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19 June 2026

OFCOM

Sent by email to openreachcommercialoffers@ofcom.org.uk

Dear Sir

ITS is the leading dedicated provider of competitive fibre infrastructure in the business to business (B2B) wholesale market. Ofcom will be aware of our presence and scope from the recently concluded Telecoms Access Review (TAR). Today we offer a mix of (WLA) Business Broadband Services and Ethernet (LLA) and reach all the UK's main commercial premises across dense business conurbations with our networks, with presence in England, Scotland and Wales. ITS is just about to launch 13 new City networks across the Summer and Autumn of 2026. We welcome OFCOMS's invitation for a call to input to Openreach's recent announcements. Overall, we believe that these offers are targeted to limit and compromise competition before it becomes sustainable. It will put significant pressure on the industry threatening further investment. Individually and in combination they take significant value out of the wholesale market, that will drive out sustainable competition and introduce new barriers to end customers moving freely between networks.

We are members of INCA and support their document that you are in receipt of. The announcements from Openreach in June has been seen by investors who now question the principles under which Openreach can act before sustainable competition is established . ITS as well as supporting INCA in its response is submitting directly given our special interest in the LLA market where we believe we are the main Wholesale 'altnet' in competition with Openreach and the most likely long term provider of sustainable competition in the future given our unique builds in the inner City and Towns that have commercial premise density.

On 1st June 2026, Openreach notified a range of discounts, rebates and special offers:

NGA2012/26 Incremental New to Openreach Customer Offer

A national FTTP acquisition offer providing connection and rental rebates for qualifying "new to Openreach" FTTP connections above specified baseline levels.

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NGA2013/26 Incremental New to Openreach Customer Offer in VMO2 Areas

An additional geographically targeted FTTP acquisition rebate applying in postcode areas identified by Openreach as being served by Virgin Media O2.

NGA2010/26 Extending Equinox 10Gb GEA Cablelink Discount and 550Mb Try-Before-You-Buy Incentive

An extension of existing Equinox-related incentives, including a mechanism enabling CPs to sell 550Mb services while initially incurring lower wholesale charges.

ETH021/26 Incremental Ethernet Net Demand Offer

A conditional Ethernet offer providing connection charge discounts where CPs exceed specified Ethernet demand baselines.

1 Together these offers create a package of interconnected incentives which we believe will distort the competitive market and will undermine the creation of a long-term sustainable competition.

2 The two Incremental New to Openreach Customer offers operate together. The VMO2-area offer is an overlay to the national offer and provides a further geographic incentive in the specified postcodes. The extended 550Mb offer may also apply to qualifying connections and further reduce the effective wholesale price faced by the CP.

3 The relevant FTTP offers also interact with recently notified and existing Openreach offers. The Front book ARPU Share offer is calculated against the existing Equinox ARPU Share arrangements, while the Box Swap offer removes an upgrade cost for higher-speed services. Ofcom must therefore assess the effective price and incentives available to CPs after taking account of all applicable offers, rather than considering each headline discount in isolation.

4 The same issue arises in Ethernet. The Incremental Ethernet Net Demand Offer may be used alongside a number of existing EAD offers. The resulting effective price cannot be established from the headline terms of the new offer alone and Ofcom has not calculated an Ethernet REO cost range against which that price can be

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assessed. ITS therefore considers that Ofcom must examine the relevant Ethernet offers together before concluding that they do not raise concerns under the fair and reasonable pricing requirement.

5 The offers are designed to facilitate an Openreach 'win-back campaign', by incentivising ISPs to specifically target Altnet and VMO2 customers. The discounts offered are deep and will provide significant incentives to ISPs to design their sales programmes to maximise those discounts and turn from altnet provision.

6 The discounts are 'stackable' and incrementally drive ISPs to specific behaviour and the targeting of specific customer groups. The potential consequences of the relevant offers are potentially materially detrimental to the establishment of sustainable network competition in the UK.

7 Ofcom gave stakeholders less than three weeks to respond to the CFI and the full details of the relevant offers were not made available by Openreach until Tuesday 16th June – three days before the response deadline. Our response is, limited in its detail because of this.

Openreach and the (LLA) Ethernet Offers

The EAD net demand offer has to be considered in context. Recent information published in BT's reports and in Openreach's Consultation Groups has shown their Ethernet workstack reducing and a small reduction in their overall base. This should be welcomed as a sign that the competitive effect of networks like ITS is progressing and early signs that sustainable competition is now occurring in a market that is currently flat. However, it is early days. Openreach's response is to 'offer stack' and the nature of the Ethernet net demand offer is to stop ISP Customers exercising choice, it binds ISP's to Openreach. Overall, we believe it is disproportionate and meant to eradicate any long-term competition from the market and to stop fluidity between competitive providers.

Ethernet Offers

- The EAD 1Gb Remote Upgrade Special Offer offers CPs a free connection on EAD 10Mb and EAD 100Mb remote upgrade orders to a 1gb speed. The offer is valid for a 12-month period.

- The EAD 1Gb Alternative pricing Special Offer is also known as the 'spread-connect offer'. This offer has a zero-connection charge but an increased rental charge to recover the standard connection charge over the pierid of the contract.

Existing offers in in Area 2, HNR and CLA markets

- The Rental Special Offer for EAD 1GB New Provides offers CPs fixed rental price (no CPI adjustment) for 3- and 5-year contracts.

Existing offers in CLA and HNR markets

- The Connection Special Offer for EAD New Provides offers CPs reduced connection charges to £2,057 for EAD 10Gb 5 years circuits (A discount of £2,014).

Existing offers in the HNR only

- The Connection Special Offer for EAD 1Gb New Provides offers CPs reduced connection charges for EAD 1Gb circuits with savings of £1,561 and £1,582 for standard and extended reach 3-year circuit contracts respectively.

Existing offers in the CLA only

- The Connection Special offer for EAD 1Gb New provides offers CPs connection discounts of £1,561 and £1,582 for standard and extended reach 3-year circuit contracts respectively.
- The offers listed above are not conditional and have not been subject to the extended notification period and associated reviews and analyses. Although it may be appropriate that they are individually not a cause for competition concern, collectively and in combination with the relevant and recent Ethernet offers ITS is concerned that the provision of ethernet services may be close to or even below the costs of an REO.
- ITS therefore urges Ofcom to ensure that the consultation issues in relation to the relevant offers and the analysis performed to assess those offers take into account the full set of discounts and special offers for Ethernet currently being made or proposed by Openreach.

We would also point out that not only are there a large number of offers now in the Ethernet market from Openreach that together have caused ISP confusion and caused concern from ISP's that they may lose combination discounts if they take advantage of competitive offers. Several of these Openreach offers have been in place for extended

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periods, having been serially renewed. It calls into question whether Openreach is renewing rather than making permanent until they feel the competitive threat diminished.

ITS would therefore like Ofcom to ensure that the consultation take into account the full set of discounts and special offers in the market. Ofcom may also want to bear in mind that a further LLA Ethernet re-sign offer based on discounts for contract renewals was published by Openreach on 7th June offering 10 and 20% rental discounts for resigns. It is a disturbing pattern of ongoing behaviour that will undermine long term sustainable competition and should merit a full consultation.

In conclusion ITS believes that the offers included in the CFI will have a detrimental effect on the establishment of sustainable network competition and as such Ofcom needs to ensure that stakeholders have the opportunity to present their considered views and analyses in a full consultation process that should extend across offers and be considered singularly and together.

Yours sincerely

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