Openreach's response to Ofcom's
"Ofcom's proposed plan of work
2023/24 Making communications work
for everyone"

8 February 2023

Introduction

On 14 December 2022, Ofcom published its consultation document entitled "*Ofcom's Proposed Plan of Work 2023/24 – Making communications work for everyone*" ("the Consultation").

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

We are the UK's largest wholesale broadband network provider. We build and maintain an open network that is used by more than 690 Communications Providers (CPs), so they can offer broadband, phone, and TV packages to homes and businesses all over the UK.

Our network is made up of more than 192 million kilometres of fibre optic cables and copper wires. To maintain and grow a network of this scale requires an exceptional team, and our 25,000 field engineers work around the clock, in all kinds of weather and in every community. Last year they completed 9.8 million engineering jobs, installing and maintaining the equipment that provides fast, reliable broadband to millions of people. Our work often involves liaising closely with local councils, highways agencies, energy suppliers and landowners, to solve complex engineering and logistical problems.

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Openreach's comments on Ofcom's proposals

1. Openreach welcomes the opportunity to comment on Ofcom's proposed Plan of Work for 2023/24. It is helpful that Ofcom publishes its goals and priorities for the year ahead together with the key projects so that stakeholders are able to comment and influence the Plan of Work.

2. Openreach similarly is transparent about its strategic priorities and goals, which broadly align to Ofcom's expectations as per its plan. This document highlights those areas of synergy and the role that Openreach plays in supporting Ofcom's aims. Ofcom's remit has expanded its role as a converged communications regulator – across telecoms, broadcasting, post, spectrum and online services and taking on the new duties for video sharing platforms, telecoms security and the Online Safety Bill. It is noticeable that Ofcom, as a regulator of converged services, has moved focus in its proposed plan to areas outside of Openreach's remit.

3. Our plans support the Government's ambition of making Gigabit capable broadband available to consumers and businesses and, in doing so, we are determined to be as open and transparent about our build programme as we can be.

4. Now that Ofcom has put in place the regulatory framework to promote competition between networks and drive fibre rollout, industry must allow the market to evolve on this basis.

Ofcom is right to recognise the importance of access to fast, affordable broadband. Ensuring continued investment in these networks and services will remain a priority, as will ensuring they are reliable, resilient and safe.

5. Openreach has a highly important role to play in the roll out of fibre. Our aim is to connect 25 million homes and businesses to full fibre broadband, and more than six million of those are in the hardest-to-reach and most remote communities in the UK – defined by Ofcom as 'Area 3'. We have built out to over 9.6 million premises already at a current rate of over 62,000 a week, whilst also ensuring we are balancing build in the hardest to reach rural communities where we aim to reach 6.2 million connections. The new network will provide a future proof, more reliable and dependable broadband service that will support the UK for decades to come.

6. Once we have rolled out full fibre into an area, it does not make sense for us to keep lots of different old technologies running – it will be very expensive, replacement parts are no longer being made, and it will not allow us to push forward with our plans to give the UK world class connectivity as quickly as we would like. We will stop selling new WLR across the UK from September 2023 and as we continue our full fibre roll out, we are also winding down the range of copper-based services we supply. By December 2025, the historic analogue network, used to make most phone calls from our landlines and also used for broadband, will have reached the end of its life. And the new digital phone network will take its place. We have laid out a plan on how and when we are going to be switching off our old copper based network, noting that there may be special exceptions for certain types of equipment.

Ensuring that people can access high-quality and affordable services remains a priority for Ofcom

7. As a wholesaler, we are one part of the value chain, but do understand that our prices impact consumers, so we have listened to and consulted our customers at length on our fibre pricing plans. By giving providers some long-term pricing certainty, and ensuring full fibre is their default choice, our commercial offer has helped CPs to offer attractive packages to customers and encouraged more and more homes and businesses to benefit from fast and reliable connectivity.

Openreach is committed to providing a secure and resilient telecoms infrastructure

8. Openreach appreciates Ofcom's and the DCMS collaborative approach of consulting on the Telecommunications (Security) Act 2021. Openreach is keen to play its part and is contributing to the reporting and monitoring requirements to ensure compliance with the Act.

Market research and intelligence - understanding of the markets Ofcom regulates

9. Openreach works closely with Ofcom's Information Registry Team and values its role in coordinating formal and informal information requests and working with stakeholders on the timing of requests and feedback on information gathering. Given the breadth of Openreach activities such a planning is key to ensure the business provides accurate, complete and timely responses.

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Openreach supports Ofcom's emphasis on sustainability and climate change

10. We understand the need to act on climate change and we are committed to reducing our operational impact. We are certified by ISO14001 on environmental management which allows us to enhance our environmental performance and we have set ourselves the target of becoming a circular economy operation by 2030.

11. We have brought forward our net-zero ambitions by 15 years and have pledged to switch the majority of our commercial fleet to zero emissions or electric by 2030. We have already bought more than 1,900 (1,963) electric vans but there are some big challenges to overcome to reach our target. There needs to be a national charging infrastructure to support people travelling around the country. Incentives for converting major fleets like ours need to stay. They will have a big effect on the second-hand market and help the UK meet its net zero target.

12. We have set a 2025 target for all packaging where possible from over 4,000 procured lines to be reusable or have recyclable solutions. This year we have continued working with our key suppliers to reduce unnecessary plastic waste, and we've removed over 25% (28.6%) on our orderable lines of single use plastic from our supply chain.

Openreach supports the ambitions to strengthen Ofcom for the future with a focus on diversity

13. We are part of the fabric of the UK with over 37,000 colleagues - we believe it is important and right for us to fairly represent the diverse and inclusive communities that we serve. In June 2022 we published our Diversity and Inclusion report, Open to Everyone, which looks at our progress, as well as outlining new programmes and initiatives that we have created since last year. More information can be found at: Diversity and Inclusion | Openreach

14. Around 16 per cent of our trainee recruits were women last year – up from 12 per cent the previous year, partly thanks to us making the language of job adverts less gendered.

15. We have created a strong community of allies, with over 1,200 members across the organisation helping to drive positive change. Our people networks have already done great things, like helping to launch the Neurodiversity in Business initiative in Westminster, and we are determined to give them even more support going forward, so they can set clear plans and objectives for the coming year.

Improving safety is a big priority at Openreach, we want to help make sure that our future – both online and offline – is a secure and sustainable one.

16. Openreach is developing a safety culture plan. That plan will include 'Hearts and Minds' training for everyone in Openreach with a set of life saving rules and everyday behaviours.

17. We have also continued to publicly support the 'Service with Respect' campaign, led by the Institute of Customer Service. This campaign has been calling for a change in the law to protect customer-facing workers from abuse – including tougher sentencing for people who commit assaults against people providing a public service.

18. An example of Openreach leading the way on partner safety is the requirement we have set for all operatives working on the public footway or highway to hold the relevant New Roads and Street Works Act 1991 (NRSWA) accreditation. This goes above the legislative requirement to have one operative on site with this accreditation. This approach reflects Openreach's safety culture and insistence that every operative gets home safe and well.

19. We also took the lead across industry in 2022 to bring unsafe and poor quality industry working practices to the attention of Physical Infrastructure Access (PIA) customers (i.e. CPs who use Openreach ducts, poles and chambers to build networks) and to the attention of Ofcom. We have identified this as a priority for Openreach and look forward to continued support from Ofcom and industry in 2023 to eliminate such behaviours and raise the level of safety, quality and skills across the industry.

Two areas that Ofcom should include in its Plan of Work.

i. **OMU Annual Report** - Ofcom's Openreach Monitoring Unit publishes its annual report which covers compliance with BT's Commitments (of which Openreach is an essential part) and going forward a commentary associated with WFTMR outcomes. As an important report within the telecommunications environment and the regulatory framework which is underpinned by the WFTMR, we consider this should be identified as a distinct report within Ofcom's Plan of Work.

ii.   **Terminology for Broadband Services** - Ofcom convened an industry working group to develop common terminology for broadband services, including next generation gigabit-capable networks. With over 100 infrastructure providers building the length and breadth of the nation, the great news for consumers and businesses alike is that they will have more choice than ever before – and Openreach is committed to building to 25m properties across the UK with its own plans. We are building as fast as we possibly can – at a rate of over 62,000 premises a week. We believe that is the fastest roll out of full fibre ever seen across Europe.

However, we know that not every broadband network is built equally and that different technologies and build processes can have a huge impact on the speeds that are available to end customers. We are committed to building not only the full fibre future for the majority of the UK as quickly as we can, but also at the highest possible quality.

Also, as we look to migrate end users across from legacy platforms such as part or full copper services, across to full fibre connections, Openreach and industry have an important role to play in demystifying the confusing world of broadband for end consumers to maximise take-up, where speed is no longer the only factor for broadband choice, but reliability and quality of service play an equally important role.

We believe it is important for customers to be reassured that they are selecting their broadband technology and network with confidence, armed with the facts and clarity to help them make the choice between different technology types and infrastructure providers. We therefore fully support Ofcom's ambition to develop a common terminology for broadband services, but appreciate that finding consensus across a complex industry is challenging.

Project Work for 2023/24

The following focuses on some of the key areas in Ofcom's work plan for 2023/24 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.

Network security and resilience. We will carry out our compliance monitoring and enforcement role under the new telecoms security framework. We will continue to make sure operators of essential services are managing security risks and engage with communications providers to carry out a threat intelligence-led penetration testing scheme (TBEST). We will also work with industry to identify and close gaps in standards and best practice, issue guidance in relation to network resilience and continue the programme of pro-active monitoring of resilient design in current network deployments.	Ongoing
Telecoms vendor diversification. The UK Government is working to ensure a more competitive, diverse, innovative, secure, and resilient supply chain for telecoms. To support this, Ofcom (alongside UK Telecoms Lab (UKTL) when it is launched) will work to enable newer vendors' ability to test technology in a commercially neutral environment through the SONIC (SmartRAN Open Network Interoperability Centre) Labs open radio access network testbed. We will also continue to share our insight and expertise with the Government across diversification issues, including as an observer member of the Telecoms Supply Chain Diversification Advisory Council and member of UKTL Oversight Board.	Ongoing

- Openreach is committed to driving network security, resilience and vendor diversification in the UK and we understand the requirements of the Telecom Security Act Code of Practice and Designated Vendor Direction. We also understand that security standards will evolve and that Openreach plays a pivotal role in ensuring the continued resilience of the UK's telecom networks.
- Openreach continues to take proactive steps in reducing the FTTP footprint of Huawei whilst simultaneously building the FTTP network at significant pace

with network vendors like Nokia and Adtran, supported by interworking of ONTs where customers notice no difference in the service or speeds they receive.

- Openreach engages with Ofcom on TBEST compliance and improvement processes whilst our products and services undergo independent IT health checking in lieu of CAS-T testing.
- We share the goal of network diversification and are committed to meeting all our legal obligations. We look forward to working with Ofcom to implement the security framework requirements over the coming year and beyond.

Migration to voice-over-IP services. We will work with communication providers to help make sure issues raised by their migration to voiceover-IP services, including the potential future switch-off of the public switched telephone network (PSTN), are identified and addressed with the aim of protecting consumers from harm and minimising disruption.	Ongoing

We are pleased that Ofcom has recognised the importance of migration to voice-over IP services and has therefore included this in its Plan of Work. We would encourage Ofcom to recognise the wide range of important issues that this subject raises, including:

- The closing out of our trials in Salisbury and Mildenhall and collating learnings that we can take into the wider WLR withdrawal in 2025
- Implementation of national WLR stop sell in September 2023
- Raising awareness of the 2025 closure date and Openreach facilitating dialogue across industry through engagement with government, telecare industry, trade bodies, charities and local authorities
- Working with CPs to deliver a new vulnerable customer migration process, supporting an industry statement of requirements (SOR) to have a consistent on the day migration experience for telecare users

Openreach will continue to lead industry fora alongside the support of the OTA and Ofcom to share progress and work on migration best practice. This includes regular working groups with CPs and wider industry stakeholders that regularly attract over 200 attendees and a more focused steering group with key CPs. We would urge Ofcom to consider the future regulation required to enable exchange exit and copper withdrawal.

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Broadband universal service. We will continue to monitor the delivery of the broadband Universal Service Obligation (USO) by the designated providers (BT and KCOM).	Ongoing

- During the last year, we worked closely with Ofcom to refine the analysis and reconciliation of coverage data related to broadband USO eligible premises. This enabled us to build on the assurances that we (and BT) gave as part of the closure of Ofcom's investigation in November 2021 and to continue to focus on customers' needs and the efficient delivery of the USO.
- We recognise that remote and rural areas pose particular challenges for the provision of fixed broadband and therefore we will continue to do our share as the major Universal Service Provider (USP) to assist many of the USO eligible homes to access decent broadband. We will also be expanding coverage through our continued commitments to numerous publicly funded broadband schemes and through our commercially funded rural build programmes.
- Looking forward, it is also important to understand customers' current and future connectively requirements but these need to be considered in the light of pragmatic and economically feasible options.
- Following some of the UK's worst storms in recent years in 2021/22 we reviewed and updated our processes to ensure swift recovery in the event of damage to our network, including how we engage with external stakeholders and our CP customers to ensure that end customers get back into service as quickly as possible.

Home broadband performance measurement. We will publish data on the performance delivered by different residential fixed broadband services and how they vary by a number of factors including technology, broadband provider, package, geography and time of day.	Report Q1 2023/24

- Openreach has worked very closely with Ofcom and its external partners for a number of years on Home Broadband Performance Measurement – for example in producing data which helped underpin the statistical validity of the research. In particular, over the last year we have worked with Ofcom and partners to broaden the scope of the research and deal with much larger sample sizes by automating more of our processing. This is turn relied on

data supplied by Ofcom's partner being structured and validated in a more systematic way. Hence good progress has been made to date. We look forward to working together with the Ofcom team during 2023 to resolve any outstanding points and continue to support Ofcom in the production of its Home Broadband analysis.

Implementation of One Touch Switch. Following our decision to introduce One Touch Switch (OTS) for residential landline and broadband switches, we are working with industry to ensure OTS is implemented successfully in line with the General Conditions which come into effect in April 2023	Ongoing

- Openreach is committed to delivering the changes that will support industry in implementing the new OTS processes; this will allow CPs to develop their solutions in confidence of compatibility with Openreach. The changes comprise the removal of Cancel Other from migrations and changes to Minimum Lead Times. To find out more please visit our dedicated portal page One Touch Switch (openreach.co.uk).
- We continue to deploy our required functionality, as per the roadmap shared with industry, in a 'switched off' state until such time as industry confirms that it is ready to go live with One Touch Switch processes including having the Hub up and running to ensure consumer authentication and other measures are in place.

Affordability of communication services. We will monitor and report on the extent to which households have difficulty paying for communications services, particularly in relation to broadband. We will also monitor the availability, promotion and take-up of social tariffs and help raise awareness among eligible customers.	Report Q1 2023/24

- Openreach has a highly important role to play in the rollout of full fibre including making commitments to speeding up adoption and educating people about the benefits of full fibre. Openreach works closely with CPs to raise awareness, stimulate demand and make sure upgrades are smooth and affordable. Openreach will continue to work with government, Ofcom and industry on this important topic. Meanwhile we have introduced significant discounts on full fibre to encourage people onto our fastest, most reliable services.

Supporting vulnerable customers. We will monitor whether providers are treating customers in vulnerable circumstances fairly and giving them the support and services, they need. This will include contributing to joint policy work with the UK Regulators Network to improve outcomes for vulnerable consumers.	Ongoing

- Openreach strives to deliver decent, reliable and affordable broadband to all communities. In doing so, we provide our services to CPs, who are best placed to identify and support vulnerable customers.

Connected Nations. We will continue to report on the availability and use of broadband and mobile networks in this annual update, which also features a version for each of the nations of the UK.	Updates Q1 & Q2 2023/24 Publication Q3 2023/24

- The large and detailed Openreach data sets used for the Connected Nations report remain challenging to produce because core base data for UK properties and postcodes is subject to continuous change. And as we build new network and reconfigure our existing network then our connectivity, coverage and performance data also changes. In this light, we value the positive and proactive way in which the Ofcom Connected Nations team engages with us to investigate and understand the data should any queries arise. We have recently completed another major update to our data models and look forward to this forming the basis of our 2023 submissions and to continuing to work with the Ofcom team to produce timely and accurate statistics for the UK.