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Wessex Internet Response to OFCOM Copper Retirement

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NOTE: Wessex Internet endorses the response submitted by the Independent Networks Co-operative Association (INCA), and this submission should be read as complementary to that response, reflecting both shared sector concerns and Wessex Internet's direct operational experience as a rural alternative network operator

1. Support for a Defined Exclusion Approach in the Second Threshold Calculation

Wessex Internet welcomes the opportunity to respond to Ofcom’s consultation on the approach to determining which premises may be excluded from the second threshold for copper retirement. As a rural-focused Alternative Network (AltNet) provider delivering full fibre infrastructure across Dorset, Somerset, Wiltshire, Hampshire and surrounding counties, we strongly support the adoption of a defined exclusion approach and from our experience of working with BDUK on Project Gigabit, we believe a working methodology to defining the excluded properties should be possible at the UPRN level (it is reasonably straightforward to identify publicly funded gigabit-capable deployments, from existing datasets, with a degree of accuracy entirely sufficient for regulatory purposes, and the consultation appears to overstate the complexity involved).

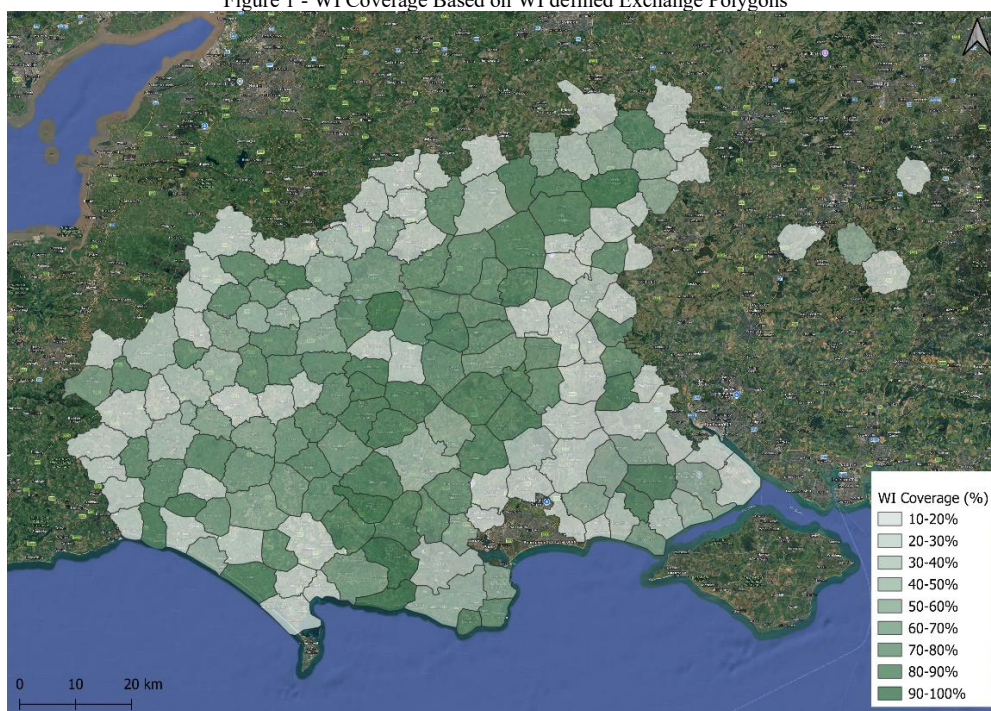
Ofcom’s consultation presents the Fixed Percentage Approach as a mechanism that can simultaneously deliver regulatory effectiveness and administrative simplicity, however, the data required to define the exchange coverage areas does not appear to be publicly available.

Wessex Internet does not agree that this outcome is achieved in practice on either of those objectives.

While the proposed approach *may* reduce administrative complexity, it risks materially undermining effective competition, creates perverse investment incentives, and may favour the incumbent provider. Regulatory convenience cannot justify these outcomes where workable and proportionate alternatives exist.

Separately, we also propose an additional consumer safeguard to ensure that copper price deregulation operates as intended and does not inadvertently harm consumers or distort competition.

Figure 1 - WI Coverage Based on WI defined Exchange Polygons



2. Summary of Wessex Internet's Position

Wessex Internet supports Ofcom's intention to provide clarity on how exclusions should be applied. We believe a defined exclusion approach is essential because it:

- Ensures fair treatment between Openreach and AltNets
- Avoids wasteful and distortionary overbuild (which is a predictable incentive outcome of FPA)
- Reflects the engineering and economic constraints of rural deployment
- Accelerates copper retirement and reduces long-term costs
- Provides transparency and predictability for all market participants
- Protects consumers while avoiding disproportionate regulatory burdens

We therefore urge Ofcom to adopt a clear, codified set of exclusion categories and criteria.

Wessex Internet does not support the proposed fixed percentage exclusion mechanism, as it prioritises administrative simplicity over competitive neutrality and risks materially distorting investment and build behaviour.

Secondly, we propose a contract-term safeguard to ensure that copper price deregulation genuinely supports FTTP migration rather than locking customers into legacy services.

3. Ensures Regulatory Fairness Between Openreach and Alternative Networks

A defined exclusion approach prevents Openreach from gaining an unfair advantage in areas where AltNets like Wessex Internet have already delivered ultrafast coverage.

Under a fixed percentage framework, Openreach has a direct incentive to prioritise premises that accelerate regulatory threshold achievement rather than those that represent efficient or socially optimal investment. Where alternative networks prevent Openreach from reaching the percentage threshold, overbuilding those networks becomes a rational response, not an unintended side effect.

This would waste public and private investment, distort competition, and undermine the Government's aim of a diverse, competitive fibre market. In these circumstances, proportionality considerations do not address the underlying issue, as the incentive to overbuild flows from the architecture of the fixed percentage framework itself rather than from any marginal adjustment to its parameters. A defined exclusion mechanism ensures that premises already served by credible ultrafast networks can be excluded, avoiding unnecessary duplication.

Result: a level playing field that recognises the contribution of AltNets to national fibre coverage.

4. Reflecting the Realities of Rural and Hard-to-Reach Deployment

Rural operators like Wessex Internet know that a small proportion of premises are:

- Technically complex (e.g., long private driveways, wayleave barriers)
- Disproportionately expensive to serve
- Subject to land access constraints
- Located in geographies where fibre deployment is not economically viable without subsidy

Requiring Openreach to reach every single premise before copper retirement is allowed:

- Create perverse incentives to delay retirement
- Forces investment into the least efficient final 1–2%
- Slows down the transition to full fibre for the majority

A defined exclusion approach acknowledges that a small number of premises will always fall into categories where fibre deployment is disproportionately costly or impractical. This is consistent with the principle of proportionality that underpins Ofcom's regulatory duties.

Rural alternative networks are frequently mid-deployment for extended periods due to wayleave complexity, seasonal constraints and publicly funded delivery obligations. A threshold mechanism that accelerates incumbent pricing power during this period structurally disadvantages those operators, despite serving the same long-term policy objectives.

5. Accelerates Copper Retirement and Reduces Long-Term Costs

Copper networks are expensive to maintain and energy-inefficient.

Delays in retirement:

- Increase operational costs
- Slow down the migration of customers to full fibre
- Prolong dual-running of copper and fibre networks

Wessex Internet fully supports the timely retirement of copper networks, provided the regulatory framework does not distort competition or undermine efficient alternative investment in the process.

By allowing a defined set of exclusions, Ofcom enables Openreach to:

- Retire copper **sooner** in areas where ultrafast coverage is effectively complete
- Reduce costs that ultimately feed into wholesale and retail prices
- Focus investment on fibre upgrades rather than legacy maintenance

This will reduce long-term costs for industry and consumers and support the Government's ambition for nationwide gigabit connectivity.

6. Provides Transparency and Predictability for All Market Participants

A defined exclusion framework gives:

- AltNets clarity on how their coverage will be recognised
- Openreach certainty on what is required to trigger copper retirement
- Retail ISPs confidence in migration timelines
- Consumers assurance that copper switch-off will be orderly and fair

Without a defined approach, exclusion decisions risk becoming inconsistent or ad hoc, leading to disputes, delays, and uncertainty across the market; so while a fixed percentage approach may appear to simplify administration, it reduces predictability for investment-led operators whose build timelines and commitments are highly location-specific. Transparency is better served by clear exclusion categories than by a blunt numerical allowance that varies unpredictably in its competitive effects between exchanges.

7. Protects Consumers While Avoiding Over-Engineering

Wessex Internet recognises the importance of ensuring that consumers in excluded premises continue to receive a functional broadband service. A defined exclusion approach can incorporate safeguards for:

- Vulnerable users
- Telecare and emergency service requirements
- Premises with essential copper-based services

This ensures that consumer protection is maintained without imposing disproportionate obligations on network operators. Effective network competition is itself a critical form of consumer protection, particularly in rural and semi-rural areas.

8. Proposed Safeguard: Contract Terms for Deregulated Copper Services

Rationale

Ofcom has stated that deregulation of copper pricing following the second threshold is intended to **incentivise customer migration to FTTP**. However, if providers are permitted to lock customers into **long fixed-term copper contracts at higher prices**, this objective will be undermined.

Such practices would:

- Delay customer migration to FTTP
- Create consumer harm through higher legacy-service costs
- Distort competition, particularly in rural areas where AltNets are completing publicly funded fibre builds
- Reduce the effectiveness of copper price deregulation as a policy tool

To ensure that customers remain free to migrate to FTTP as soon as it becomes available, a targeted safeguard is required.

Proposed Safeguard

Wessex Internet proposes that, in exchanges where the second threshold has been triggered:

1. Copper-based services must not be sold on fixed-term contracts exceeding 90 days (i.e., quarterly rolling only).
2. All early termination charges must be waived where a customer migrates from copper to any FTTP service (whether provided by Openreach or an AltNet).
3. Customers must be clearly informed that they can switch to FTTP without penalty as soon as it becomes available at their address.

Purpose and Benefits

This safeguard ensures that copper price deregulation delivers its intended purpose accelerating FTTP migration without:

- Locking customers into higher-priced legacy services
- Disadvantaging rural fibre providers
- Creating artificial barriers to take-up of gigabit-capable networks

It is a proportionate and targeted measure that supports consumer choice, competition, and efficient market outcomes. This safeguard is not intended to introduce new retail regulation, but to ensure that copper price deregulation operates as intended: to facilitate, rather than delay, migration to gigabit-capable networks. It is limited in scope, exchange-specific, and time-bound.

9. Alignment with Government Policy and International Best Practice

Government policy emphasises:

- Avoiding unnecessary overbuild
- Encouraging investment by a diverse set of fibre providers
- Accelerating the retirement of legacy networks

A defined exclusion approach, combined with the proposed contract-term safeguard, is fully aligned with these objectives. It also reflects international best practice in countries where fibre rollout is more advanced, such as Spain (Digital Network Act) and Portugal, where regulated copper switch-off frameworks include clear and proportionate exclusion mechanisms and consumer protections.

10. Balanced Benefits for Openreach and Consumers

Benefits for Openreach

A proportionate exclusion framework supports Openreach's operational objectives without embedding incentives that disadvantage other efficient fibre investors.

1. Reduces the cost and complexity of achieving the second threshold

A defined exclusion approach means Openreach does not have to pursue the final expensive 1-2% of premises in each exchange area. This:

- Lowers build cost
- Reduces operational risk
- Accelerates the point at which Openreach can retire Copper
- Frees engineering resources for higher-value deployment elsewhere

This is fully aligned with Openreach's commercial incentives and long-term network strategy?

2. Enables earlier copper switch-off and associated cost savings

Copper networks are expensive to maintain, Earlier retirement means Openreach can:

- Eliminate dual running-costs sooner
- Reduce energy consumption
- Simplify network operations

A defined exclusion approach therefore brings forward the financial benefits of copper switch-off.

3. Reduces regulatory uncertainty and the risk of disputes

A clear, codified exclusion framework avoids:

- Case-by-case negotiations
- Disagreement over whether certain premises should count or be counted
- Delays caused by appeals or challenges

Openreach gains a predictable, transparent path to meeting the second threshold.

4. Avoids overbuild of Alternative Network Operators

Openreach has no commercial incentive to overbuild high-quality AltNet fibre. A defined exclusion approach:

- Prevents wasteful duplication
- Allows Openreach to focus on areas where it is the primary or sole provider
- Reduces the risk of stranded investment

This supports a more efficient national fibre rollout

Benefits for Consumers

1. Faster access to Full Fibre Services

Removing the need to chase the final few hard-to-reach premises, the defined exclusion approach allows copper-switch-off and therefore FTTP migration to happen sooner for the vast majority of consumers:

- Faster Speeds
- Reliable Services
- Lower Fault Rates
- Improved resilience

2. Clearer Information and freedom to Switch

The proposed contract-term safeguard ensures consumers:

- Are not locked into long copper contracts
- Can migrate to FTTP as soon as it becomes available
- Avoids early termination charges
- Receive transparent information about their options

This protects consumers from being trapped on legacy services at higher prices.

3. Better Outcomes for Rural Communities

In rural areas, where AltNets often deliver fibre first (including publicly funded builds) the defined exclusion approach:

- Prevents unnecessary overbuild and community disruption
- Ensures public investment is respected
- Accelerates the availability of FTTP services
- Avoids consumers being stuck on copper because of regulatory delays / disputes

This supports digital inclusion and levels up rural connectivity.

11. Recommendations

Wessex Internet recommends that Ofcom:

- Adopt a defined exclusion approach with clear, objective categories.
- Recognise AltNet gigabit-capable coverage as a valid basis for exclusion.
- Allow exclusions for premises where fibre deployment is disproportionately costly or impractical, including those with unresolved wayleaves or access constraints.
- Allow exclusions for specific properties contracted for delivery within the BDUK Project Gigabit contracts
- Implement the proposed contract-term safeguard to ensure copper price deregulation supports FTTP migration.
- Ensure transparency by requiring Openreach to publish exclusion lists and methodologies.
- Maintain consumer protections for excluded premises, particularly vulnerable users.

Conclusion

A defined exclusion approach, supported by a targeted safeguard on copper contract terms, is the most proportionate, efficient, and competition-friendly method for determining how the second threshold for copper retirement should operate. It recognises the contributions of AltNets like Wessex Internet, avoids wasteful overbuild, accelerates copper switch-off, and supports the UK's long-term digital infrastructure goals.

Ofcom has a duty to ensure that administrative simplicity is not treated as determinative where it conflicts with competition, proportionality, or investment neutrality.

Wessex Internet strongly encourages Ofcom to adopt the defined exclusion approach in the final TAR 2026–31 framework.