



Ofcom  
Riverside House  
2a Southwark Bridge Road  
London  
SE1 9HA

16 July 2021

Dear Sirs

**Re: Call for inputs: Openreach proposed FTTP offer starting 1 October 2021**

Thank you for providing the opportunity for stakeholders to communicate their initial views on the above proposed pricing arrangements.

The proposed offer is designed to encourage Communications Providers to switch more premises to FTTP and includes a significant discount on FTTP connection charges. However, the connections element of the offer is available only to **residential** premises within Area 2.

The Government has a target of at least 85% of UK premises having access to gigabit-broadband by 2025<sup>1</sup>. Openreach's target is for FTTP to be available to 25 million homes and businesses by December 2026<sup>2</sup>. These targets can only be met if a very large proportion of business premises have FTTP installed.

The need to offer competitive pricing to business customers has been exacerbated by the very challenging economic climate faced by businesses over the past 18 months. The Government continues to provide financial support to businesses as they recover from the disruption caused by the Covid-19 pandemic. However, excluding business premises from the connections element of Openreach's offer puts businesses at a financial disadvantage. Any reduction in costs which Communications Providers are able to filter through to their business customers will act as an incentive to switching for those customers. There is also the risk that residential customers with a lower cost to serve may end up cross-subsidising business customers that have a higher cost to serve.

The issues raised above can be mitigated by extending all elements of the proposed offer to both residential and business premises. We therefore query why business premises have been excluded from the connections element of the offer?

Yours faithfully

---

<sup>1</sup> [Gigabit-broadband in the UK: Government targets and policy - House of Commons Library \(parliament.uk\)](https://www.parliament.uk/library/research-and-briefing/papers/2020/2020-07-20-gigabit-broadband-in-the-uk-governments-targets-and-policy)

<sup>2</sup> [BT to increase and accelerate FTTP build to 25m premises by the end of 2026](https://www.broadbandchoices.co.uk/news/bt-to-increase-and-accelerate-fttp-build-to-25m-premises-by-the-end-of-2026)



*Emma Groves*

Emma Groves  
Head of Regulatory Affairs  
Verastar Limited