

# Upgrading broadband customers to superfast products

Changes to quality of service regulation on Openreach



## **CONSULTATION:**

Publication date: 25 November 2019

Closing date for responses: 23 December 2019

# **Contents**

Section	
1. Overview	1
2. Exemption from certain quality of service regulations	2
Annex	
A1. Responding to this consultation	6
A2. Ofcom's consultation principles	9
A3. Consultation coversheet	
A1. Statutory notification: Proposed Direction	

# 1. Overview

This document proposes technical changes to certain regulations that require Openreach to install new broadband connections within a set period of time. These changes would enable broadband companies to upgrade their customers to faster broadband products more efficiently.

Demand for faster, more reliable broadband connections is growing rapidly. Openreach has told us its wholesale customers want a more efficient and cost-effective way to upgrade existing retail customers to higher-speed products. So, Openreach – in consultation with its wholesale customers – has developed a new installation process that will allow providers to upgrade their standard broadband customers to superfast broadband products in batches. This voluntary process enables upgrades to be done in batches at a given street cabinet, and at a lower price per line. Openreach calls this service the 'Bulk Grouping provision capability'.

Reducing costs in this way would require Openreach to delay completing some jobs until there is a sufficient volume from a given provider at a given cabinet. To account for this, Openreach plans to offer orders using the capability under different contractual terms, which accommodate for the lengthier lead time. Openreach has confirmed that the capability is currently in a trial period which started on 28 October 2019. This is ahead of a full launch, subject to the results of the trial.

Orders using the capability would fall under Ofcom's existing quality of service regulation and Openreach's proposal could lead to a potential breach of these obligations. Therefore, Openreach has requested a change in our quality of service regulation to exclude orders that use the new capability. Openreach has also offered to provide information about orders that use the capability so we, and its customers, can monitor the impact.

### What we are proposing

We are proposing to agree to Openreach's request, given that a more efficient and cost-effective upgrade process would benefit people and businesses. This means orders completed using Openreach's 'Bulk Grouping provision capability' would be exempt from certain quality of service regulation requirements for the remainder of the 2018-2021 review period.

We will monitor Openreach's service performance, using information collected from Openreach about orders using this process. We remain open to imposing additional standards on these orders in the future if we consider it appropriate.

## **Next steps**

We invite comments on our proposals in this consultation by 23 December 2019. If we decide to proceed with these proposals, after considering responses, we expect to finalise the exemption early in the new year.

# 2. Exemption from certain quality of service regulations

2.1 This section sets out our proposals and reasoning on Openreach's proposal that orders for Generic Ethernet Access-Fibre to the Cabinet (GEA-FTTC) products, using its new 'Bulk Grouping provision capability', should be exempted from the regulated First Available Appointment Date (FAD) standard and associated key performance indicators (KPIs).

## **Openreach's request to Ofcom**

- 2.2 Openreach has developed a commercial proposal that will allow providers to upgrade their customers on Wholesale Line Rental (WLR) plus Shared Metallic Path Facility (SMPF) and Metallic Path Facility (MPF) products, to GEA-FTTC (including Single Order GEA) products in batches at the cabinet, outside of normal business-as-usual processes. Openreach has told us that this new Bulk Grouping process has been created in collaboration with its wholesale customers to provide a route for them to generate cost savings when upgrading existing lines.
- Openreach has explained to us that this process is triggered by communications providers, rather than end-user customers, which is normal with an upgrade. Given the additional time it would normally take Openreach to batch orders at the cabinet, Openreach has proposed to alter the contractual service level agreement (SLA) for orders using the Bulk Grouping provision capability, to offer the first available appointment between 14 and 24 working days.
- 2.4 However, Openreach has advised us that this process would push the SLA beyond the existing level for the FAD standard, and could therefore impact on its compliance with this regulatory requirement. Therefore, Openreach has <u>submitted a formal request</u> to Ofcom setting out its Bulk Grouping provision capability proposal and its potential impact on our data collection this has been published alongside this consultation.

## **Our proposals**

2.5 The Bulk Grouping provision capability is materially different from that provided on an individual order-by-order basis. The aim of the FAD standard was to ensure Openreach has resources available to meet its contractual commitments on quality of service. However, it was not intended to constrain Openreach's commercial discussions with its customers on alternative contractual terms offering an improved service to them. Accordingly, we consider that, in principle, there is a case for agreeing to Openreach's request.

<sup>&</sup>lt;sup>1</sup> Under Ofcom's Quality of Service regulation, in 2019/20, Openreach must offer FADs to its customers within 12 days 90% (89% with force majeure allowance) of the time. This will tighten to 10 days in 2020/21.

- 2.6 We understand from Openreach that the Bulk Grouping provision capability would move the upgrade orders outside of its business-as-usual installation work, and that it does not require a visit to end-user premises. Therefore, the potential for this type of upgrade to impact the consumer negatively is minimised. This addresses a potential competition concern as, among other things, our quality of service regulations seek to ensure a level playing field of quality for all communications providers purchasing wholesale products from Openreach. This means Openreach should not act in a way that would negatively impact the reputation of its non-BT customers with end-customers. In this instance, it appears to us that Openreach's work is unlikely to impact on the end-customer, something which would mitigate that risk.
- 2.7 Accordingly, we are minded to agree to Openreach's request by directing Openreach to, in effect, exempt orders completed using the Bulk Grouping provision capability from the following regulations published in our Quality of Service Remedies Statement of 2018:
  - a) the annual First Available Appointment Date (FAD) quality of service standard compliance assessments for the remainder of the Second Relevant Year and any Subsequent Relevant Year; and
  - b) three associated KPIs, namely: KPI (i) Percentage first available date appointment availability, KPI (iv) Average first available appointment date and KPI (vii) Average installation time, for the remainder of the Second Relevant Year and any subsequent relevant Year.
- 2.8 To achieve those things from a regulatory viewpoint, we are publishing our proposed Direction at Annex 4.
- 2.9 We also intend to monitor the KPI information Openreach has committed to provide voluntarily for the Bulk Grouping provision capability orders. We remain open in the future to imposing additional standards on these services, if this seems appropriate and proportionate.

## **Legal tests**

- 2.10 Section 49(2) of the Communications Act 2003 (the 2003 Act) requires that we must not give a direction (such as our proposed Direction at Annex 4) unless Ofcom is satisfied that to do so is:
  - a) objectively justifiable in relation to the networks, services, facilities, apparatus or directories to which it relates
  - not such as to discriminate unduly against particular persons or against a particular description of persons;
  - c) proportionate to what it is intended to achieve; and
  - d) in relation to what it is intended to achieve, transparent.
- 2.11 Given that our proposed Direction would, in effect, exempt Openreach from complying with existing quality of service remedies, we have assessed the above-mentioned test in

- section 49(2) against our considerations of the same test when we imposed those remedies in 2018.
- 2.12 In particular, in our Quality of Service Remedies of 2018, we explained that the relevant directions were aimed at promoting competition and securing efficient and sustainable competition for the maximum benefit of consumers by ensuring that telecoms providers have visibility of the quality of service that BT provides to itself and to other providers. Furthermore, we stated that those remedies would provide visibility to consumers about BT's performance in the provision and maintenance of wholesale access services upon which it (and its retail telecoms providers) in many cases rely.<sup>2</sup>
- 2.13 We also considered<sup>3</sup> that the directions met the criteria in section 49(2) in that the KPI Directions were:
  - a) objectively justifiable, in that we had identified a need for transparency to ensure appropriate monitoring of BT's performance in relation to installations and repairs and to identify any concerning trends in relation to such performance, including any potential discrimination in the provision of network access (and to provide transparency to industry and consumers on such matters);
  - b) not unduly discriminatory, as they were only for BT, and no other operator had been found to hold a position of SMP in the wholesale fixed access markets;
  - c) proportionate, because they only required BT to publish the minimum information we considered was required to effectively monitor BT's quality of service performance and its compliance with the remedies we were imposing in relation to the provision of network access, its quality of service performance and non-discrimination. The KPI requirements were largely based on the existing requirements and, where we made changes and additions, this had been done only to the extent necessary to address new concerns, particularly with regards to compliance with the new quality of service standards we were imposing; and
  - d) transparent, in that they were clear in their intention to ensure an appropriate level of transparency in the obligations we are imposing on BT.
- 2.14 We are satisfied that our proposed Direction appropriately addresses the test in section 49(2) in light of our previous assessment of that test. In particular, our proposed Direction is objectively justifiable, because, as considered above, orders processed using the Bulk Grouping provision capability are done on the request of communications providers who are willing to accept a reduction in timeliness for a specific provision process that offers in return cost and efficiency savings. We note that this process is expected to incentivise faster superfast rollout, which in turn would lead to better outcomes for consumers.
- 2.15 We also consider our proposed Direction would be proportionate, because it would provide BT with a degree of flexibility, while ensuring that BT ensures an appropriate level

<sup>&</sup>lt;sup>2</sup> See paragraph 11.64 of the Statement.

<sup>&</sup>lt;sup>3</sup> See paragraph 11.65 of the Statement.

- of quality on products covered by the Bulk Grouping process through the commitment to provide information that will demonstrate transparency.
- 2.16 We also consider that our proposed Direction is transparent, because it is clear on its face that our exemptions from the FAD quality of service standard and the specified KPIs would only apply to GEA-FTTC services provided by BT in the Second Relevant Year and in any Subsequent Relevant Year, if BT uses the Bulk Grouping process.
- 2.17 For those reasons, we consider that our proposed Direction would further the interests of citizens in relation to communications matters and of consumers in relevant markets by promoting competition, in accordance with our general duties set out in section 3 of the 2003 Act. We also consider that we would be acting in accordance with the six Community requirements set out in section 4 of that Act in giving our proposed Direction.
- 2.18 On 29 October 2019, the Secretary of State for Digital, Culture, Media and Sport designated the Government's <u>Statement of Strategic Priorities</u> for telecommunications, the management of radio spectrum and post (SSP). Under section 2B(2) of the 2003 Act, Ofcom must have regard to the SSP when carrying out our functions relating to (among others) telecommunications and we have had such regard in giving our proposed Direction.
- 2.19 Finally, we note that, pursuant to section 49A(7) of the 2003 Act, Ofcom may give effect to our proposed Direction with any modifications that appear to us to be appropriate, where it is not a proposal of EU significance and after we have considered all responses received by the consultation closing date. However, if a proposal is a proposal of EU significance, it is then necessary to submit it for EU consultation with the European Commission, BEREC and other Member States' regulatory authorities for one month to obtain their views, before reaching our decision. Under section 150A of the 2003 Act, a proposal is of EU significance if, in Ofcom's opinion, it would affect trade between Member States. We do not consider our proposed direction to be a proposal of EU significance because, in our opinion, it would not affect trade between Member States. We therefore do not intend to submit it for EU consultation after consulting domestically.

# **Consultation question**

Do you agree with our proposal set out in this document and our proposed direction set out in Annex 4? If not, please set out your reasoning.

The overview section in this document is a simplified high-level summary only. The proposals we are consulting on and our reasoning are set out in the full document.

# A1. Responding to this consultation

## How to respond

- A1.1 Ofcom would like to receive views and comments on the issues raised in this document, by 5pm on 23 December 2019.
- A1.2 You can download a response form from <a href="https://www.ofcom.org.uk/consultations-and-statements/category-3/gea-fttc-bulk-grouping-process">https://www.ofcom.org.uk/consultations-and-statements/category-3/gea-fttc-bulk-grouping-process</a>. You can return this by email or post to the address provided in the response form.
- A1.3 If your response is a large file, or has supporting charts, tables or other data, please email it to <a href="Mosemble-Gos@ofcom.org.uk">Qos@ofcom.org.uk</a>, as an attachment in Microsoft Word format, together with the <a href="Cover sheet">cover sheet</a>. This email address is for this consultation only, and will not be valid after the publication of the statement.
- A1.4 Responses may alternatively be posted to the address below, marked with the title of the consultation:

Quality of Service Team, Competition Group

Ofcom

Riverside House

2A Southwark Bridge Road

London SE1 9HA

- A1.5 We welcome responses in formats other than print, for example an audio recording or a British Sign Language video. To respond in BSL:
  - Send us a recording of you signing your response. This should be no longer than 5 minutes. Suitable file formats are DVDs, wmv or QuickTime files. Or
  - Upload a video of you signing your response directly to YouTube (or another hosting site) and send us the link.
- A1.6 We will publish a transcript of any audio or video responses we receive (unless your response is confidential)
- A1.7 We do not need a paper copy of your response as well as an electronic version. We will acknowledge receipt if your response is submitted via the online web form, but not otherwise.
- A1.8 You do not have to answer all the questions in the consultation if you do not have a view; a short response on just one point is fine. We also welcome joint responses.
- A1.9 It would be helpful if your response could include direct answers to the questions asked in the consultation document. The questions are listed in Section 2. It would also help if you could explain why you hold your views, and what you think the effect of Ofcom's proposals would be.
- A1.10 If you want to discuss the issues and questions raised in this consultation, please contact <a href="QoS@ofcom.org.uk">QoS@ofcom.org.uk</a>.

## **Confidentiality**

- A1.11 Consultations are more effective if we publish the responses before the consultation period closes. In particular, this can help people and organisations with limited resources or familiarity with the issues to respond in a more informed way. So, in the interests of transparency and good regulatory practice, and because we believe it is important that everyone who is interested in an issue can see other respondents' views, we usually publish all responses on <a href="tel:the consultation">the Ofcom website</a> as soon as we receive them.
- A1.12 If you think your response should be kept confidential, please specify which part(s) this applies to, and explain why. Please send any confidential sections as a separate annex. If you want your name, address, other contact details or job title to remain confidential, please provide them only in the cover sheet, so that we don't have to edit your response.
- A1.13 If someone asks us to keep part or all of a response confidential, we will treat this request seriously and try to respect it. But sometimes we will need to publish all responses, including those that are marked as confidential, in order to meet legal obligations.
- A1.14 Please also note that copyright and all other intellectual property in responses will be assumed to be licensed to Ofcom to use. Ofcom's intellectual property rights are explained further in our Terms of Use.

## **Next steps**

- A1.15 Following this consultation period, Ofcom plans to publish a statement in early 2020.
- A1.16 If you wish, you can <u>register to receive mail updates</u> alerting you to new Ofcom publications.

## Ofcom's consultation processes

- A1.17 Of com aims to make responding to a consultation as easy as possible. For more information, please see our consultation principles in Annex 2.
- A1.18 If you have any comments or suggestions on how we manage our consultations, please email us at <a href="mailto:consult@ofcom.org.uk">consult@ofcom.org.uk</a>. We particularly welcome ideas on how Ofcom could more effectively seek the views of groups or individuals, such as small businesses and residential consumers, who are less likely to give their opinions through a formal consultation.
- A1.19 If you would like to discuss these issues, or Ofcom's consultation processes more generally, please contact the corporation secretary:

Corporation Secretary
Ofcom
Riverside House
2a Southwark Bridge Road
London SE1 9HA

Email: corporationsecretary@ofcom.org.uk

# A2. Ofcom's consultation principles

# Of com has seven principles that it follows for every public written consultation:

#### Before the consultation

A2.1 Wherever possible, we will hold informal talks with people and organisations before announcing a big consultation, to find out whether we are thinking along the right lines. If we do not have enough time to do this, we will hold an open meeting to explain our proposals, shortly after announcing the consultation.

## **During the consultation**

- A2.2 We will be clear about whom we are consulting, why, on what questions and for how long.
- A2.3 We will make the consultation document as short and simple as possible, with a summary of no more than two pages. We will try to make it as easy as possible for people to give us a written response. If the consultation is complicated, we may provide a short Plain English / Cymraeg Clir guide, to help smaller organisations or individuals who would not otherwise be able to spare the time to share their views.
- A2.4 We will consult for up to ten weeks, depending on the potential impact of our proposals.
- A2.5 A person within Ofcom will be in charge of making sure we follow our own guidelines and aim to reach the largest possible number of people and organisations who may be interested in the outcome of our decisions. Ofcom's Consultation Champion is the main person to contact if you have views on the way we run our consultations.
- A2.6 If we are not able to follow any of these seven principles, we will explain why.

#### After the consultation

A2.7 We think it is important that everyone who is interested in an issue can see other people's views, so we usually publish all the responses on our website as soon as we receive them. After the consultation we will make our decisions and publish a statement explaining what we are going to do, and why, showing how respondents' views helped to shape these decisions.

# A3. Consultation coversheet

# **BASIC DETAILS**

Consultation title:		
To (Ofcom contact):		
Name of respondent:		
Representing (self or organis	sation/s):	
Address (if not received by e	email):	
CONFIDENTIALITY		
Please tick below what part	of your response yo	ou consider is confidential, giving your reasons why
Nothing		
Name/contact details/job ti	tle	
Whole response		
Organisation		
Part of the response		
If there is no separate annex	c, which parts?	
still publish a reference to the	ne contents of your	r your organisation not to be published, can Ofcom response (including, for any confidential parts, a ecific information or enable you to be identified)?
that Ofcom can publish. How publish all responses, includ	wever, in supplying ing those which are yresponse by email	h this cover sheet is a formal consultation response this response, I understand that Ofcom may need to e marked as confidential, in order to meet legal I, Ofcom can disregard any standard e-mail text about
·	·	your response is non-confidential (in whole or in response only once the consultation has ended,
Name	Signed	(if hard copy)

# A1. Statutory notification: Proposed Direction

NOTIFICATION OF OFCOM'S PROPOSED DIRECTION, IN ACCORDANCE WITH SECTIONS 49 AND 49A OF THE ACT AND PURSUANT TO CONDITION 11 OF THE WLA SMP CONDITIONS, FOR THE PURPOSE OF MODIFYING THE APPLICATION OF CERTAIN DIRECTIONS OF 28 MARCH 2018 RELATING TO QUALITY OF SERVICE

#### **BACKGROUND**

- (A) Following market analyses carried out by Ofcom, Ofcom published 4 on 28 March 2018 a Statement entitled 'Quality of Service for WLR, MPF and GEA: Statement Statement on quality of service remedies'. At Annex 4 to that March 2018 Statement, Ofcom published a notification giving four directions to impose requirements on BT pursuant to Ofcom's powers under the NMR SMP Conditions and the WLA SMP Conditions in accordance with section 49 of the Act.
- (B) In particular, since this [proposed] Direction only relates to GEA services provided by BT falling within the scope of the WLA SMP Conditions, it suffices to note that Condition 11 of the WLA SMP Conditions provides—
  - "11.1 The Dominant Provider must comply with all such quality of service requirements as Ofcom may from time to time direct in relation to network access provided by the Dominant Provider pursuant to Conditions 1 and 2 (as applicable).
  - 11.2 The Dominant Provider must publish all such information as to the quality of service in relation to network access provided by the Dominant Provider pursuant to Conditions 1 and 2 (as applicable), in such manner and form, and including such content, as Ofcom may from time to time direct."
- (C) Specifically, the four directions referred to in recital (A) above were—
  - (a) a direction relating to quality of service in the provision of network access to WLR, MPF, and GEA services ("<u>Direction 1</u>");
  - (b) a direction relating to transparency and the publication of KPIs for WLR;
  - (c) a direction relating to transparency and the publication of KPIs for MPF and GEA services ("<u>Direction 3</u>"); and
  - (d) a direction relating to removal of the cap on the time period in relation to which daily compensation is available when providing network access.
- (D) This [proposed] Direction only concerns matters to which Direction 1, Direction 3 and Condition 11 of the WLA SMP Conditions relate.

 $<sup>{}^4\</sup>underline{\ \ }\underline{\ \ \ }\underline{\ \ }\underline$ 

- (E) Section 49A(6) of the Act provides that Ofcom must consider every representation about its proposal made to Ofcom during the consultation period specified in its notification required under section 49A(3), and have regard to every international obligation of the UK (if any) which has been notified to Ofcom for the purposes of section 49A(6) by the Secretary of State. Section 49A(7) of the Act also provides that, where the proposal is not of EU significance, Ofcom may then give effect to the proposal, with any modifications that appear to Ofcom to be appropriate.
- (F) In that regard, it should be noted that—
  - (a) on [\*5], Ofcom published a notification of its proposed Direction in accordance with section 49A(3) of the Act;
  - (b) on [\*6], Ofcom sent a copy of that proposal to the Secretary of State in accordance with section 49C(1)(a) of the Act;
  - (c) Ofcom invited representations about the proposed Direction set out in that notification by [\*7]. Ofcom received [\*8] responses and it has considered every representation received about the proposed Direction duly made to it;
  - (d) the Secretary of State has not notified Ofcom of any international obligation of the UK for the purpose of Ofcom giving effect to the proposed Direction; and
  - (e) Ofcom considers that the proposed Direction is not a proposal of EU significance, and therefore the requirements in section 49B do not apply.

## [PROPOSED] DIRECTION

- Ofcom hereby directs, in accordance with sections 49 and 49A of the Act and pursuant to Condition 11 of the WLA SMP Conditions, that the application of Direction 1 and Direction 3, respectively, shall be modified as follows (and Direction 1 and Direction 3 shall be read and have effect accordingly)—
  - (a) Quality of Service Standard 1 set out in paragraph 2 of Direction 1 shall <u>not</u> apply to GEA-FTTC services in the Second Relevant Year and in any Subsequent Relevant Year, if—but only if—the GEA-FTTC services in question are provided by the Dominant Provider using the Bulk Grouping process; and
  - (b) the following three KPIs shall <u>not</u> apply to Street Cabinet Appointments for GEA-FTTC services, if—but only if—the GEA-FTTC services in question are provided by the Dominant Provider using the Bulk Grouping process—
    - (i) KPI (i) (Percentage first available date appointment availability) set out in Schedule
       1 to Direction 3;
    - (ii) KPI (iv) (Average first available appointment date) set out in Schedule 1 to Direction 3;

<sup>&</sup>lt;sup>5</sup> To be completed if Ofcom decides to give this proposed Direction after consultation process has concluded.

<sup>&</sup>lt;sup>6</sup> To be completed if Ofcom decides to give this proposed Direction after consultation process has concluded.

<sup>&</sup>lt;sup>7</sup> To be completed if Ofcom decides to give this proposed Direction after consultation process has concluded.

 $<sup>^{8}</sup>$  To be completed if Ofcom decides to give this proposed Direction after consultation process has concluded.

- (iii) KPI (vii) (Average installation time (Appointed Orders)) set out in Schedule 1 to Direction 3.
- **2.** For the avoidance of doubt, relevant Quality of Service Standards set out in **Direction 1** and relevant KPIs set out in **Direction 3** that are not referred to in paragraph 1 above shall continue to apply to the Dominant Provider's provision of GEA-FTTC services.
- **3.** This Direction shall take effect on the day it is published.
- **4.** The effect of, and Ofcom's reasons for making, this Direction are set out in the accompanying statement.

#### **OFCOM'S DUTIES AND LEGAL TESTS**

- **5.** Ofcom is satisfied that, for the reasons set out in the accompanying statement, this Direction satisfies the general test in section 49(2) of the Act in that this Direction is—
  - (a) objectively justifiable in relation to the networks, services, facilities, apparatus or directories to which it relates;
  - (b) not such as to discriminate unduly against particular persons or against a particular description of persons;
  - (c) proportionate to what it is intended to achieve; and
  - (d) in relation to what it is intended to achieve, transparent.
- 6. In giving this [proposed] Direction, Ofcom has considered and acted in accordance with the relevant duties set out in sections 3 and 4 of the Act. In accordance with section 2B(2) of the Act, Ofcom has also had regard to the Government's Statement of Strategic Priorities for telecommunications, the management of radio spectrum and post (as designated on 29 October 2019) in giving this [proposed] Direction.

#### **MAKING REPRESENTATIONS**

**7.** Representations may be made to Ofcom about the proposal set out in this Notification by no later than **5pm on 23**<sup>th</sup> **December 2019.** 

#### **INTERPRETATION**

- **8.** Except insofar as the context otherwise requires and as defined in paragraph 9 below, words or expressions shall have the meaning as they have been ascribed (as relevant) in Direction 1 and Direction 3 respectively, and otherwise any word or expression shall have the meaning it has for the purpose of Condition 11 of the WLA SMP Conditions.
- 9. In this Direction—
  - (a) "Act" means the Communications Act 2003 (2003 c 21);
  - (b) "<u>BT</u>" / "<u>Dominant Provider</u>" means British Telecommunications plc, 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) "Bulk Grouping process" means the process (known as the 'Bulk Grouping Provision Capability process' or similar names) under which a Third Party accepts that its request for a GEA-FTTC service at the street cabinet may not be provisioned by the Dominant Provider until an engineering visit by the Dominant Provider to that cabinet can be arranged to deal with an additional request by that same Third Party for a GEA-FTTC service at the same street cabinet.
- (d) "<u>Direction 1</u>" and "<u>Direction 3</u>" each has the meaning given to it in recital (C) to this Direction;
- (e) "GEA-FTTC" means Virtual Unbundled Local Access provided through the Dominant Provider's GEA services over its FTTC network; for the avoidance of doubt, GEA-FTTC includes for present purposes the Dominant Provider's GEA-FTTC product where only a broadband service is being provided (known as 'Single Order GEA' or 'SOGEA');
- (f) "KPI" means key performance indicator;
- (g) "Ofcom" means the Office of Communications;
- (h) "Second Relevant Year" means the period starting on 1 April 2019 and ending on 31 March 2020;
- (i) "Street Cabinet Appointment" means an arranged appointment in respect of an Order that requires an engineering visit by the Dominant Provider to a street cabinet rather than to the end user's premises in order to become a Completed Order;
- (j) "Subsequent Relevant Year" means the period starting on 1 April 2020 and ending on 31 March 2021, and following 31 March 2021, every 12-month period beginning on 1 April and ending on 31 March; and
- (k) "<u>WLA SMP Conditions</u>" means the SMP conditions appended to Ofcom's statement entitled "Wholesale Local Access Market Review: Statement" and dated 28 March 2018.9
- **10.** For the purpose of interpreting this Direction—
  - (a) headings and titles shall be disregarded;
  - **(b)** expressions cognate with those referred to in this Direction shall be construed accordingly; and
  - (c) the Interpretation Act 1978 (c. 30) shall apply as if this Direction were an Act of Parliament.

-

<sup>&</sup>lt;sup>9</sup> For the WLA SMP Conditions, see the statutory notification published in Annex 33 to Ofcom's statement.

## Signed by

David Clarkson

7. Uarkson.

Competition Policy Director, Competition Group

A person duly authorised by Ofcom under paragraph 18 of the Schedule to the Office of Communications Act 2002

**25 November 2019**