

TAR 2026 consultation team
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Dear Ofcom

Ofcom's current position on the Telecoms Access Review (TAR) and exchange exit

I am writing to you on behalf of Open Fibre Networks Limited (OFNL), part of the BUUK Infrastructure Group of companies, to provide our views on Ofcom's current position with respect to the TAR and exchange exit. While we recognise that the current 'live' TAR consultation on [Leased lines market analysis and various pricing issues](#) does not explicitly include proposals around exchange exit, we think this is a critical issue and are concerned that some of the shortcomings in the proposed approach have been overlooked. We note that we have had direct engagement with Ofcom on these issues and were disappointed that the most recent TAR consultation did not include proposals in this area. This letter therefore presents a summary of our views on Ofcom's current TAR position with respect to exchange exit. We would very much welcome the opportunity to discuss this with you in more detail.

An introduction to BUUK and OFNL

BUUK Infrastructure (BUUK) is a leading UK multi-utility infrastructure investor, working across Great Britain and competing against incumbent utility companies. We have provided over three million utility connections and now serve customers across 48,000 discrete networks and six essential utilities. Our main shareholder is Brookfield, a global investor in property, infrastructure and renewable energy. We cover every utility sector and can therefore provide a unique perspective on evolving utility and regulatory policy. We apply our considerable experience, across multiple utilities, to the fibre industry via OFNL which has been providing gigabit ready full fibre broadband connections to the new build housing sector since 2008.

Our views around the implications of the proposed exchange exit

As you know, the Openreach exchange exit programme will lead to the closure of 108 priority local exchanges prior to 2030 and a further ~4,600 exchanges in the period post 2030; and this poses a significant stranded asset risk to OFNL. In this respect, we currently contract with several operators for the provision of backhaul services. To facilitate this, we route our networks to Openreach local exchanges using PIA, which enables traffic to be handed over to these providers. Openreach effectively brings our cables into the local

exchange and then connects us to the designated Backhaul networks via an External Cablelink. Although we utilise Openreach External Cablelink services, our backhaul providers place these orders on our behalf and therefore we are not a direct Openreach customer at the local exchange. Openreach has not engaged with us on the impact of exchange exit on OFNL as a PIA customer and despite our efforts to engage with them we have not received appropriate support to date.

Our current understanding is that, when a local exchange that we are connected to is closed, Openreach will port the External Cablelink solution that we currently consume to the nearest enduring exchange. However, Openreach has not committed to provide a supporting dark fibre product to connect our fibre network, installed using PIA in the Openreach network, to the enduring exchange. We note the Openreach has been repurposing EADs and other leased line circuits connecting from outside and terminating in the exchange, but that External Cablelinks, which also connect from outside and terminate in the exchange, have been overlooked. Given the architecture of our networks detailed above, this will effectively leave us with stranded assets at local exchanges, and a potentially costly bill to connect to the nearest external exchange using Ethernet Access Direct (EAD) services. We are still in the process of exploring the associated costs we could face, but our initial expectations are that it will run into the hundreds of millions of pounds.

Our views on the Openreach behaviours it could engender

We are very much supportive of the growing competitive environment that is emerging within the fibre market. It not only accommodates traditional altnets, but also allows providers such as OFNL, that offer fibre services to the new build market, to effectively compete. As such, OFNL and traditional altnets can be considered direct competitors to Openreach.

Within this context, we note that, Ofcom has recognised that “BT continues to have SMP in the relevant markets [which] means that, absent regulation, there is a risk that Openreach has the ability and incentive to manage exchange exit in a way that harms competition, and ultimately consumers” through discriminating against its downstream competitors.¹ Ofcom considers that the risk of harm to competition through exchange exit will be mitigated by: the continuation of Openreach’s regulatory obligations in relation to regulated products; the application of Openreach’s non-discrimination obligations to exchange exit; clear and transparent timelines; the expectation for Openreach and industry to minimise end-user disruption.² However, we are concerned that, without targeted regulation specific to exchange exit, scope exists for Openreach decisions on the exchange closure programme to have a negative impact on the commercial position of some of its competitors.

While arrangements are being established to effectively protect direct Openreach customers, we are not aware of any current plans to implement equivalent provisions to protect indirect customers, even though the impact of exchange closures may be just as detrimental to their commercial position. We note that the absence of targeted provisions could provide an opportunity for Openreach to capitalise on its incentive to discriminate against competitors such as OFNL. We would therefore urge Ofcom to consider changes to the exchange closure regulatory provisions to ensure these outcomes are avoided.

¹ Ofcom. March 2025. [Telecoms Access Review 2026-31, Volume 3: Non-Pricing Remedies](#), p.44.


² Ofcom. March 2025. [Telecoms Access Review 2026-31, Volume 3: Non-Pricing Remedies](#), p.48-49.

Our proposed solutions

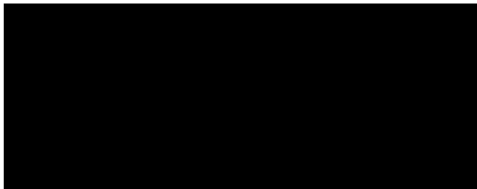
As outlined in discussions we had with members of the Ofcom TAR team on 16th October 2025, and subsequently in our letter on 12th November 2025, we think there are two potential solutions that could address our concerns around stranded asset risk and exchange exit.

- Under the first, recognising the scale of the fibre network to which Openreach has access, we think Ofcom could place an obligation on the incumbent requiring that it provides third party access to dark fibre routes that would effectively connect closing exchanges to the nearest enduring exchange. As such, when Openreach fulfils its commitment to port the External Cablelink solution that we currently consume to the nearest enduring exchange, we will be able to connect our existing fibre network assets to this service utilising available Openreach dark fibre.
- Under the second option, we think there is a rationale for Ofcom to place an expectation on Openreach that it will effectively 'hold whole' those parties that are negatively impacted by its exchange exit programme.

We believe that, if constructed correctly, either of these solutions could ensure that OFNL is not negatively impacted by the Openreach decision to close ~4,600 of its local exchanges.

I hope these comments are helpful. I would be very keen to discuss our response with you in more detail; please feel free to get in touch 

Yours sincerely



BUUK Group Regulation Director