

# Promoting competition and investment in fibre networks: Telecoms Access Review 2026–31

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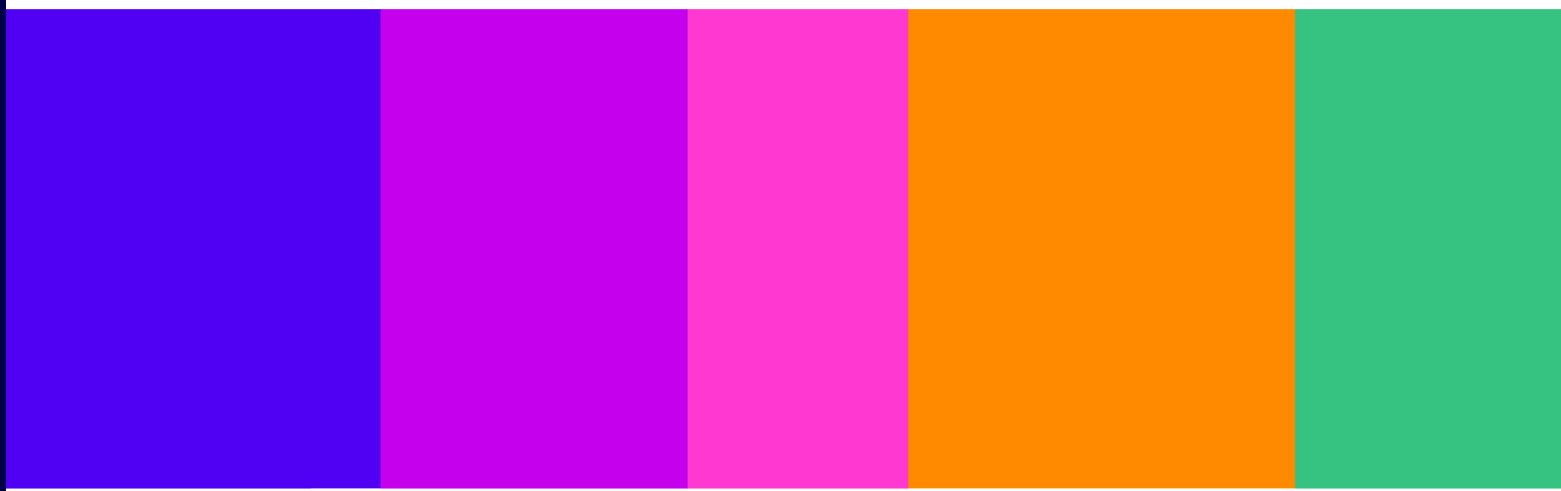
Volume 7 Part B: Legal instruments

Direction on Virtual Unbundled Local  
Access (“VULA”)

## Statement

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# NOTIFICATION UNDER SECTION 49 OF THE COMMUNICATIONS ACT 2003

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## Notification of the giving of a Direction under section 49 of the Communications Act 2003 and SMP Conditions 1 and 2 relating to the terms on which BT provides network access (Virtual Unbundled Local Access, which it currently provides by way of its GEA product) (“Notification”)

### Background

1. On 20 March 2025 Ofcom published a consultation document titled “Promoting competition and investment in fibre networks: Telecoms Access Review 2026-31” (the “Consultation”) setting out Ofcom’s proposals to identify markets, make market power determinations and set SMP conditions with respect to BT for the five year period from 1 April 2026 to 31 March 2031.
2. At Volume 7 (Part A) of the Consultation, Ofcom proposed to impose on BT SMP Conditions 1 and 2 which would impose requirements on BT to: (i) provide network access on reasonable request and specific forms of network access including Virtual Unbundled Local Access (“VULA”), and (ii) provide these services on such terms, conditions and charges as Ofcom may from time to time direct.
3. In accordance with section 49 and section 49A(3) of the Act, Ofcom proposed to give a direction under SMP conditions 1 and 2 relating to the terms (specifically the maximum length of the minimum contract period following migrations and certain connections) on which BT provides network access in the form of VULA. The effect of, and reasons for giving, the proposed direction were set out in the Consultation, in particular Volume 3, Section 6.
4. The notification of the proposed direction was published at Volume 7 (Part B) of the Consultation and a copy was sent to the Secretary of State under section 49C(1)(a) of the Act. Ofcom invited responses to the Consultation by 12 June 2025.
5. Ofcom received several responses in relation to the proposals set out in the Consultation and it carefully considered every such representation. The Secretary of State did not notify Ofcom of any international obligation on the United Kingdom for the purposes of section 49A(6)(b) of the Act.
6. On 17 March 2026, Ofcom published a statement titled “Promoting competition and investment in fibre networks: Telecoms Access Review 2026-31” concluding the review referred to in paragraph 1 above (the “Statement”). In the Statement Ofcom identified the markets, made the market power determinations and set the SMP conditions set out in Schedule 1 to the 2026 SMP Conditions Notification.
7. The SMP conditions that are set include SMP Conditions 1 and 2 (network access on reasonable request and specific forms of network access).

### Decision to give direction

8. Ofcom has decided, in accordance with section 49 of the Act, to give the direction pursuant to SMP Conditions 1 and 2 as set out in the Schedule to this Notification relating to the terms (specifically the maximum length of the minimum contract period following migrations and

certain connections) on which BT provides network access in the form of VULA (the “Direction”).

9. The effect of, and reasons for giving, the Direction are set out in the Statement accompanying this Notification.
10. The Direction shall come into force on 1 April 2026.

## Ofcom’s duties and legal tests

11. Ofcom considers that the Direction complies with the requirements of section 49(2) of the Act for the reasons set out in the Statement.
12. In giving the Direction, Ofcom has considered and acted in accordance with its general duties set out in section 3 of the Act and the six requirements in section 4 of the Act, and had regard to both the Statement of Strategic Priorities in accordance with section 2B of the Act, and the desirability of promoting economic growth in accordance with the growth duty set out in section 108 of the Deregulation Act 2015 (c. 20).
13. A copy of the Direction has been sent to the Secretary of State in accordance with section 49C(1)(b) of the Act.

## Interpretation

14. For the purpose of interpreting this Notification:
  - (a) except in so far as the context otherwise requires, words or expressions have the meaning assigned to them in paragraph 15 below, and otherwise any word or expression has the same meaning as it has in the Act;
  - (b) headings and titles shall be disregarded;
  - (c) expressions cognate with those referred to in this Notification shall be construed accordingly; and
  - (d) the Interpretation Act 1978 (c. 30) shall apply as if this Notification were an Act of Parliament.
15. In this Notification:
  - (a) **“2026 SMP Conditions Notification”** means the notification under sections 48 and 79 of the Act, which is contained in Volume 7 (Part A) of the document titled “Promoting competition and investment in fibre networks: Telecoms Access Review 2026-31” published by Ofcom on 17 March 2026;
  - (b) **“Act”** means the Communications Act 2003 (c.21);
  - (c) **“BT”** 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;
  - (d) **“Local Serving Exchange”** means the site of an operational building of BT, where interconnection is made available by BT to a Third Party for Network Termination Points served by that site for the provision of Virtual Unbundled Local Access;
  - (e) **“Network Termination Point”** means the physical point at which a Relevant Subscriber is provided with access to a public electronic communications network;
  - (f) **“Ofcom”** means the Office of Communications as established pursuant to section 1(1) of the Office of Communications Act 2002 (2002 c. 11);

- (g) **“Point of Connection”** means a point at which BT’s electronic communications network and a Third Party’s electronic communications network are connected;
- (h) **“Relevant Subscriber”** means any person who is party to a contract with a provider of public electronic communications services for the supply of such services;
- (i) **“Statement of Strategic Priorities”** means the Statement of Strategic Priorities for telecommunications, the management of radio spectrum, and postal services designated by the Secretary of State for Digital, Culture, Media and Sport for the purposes of section 2A of the Act on 29 October 2019;
- (j) **“Third Party”** means a person providing a public electronic communications service or a person providing a public electronic communications network; and
- (k) **“Virtual Unbundled Local Access”** means network access comprising of a virtual circuit between a Point of Connection at the Local Serving Exchange and a Network Termination Point, which circuit provides such specified capacity as is agreed between BT and a Third Party for the Third Party’s exclusive use.

16. The Schedule to this Notification shall form part of this Notification.

**Signed**



**Ben Harries**

**Policy Director, Infrastructure and Connectivity Group, Ofcom**

A person duly authorised in accordance with paragraph 18 of the Schedule to the Office of Communications Act 2002

17 March 2026

## Schedule

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### **Direction under section 49 of the Communications Act 2003 and Conditions 1 and 2 relating to the terms on which BT provides network access (Virtual Unbundled Local Access, which it currently provides by way of its GEA product)**

#### **Background**

1. On 17 March 2026 Ofcom concluded its review of the physical telecoms infrastructure markets and the wholesale markets underpinning broadband and leased line services in which it identified markets, made market power determinations and set appropriate SMP conditions (as set out in the notification at Volume 7 (Part A) to the review). Ofcom determined that BT has significant market power in the market for the supply of wholesale local access at a fixed location in WLA Area 2 and WLA Area 3.
2. SMP Conditions 1 and 2 (network access on reasonable request and specific forms of network access) were set in relation to the markets referred to in paragraph 1 and this Direction concerns matters to which those conditions relate.
3. In particular, under SMP Conditions 1 and 2, BT is required to provide network access by means of Virtual Unbundled Local Access. SMP Condition 12 imposes charge controls on Virtual Unbundled Local Access. Under SMP Condition 1.4 those forms of Virtual Unbundled Local Access subject to SMP Condition 12 are required to be provided on such terms conditions and charges as Ofcom may from time to time direct, and under SMP Condition 1.3 those forms of Virtual Unbundled Local Access not subject to SMP Condition 12 are required to be provided on such terms, conditions and charges as Ofcom may from time to time direct. SMP Condition 1.11 provides that BT must comply with any direction Ofcom may make from time to time under SMP Condition 1.
4. This Direction is made under:
  - (a) Section 49 of the Act; and
  - (b) SMP Conditions 1.3, 1.4 and 2.

#### **Direction**

5. Ofcom has decided to give the Direction as set out in paragraphs 6 to 9 with effect from 1 April 2026.
6. Where BT enters into a contract or other agreement or arrangement to the same or similar effect with a Third Party for VULA Migration, the maximum fixed term of that contract, or other agreement or arrangement (as the case may be), must be no longer than one month.
7. Where BT enters into a contract or other agreement or arrangement to the same or similar effect with a Third Party for VULA Connection, the maximum fixed term of that contract, or other agreement or arrangement (as the case may be), must be no longer than one month.
8. BT must comply with the requirement set out in paragraph 6 on the day this Direction comes into force and the requirement in paragraph 7 within 28 days of this Direction coming into force.

9. The requirements set out in paragraphs 6 and 7 shall apply in respect of all contracts or other agreements or arrangements to the same or similar effect for VULA Connection or VULA Migration that BT enters into on or after the date on which it is required to comply with that requirement. For the avoidance of doubt, BT is not required under this Direction to amend the terms of any contracts for VULA Connection or VULA Migration entered into before this date.

## Interpretation

10. In addition to the definitions set out above in this Notification, in this Schedule:
  - (a) **“Communications Provider”** means a Third Party purchasing from BT Virtual Unbundled Local Access;
  - (b) **“VULA Connection”** VULA Connection means the following services provided by BT: “Managed Engineer Install with CP device”, “PCP Only Install”, “Start of Stopped Line” and any future service that replicates or replaces these services; and
  - (c) **“VULA Migration”** means the transfer of control of a Virtual Unbundled Local Access service between Communications Providers and the subsequent provision by BT of such network access to the Communications Provider taking over such control.