

Openreach's response to Ofcom's "Proposed Plan of Work 2021/22: Making communications work for everyone"

5 February 2021



Introduction

On 11 December 2020, Ofcom published its consultation document entitled "*Plan of Work 2021/22 – Making communications work for everyone*" ("the Consultation").

This response is provided by Openreach Limited - a wholly owned subsidiary of BT Group.

We're the people behind the UK's digital network and we connect homes and businesses, large and small, to the wider world.

We work every day to get faster broadband speeds, broader coverage and better service for everyone. We're an open wholesale network provider.

Our customers are the 600+ communications providers working in the UK – companies like BT, Sky, TalkTalk and Vodafone.

We connect people to their networks so they can sell them landline, mobile, broadband, TV and data services.

Openreach's comments on Ofcom's proposals

1. Openreach welcomes the opportunity to comment on Ofcom's proposed Plan of Work for 2021/22. The emergence of COVID-19 created an unprecedented set of challenges for the communications industry in the UK and has shown the importance of communications to people and businesses. Ofcom recognised the record levels of traffic across the UK's fixed and mobile networks and people's reliance upon reliable broadband. Openreach is proud of the role that it has played in keeping the Nation connected during the pandemic and in particular the steps it has taken to prioritise vulnerable customers and critical national infrastructure.
2. Openreach has needed to simultaneously provide excellent connectivity and service to customers whilst ensuring high standards of safety for our engineers and for end customers. The non-transitory increase in home working has also led to significant and unforecast increases in fault intake and in demand for ultrafast broadband services as end customers have placed ever greater demands on their broadband service.
3. Openreach has continued to work very hard to deliver excellent service to customers, and to ensure connectivity for the UK's Critical National Infrastructure, where it has played a central role in delivering the ongoing connectivity requirements for the NHS and the UK's vaccination programme.
4. Changes in the way people in the UK use communications requires a flexible approach to accommodate new working practices. In this respect we welcome Ofcom's pragmatism to enable the industry to adapt to deal with the ongoing pandemic and the flexibility shown during these challenging times.
5. In support of its strategic priorities and areas of focus, Ofcom recognises that investment in the network is crucial. As shown during the first lockdown, there was a 30 per cent increase in daytime broadband use compared to pre-Coronavirus times, mainly due to a huge increase in home-working and, particularly during the first lockdown, home-schooling. The Openreach network continued to cope with the demands placed upon it to serve people of the UK. These services require ongoing investment in faster broadband across the country. We are pleased that Ofcom also recognises the part that Openreach must play, notably our investment in full fibre as well as enhancing our wider duct and pole portfolio.
6. Ofcom's aims are consistent with Openreach's strategic priorities:
 - a. **Better service** – we want to give customers industry leading customer service;
 - b. **Broader coverage** – we want as many people as possible to have access to speeds of at least 30Mbps; and
 - c. **Faster speeds** - we want to deliver ultrafast access using full fibre to 20 million premises by the mid-to-late 2020s.

7. Openreach is on a mission, with the right investment conditions, to upgrade the nation's biggest broadband network through its £12 billion Full Fibre programme to connect more than 20 million premises over the coming years, including 3.2 million homes and businesses in harder to reach areas.
8. Openreach announced it will be hiring 2,500 engineers in 2021. This will enable the company to continue improving service on our existing network and to build and connect customers to new ultrafast, ultra-reliable Full Fibre broadband network at a record pace. Openreach also has a commitment to recruit a minimum of c.20% females into new roles this year as it seeks to reduce the engineering gender stereotype.
9. Openreach is also playing its part to encourage customers to take fibre services including offering pricing incentives to CPs to entice them to move customers from copper to fibre services. Openreach has publicised the launch of a Special Offer to support early engagement with the Salisbury and Mildenhall trials. We are grateful to Ofcom for its support in relation to these trials, and in particular in relation to the amendments made to existing regulation to facilitate these trials.
10. CPs are also able to benefit from a special offer on GEA-FTTP in Fibre Cities, where connection and rental discounts are available within a limited footprint (minimum 10,000 premises and up to 500,000 premises), chosen by the CP in a maximum of four conurbations.
11. Openreach supports Ofcom's project work regarding increasing transparency through the use of data, and thereby enabling customers to make more informed choices (including through Open Communications). We will continue to support such initiatives and, further, seek out new opportunities to meet this objective via access to Openreach information. This should also help support proposals aimed at helping vulnerable customers.
12. Ofcom identifies a range of highly important projects which will enable the communications market to continue to evolve to meet the growing demands of UK citizens. In line with its strategic priorities, Openreach continues to invest in service, speed and coverage in support of enabling the take up of gigabit-capable technology. The migration from the PSTN to full fibre networks and copper retirement trials are crucial to enabling the market and technology to reach new heights and Openreach is at the heart of such a vision. Openreach also continues to play an active role in enabling cross network switching and is happy to share its wealth of experience and thinking in this area.
13. In relation to Ofcom's reference to "Effective Openreach reform"¹, we consider that the requirements of the Commitments are well embedded in the way Openreach operates and the behaviour of its workforce demonstrate a high level of compliance. It is 4 years since the

¹ Para. 4.3 of Ofcom's Consultation Document

introduction of the Commitments and more than two years since legal separation and therefore we consider it timely to refocus Ofcom resources away from such monitoring.

14. We note underpinning Ofcom's work has been the establishment in 2020 of the Ofcom Information Registry Team. Openreach has had extensive engagement with this team, notably there have been 42 requests under section 135 of the Communications Act seeking to inform the Wholesale Fixed Telecoms Market Review. This comprised 394 questions (not including subparts). Overall Openreach has had a positive experience of the new Information Registry Team which was established in June 2020. There have been improvements to ways of working and communicating on the timing of Ofcom's planned information requests. An area that Openreach would like to pursue with Ofcom is the definition and publication of information request key performance indicators (KPIs), for example the number of information requests issued, number of repeat requests or the costs and benefits of requests. This would give stakeholders transparency of how Ofcom uses its powers and to identify opportunities for further efficiency. Openreach would also like to request any teachings that can be shared to improve our responses and process.

Project Work for 2021/22

15. The following focuses on some of the key areas in Ofcom's work plan for 2021/22 as set out in Annex 2 of the Consultation document. Openreach provides its comments in these areas and would be happy to follow up with Ofcom or other interested parties as required.

<p>Improving consumer information on fixed and mobile coverage and performance. We are undertaking a programme of work to establish how we should report on the availability and quality of mobile coverage to present a consistent picture across 4G and 5G. As part of this we will also continue working with industry with the aim of improving the accuracy and commonality of indoor coverage information Ofcom and the industry provides.</p>	<p>Report Q3 2021/22</p>
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<p>Consumer information on gigabit-capable / ultrafast broadband. People and businesses need the right information to make informed decisions about the broadband services that are best for them. We will continue to work with industry, the Government and consumer bodies on communicating the benefits of gigabit-capable technologies as they become more widely available.</p>	<p>Ongoing</p>
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16. Openreach understands the merit of providing increased information to consumers in order to help them make informed decisions regarding their broadband providers of choice. However,

there are potential limitations on data accuracy. For example, our Connected Nations data is regularly provided to Ofcom approximately 6 weeks later than available on our systems. Additionally, given Ofcom’s need to process and consolidate information from other providers this means Ofcom’s data could be circa 3 to 4 months behind CPs’ live coverage data (which is also on Openreach’s website). Therefore, there will always be an element of Ofcom’s, Openreach’s and CPs’ checkers being out of sync. This can lead to customer complaints about websites not aligning. Therefore, it is important to make sure users have a consistent message.

17. Moving forwards, as Openreach progresses with its roadmap for legacy product removal, this will need to be reflected in any broadband availability checkers. Again, consistency of messaging will be very important.

<p>Copper retirement. We continue to support Openreach’s copper retirement trial in Salisbury and ongoing work to monitor the progress of the regulatory transition between copper and fibre services. We also currently plan to publish a further consultation on the circumstances in which some premises may be excluded from the definition of a completed ultrafast exchange, which will trigger the removal of certain requirements on BT</p>	<p>Consultation Q3 2021/22</p>
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18. We appreciate Ofcom’s engagement on this important activity to support the transition to full fibre. Openreach has worked with Ofcom to ensure we have the right regulatory enablers to support our plans. Ofcom has made changes to our regulations that will help broadband companies upgrade customers to faster broadband more efficiently, and support Openreach’s trials in Salisbury and Mildenhall.

19. It is important that a supportive regulatory framework for Openreach copper retirement is established if the Government’s and Ofcom’s FTTP objectives are to be realised. Openreach has made significant commitments regarding FTTP and is building at pace, and it is therefore crucial that the appropriate regulatory conditions are in place to facilitate the retirement of the copper network and prevent the duplicative cost of running parallel fibre and copper networks – this is a key building block of our FTTP strategy. Regulation also needs to send the right signals to our Communications Provider (CP) customers and other stakeholders to help them prepare in a timely manner for the inevitable switchover to the new full fibre platform.

<p>Broadband universal service. The Broadband Universal Service Obligation has launched and we will continue to monitor its delivery. We will also need to consider any funding claims for the connections that have been built. We are also continuing our work more generally to improve access to broadband services in the hardest to reach and most remote locations and to understand how people’s future needs for connectivity will evolve in the future.</p>	<p>Consultation Q3 2021/22</p>
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20. Openreach supports the objective of Ofcom and the Government to improve broadband connectivity for all UK citizens and recognises that the Broadband Universal Service Obligation ('USO') will help address some of the most difficult to reach areas of the UK. Despite very challenging operational circumstances due to the COVID-19 pandemic, we worked very closely with Ofcom and BT Group to ensure the USO launch took place on time; and we remain committed to supporting BT Group as the Universal Service Provider ('USP') to deliver the best possible customer experience. We welcome Ofcom's recognition in its plan that it will consider funding claims for connections that have already been built, and we look forward to working with Ofcom and stakeholders to achieve a fair and pragmatic outcome. Although we support, we continue to have some reservations about how the policy objective has been implemented in law.

<p>Migration to voice-over-IP services. We will work with communication providers to help make sure issues raised by their migration to voice-over-IP services, including the potential future switch-off of the public switched telephone network (PSTN), are identified and addressed with</p>	<p>Ongoing</p>
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21. Openreach welcomes Ofcom's work in this area and will continue to work closely with Ofcom and the wider Industry as customers are migrated off of the PSTN network to new All IP services. Openreach cannot do this alone and much of this work will require focus on vulnerable customers and critical national infrastructure from across the industry to ensure the impacts of migration are fully understood and plans are made to migrate these customers safely. We would encourage Ofcom to work beyond just Communications Providers to identify and address potential issues, including trade bodies, device manufacturers, consumer groups and stakeholders that have a wide influence and impact on this migration.

<p>Simpler switching. We will conclude on our proposals to introduce a new simpler switching process for all customers whoever their broadband provider. This is regardless of whether they are moving across different fixed networks (for example, between Virgin Media and a provider using the Openreach network) or between providers that use the same fixed network but connect customers using different technologies.</p>	<p>Statement Q1 2021/22</p>
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22. Openreach recognises that end customers need to be able to switch providers easily to take advantage of the deals available to them. We support the principle that when end customers look to change provider, their new broadband provider should lead the switch and offer a seamless switching experience. Openreach has been involved in enabling switching between Communications Providers' customers for many years and therefore we consider we are well placed to contribute a wealth of experience to the debate on how an efficient and effective process may operate. Openreach currently facilitates circa 175,000 switches each month within

the Openreach network – operating a process called the Notification of Transfer process - this works well as a pure Gaining Provider led process and its principles put the end customer’s needs at the heart of the seamless process.

- 23. Openreach supports a new process that is simple, efficient and delivers reliable switching. Openreach has been supporting the OTA in modelling the various switching options proposed to industry with complexity and reliability scoring to ensure the best option is put forward that will deliver the most reliable switching process possible. The complexity modelling is comprehensive and suggests that to reduce complexity and potential points of failure in the solution architecture, the switching hub should be positioned at the retailer level.
- 24. Specifically, the complexity modelling in Openreach’s view means that any new switching process will require the implementation of a ‘hub’ to create the handshake between losing and gaining retail parties where products and services are supplied over different platforms. This hub must have direct communication with the retailers that deliver the products and services to end customers and must not be deployed at the Access Network Providers level.
- 25. Openreach is concerned that a big bang switch on of a new process could be disruptive in the marketplace and therefore would recommend a more phased implementation approach allowing industry to capture issues in a more controlled manner.

<p>Protecting customers if a provider fails financially. In the event of financial failure of a provider, customers should be protected and not lose access to their services. We will consider whether a scheme for telecoms could help to ensure customers are protected in these circumstances, in particular where the provider involved has its own network.</p>	<p>Ongoing</p>
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- 26. Openreach already operates a Supplier of Last Resort process for Wholesale Line Rental aimed at ensuring, to the extent possible, that end customers are given the opportunity to make alternative arrangements for their voice services when their suppliers (who are direct customers of Openreach) fail financially. We would be pleased to share our experiences of this process with Ofcom and Openreach will support Ofcom and industry in developing further processes (should they be required) that provide protection to end customers’ services across a wider range of products.

Participation and vulnerability. We will work to support the needs and interests of those who are disabled, elderly, on low incomes or living in rural areas, as well as those whose circumstances appear to put them in need of special protection. This will include contributing to joint policy work with the UK Regulators Network to improve outcomes for vulnerable consumers.	Ongoing
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27. Openreach continues to work closely with its customers on those deemed vulnerable. We have extended our offering to cover all consumer-based products across our copper and fibre portfolio and this supports the move to the voice over IP world. In the year ahead we will launch a simplified process for communications providers to raise a request for support on repair and provision tasks. This will remove dwell in the process and assure our engineers are allocated the work in the quickest possible way and we provide our service at the earliest possible opportunity.

28. We are also creating a UK support team should we face a network issue on the day that means the customer may be left without connectivity. This team will personally case manage the customer's issue, look for temporary solutions with our engineering workforce to keep the customer in service, while speedily prioritising resolution of the issue.

Open Communications. We will consider how to proceed with our proposals for Open Communications, which would enable people to share their data with third parties to help them navigate the market and get a better deal. We will work with the Government as it develops legislation to enable smart data initiatives across sectors.	Publication Q1 2021/22
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29. Open Communications is likely to drive more activity by consumers in the retail market space. More information displayed in an easy to consume way coupled with an increase in awareness and understanding of different products and services will mean that consumers are empowered to make better decisions about their communication needs. This may result in changes to working practices within the communications industry driving the need to review and update contractual processes and associated documentation.

30. It is important that there is industry agreement and alignment on the type and nature of the data to be shared, and the process for sharing. It is unclear from Ofcom's consultation how the process of data sharing would work and how the information would be derived or sourced, including the role of wholesale network operators, such as Openreach. An industry working group would be appropriate in determining the most relevant metrics as standardisation will be key to making Open Communications a success.