



**CONSULTATION: Approach to the copper retirement second threshold calculation.**

**TalkTalk Communications Limited t/a PlatformX Communications (PXC)  
Response**

[15<sup>th</sup> May 2026]

**NON-CONFIDENTIAL VERSION**

*PXC is part of the TalkTalk Group. PXC plays a unique and important role in the UK telecoms market providing broadband and leased line connections to ISPs and resellers utilising scale networks as well as those of Altnet providers. PXC is the UK's largest wholesaler to ISPs and supports TalkTalk Consumer, as well as over 1,000 smaller ISPs who provide services to c 3.2m residential and business end-customers.*

*PXC is committed to providing crucial support to the emerging Altnet sector, with ambitions to become the industry's aggregator of choice.*

*The outcome of this consultation is crucial to the success of PXC, our Altnet suppliers and our ISP customers. We look forward to making a useful contribution which reflects not only the interests of PXC but also those of our customers and suppliers.*

## 1 EXECUTIVE SUMMARY

- 1.1 PXC welcomes the opportunity to respond to Ofcom's consultation on modifications to the second threshold in the copper retirement framework.
- 1.2 PXC considers that the current framework—where the second threshold is set at 100% migration of copper products is functioning effectively. It supports an orderly, competitive, and consumer-conscious migration away from legacy copper services.
- 1.3 The proposed introduction of a **fixed percentage approach below 100% (e.g. 90% / 10% threshold)** and the continued inclusion of Single Order Generic Ethernet Access (**SoGEA**) within the threshold calculation introduces significant risks of:
  - (a) consumer harm;
  - (b) distorted competition; and
  - (c) inefficient pricing outcomes.
- 1.4 PXC asks Ofcom to confirm if the pricing regulation would be lifted for all premises in an exchange footprint area utilising a copper service, when Openreach Fibre To The Premises (**FTTP**) is available, or if premises within the exchange footprint that are part of the proposed 10% exclusion, will continue to be protected by regulated pricing on the copper product which they may be forced to continue utilising. Current positioning within the consultation is not entirely clear.
- 1.5 PXC is particularly concerned by Ofcom's proposal to **continue to regulate SoGEA as a copper product**, whilst industry, [X] including Openreach continue to characterise it as an enduring IP access product, given that it is widely used as a key migration pathway between MPF and fibre. If SoGEA premises cannot be removed from the threshold calculation, then we would propose that allowing a material increase in the timeframe for notification of the threshold two trigger should be included.
- 1.6 Copper pricing [X]<sup>1</sup>. Further relaxation of pricing constraints risks repeating the consumer harm observed in the current review period.
- 1.7 Copper pricing must not be used as a mechanism to force migration. Migration must instead be **driven by**:
  - (a) **availability** of viable alternatives;
  - (b) **robust** operational processes and regulation; and
  - (c) **appropriate** protections for vulnerable customers.
- 1.8 Copper withdrawal must remain:

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<sup>1</sup> PXC Pre-TAR submission to Ofcom – [X]

- (a) **orderly;**
- (b) **fully safeguarded;** and
- (c) **subject to strong regulatory oversight** to ensure that remedies introduced by Ofcom are being appropriately applied.

## 2 COPPER PRICING

- 2.1 PXC has consistently evidenced through its submissions to the TAR26 review that legacy copper-based services—including MPF, FTTC and copper-anchored WLA products, are:
- (a) [REDACTED];<sup>2</sup>
  - (b) generating [REDACTED], despite declining volumes and a reducing investment risk profile;<sup>3</sup> and
  - (c) driving [REDACTED].
- 2.2 PXC’s TAR submissions demonstrated that copper services have remained [REDACTED]. This is not consistent with a framework designed to support efficient cost recovery and investment but instead reflects [REDACTED] if the mechanism of restricting the ceiling price on the product is removed prematurely.
- 2.3 The consequence of the over-recovery has been material consumer harm, [REDACTED] Crucially, this detriment has occurred without any corresponding improvement in service quality, delivery outcomes, or pace of transition.
- 2.4 Against this evidence base, PXC considers that there is no economic, regulatory or policy justification for permitting further copper price increases—either explicitly or **indirectly** via changes to **threshold** mechanisms.
- 2.5 The introduction of additional pricing flexibility at this stage would risk perpetuating an already inefficient pricing regime and compounding historic consumer harm.
- 2.6 In the copper threshold consultation, there is a continued reliance – whether that be explicit or implied – that copper pricing is a mechanism which should be pushed to support FTTP investment opportunity. PXC does not believe that copper pricing is an investment incentive, nor should it be subsequently seen as a migrations / exchange exit tool.
- 2.7 Evidence which PXC submitted during the TAR26 process demonstrates that:
- (a) there is no robust link between elevated copper prices and incremental FTTP deployment<sup>4</sup>;
  - (b) there is a [REDACTED]<sup>5</sup>; and
  - (c) the primary drivers of FTTP rollout are (and need to continue to be) structural and policy-led, including:
    - (i) PIA reform and improved duct/pole access;
    - (ii) wayleave and planning reforms;
    - (iii) access to capital and macroeconomic conditions; and
    - (iv) competitive dynamics, particularly from Altnets.
- 2.8 Openreach’s FTTP rollout and continued trajectory for rollout is consistent with the ambitions it stated it held, independent of any copper pricing support being removed. PXC considers that maintaining or extending this approach to force migration from copper to fibre is **economically inefficient and poorly targeted**, and is not consistent with promoting sustainable and competitive investment.

<sup>2</sup> PXC Pre-TAR submission to Ofcom – [REDACTED]

<sup>3</sup> PXC Pre-TAR submission to Ofcom – [REDACTED]

<sup>4</sup> [PXC TAR26 integrated submission](#) – Page 12| para 2.54

<sup>5</sup> [PXC TAR26 integrated submission](#) – [REDACTED]

### 3 THRESHOLD CALCULATIONS

- 3.1 PXC considers that the design and application of the threshold calculation is a critical determinant of how, and when, regulatory consequences are triggered within the copper transition framework. It is therefore essential that the methodology is both robust and resistant to distortion, particularly where it directly affects pricing flexibility and consumer outcomes.
- 3.2 Under the proposed fixed percentage model of 90%, the second threshold is assessed by the proportion of premises within an exchange area that have access to Openreach FTTP. However, this calculation is not applied to the total premises base in the entirety of its footprint. Instead, it is contingent on the treatment of excluded premises.
- 3.3 This management of the footprint has the potential to cause the threshold to become a measure of coverage with a net of exclusions, instead of being a measure of absolute coverage.
- 3.4 In practical terms, the exclusion of premises from the threshold calculation reduces the total base against which coverage is measured. This lowers the number of premises that must be served in order to meet the threshold and therefore gives Openreach the opportunity to accelerate to the point at which pricing deregulation can begin. By way of illustration, if we were to consider a theoretical exchange area with 1,000 premises. Under the proposed 90% threshold:
- (a) In the absence of exclusions, Openreach would be required to provide FTTP coverage to 900 premises to meet the threshold.
  - (b) However, if 100 premises are designated as excluded, the threshold is instead calculated over the remaining 900 premises, which in turn means that Openreach would only need to cover 810 premises to meet the 90% threshold and begin the pricing deregulation.
- 3.5 While the nominal threshold remains unchanged, the actual operational requirement to trigger deregulation is materially reduced. The threshold therefore becomes contingent on how the premises base is defined as in or out of scope by Openreach, which gives rise to several concerns for the wider industry. These include:
- (a) **A reduced incentive to address the most complex, costly or operationally challenging premises** – If the threshold can be achieved through a combination of deployment and exclusions, there is then a reduced need to achieve, and ultimately those premises and consumers are excluded and get left behind technologically.
  - (b) **An increased risk of supplementing the digital divide** – Again an issue which the government aims to address with their 2026 SSP. There is potential for outcomes to be skewed as premises which are on that excluded list are unlikely to be randomly distributed and there is potential that they instead are:
    - (i) harder-to-reach locations;
    - (ii) more complex (e.g. MDUs); or
    - (iii) subject to access constraints.
  - (c) **Transparency and accountability** – Who and how will the exclusions be monitored? If exclusion decisions play a material role in determining when thresholds are met, it is essential that the criteria for exclusion are clearly defined, applied with uniformity and consistency and that decisions are subject to appropriate scrutiny. If this is missing, there is a risk that the threshold becomes unfair both commercially and for consumers.
- 3.6 PXC suggests that when designing the threshold calculation Ofcom needs to remain vigilant of the following safeguards:
- (i) minimise reliance on broad or discretionary exclusions;
  - (ii) ensure that exclusion decisions are **exceptional** rather than structural;
  - (iii) provide full visibility of how thresholds are derived in practice; and
  - (iv) maintain a clear link between threshold achievement and genuine network readiness.

- 3.7 In the absence of these safeguards, there is a risk that Ofcom’s proposed framework approach could lead to premature deregulation, uneven consumer outcomes, and weakened incentives to complete migration fairly and safely across all premises.
- 3.8 Ultimately, a threshold framework that can be met through a combination of deployment and exclusion remedies risks diluting the link between regulatory support and genuine network readiness. This in turn may exacerbate any existing asymmetries in the market whilst also exposing a residual cohort of consumers to inferior outcomes which are potentially unsafe and harmful.

**4 INCLUSION OF SOGEA**

- 4.1 PXC believes that Ofcom should reconsider its application of the second threshold rule to properties that could be served by SoGEA as an interim product when there is a lack of FTTP.
- 4.2 SoGEA, has played a central and well-established role in enabling migration away from MPF, providing a technically stable and operationally proven pathway to all-IP services without the need for full fibre dependency.
- 4.3 SoGEA is consistently treated by industry as a forward-looking (enduring) access product, rather than a legacy copper service which would be subject to withdrawal and deregulation in the same manner as MPF. Due to the reliance in industry, it may be pertinent to assess the feasibility of allowing SoGEA supplied premises an extended notification period of threshold two deregulation, if removing SoGEA from calculations is impractical.
- 4.4 PXC’s proposals around SoGEA are consistent with [X].<sup>6</sup> PXC, like others in industry work closely with Openreach to ensure the transition from copper to fibre is a swift, but stable one and as a result of that continued approach, providers should not be penalised by having an Openreach promoted product pricing deregulated.
- 4.5 SoGEA being classified and treated purely as a ‘copper basket product’ (and being subject to deregulation in the same manner as the more legacy copper basket of products), instead of being appreciated for its hybrid ability to allow a safe and efficient transition from the antiquated MPF to Fibre, causes several concerns:
  - (a) **Undermines a functioning migration pathway** – SoGEA is widely used because it allows migration to proceed in a controlled and scalable manner, especially where FTTP isn’t available or isn’t suitable.
  - (b) **Introduces regulatory inconsistency** – A product used to support transition is categorised as part of the legacy base to be retired.
  - (c) **Risks distorting migration sequencing** – Migration pathways should remain flexible and adaptive to local conditions.
- 4.6 Continuing to include SoGEA (arguably one of the primary intermediary products on the market) within the threshold calculation would:
  - (a) risk disincentivising its use and creating unnecessary bottlenecks in the exchange migration and exchange exit programmes;
  - (b) create uncertainty for Communications Providers (CPs), particularly in relation to long-term planning and commercial strategy;
  - (c) risk forcing a more binary transition than is realistic in operational terms, particularly in mixed-technology, extreme or non-conventional environments;
  - (d) increase operational complexity and coordination requirements; and
  - (e) risk delaying, rather than accelerating, overall migration progress.

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<sup>6</sup> [X]

4.7 PXC considers that SoGEA should be excluded from both first and second threshold calculations, consistent with its role as a transitional, all-IP access product.

## 5 CONSUMER HARM

5.1 PXC remains concerned that the use of broad exclusion categories, and the introduction of a percentage-based threshold 90%, for exclusions risks producing outcomes where a material cohort of consumers is effectively left behind in the transition process from MPF to FTTP.

5.2 There is a potential that those deemed most at risk on the networks in our industry are at serious risk of being unduly discriminated against due to their geographic location, then being penalised for it financially. Ofcom needs to consider the proposed mechanism for triggering the second threshold and how it can regulate that consumers who genuinely cannot migrate to a fibre product are not financially or physically disadvantaged by the deregulation of costs.

5.3 In practice, the exclusions applied are unlikely to be neutral and it is unclear how they will be decided. There is a clear risk that they will become **concentrated among specific customer groups**, including those:

- (i) in technically complex premises;
- (ii) in less economically attractive locations; or
- (iii) with more complex service requirements.

5.4 Without robust controls, this creates the potential for **systematic under-provision**, where certain users are persistently deprioritised in migration planning. PXC urges that any agreed exclusion framework must operate to a significantly higher standard than is currently proposed in the consultation.

5.5 His Majesty's Government released the statement of strategic priorities (**SSP**) for Ofcom in 2026 which has a heavy emphasis on the protection of consumers. As a consequence of that instruction, PXC believes that a way to satisfy that would be to at a minimum, ensure any exclusions must be:

- (a) **Individually justified** - with clear, auditable reasoning for each designation.
- (b) **Based on objective, standardised (where possible) evidence** – instead of purely on operational convenience or cost optimisation; and
- (c) **Subject to transparency** – To ensure that **CPs** (and, where appropriate, end users) have visibility of how and why decisions are made.

5.6 An additional method to support the requirement of the SSP, is to introduce a formal challenge mechanism surrounding exclusions. Without such mechanisms:

- (a) CPs have limited ability to advocate on behalf of their customers;
- (b) consumers have no clear route to query or contest decisions that directly affect their access to services; and
- (c) there is insufficient accountability in how exclusions are applied in practice.

5.7 PXC therefore proposes:

- (a) the introduction of a **right to challenge exclusion decisions**, including on a CP-led basis; and
- (b) stronger evidential requirements on Openreach to demonstrate why premises cannot reasonably be included within migration scope.

## 6 CONCLUSION

6.1 PXC does not support:

- (a) reducing the second threshold below 100% , unless there are changes to the exclusion criteria as well as the introduction of robust monitoring of the application of the exclusions and threshold triggers; and

- (b) keeping SoGEA in the scope of threshold calculations; or if it were to remain then as a minimum there should be materially extended timeframes of notice for pricing deregulation for SoGEA served premises to allow the product to act as an industry accepted intermediary product to support the migration from legacy services.