

Ofcom

Wholesale Local Access Market Review - Promoting network competition in superfast and ultrafast broadband

Consultation response from TrueSpeed Communications Ltd

Non-confidential version

TrueSpeed Communications Limited is a new operator providing full fibre gigabit connectivity to homes and businesses in the South West of England. We recently secured initial funding of £75m from Aviva Investors to support our plans to roll-out to some 75,000 homes and businesses in the region. This is one of a number of examples of substantial institutional investment in fibre infrastructure for the first time since the “dot.com” crash.

We welcome the fact that Ofcom has recognised the chilling effect that BT conduct (including pricing) can have on the roll-out of alternative, particularly fibre, infrastructure and services.

In terms of pricing floor, we believe that this should be based on the LRIC of a reasonably efficient operator, which prices may be different from an “averaging” of BT prices for alternative products. It is the relative position in relation to an alternative operator’s costs which have the effects on market take-up, and so this is the relevant cost to consider in any pricing constraints placed on BT Openreach.

[Further comments redacted]