

# **Openreach's response to Ofcom's** "Proposed Plan of Work 2022/23: Making communications work for everyone"

9 February 2022



## Introduction

On 15 December 2021, Ofcom published its consultation document entitled "*Ofcom's Proposed Plan of Work 2022/23 – Making communications work for everyone*" ("the Consultation").

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

We're an open, wholesale network provider. The vast majority of our products and services are regulated, which means all of our customers get the same prices, terms and conditions. We support more than 660 Communications Providers (CPs), helping them to connect their customers throughout the country.

Our people build, maintain and manage more than 197 million kilometres of fibres and copper wires. If you laid it out end-to-end, the Openreach network could stretch around the world 4,825 times. Over 14,600 service delivery engineers carried out 9.8 million engineering jobs last year, through all seasons and in all weathers.

## Openreach's comments on Ofcom's proposals

1. Openreach welcomes the opportunity to comment on Ofcom's proposed Plan of Work for 2022/23. 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. 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, which aligns to the fact that last year Ofcom completed its extensive work as part of the Wholesale Fixed Telecoms Market Review (WFTMR) which establishes the regulatory framework for telecommunications for the next 5 years (and with the expectation this approach will endure for at least ten years).
3. We believe that everyone in the country deserves access to decent and reliable broadband – and our engineers work in every community, every day, to deliver our big bold plan for **better service, broader coverage** and **faster speeds** across our network. Over the last decade our capital expenditure has been more than £15 billion as we focus on building and maintaining our networks.

Ofcom is right to recognise the importance of availability of Full Fibre and support investment in gigabit networks through the implementation of the regulations set out in the Wholesale Fixed Telecoms Market Review. Now that Ofcom has put in place the regulatory framework, industry must allow the market to evolve on this basis.

4. 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. We believe we can ramp our build up to four million premises a year – going harder and faster than previously thought possible, whilst doing everything we can to build fairly across the whole of the UK.
5. Our network supports a thriving digital sector, making the UK one of the leading digital economies in the world. More recently, the pandemic has seen our network providing a crucial lifeline for friends, families, businesses and public services when they are most in need. As we look to bounce back from the pandemic, we believe our network will be crucial to the country's social, environmental and economic success, and that is why we are on a mission to build a new ultrafast and **ultra-reliable Full Fibre broadband network to 25 million homes and businesses throughout the country by the end of 2026**. It is an enormous and complex engineering project and it will future-proof the UK's digital infrastructure for decades to come. This future-proof network will serve the country for generations and we are going to build the vast majority of it commercially. We will also continue to partner with Government and other

funding partners, wherever appropriate, to tackle the digital divide and get better broadband to as many people as we can. We are bringing faster broadband to communities across the UK, but it's critical to our future that we make the most of our new infrastructure, by working with our CP partners to seamlessly upgrade customers across to the new platform and onto the right propositions. Where ultrafast broadband is not available, we will continue to be working closely with our CPs to ensure that customers are migrated onto the best available network technology.

### Openreach supports Ofcom's emphasis on sustainability and climate change

6. Based on research by The Centre for Economics and Business (Cebr), nationwide Full Fibre broadband could save 300 million commuting trips each year, with three billion fewer kilometres travelled by car and 360,000 fewer tonnes of carbon emissions. Openreach's focus on sustainability does not end with the network. With more than 28,000 vehicles, Openreach operates the UK's second largest commercial van fleet. Our engineers travel more than 220 million miles a year and we are aiming to switch a third of the fleet to electric or zero emission by the middle of this decade and want to be all-electric or zero emission by 2030.
7. Openreach is committed to reducing the energy consumption driven by its network electronics. We have already taken action to consolidate electronics where possible, and have plans to consolidate services in VDSL DSLAMs, removing any excess or unnecessary hardware. This will commence during FY22-23. With our FTTP network, we are working closely with vendors to prioritise the consumption of the most efficient chipsets and management technologies in order that future networks are also as efficient as possible.

### As an evidence-based regulator Ofcom's Information Registry provides a crucial role in enabling data gathering.

8. We note underpinning Ofcom's work has been the establishment in 2020 of the Ofcom Information Registry Team. Openreach values the planning and work undertaken by the Information Registry Team. 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 on 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.

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

9. As a converged regulator Ofcom has to deal with a wide range of regulatory challenges. It is therefore credible that Ofcom should seek to strengthen its organisational capability. A key element of this is to realise the ambition of Ofcom's organisational diversity and inclusion

programme. Openreach echoes this ambition through our Pride, Gender Equality, Ethnic Diversity and Neurodiversity networks. These groups have brought together people from all levels and backgrounds across Openreach and they are actively listening to our people to understand the issues and barriers they face. Alongside our allies’ programme, this means we have colleagues who are actively driving education, awareness and celebration of our diversity and inclusivity throughout Openreach.

10. In 2021 we published our commitment to build a more diverse and inclusive Openreach, where we represent the communities we serve and where our colleagues can bring their whole selves to work. We have a detailed and ambitious plan to transform our organisation by 2025 and have shared this plan to show our commitment to transparency and openness. We will use targets to focus our attention and track how we’re doing while a broader set of goals will help shape how it feels to work in Openreach and how we work together. More information can be found at: [Diversity and Inclusion | Openreach](#)

Ofcom’s Openreach Monitoring Unit (OMU) issues an annual report which should be included in the Ofcom Plan of Work.

11. The OMU publishes its annual report which covers compliance with BT’s Commitments (of which Openreach is an essential part) and going forwards a commentary associated with WFTMR outcomes. As an important report within the telecommunications environment and the regulatory framework which is underpinned by the WFTMR for the next 5 years, we consider this should be identified as a distinct report within Ofcom’s Plan of Work.

## Project Work for 2022/23

12. The following focuses on some of the key areas in Ofcom’s work plan for 2022/23 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><b>Consumer information on gigabit-capable / ultrafast broadband</b> – Ofcom has convened an industry working group to develop common terminology for broadband services, including next generation gigabit-capable networks. This work aligns with the recommendations of the GigaTAG working group that industry should look to develop consistent terminology and use cases.</p>	<p>Ongoing</p>
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13. Openreach is pleased to be part of the common standards working group that Ofcom has set up to help simplify and demystify the terminology used within the telco industry to describe different broadband technologies and capabilities to consumers.

14. The fixed broadband industry as a whole has relied on superlatives solely around speed such as superfast, ultrafast and hyperfast to differentiate and sell broadband platforms through the years, leading to customer confusion as highlighted in the recent GigaTag research and report. As marketers and providers start to understand that speed is not the only dimension for consumer broadband choice, where reliability, latency, concurrency and green credentials are as compelling, it is important for consumer understanding to be reset. With the roll out of Full Fibre broadband scaling at pace and Openreach's commitment to build to 25m premises by December 2026, now is the right time to create a new naming framework with well understood narratives to support consumers to make the shift from copper based to Full Fibre technology.
15. Openreach has an important role to play in driving awareness of Full Fibre technologies and what it can unlock for the UK, and we look forward to working with Ofcom to create a common standards framework for naming across the UK.

<p><b>Network security and resilience.</b> Ofcom will continue to work with the UK Government to implement responsibilities under the new telecoms security framework, carrying out compliance monitoring and enforcement role and issuing guidance for industry. Ofcom will also 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).</p>	<p>Ongoing</p>
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<p><b>Telecoms vendor diversification.</b> The UK Government is working to ensure a more competitive, diverse, innovative, secure, and resilient supply chain for telecoms</p>	<p>Ongoing</p>
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16. Openreach continues to drive vendor diversification. In recent years, we have taken a number of proactive steps to improve network security and resilience, enabling us to make significant progress towards the overarching goal of network diversification and reducing the proportion of Huawei in our planned and built FTTP network:
  - The vast majority of new FTTP network build is now being supported by two new vendors, Nokia and ADTRAN. This has significantly reduced the percentage of Huawei in the network.
  - Almost all headends now being installed are supplied by Nokia and we have worked with ADTRAN to introduce their equipment to the network at unprecedented speed.
  - We have also introduced interworking solutions which mean that Nokia ONTs can now work with previously installed Huawei technology, further supporting our diversification work. For the majority of FTTP installs we now only install Nokia or ADTRAN ONTs.
17. All this has been accomplished at the same time as we have accelerated our Full Fibre deployment to over 47,000 premises a week and while responding to an unprecedented national crisis that relied on us keeping our networks going.

18. We share the goal of network diversification and are committed to meeting all our legal obligations. We look forwards to working with Ofcom to implement the new security framework over the course of the year.

<b>Broadband universal service.</b> The broadband Universal Service Obligation (USO) has launched and Ofcom will continue to monitor its delivery by the designated providers (BT and KCOM). Alongside this, Ofcom will look to understand how people’s connectivity needs have evolved and will do so in the future	Ongoing
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19. Openreach was very supportive of Ofcom’s decision to complete its broadband USO investigation in November 2021 bringing to a close a detailed and long running debate about the treatment of certain excess costs. This has enabled us to continue to focus on customers’ needs and the efficient delivery of the USO building on the assurances that we (and BT) gave as part of that investigation.

20. 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 a Universal Service Provider (USP) assisting many of those homes identified by Ofcom without access to decent broadband, and also through our continued commitments to numerous publicly funded broadband schemes. We will also continue to work closely with Ofcom to refine the analysis and reconciliation of coverage data related to BBUSO eligible premises.

21. As Ofcom note, it is also important to understand customers’ current and future connectivity requirements and we are always open to working with Ofcom to explore pragmatic and economically feasible options.

22. Following some of the UK’s worst storms in recent years we are committed to continually reviewing and updating 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.

<b>Migration to voice-over-IP services.</b> Ofcom 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 the aim of protecting consumers from harm and minimising disruption	Ongoing
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23. Openreach is engaging with CPs and wider industry through our trials in Salisbury and Mildenhall where our objective is to successfully migrate customers to new All IP and digital voice services and withdraw Openreach products that run over the PSTN by April 2023 and in advance of the PSTN being withdrawn by BT in December 2025. These trials are an important step to test and learn how we can support all customer groups during migration and enable us to improve or

develop new processes required over the coming years and we would encourage full participation by our Communications Provider customers.

24. To help businesses make the switch, we launched a campaign to raise awareness and understanding of the process, with our Call Waiting List, a subscription service providing the latest information, guidance and advice for businesses of different sizes, in different sectors and with different needs to help them make informed decisions about upgrading. This is particularly important for vital CNI (critical national infrastructure) organisations, to make sure the upgrade can be completed smoothly, and with minimal disruption for the wider public.

<b>Home broadband performance measurement.</b> Ofcom will publish data on the performance delivered by different residential fixed broadband services and how they vary by a number of factors including technology, service provider, package, geography and time of day.	Report Q2 2022/23
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25. Openreach has worked very closely and co-operatively with Ofcom (and its external partners) for a number of years on Home Broadband Performance Measurement - in particular producing data which helped underpin the statistical validity and representativeness of the research. Additionally, we have already been working with Ofcom over the last year to broaden the scope of future exercises and to better understand the impact of various technical issues. Therefore good progress has been made to date. However, in order for Openreach to be able to deal with the larger sample sizes proposed, we will need to automate more of our processing, and this in turn will rely on the sample data supplied by Ofcom's external partner being structured and validated in a way that enables automation. We look forward to working together with the Ofcom team during 2022 to resolve any outstanding points and support Ofcom in the production of its Home Broadband analysis.

<b>Affordability of communications services.</b> Ofcom will continue to monitor and report on the extent to which households have difficulty paying for communications services, particularly in relation to broadband.	Ongoing
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26. Late in 2021, Openreach made available a commercial offer called 'Connecting the Unconnected' that we consider will help Communications Providers build propositions for end customers that may be having difficulty paying for their broadband services. Openreach will continue to work with government, Ofcom and industry on this important topic.



<b>Supporting vulnerable customers.</b> Monitor whether providers are treating customers in vulnerable circumstances fairly and giving them the support and services they need.	Ongoing
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27. Ofcom is right to emphasise the importance of supporting vulnerable customers. Openreach recognises that the causes of vulnerability are complex and can cover a broad range of circumstances. As part of this very important work supporting vulnerable customers the industry should come together in order to better define and serve such vulnerable groups and we think there is an important role for Ofcom to help as part of this process. We will continue to be an active and responsible industry player in this area, for example by continuing to enable priority repair services for end customers that need them, and by continuing to play a key role in the delivery of services that support the Critical National Infrastructure (for example, medical services) that people, particularly those who are vulnerable, rely upon.

<b>Implementation of One Touch Switch.</b> Following the decision to introduce One Touch Switch for residential landline and broadband switches, Ofcom will work with industry to ensure OTS is implemented successfully by April 2023.	Ongoing
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28. Openreach continues to proactively engage with stakeholders to implement One Touch Switch. We have presented our principles to industry who have signalled support for our proposed changes to remove for example the current 10-day Notification of Transfer lead time. Whilst our plan is achievable within the required timescale of April 2023, there is a clear dependency on CPs and retailers to be in a position to test systems etc in sufficient time for launch. Ofcom's timeline looks very challenging to us. A clear policy objective in relation to switching is to enhance the end customer experience – whilst the current proposals enable this for dual play (voice and broadband), the exclusion of pay TV may undermine this objective.

<b>Sustainability and climate change.</b> Continuing engaging with industry stakeholders to understand their approach to running their businesses sustainably, including how they affect the environment, and are affected by both environmental change and wider societal efforts to become more sustainable. To continue to consider how sectors might contribute to the momentum towards the UK's net-zero carbon target.	Ongoing
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## Building sustainably

29. As a business, we understand the imperative to act on climate change and we are committed to reducing our operational impact. That is why BT (and Openreach) have recently set new science based targets to become carbon neutral by 2030.

30. With more than 27,000 commercial vehicles, we operate the second largest commercial van fleet in the UK and last year our engineers travelled more than 211 million miles, using more than 43 million litres of fuel and producing an estimate of 113,000 tonnes of CO<sub>2</sub>. To address that, we are aiming to transition a third of our fleet to Electric Vehicles by the middle of this decade and we want a green fleet by 2030 – with limited exceptions for heavy and specialist vehicles.
31. We are also keen to find zero emission vehicle solutions for these specialist and heavier vehicles. We have taken a leadership position in the UK Electric Fleet Coalition and Electric Vehicle Fleet Accelerator groups to help us drive the necessary changes to address some of the broader barriers to Electric Vehicles deployment which fleet operators more generally face.

### Reducing waste in our supply chain

32. So far in 2021/22 we have removed circa 115 tonnes of plastic from our supply chain, by working with key suppliers to remove unnecessary plastic packaging from their products.
33. Product innovation is playing a part too. One example is the connectorised block terminals, which we use to connect premises to our new Full Fibre network. These crucial pieces of equipment used to arrive in brittle plastic packaging that went into skips and took up lots of space. With our supply chain partners, we have now managed to develop a cardboard, pizza-style box that is much easier to recycle and takes up less space.
34. We have also introduced a re-usable drum to store and deploy fibre cables which saves wooden reels being thrown away once empty. All of this work is central to our ethos as a business. As we increase the scale and pace of our investment and build activity, it is vitally important to us that we do that in a sustainable way. We know there is more to do though and to that end, as a socially responsible business, we are aiming for 100 per cent of the plastic packaging we buy to be re-used, recycled or composted by 2025.

**Connected Nations.** Continuing 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.

Update Q1 2022/23  
Update Q2 2022/23  
Publication Q3  
2022/23

35. The large and detailed Openreach data sets used for the Connected Nations report remains 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 change continuously. Therefore, we value the work and analysis undertaken by the Ofcom Connected Nations team and the positive and proactive way in which they engage with us to investigate and understand any queries they encounter. We have recently completed a major update to our data models and look forward to this forming the basis of our 2022 submissions and to continuing to work with the Ofcom team to produce timely and accurate statistics for the UK.