the March 2026 Consultation. Pages 3, 5-6. UKCTA response to the March 2026 Consultation. Paragraph 7.
[218] VodafoneThree response to the March 2026 Consultation. Pages 4-6.
[219] PXC response to the March 2026 Consultation. Paragraphs 1.5 and 6.1(b).

Impact on retail competition between ISPs using Openreach's network

4.11 Sky/Frontier Economics believed that faster deregulation of copper may distort competition between BT Retail and access-seeking retail competitors. For many access-seeking ISPs, higher prices for copper are likely to be passed down to end-users. For BT Retail this is simply an internal transfer charge that it could readily absorb rather than pass on.[220]

4.12 VodafoneThree was concerned that our FPA approach means that ISPs purchasing MPF are at a material competitive advantage compared with ISPs purchasing WLR, because providers relying on MPF-based arrangements are less exposed to the risk of double migration and associated customer disruption.[221]

International comparisons

4.13 A few stakeholders referenced international comparisons.

4.14 Openreach discussed how the EU has committed to withdraw copper services by 2035, stating our approach was more restrictive.[222] Gigaclear found that in European jurisdictions copper switch-off only occurs where next generation technology is available from other operators and highlighted that in Ireland, the SMP operator may exclude premises served by altnets that offer wholesale access from its FTTP rollout.[223] Openreach and Wessex Internet both referred to the progress made towards copper-switch off by 2030 in Spain and Portugal.[224]

Additional measures for consumers

4.15 INCA referred to the 2026 SSP. INCA expressed concern that our proposals made no reference to initiatives to ensure consumers were well informed when making switching decisions.[225] [226] VodafoneThree made a similar point.[227]

4.16 Wessex Internet proposed additional contractual protections for customers once the second threshold is passed, to encourage take-up of fibre products.[228] Which? suggested

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[220] Frontier Economics response to the March 2026 Consultation. Pages 5, 23 and 24. Sky response to the March 2026 Consultation. Paragraph 7.
[221] VodafoneThree response to the March 2026 Consultation. Section 3.
[222] Openreach response to the March 2026 Consultation. Paragraph 99.
[223] European jurisdictions in Gigaclear's analysis included Belgium, Denmark, Finland, France, Greece, Poland, Slovenia, Spain and Sweden. Gigaclear response to the March 2026 Consultation. Paragraph 103.
[224] Openreach also highlighted that several other European frameworks including the Netherlands, Sweden and Portugal, do not require exchange-level or other geographic coverage tests, and where a premises has fibre, copper can be withdrawn. Openreach response to the March 2026 Consultation. Paragraphs 100-102. Wessex Internet explained that in Portugal regulated copper switch off frameworks include clear and proportionate exclusion mechanisms and consumer protections Wessex Internet response to the March 2026 Consultation. Page 6
[225] INCA response to the March 2026 Consultation. Paragraphs 46-48. CityFibre said that any such information provision should be done in a competitively neutrally way. CityFibre response to the March 2026 Consultation. Paragraph 5.3.
[226] PXC also made reference to the SSP, and highlighted its concern that the proposed FPA could exacerbate the 'digital divide' within the UK. PXC response to the March 2026 Consultation. Paragraphs 5.5-5.6.
[227] VodafoneThree response to the March 2026 Consultation. Section 4.
[228] Wessex Internet response to the March 2026 Consultation. Section 8.

additional protections for vulnerable consumers, and ACNI requested additional proposals to protect those who need more time to migrate.[229]

Third threshold

4.17 Openreach stated that our proposals should be aligned with the UK government's ambition to ensure the UK remains a market leader in technology. It considers that our proposals should be more ambitious.[230]

4.18 Openreach, VodafoneThree and UKCTA called for greater clarity on the third threshold.[231] Openreach expressed the view that industry must have clarity on our overall plans for the deregulation of copper, including the complete process and timeline.[232] VodafoneThree and UKCTA said defining the third threshold would allow them to factor this into future planning.[233]

4.19 VodafoneThree stated that effective copper retirement touches on consumer protection, network resilience and effective public policy and suggested a wider and overarching approach coordinated with government.[234] UKCTA made a similar point, calling for a clear, sequenced and consumer centred framework.[235]

Premises without an FTTP connection

Specific concerns about customers without an FTTP connection

4.20 PXC and ACNI were concerned that the FPA would result in more difficult to access premises being excluded from Openreach's FTTP build, resulting in detriment for consumers in those premises, some of whom may be vulnerable.[236] As mentioned in the EIA at the start of this Statement, PXC said that our approach could exacerbate the digital divide and ACNI raised concerns about rural communities being left behind in the move to fibre.[237]

4.21 UKCTA commented that exclusion mechanisms could be used in way that distorts competition, particularly for business connectivity, if business premises do not have access to FTTP and instead remain on leased-line products.[238] As a result, UKCTA argued that

[229] Which? response to the March 2026 Consultation. Page 5. ACNI response to the March 2026 Consultation. Page 2.
[230] Openreach response to the March 2026 Consultation. Paragraphs 99-103. As noted in s2, Openreach also said that we must consider the priorities set out in the 2026 SSP, meaning that we should adopt a less cautious approach and focus on the modernisation of the network.
[231] In addition, [✂] also called for work on the third threshold [✂]
[232] Openreach response to the March 2026 Consultation. Paragraphs 12 and 58.
[233] VodafoneThree response to the March 2026 Consultation. Page 7. UKCTA response to the March 2026 consultation. Paragraph 5.
[234] VodafoneThree response to the March 2026 Consultation. Page 10
[235] UKCTA response to the March 2026 Consultation. Paragraphs 21-22.
[236] Separately, Community Fibre also explained using data from ThinkBroadband that around 90% of properties awaiting FTTP in London are in MDUs and said that many of these premises would be left behind without a full fibre connection or viable alternative. Community Fibre response to the March 2026 Consultation. Page 2-4.
[237] PXC response to the March 2026 Consultation. Paragraphs 3.5(b), 5.2, 5.3. ACNI response to the March 2026 Consultation. Page 2.
[238] UKCTA's concern appears to be that Openreach would be incentivised not to build FTTP to business premises when reaching the threshold. According to UKCTA, those business customers would therefore remain on leased line services, where FTTP could otherwise be made available.

exclusions should be tightly defined, evidence-based, premises-specific, and not used to preserve leased line revenues at the expense of business users.[239]

Monitoring and transparency of exclusions

4.22 A few stakeholders called for detailed monitoring by Ofcom. If we were to continue with our proposals, VodafoneThree suggested that we incorporate additional regular review and sunset provisions for excluded premises. It also suggested a degree of regulatory oversight, or sampling, to minimise the risk of strategic use of exclusions, and to also maintain stakeholder confidence in the framework for the second threshold.[240] PXC called for exclusions to be individually justified and transparent, with a right to challenge exclusion decisions.[241] [242]

4.23 Some stakeholders called for further transparency on exclusions or the threshold calculations. Which? called for consumers to be notified if their premises have been excluded from the second threshold notice.[243] Community Fibre proposed the publication of a list of excluded premises, based on a DEA approach.[244] BUUK Infrastructure suggested that Openreach should be required to publish the data set used to determine "relevant premises" at the time of the First Threshold notification to support transparency.[245]

Our reasoning

Deregulation where copper fault rates are higher

4.24 Openreach suggested that copper regulation should be removed in exchanges where copper customers experience high fault rates and have access to FTTP, rather than waiting for exchange-level thresholds to be met.

4.25 The second threshold does not preclude Openreach and ISPs taking appropriate steps to encourage customers to move to FTTP and avoid exceptionally costly repairs to the copper network. However, we do not consider it appropriate (or necessary) to build any additional allowance into the second threshold for this. This would effectively force customers to take an FTTP connection in certain circumstances. As outlined in the TAR26 Statement, our view for the 2026-2031 period is that an FTTP installation should require end customer consent.[246]

[239] UKCTA response to the March 2026 consultation. Paragraph 15.
[240] VodafoneThree response to the March 2026 Consultation. Page 9.
[241] PXC response to the March 2026 Consultation. Paragraphs 5.5-5.7.
[242] VMO2 also commented that the DEA would provide better visibility than the FPA of where exclusions are applied and therefore facilitate more effective oversight of potential consumer harm, especially for vulnerable consumers. VMO2 response to the March 2026 Consultation. Paragraph 30-33.
[243] Which? response to the March 2026 Consultation. Page 5.
[244] Community Fibre response to the March 2026 Consultation. Page 3
[245] BUUK response to the March 2026 Consultation. Page 3.
[246] Ofcom. March 2026. Statement: Promoting competition and investment in fibre networks: Telecoms Access Review 2026-31. Volume 3. Paragraph 4.24.

Changing how ultrafast coverage is calculated

New build premises

4.26 BUUK and INCA argued that including new build premises connected to an operator other than Openreach in the baseline used for copper retirement threshold calculations could create incentives for Openreach to overbuild altnets in new housing developments.[247]

4.27 This point concerns the definitions and calculations underpinning the first and second thresholds, rather than the design of the exclusions mechanism that is the subject of this Statement. Those definitions were established as part of the TAR26 Statement.

4.28 Nonetheless, we note that our regulation does not require Openreach to deploy FTTP in new housing developments (where altnets may be present). We also understand from Openreach that to identify premises for the purpose of the threshold calculations, Openreach relies on datasets listing premises that are served or have been served by Openreach. New build premises that are not connected to the Openreach network, but are connected to another operator's network, are not included in Openreach's threshold calculations. It is only once a new build premises is connected to the Openreach network that it is included in the threshold calculations as appropriate.[248]

Taking other networks' coverage into account for the second threshold

4.29 Some stakeholders, in line with their concern that the FPA would incentivise Openreach to overbuild premises where they have deployed FTTP, suggested that all (or some categories of) premises served by altnets should be designated as exclusions under a DEA or a mixed approach.[249] [250]

4.30 As explained in paragraphs 3.150-3.155 above, we are not persuaded that the design of the second threshold would materially alter Openreach's deployment incentives and this applies equally to government-funded premises.

4.31 In addition, we consider categorising altnet premises as exclusions is another way to exclude altnet premises from second threshold calculations, which we decided not to do in the TAR26 Statement.[251] [252]

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[247] BUUK response to the March 2026 Consultation. Pages 1-3. INCA response to the March 2026 Consultation. Paragraphs 32-34.

[248] Openreach confirmatory s135 dated 5 August 2026, response dated 21 August 2026, question 2.

[249] BUUK response to the March 2026 Consultation. Page 3. INCA response to the March 2026 Consultation. Page 9. Gigaclear response to the March 2026 Consultation. Pages 19-24. Wessex Internet response to the March 2026 Consultation. Page 10.

[250] Relatedly, INCA and Gigaclear suggested that we set up an industry group, or continue to engage with industry further, on the design of the second threshold. This is not necessary given that we regard the FPA as appropriately balancing our objectives. In addition, we consider that it is important to provide regulatory certainty on what the conditions for copper pricing deregulation are, and when they will apply. INCA response to the March 2026 Consultation. Pages 12-13. Gigaclear response to the March 2026 Consultation. Paragraph 132.

[251] Ofcom. Statement: Promoting competition and investment in fibre networks - Telecoms Access Review 2026-31. Volume 3. Section 2. Paragraphs 2.115-2.133

[252] In response to the report by Cartesian, the same arguments apply to extending exclusions to alternative technologies (e.g. satellite) as to including altnet coverage. The suggestion that exclusions would be based on take up rather than coverage would involve changing the SMP condition and is therefore out of scope of this Statement.

4.32 Gigaclear queried whether it was possible for BT to provide wholesale network access using commercially negotiated rights of use of altnets' access networks, and whether premises covered by those rights of use could then be included in BT's progress towards the copper retirement thresholds. Gigaclear noted that the SMP conditions apply to BT Group and the thresholds apply to ultrafast network access provided over the "Dominant Provider's electronic communications network". Gigaclear submitted that it did not necessarily follow that this means the FTTP network owned and operated by Openreach.[253]

4.33 We applied the SMP conditions to BT plc[254] and any of its subsidiaries or holding companies (including Openreach). Although we understand Gigaclear's submission to be hypothetical, we agree that the Dominant Provider's network within scope of the copper retirement thresholds is not necessarily limited to Openreach's FTTP network. Whether any other network could fall within this definition is likely to be fact-specific and depend on the degree of direction and control that BT (including its subsidiaries and holding companies) is able to exert over that network. However, we note that if another network is deemed to be provided by BT for the purposes of the copper retirement thresholds, then it is likely to be similarly deemed for other aspects of network access regulation (i.e. the remainder of the SMP conditions would also potentially apply to that network).

Application of the charge control

4.34 Below we clarify where the copper charge control is removed and address some stakeholder comments on the charge control.

Premises where the copper charge control is removed

4.35 In response to comments from PXC and UKCTA, we would emphasise that at premises where Openreach FTTP services are not (yet) available, the charge control on copper-based services will remain in place even after the second threshold has been met.

Transitional protections in lifting the charge control

4.36 Sky/Frontier Economics suggested a minimum period following FTTP being made available at a premises in which copper charge controls would continue to apply.[255] VodafoneThree suggested more gradual copper pricing deregulation, such as a glidepath.[256]

4.37 Suggestions to amend the format or extent of copper pricing deregulation would require a change to the SMP conditions put in place as part of the TAR26 Statement. Those suggestions are therefore out of scope of this Statement.

4.38 In any event, we disagree with those suggestions. Sky's concern that there should be sufficient time to manage migration and reduce the risk of premature exposure to unregulated wholesale pricing is mitigated by the 90% threshold and the 1 April 2029 date, as the number of premises still needing FTTP at that point will be low.

4.39 Furthermore, ISPs will have had at least one year's notice that any premises in that exchange area with FTTP will see copper pricing deregulation. In the event that an FTTP connection is put in place for premises in a deregulated exchange which previously did not

[253] Gigaclear response to the March 2026 Consultation. Paragraphs 96-102.
[254] Now known as BT Limited as a result of a change of company name in the intervening period.
[255] Sky response to the March 2026 Consultation. Paragraph 25-26. Frontier Economics response to the March 2026 Consultation. Section 2.6.
[256] VodafoneThree response to the March 2026 Consultation. Section 7.

have FTTP, the ISP will be aware that the premises could be subject to price rises at that point and can manage the customer on that basis.

SOGEA

4.40 Some ISPs (VodafoneThree, UKCTA, PXC) wanted SOGEA customers to be excluded from price increases as SOGEA is a useful transition product from copper, and they considered that disruptive repeat migrations for customers should be avoided.

4.41 We recognise that SOGEA is an important transition product (including for Openreach) that supports migration from copper-based products. However, all SOGEA customers will ultimately need to be migrated to FTTP, and we believe that consumers will ultimately benefit from this migration rather than staying on a transition product for an extended period.

4.42 We also believe that any risks of consumer disengagement as result of multiple migrations can be managed by ISPs. The inclusion of the 1 April 2029 date gives ISPs over two years' notice ahead of copper pricing deregulation, giving them the ability to plan the best migration path based on the availability of FTTP. Delivering a smooth migration for customers to SOGEA products in the first instance can also help ISPs to manage customer satisfaction with the migration process. Furthermore, the additional protections for vulnerable customers, outlined below, mean that further protections specifically for SOGEA customers are not necessary.

4.43 We also note that excluding SOGEA customers from price increases is out of scope of this Statement.

Impact on competition between ISPs using Openreach's network

4.44 Sky/Frontier Economics said that faster deregulation of copper may distort competition between BT Retail and access-seeking retail competitors. For many access-seeking ISPs, higher Openreach prices for copper are likely to be passed down to end-users, whereas BT Retail is less directly affected since those prices are just an internal transfer within BT Group.[257] VodafoneThree was concerned that our FPA means that ISPs purchasing MPF are at a material competitive advantage compared with ISPs purchasing WLR.[258]

4.45 We disagree with Sky/Frontier Economics and VodafoneThree that our proposed FPA would result in material risks of harm to retail competition.

4.46 In response to Sky/Frontier Economics' point that higher copper broadband prices from Openreach risk distorting competition between BT's downstream businesses and rival access seekers, we consider that BT has a limited incentive to use wholesale prices to persuade customers of access-seeking competitors to switch and purchase copper broadband from BT. It is costly for Openreach to run a copper-based network alongside a full-fibre network, so it is likely to be broadly in Openreach's interest to migrate customers to FTTP rather than provide copper broadband at a lower price compared to retail competitors. More generally, while wholesale copper prices would no longer be subject to

[257] Frontier Economics response to the March 2026 Consultation. Pages 5, 23 and 24.
[258] VodafoneThree response to the March 2026 Consultation. Section 3.

fair and reasonable pricing requirement following deregulation, BT will still be subject to non-discrimination requirements.[259]

4.47 More generally, higher prices for access to copper broadband from Openreach are an inherent feature of the second threshold. As explained in paragraph 3.16, pricing flexibility forms part of the phased transition to FTTP services. This Statement does not reconsider whether the second threshold should exist, or whether pricing deregulation should form part of the copper retirement framework.

4.48 Contrary to VodafoneThree's position, we do not consider that our FPA means that ISPs purchasing MPF are at a material competitive advantage, compared with ISPs purchasing WLR, because of the lower risk of double migration and associated customer disruption. To the extent that there might be such an effect, its scale is likely to be mitigated by the expected decrease in MPF lines by the time that our fixed percentage of 10% comes into effect.[260] The volume forecasts prepared for the TAR26 Statement imply that MPF volumes are likely to have declined significantly by April 2029, so the number of customers on MPF who may be affected when Openreach is able to raise copper prices will be low.

4.49 More generally, VodafoneThree's point is linked with its concern about the impact of the second threshold on SOGEA customers. We address this in paragraphs 4.40-4.43.

International comparisons

4.50 We have carefully considered the international examples highlighted by stakeholders, including examples from Spain and France where different approaches to copper retirement have been taken.[261] These comparisons illustrate how different jurisdictions are managing the transition from legacy copper networks to full-fibre services.

4.51 However, our review indicates that there is currently no single approach across Europe and national approaches have generally been tailored to specific circumstances of each market, including differences in FTTP availability and take-up, market structure, and the stage reached in the migration process.[262] Countries are also at varying stages of implementation, with only the incumbents in Spain and Norway having fully switched off their copper networks to date.[263] We therefore consider that, while international experience is informative and provides valuable context the examples cited do not, in this instance, alter our assessment of the issues considered in this Statement.

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[259] Since these exchanges will have passed the first threshold, Openreach is unlikely to be supplying new copper connections to third party ISPs. However, for BT's retail businesses to win copper broadband customers away from rival ISPs, Openreach would need to supply them with new connections, which would likely raise concerns.

[260] It would also depend on how many SOGEA customers are with different ISPs.

[261] Openreach response to the March 2026 Consultation. Paragraphs 98-103. Gigaclear response to the March 2026 Consultation. Paragraphs 103 and 104. Wessex Internet response to the March 2026 Consultation. Section 9.

[262] The European Commission has proposed a common framework for copper retirement in the Digital Networks Act (DNA), including a 2035 backstop for copper switch-off across Member States, subject to certain exceptions. However, the proposal remains subject to negotiation under the EU's ordinary legislative procedure and has not yet been adopted. While there is no formal timetable for the process, the EU institutions have identified Q4 2027 as a target date for reaching political agreement.

[263] Cullen International for the FTTH Council Europe. 24 February 2026. Copper decommissioning benchmark Copper Switch-Off Tracker - Decommissioning copper in the European Union, Norway, Switzerland and the United Kingdom. Summary introduction.

Additional measures for consumers

4.52 We agree with INCA that it is important that consumers can make informed choices so they switch to the right service for them.[264] Our use of the terminology of "migration" represents both ISPs switching their customers and customers proactively switching. We recognise that the gradual move from copper to full fibre services represents an opportunity for consumers to switch to FTTP on alternative networks as well as Openreach's.[265]

4.53 Additional measures relating to contracts or information, such as suggested by Wessex Internet or VodafoneThree, cannot be put in place through the direction issued with this Statement.[266] Such measures are therefore out of scope of this Statement. However, as discussed above, we recognise the importance of supporting consumer switching.

4.54 We set out in the TAR26 Statement the additional measures and voluntary initiatives we have undertaken to achieve the best outcomes for consumers. These measures include One Touch Switch, End of Contract Notifications, and requiring clearer information about broadband technologies at the point of sale.[267] We continue to monitor the implementation of our consumer rules and to work with industry to support consumer switching, in line with the Government's Statement of Strategic Priorities.[268] Finally, Ofcom has recently created a consumer portal – a 'one-stop shop' where consumers can easily access a range of useful information. [269]

4.55 It is important that vulnerable consumers are appropriately protected throughout telecoms modernisation programmes, including the retirement of copper-based services. UK Government interventions, as well as commercial investment and our regulation, will play a role in ensuring consumers are supported during these transitions. For example, the major providers and network operators have signed a number of voluntary charters with the Government to ensure that vulnerable customers are protected and supported during the migration.[270]

4.56 Given the existing measures in place to protect consumers, we do not believe that additional measures, such as suggested by Which?, are currently necessary.[271] Importantly, vulnerable consumers who do not have FTTP at their premises will continue to be protected

[264] INCA response to the March 2026 Consultation. Paragraphs 46-48.
[265] INCA response to the March 2026 Consultation. Paragraphs 13-16.
[266] In response to Wessex Internet's suggestion to facilitate the switch off of copper services through short contracts, waiving of early termination charges, and information on FTTP services, retail ISPs remain able to offer short contract terms or waive termination charges. Wessex Internet response to the March 2026 Consultation. Section 8.
[267] Ofcom. March 2026. Statement: Promoting competition and investment in fibre networks: Telecoms Access Review 2026-31. Volume 1. Paragraphs 2.43 and 2.44. The 'One Touch Switch' (OTS) process means that customers moving between different networks or technologies will have their switch managed entirely by their new provider. Our End Of Contract Notifications (ECNs) require broadband providers to notify residential customers of when their minimum contract period is coming to an end and the best deals that they have available. Finally, our guidance to help consumers make informed choices also mean that providers should tell people about the underlying technology used to deliver their services at point of sale.
[268] DSIT. Statement of Strategic Priorities for telecommunications, the management of radio spectrum, and postal services. April 2026.
[269] Ofcom. Consumer Hub: On your side
[270] For example, DSIT. 24 March 2026. PSTN Network Operator Charter.
[271] Which? suggested that Ofcom requires Openreach to certify that no known vulnerable customer is left without access to a viable service prior to a second threshold notice being issued. Which? response to the March 2026 Consultation. Page 5.

by the copper charge control. In addition, we are committed to continue to work with industry and the UK Government to ensure that customers, particularly those who are vulnerable, are supported and protected through these transitions. We will continue with this work through our ongoing monitoring programmes.

Third threshold

4.57 The third threshold refers to the criteria that must be met for the complete withdrawal of regulation of copper services. In the TAR26 Statement, we decided not to define criteria for the third threshold for the 2026-31 review period, as we considered it was too early to do so.[272] However, we remain of the view that the regulatory transition away from copper-based services will ultimately conclude with the removal of all regulation on copper-based services.

4.58 We have been consistent in setting out a three-stage approach to the regulatory transition from copper-based services to full fibre services. This is important to provide stability and clarity to industry through the course of this transition.

4.59 Our decision in this Statement establishes a workable approach to the second threshold for the 2026-2031 review, and underlines our commitment to supporting the retirement of Openreach's copper-based network. At the same time, we continue to recognise the importance of providing a clear pathway towards the final stage of the transition.

4.60 As set out previously, copper retirement plays an important role in enabling the modernisation of communications networks and realising the associated benefits. The conditions for full deregulation of all copper-based services, including FTTC and SOGEA, will be critical to enabling timely and safe withdrawal of legacy copper networks. It will also support the migration of consumers to faster, more reliable services.

4.61 We will consider the criteria for further deregulation of copper services in advance of the start of the next market review period, with any conditions expected to take effect from 2031.

4.62 We agree that it will be important to work with a wide range of stakeholders, including Government and the third sector, in considering the conditions for full copper deregulation. We are keen to consider a range of possible approaches to copper deregulation from 2031. While Openreach coverage requirements have been a key feature of our approach to the first and second thresholds to date, this reflects the objectives we are seeking to achieve at this stage in the transition. Different approaches may be appropriate as FTTP build completes and take-up progresses. By way of illustration of a potential alternative, copper regulation could be withdrawn on a premises-by-premises basis where certain conditions have been met. Any such conditions could also reflect the availability of alternatives other than Openreach FTTP, where those alternatives are capable of supporting migration from copper-based services.

4.63 We plan to begin engaging with stakeholders on full deregulation well in advance of consulting on our proposals for the 2031-36 market review, so that stakeholder views can inform those proposals.

[272] Ofcom. March 2026. Statement: Promoting competition and investment in fibre networks: Telecoms Access Review 2026-31. Volume 3. Paragraphs 2.171-2.176.

4.64 Our starting point is to recognise the importance of full deregulation for consumers as well as providers, and the benefits of a timely and orderly transition. In the TAR26 Statement, we set out our view that customers should not pay higher copper prices for a prolonged period of time before regulation is withdrawn. We cannot fetter our discretion in relation to future decisions on the copper retirement framework, and those decisions will flow from the assessment conducted as part of our 2031 market review. However, our current thinking is that full deregulation of copper-based services could start to take effect from 2031.[273]

4.65 In response to VodafoneThree's suggestion for a wider and overarching approach coordinated with the Government,[274] we recognise the value of coordinating Ofcom's approach to various technological and digital transitions. We are committed to continue to work with industry and the UK Government to ensure that customers, particularly those who are vulnerable, are supported and protected through these transitions. We also intend to consider what general principles there are across digital transitions to deliver the best outcomes for consumers, industry and economic growth. We will continue with this work through our ongoing monitoring programmes.[275]

Premises without an FTTP connection

Specific concerns about customers without an FTTP connection

4.66 PXC and ACNI raised concerns that the FPA would result in more difficult to access premises being excluded from Openreach's FTTP build. UKCTA raised a concern that competition in the business market could be distorted as a result of our proposed FPA resulting in Openreach being disincentivised from building FTTP to business premises.

4.67 We recognise that there will be hard-to-reach premises that fall outside of the commercial plans of Openreach and where Openreach will not build. However, as we mention above, there are many other factors apart from the ability to meet the conditions for pricing deregulation that influence where and when Openreach builds. This point applies to both business and residential premises. Accordingly, we believe it is unlikely that Openreach would not build to business or residential premises due to a fixed percentage approach to the second threshold, where it would otherwise accord with its commercial plans.

Monitoring and transparency of exclusions

4.68 We disagree with stakeholders' suggestions for exhaustive additional requirements on Ofcom to set up detailed reviews and an appeal process, and on Openreach to provide further evidence, justification and information.

4.69 We explained in the TAR26 Statement that we will proactively monitor Openreach's compliance with the rules and requirements we imposed in the Telecoms Access Review 2026-31. We are doing this as part of our Competition Supervision programme, set up specifically to oversee competition across telecoms markets, and to monitor compliance with rules we set in our market reviews.

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[273] Ofcom. March 2026. Statement: Promoting competition and investment in fibre networks: Telecoms Access Review 2026-31. Volume 3. Paragraph 2.176.
[274] VodafoneThree response to the March 2026 Consultation. Page 10.
[275] Ofcom. March 2026. Statement: Promoting competition and investment in fibre networks: Telecoms Access Review 2026-31.Volume 1. Paragraph 2.76.

4.70 We will carry out our monitoring of the copper retirement rules as part of this. As we said in the TAR26 Statement, we will continue our regular engagement with Openreach to monitor progress against thresholds. We can formally request information from Openreach on copper retirement issues where appropriate, or in light of a specific concern.[276]

4.71 We do not support suggestions from Community Fibre and PXC that Ofcom or Openreach should publish a list of defined exclusions, or from BUUK, that Openreach should publish the dataset used to determine relevant premises. This will add to the administrative burden on Openreach while providing only limited additional information relevant to end-users and stakeholders. In addition, in relation to publishing information on exclusions, the Openreach checker already provides information on services available (or otherwise) at individual premises.[277] In any event, Community Fibre and PXC's suggestions are made in the context of recommending the DEA, which we are not taking forward.

[276] Ofcom. March 2026. Statement: Promoting competition and investment in fibre networks: Telecoms Access Review 2026-31. Volume 3. Paragraph 2.178.
[277] Openreach full fibre availability checker. Accessed 30 July 2026.

A1. Notification for the direction

Notification under section 49 of the Communications Act 2003

Notification of the giving of a Direction under section 49 of the Communications Act 2003 and SMP condition 1.7(b) relating to the identification of excluded premises for the publication of a Second Threshold Notice (“Notification”)

Background

1. In the statement titled “Promoting competition and investment in fibre networks: Telecoms Market Review 2026-31” dated 17 March 2026, Ofcom identified markets, made market power determinations and decided to impose SMP services conditions on BT (“SMP conditions”), including SMP condition 1.7(b).

2. On 17 March 2026, Ofcom further published a consultation document entitled “Consultation: Approach to the Copper Retirement Second Threshold Calculation” (the “Consultation”) setting out Ofcom’s proposals to exclude premises for the purpose of SMP condition 1.7(b).

3. Under SMP condition 1.7(b) BT may publish a Second Threshold Notice in respect of a Local Serving Exchange where:

    (a) a First Threshold Notice has been published in relation to that Local Serving Exchange for a minimum period of 2 years; and

    (b) Ultrafast network access is available to 100% of Relevant Premises served by that Local Serving Exchange but excluding any premises that Ofcom may from time to time direct.

4. BT is required to comply with any direction that Ofcom may make under SMP condition 1, as set out in SMP condition 1.11, including any direction made under SMP condition 1.7(b).

5. In accordance with section 49 and section 49A of the Act, Ofcom proposed to give a direction under SMP condition 1.7(b) relating to the identification of excluded premises for the publication of a Second Threshold Notice. The effect of, and reasons for giving the proposed direction were set out in the Consultation.

6. The notification of the proposed direction was published at Annex 5 of the Consultation, and a copy was sent to the Secretary of State under section 49C(1)(a) of the Act. Ofcom invited responses to the Consultation by 12 May 2026.

7. Ofcom received several responses in relation to the proposals set out in the Consultation and it carefully considered every such representation. The Secretary of State did not notify Ofcom of any international obligation on the United Kingdom for the purposes of section 49A(6)(b) of the Act.

8. On 9 September 2026, Ofcom published a statement titled “Statement: Approach to the Copper Retirement Second Threshold Calculation” (the “Statement”) setting out the premises to be excluded for the purposes of SMP Condition 1.7(b).

Decision to give direction

9. Ofcom has decided in accordance with section 49 of the Act, and under SMP condition 1.7(b), to give the direction as set out in the Schedule to this Notification relating to the identification of excluded premises for the purpose of a Second Threshold Notice published under SMP condition 1.7(b)(the “Direction”).

10. The effect of, and reasons for giving, the Direction are set out in the Statement accompanying this Notification.

Ofcom’s duties and legal tests

11. Ofcom considers that the Direction complies with the requirements of section 49(2) of the Act for the reasons set out in the Statement.

12. In giving the Direction, Ofcom has considered and acted in accordance with its general duties set out in section 3 of the Act and the six requirements in section 4 of the Act, and had regard to both the Statement of Strategic Priorities in accordance with section 2B of the Act, and the desirability of promoting economic growth in accordance with the growth duty set out in section 108 of the Deregulation Act 2015 (c. 20).

13. A copy of the Direction has been sent to the Secretary of State in accordance with section 49C(1)(b) of the Act.

Interpretation

14. For the purpose of interpreting this Notification:

    (a) except in so far as the context otherwise requires, words or expressions have the meaning assigned to them in paragraph 15 below, and otherwise any word or expression has the same meaning as it has in the Act;
    (b) headings and titles shall be disregarded;
    (c) expressions cognate with those referred to in this Notification shall be construed accordingly; and
    (d) the Interpretation Act 1978 (c. 30) shall apply as if this Notification were an Act of Parliament.

15. In this Notification:

    (a) **“Act”** means the Communications Act 2003 (c.21);
    (b) **“BT”** means British Telecommunications Limited, whose registered company number is 1800000, and any of its subsidiaries or holding companies, or any subsidiary of such holding companies, all as defined by section 1159 of the Companies Act 2006;
    (c) “**Dominant Provider**” means BT;
    (d) **“First Threshold Notice”** has the meaning given in SMP condition 1.7(a);
    (e) **“Local Serving Exchange”** means the site of an operational building of BT, where interconnection is made available by BT to a Third Party for Network Termination Points served by that site for the provision of network access provided by the Dominant Provider in accordance with SMP condition 1 and SMP condition 2 (as applicable);
    (f) **“Network Termination Point”** means the physical point at which a Relevant Subscriber is provided with access to a public electronic communications network;

(g) **"Ofcom"** means the Office of Communications as established pursuant to section 1(1) of the Office of Communications Act 2002 (2002 c. 11);

(h) **"Relevant Subscriber"** means any person who is party to a contract with a provider of public electronic communications services for the supply of such services;

(i) **"Relevant Premises"** means all premises in a Local Serving Exchange area as at the date of the First Threshold Notice given in respect of that Local Serving Exchange;

(j) **"Second Threshold Notice"** has the meaning given in SMP condition 1.7(b);

(k) **"Ultrafast Broadband Services"** means a retail broadband service which offers at least 300Mbit/s download speed and which is provided over the Dominant Provider's electronic communications network;

(l) **"Ultrafast network access"** means the wholesale provision of network access which can be used to provide Ultrafast Broadband Services and which is provided over the Dominant Provider's electronic communications network; and

(m) **"Third Party"** means a person providing a public electronic communications service or a person providing a public electronic communications network;

16. The Schedule to this Notification shall form part of this Notification.

Signed

Ben Harries

Policy Director, Infrastructure and Connectivity Group, Ofcom

A person duly authorised in accordance with paragraph 18 of the Schedule to the Office of Communications Act 2002

9 September 2026

Schedule

Direction under section 49 of the Communications Act 2003 and SMP condition 1.7(b) relating to the identification of excluded premises for the publication of a Second Threshold Notice

Background

1. On 17 March 2026 Ofcom concluded its review of the physical telecoms infrastructure markets and the wholesale markets underpinning broadband and leased line services in which it identified markets, made market power determinations and set appropriate SMP conditions with respect to BT for the five year period from 1 April 2026 to 31 March 2031 (as set out in the notification at Volume 7 to the review). Ofcom determined that BT has significant market power in the market for the supply of wholesale local access at a fixed location in WLA Area 2 and WLA Area 3.

2. SMP condition 1 (network access on reasonable request) was set in relation to the markets referred to in paragraph 1. This Direction concerns matters to which those conditions relate.

3. Under SMP Condition 1.7(b) BT may publish a Second Threshold Notice in respect of a Local Serving Exchange where a First Threshold Notice has been published in relation to that Local Serving Exchange for a minimum period of 2 years and Ultrafast network access is available to 100% of Relevant Premises served by that Local Serving Exchange but excluding any premises that Ofcom may from time to time direct.

4. This Direction is made under:

    (a) Section 49 of the Act; and
    (b) SMP Condition 1.7(b).

Direction

5. Ofcom has decided to give the Direction as set out in paragraph 6 with effect from 9 September 2026.

6. The premises to be excluded for the purpose of SMP condition 1.7(b) are:

    On or after 1 April 2029, 10 % of the Relevant Premises served by the relevant Local Serving Exchange.