INCA

Response to Ofcom's Call for Inputsts on Openreach's proposed commercial offers (Proposed FTTP and Ethernet offers).

19th June 2026

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1 Executive Summary

1 INCA welcomes Ofcom's Call for Inputst (CFI) in relation to a range of offers recently notified by Openreach because the offers either have a geographically targeted element and/or are conditional with regard to volumes or range of products purchased by individual Communications Providers (CPs).

2 Despite only being able to access the critical descriptions of the offers included in the scope of the CFI (the relevant offers) three days before the CFI response deadline, we have presented a considered analysis of the likely and potential harms that could arise if the offers were to be implemented as proposed.

3 The relevant offers are:

- **NGA2012/26 Incremental New to Openreach Customer Offer**
  A national FTTP acquisition offer providing connection and rental rebates for qualifying "new to Openreach" FTTP connections above specified baseline levels.
- **NGA2013/26 Incremental New to Openreach Customer Offer in VMO2 Areas**
  An additional geographically targeted FTTP acquisition rebate applying in postcode areas identified by Openreach as being served by Virgin Media O2.
- **NGA2010/26 Extending Equinox 10Gb GEA Cablelink Discount and 550Mb Try-Before-You-Buy Incentive**
  An extension of existing Equinox-related incentives, including a mechanism enabling CPs to sell 550Mb services while initially incurring lower wholesale charges.
- **ETH022/26 Incremental Ethernet Net Demand Offer**
  A conditional Ethernet offer providing connection charge discounts where CPs exceed specified Ethernet demand baselines.

4 All the relevant offers present themselves as clearly targeted at winning back FTTP and Ethernet customers that have moved to Altnet networks, and to win customers from VMO2. The relevant offers provide strong monetary incentives for CPs to target Altnet and VMO2 customers and one offer provides additional incentives for that within the VMO2 network footprint.

5 The geographic element of the Incremental New to Openreach Customer Offer in VMO2 areas does not only target VMO2. It is also targeted at Altnets operating in the same locations. VMO2 is present in significant number of urban areas, so the offer is effectively targeted at all urban competitors to Openreach. INCA cannot

comment on whether VMO2 should be considered sufficiently established to be able to withstand unrestricted competition from Openreach, but it is clear that no Altnets can be considered established to that extent. The proposed offers targeting the VMO2 footprint would almost inevitably cause material harm to the ability of urban Altnets to attract and retain customers and become sustainable competitors to Openreach.

6 The national Incremental New to Openreach Customer Offer presents CPs with both connection and rental discounts, with the rental discount being extremely high. The very fact that the offer is only valid for premises that have not been connected to the Openreach network for at least 90 days, targets the discounts squarely at the Altnet customer base and it overlaps with VMO2 offer.

7 It is our view that the conditionality of the two new to Openreach customer offers is designed to drive CPs to ensure that they exceed their baselines to guarantee the discounts.

8 The extension of the Equinox 10Gb GEA Cablelink Discount and 550Mb Try-Before-You-Buy Incentive again builds on top of the two New to Openreach Customer offers and incentivises CPs to sell higher speed products and to help them qualify for the (non-conditional) Frontbook ARPU share offer. We believe this has a lock-in effect on CPs.

9 The Incremental Ethernet Net Demand Offer also contains conditionality pushing CPs to aggressively pursue new Ethernet sales to maximise their benefits under the offer.

10 INCA considers that the offers are all designed to reduce take-up on Altnet networks and thus chill further investment in competitive FTTP networks as well as weakening Altnets that are working hard to attract customers and establish themselves as credible and sustainable competitors to Openreach.

11 In addition to the relevant offers, Openreach has other recently notified offers and offers already in the market for some time. It is critical that Ofcom review the relevant offers in terms of how they incrementally and cumulatively affect CP incentives and behaviour alongside those recent and existing offers.

12 The very serious competition concerns identified in this document make it clear that Ofcom must issue a full and comprehensive consultation to all stakeholders to comment and submit their views and analyses before Ofcom decides whether Openreach should be allowed to implement the offers as currently proposed.

13 INCA considers that the relevant offers would likely be extremely harmful to the achievement of Ofcom's strategic objective of promoting sustainable network competition. The offers are also detrimental to the achievement of stated

government policy to promote investment in competitive fibre networks and enable competition at all levels.

14 At this stage, the issue is not whether INCA can establish that Ofcom is legally obliged to consult. It is whether Ofcom has a sufficiently complete record to close its review of the conditional offers. A closure announcement would indicate that Ofcom had identified no substantive concern requiring ex ante intervention and, absent later action, would leave the offers on course to take effect on 1 October 2026, providing the market certainty referred to in paragraph 1.32 of the Call for Inputsts[1]. That is the more consequential course. A one-month consultation, expressly contemplated within the existing notification timetable at paragraphs 1.32 and 1.35[2], would allow Ofcom to test the evidence before deciding whether closure is appropriate. The central question is therefore: can Ofcom responsibly close its review on the present record?

2 About INCA

15 INCA (Independent Networks Cooperative Association) is the trade body for the United Kingdom's independent network operators (Altnets), the builders of the competing fibre infrastructure that the Telecoms Access Review 2026-31 is intended to protect and promote. The members of the INCA are supporting, planning, building and operating sustainable, independent and interconnected networks that advance the economic and social development of the communities they serve and permit the provision of applications and services through open competition, innovation and diversity. Our members have passed over 19.7m premises with FTTP and serve over 3.5m live connections. Altnets continue to invest and build, helping the UK to get to 99% gigabit coverage[3]. We are working together to create cohesive interconnected next generation networks.

[1] Ofcom, *Openreach's proposed commercial offers: Call for Inputsts*, 2 June 2026
[2] Ofcom, *Openreach's proposed commercial offers: Call for Inputsts*, 2 June 2026
[3] INCA, State of the Altnets 2026, p.7. Figures as at 31 December 2025, based on the INCA survey, company reports, and Point Topic research

3 Introduction

16 On 1st June 2026, Openreach notified a range of discounts, rebates and special offers:

- **NGA2012/26 Incremental New to Openreach Customer Offer**
  A national FTTP acquisition offer providing connection and rental rebates for qualifying "new to Openreach" FTTP connections above specified baseline levels.

- **NGA2013/26 Incremental New to Openreach Customer Offer in VMO2 Areas**
  An additional geographically targeted FTTP acquisition rebate applying in postcode areas identified by Openreach as being served by Virgin Media O2.

- **NGA2010/26 Extending Equinox 10Gb GEA Cablelink Discount and 550Mb Try-Before-You-Buy Incentive**
  An extension of existing Equinox-related incentives, including a mechanism enabling CPs to sell 550Mb services while initially incurring lower wholesale charges.

- **ETH022/26 Incremental Ethernet Net Demand Offer**
  A conditional Ethernet offer providing connection charge discounts where CPs exceed specified Ethernet demand baselines.

17 Together these offers create a package of interconnected incentives which are capable of materially influencing ISP acquisition strategies, customer targeting behaviour and wholesale purchasing decisions.

18 The two Incremental New to Openreach Customer offers operate together. The VMO2-area offer is an overlay to the national offer and provides a further geographic incentive in the specified postcodes. The extended 550Mb offer may also apply to qualifying connections and further reduce the effective wholesale price faced by the CP.

19 The relevant FTTP offers also interact with recently notified and existing Openreach offers. The Frontbook ARPU Share offer is calculated against the existing Equinox ARPU Share arrangements, while the Box Swap offer removes an upgrade cost for higher-speed services. Ofcom must therefore assess the effective price and incentives available to CPs after taking account of all applicable offers, rather than considering each headline discount in isolation.

20 The same issue arises in Ethernet. The Incremental Ethernet Net Demand Offer may be used alongside a number of existing EAD offers. The resulting effective price

cannot be established from the headline terms of the new offer alone and Ofcom has not calculated an Ethernet REO cost range against which that price can be assessed. INCA therefore considers that Ofcom must examine the relevant Ethernet offers together before concluding that they do not raise concerns under the fair and reasonable pricing requirement.

21 We refer to those offers in the document as the 'relevant offers'. The offers are designed to facilitate an Openreach 'win-back campaign', by incentivising ISPs to specifically target Altnet and VMO2 customers. The discounts offered are deep and should provide significant incentives to ISPs to design their sales programmes to maximise those discounts.

22 The discounts are 'stackable' and incrementally drive ISPs to specific behaviour and the targeting of specific customer groups. The potential consequences of the relevant offers are potentially materially detrimental to the establishment of sustainable network competition in the UK and INCA urges Ofcom to consult fully on their potential consequences.

23 The relevant offers are either geographic and/or conditional in nature and must therefore be subject to a 120 days' notification period[4] and INCA welcomes Ofcom's first step in the public engagement process over that period. It is essential that Ofcom follows this CFI with a full 30-day consultation on the full scope of the relevant offers.

24 Ofcom gave stakeholders less than three weeks to respond to the CFI and the full details of the relevant offers were not made available by Openreach until Tuesday 16th June – three days before the response deadline. This response is, therefore, by necessity only high level and does not set out any detailed analysis to support the concerns set out, nor does it attempt to quantify the harms we identify.

4 INCA's understanding of Openreach's offers

25 Ofcom's CFI covers four offers, below we outline our understanding of those offers. The relevant offers apply post-purchase rebates on Openreach's FTTP and EAD services.

26 FTTP Offers

- **NGA2012/26 Incremental New to Openreach Customer Offer**

a. £35 connection rebate on qualifying FTTP connections.

b. Up to £9.50 per month rental rebate.

c. Rental rebates available for 18, 24 or 30 months depending on achievement against thresholds.

d. Subject to CP-specific baseline calculations.

e. Rebates paid retrospectively.

- **NGA2013/26 Incremental New to Openreach Customer Offer in VMO2 Areas**

a. Builds upon NGA2012/26.

b. Provides an additional £50 connection rebate.

c. Applies only in selected postcode areas identified by Openreach as VMO2 footprint locations.

d. Geographic targeting creates materially different pricing outcomes between locations.

- **NGA2010/26 Equinox 10Gb Cablelink and 550Mb Try-Before-You-Buy Offer**

a. Extends existing Cablelink discounts.

b. Allows CPs to promote 550Mb FTTP services while benefiting from lower underlying wholesale costs during the promotional period.

c. Interacts with other FTTP discount schemes and ARPU-share mechanisms.

27 Ethernet (EAD) Offers

- **ETH022/26 Incremental Ethernet Net Demand Offer**

a. Applies to selected Ethernet products.

b. Provides discounted or zero-rated connection charges.

c. Uses CP-specific volume baselines.

d. Rewards incremental demand above baseline levels.

e. Rebates are dependent on future purchasing behaviour and therefore conditional in nature.

28 Openreach also notified other offers in the last two weeks, and INCA considers that they are all relevant to Ofcom's analyses and as such should be actively considered regardless of whether Ofcom concludes that they are conditional. Those offers are:

29 Recent FTTP Offers

- **NGA2011/26 FTTP Frontbook ARPU Share Offer**

a. Caps frontbook FTTP ARPU at £19.32 through retrospective rebate payments.

b. Applies to qualifying FTTP acquisitions.

c. Interacts with both Equinox discounts and the New-to-Network offers.

- **FTTP 2.5Gb ONT Box Swap Offer**

d. Removes or reduces upgrade-related charges where customers migrate to higher-speed FTTP services requiring ONT replacement.

e. Reduces acquisition and upgrade costs for participating CPs.

30 Recent Ethernet Offers

- **EAD Re-sign Offer**

a. Provides discounted rental pricing and CPI protection in return for longer contractual commitments.

b. Available on 3-year, 5-year and 5+5-year terms.

c. Intended to encourage long-term retention of Ethernet customers.

31 We refer in this document to those offers as 'recent offers'.

32 Further, there are existing offers in the market which the newly will overlay and provide incremental savings. Those offers are:

- **Equinox 1**

Volume-based FTTP discount scheme.

a. Provides rental discounts linked to FTTP adoption commitments.

b. Remains active for qualifying participants.

- **Equinox 2**

a. Successor FTTP discount framework.

b. Includes enhanced incentives for migration from copper to FTTP.

c. Continues to provide substantial rental discounts relative to standard pricing.

- **Existing ARPU Share Mechanisms**

  a. Existing Equinox arrangements contain ARPU-related rebate structures.

  b. These interact directly with the newly notified Frontbook ARPU Share Offer.

- **Existing Cablelink Discounts**

Existing Cablelink charging arrangements continue to apply alongside the newly notified extensions.

a. The cumulative effect of these existing offers is important. The newly notified offers do not replace existing discounts; rather they stack on top of them and therefore Ofcom must assess the total effective level of discounting available to participating CPs rather than considering each offer in isolation

- **Existing Ethernet Offers**

The EAD 1Gb Remote Upgrade Special Offer offers CPs a free connection on EAD 10Mb and EAD 100Mb remote upgrade orders to a 1Gb speed. The offer is valid for a 12 month period.

The EAD 1Gb Alternative pricing Special Offer is also known as the 'spread-connect offer'. This offers has a zero connection charge but an increased rental charge to recover the standard connection charge over the pierid of the contract.

- **Existing offers in in Area 2, HNR and CLA markets**

  The Rental Special Offer for EAD 1GB New Provides offers CPs fixed rental price (no CPI adjustment) for 3 and 5 year contracts.

- **Existing offers in CLA and HNR markets**

  The Connection Special Offer for EAD New Provides offers CPs reduced connection charges to £2,057 for EAD 10Gb 5 years circuits (A discount of £2,014).

- **Existing offers in the HNR only**

  The Connection Special Offer for EAD 1Gb New Provides offers CPs reduced connection charges for EAD 1Gb circuits with savings of £1,561 and £1,582 for standard and extended reach 3 year circuit contracts respectively.

- **Existing offers in the CLA only**

The Connection Special offer for EAD 1Gb New provides offers CPs connection discounts of £1,561 and £1,582 for standard and extended reach 3-year circuit contracts respectively.

33 The offers listed above are not conditional and have not been subject to the extended notification period and associated reviews and analyses. Although it may be appropriate that they are individually not a cause for competition concern, collectively and in combination with the relevant and recent Ethernet offers INCA is concerned that the provision of ethernet services may be close to or even below the costs of an REO.

34 INCA therefore urges Ofcom to ensure that the consultation issues in relation to the relevant offers and the analysis performed to assess those offers take into account the full set of discounts and special offers in the market.

35 We refer in this document to those offers as 'existing offers'.

5 INCA's assessment

36 Below we set out our concerns regarding the individual relevant offers and our cumulative concerns of the relevant offers when taken in combination with the recent offers and the existing offers.

5.1 Relevant FTTP Offers

5.1.1 The NGA2012/26 Incremental New to Openreach Customer Offer

This offer is characterised by five main aspects:

- It is subject to a CP-specific baseline (baseline), below which a CP does not qualify for any of the discounts. The baseline is calculated using the CP's individual qualifying connections during the month of April 2026.
- It offers a £35 discount on the Openreach FTTP connection to all qualifying connections above the baseline.
- It offers a £9.50 discount for all connections above the baseline for either 18 months, 24 months or 30 months, depending on how much the CP exceeds the baseline.
- The baseline applies only to CPs who added 1,000 or more FTTP connections to Openreach in the baseline period. For CPs below the 1,000 connections

threshold, the discounts will apply to all qualifying connections and there is a separate calculation for the tiered duration of the rental discounts.

- The discounts are paid as quarterly retrospective rebates, once Openreach has calculated the CP's performance against the baseline.

37 The maximum discount a CP can receive from this offer for an individual qualifying connection is £320 over a period of 30 months.

38 INCA has a wide range of concerns in relation to this offer. Our concerns are outlined below and will be supported by additional analysis in our response to Ofcom's full consultation on this offer.

39 The offers are evidently targeted directly at Altnet customers. The TAR requires Ofcom to not allow Openreach to engage in pricing behaviour that is likely to reduce the Altnet take-up levels as this would be harmful to the establishment of sustainable network competition.[5]

40 If the 1,000 connections threshold is for qualifying lines, then it is not clear that many CPs will exceed the threshold and therefore be subject to the baseline restriction. This would make the discounts applicable to all qualifying connections and the total discounts achievable would be very large indeed. Ofcom must examine whether the baseline is in fact material in the design of the offer or simply a diversion construct. INCA considers it particularly important that Ofcom ascertain whether the BT Group owned CPs would be above or below the 1,000 threshold.

41 If most CPs are above the 1,000 connections threshold, then the application of the baseline would likely cause CPs to design specifically targeted sales campaigns to target Altnet customers[6]. A CP needs to be confident of exceeding the baseline, otherwise it cannot actively use the discounts to win additional customers, the best way of achieving that is to directly target Altnet customers.

42 To ensure that they qualify for the longest possible rental discounts, the offer could provide CPs with the perverse incentive of moving their own customers from Altnet networks to the Openreach network.

43 This offer would affect all Altnets, regardless of whether they presently engage in external wholesale access provision or not. Vertically integrated Altnets, by definition, supply wholesale access to their retail operations and would be forced to provide that wholesale access below cost in order to allow their retail operations to

[5] TAR A8.35–A8.38 and A8.65–A8.71
[6] INCA acknowledges that several of the relevant offers are also targeted at VMO2 customers, but concentrates in this document on the on the impact on Altnets.

compete and retain retail customers targeted by ISPs that can avail themselves of this offer. It is essential that Ofcom considers the impact of these offers on the entire wholesale market, including self-supply. This is consistent with Ofcom's approach to market definition and the need for transparent transfer pricing applicable to SMP providers and is equally applicable to other market investigations.

44 Although Ofcom does not generally consider new-to-network offers to qualify as geographically targeted pricing (therefore Openreach does not have to seek explicit consent from Ofcom), Ofcom should apply the geographic discounting assessment framework and criteria (as described below under the VMO2 targeted offer) to this offer.

45 INCA welcomes Ofcom's willingness to review this offer under the conditional offers framework, INCA urges Ofcom to also assess it against the relevant rules of fair and reasonable pricing (SMP Condition 1.3) and the prohibition of undue discrimination (SMP Condition 4.1).[7]

46 With regard to Ofcom's assessment of whether the pricing constitutes a price squeeze, INCA is encouraged by Ofcom's statement in the TAR that: "***Base for calculating weighted averages:*** *If we follow a portfolio approach to the output increment, we will need to decide on the mix of customers to use for calculating the weighted average margin across Openreach's portfolio of FTTP products. At its widest, the mix could be calculated using Openreach's total customer base. Alternatively, the mix could be calculated using Openreach's new customer connection volumes within a particular period. We may also consider whether it is appropriate to calculate the mix using the group of customers that are eligible for a discount offer. Similar to product scope, our decision on the base will depend on the competition concerns we are considering in the specific case we are assessing*."[8]

47 INCA considers that Ofcom should undertake the assessment using Openreach's new-to-network connections in the relevant period as the base.

48 If Ofcom were to include Openreach's entire FTTP portfolio and customer base when calculating average charges, it would depart from the REO principle as Openreach has an extensive and unrivalled FTTP footprint (which stems from its incumbency advantages). Including the higher charges Openreach can set in areas where it does not face competition, would allow Openreach to offset lower charges in areas where sustainable network competition is feasible. This is a form of cross-subsidy that would not be available to an REO and which is a characteristic only of incumbent providers. In practice, the new-to-network offers only apply in areas

[7] TAR Annex 8 Paragraph A8.13.
[8] TAR V4 Paragraph 1.179.

where Openreach faces competition and that should, therefore, be the maximum scope of the market on which Ofcom should base its price squeeze analysis.

49 Furthermore, by including Openreach's entire FTTP portfolio and customer base Ofcom would risk allowing Openreach to leverage its large installed backbook of higher price customers. Because Altnets are younger and have, by definition, attracted customers that are willing to switch, most customers are still in their initial contract period (so on frontbook pricing) and those customers are often price sensitive, so Altnets have a lesser opportunity to migrate their customer base onto higher margin backbook offers.

5.1.2 The NGA2013/26 Incremental New to Openreach Customer Offer in VMO2 areas

50 This offer overlays the national New to Openreach offer discussed above and offers an additional £50 connection discounts in specified postcode locations where Openreach believes that VMO2 operates its network.

51 In addition to the characteristics and concerns set out above (which all also apply to this offer), this offer is geographic in nature and, therefore, requires specific consent by Ofcom.[9]

52 INCA's main concern regarding this offer is that targeting VMO2 network coverage postcodes is almost analogous to targeting most urban parts of the market. In those urban areas, Altnets of differing levels of maturity are building and operating their FTTP networks and working hard to add customers to establish their businesses to become resilient and sustainable competitors to Openreach. None of them are yet at a point of maturity where they can be considered 'established' in the sense described by Ofcom in the TAR[10].

53 It is clear that this offer could cause material harm to the urban Altnets with network footprints overlapping VMO2. For Ofcom to even consider granting consent to a geographically targeted offer that includes locations in which nascent competitors are building up their customer bases would be in direct contradiction to both the spirit and the letter of the TAR.

54 In the TAR Ofcom offers guidance as to how it would likely assess an application for consent by Openreach, it will ask the following questions:

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[9] Ofcom, *Promoting competition and investment in fibre networks: Telecoms Access Review 2026–31*, Volume 7 Part A: Notification and SMP Conditions, 17 March 2026, SMP Conditions 4.1 and 4.5, p.26; Volume 3: Non-pricing remedies, paras 9.7–9.8, p.21.

[10] Ofcom, Telecoms Access Review 2026–31, Volume 2, paragraphs 4.60, 4.63 and 4.219 and Ofcom, *Promoting competition and investment in fibre networks: Telecoms Access Review 2026–31*, Volume 2, paras 4.60, 4.63 and 4.219. See also Volume 3, paras 1.17–1.24

"a. whether there is any objective justification for the differential pricing;

b. If not, whether it is consistent with our overarching policy objectives, including our strategy to promote network competition. In this respect, we would consider whether the differential pricing is capable of harming competition in the long term."[11]

55 There is no suggestion that Openreach's costs are different where Altnets and VMO2 are present. Altnets are present across all different types of market categories from the very large cities to the deepest rural communities and both Openreach and Altnet costs vary considerably across that spectrum. To objectively justify lower prices, Openreach would have to demonstrate lower costs in the relevant areas, but it is arguable that Openreach's costs are in fact higher where Altnets and VMO2 are present, simply due to the lower levels of take-up on Openreach's network and the need to recover the fixed costs of a smaller number of connections.

56 It is INCA's strongly held view that providing consent for this geographic offer is not consistent with Ofcom's policy objectives and strategy to promote network competition. Ofcom specifically identified in the TAR that it considers geographic discounting would likely be harmful to competition if the geographic discounts were "*targeted at areas where a rival network is present but not yet ready to compete at the wholesale level due to temporary factors*"[12]

57 When reviewing the application of that principle, Ofcom needs to recognise that a significant number of Altnets will presently be in negotiation for mergers and take-overs, often with a party that already has some level of wholesale market presence or is planning to do so once its footprint reaches a size to be of interest to larger ISPs. Information of such negotiations are unlikely to be in the public domain, but that should not be justification for Ofcom to not consider the impact of this offer on such negotiations.

58 Also, in the TAR Ofcom expresses concerns that *"geographic discounts are capable of harming competition if Openreach is differentiating by setting a localised price that is 'too low' for rivals to compete with in some areas while maintaining higher prices elsewhere. In other words, Openreach may be targeting certain geographic areas with prices that could undermine the development of network competition in the long term."*[13]

59 In this context, it is important to recognise that 'frontbook pricing' or 'acquisition pricing' has a disproportionate competitive impact relative to its effect on the overall weighted average WLA price level charged by Openreach.

[11] TAR Annex 8 Paragraph A8.10.
[12] TAR Annex 8 Paragraph A8.25.
[13] TAR Annex 8 Paragraph A8.33.

60 Ofcom goes on to say "*The presence of a rival network alone is not sufficient to deliver material and sustainable competition in the long term. In particular, take-up is critical, as it underpins the ability of altnets to exert a strong competitive constraint in the long term, and so for competition to be sustainable*."[14]

61 INCA agrees that Ofcom should not grant consent to geographically targeted discount offers where there is risk of such harm and INCA and its members look forward to engaging with Ofcom to assess the potential harm of this offer. INCA will support Ofcom in gathering the information for Ofcom to consider the potential harm through the analysis of the information set out in paragraph A8.38 of the TAR Annex 8.

62 INCA is encouraged by Ofcom's statement in the TAR that when assessing the impact of localised low pricing, although Ofcom is generally likely to assess prices against the weighted average price across all Openreach's FTTP products, Ofcom may consider a different appropriate product scope if appropriate in the specific situation.[15]

63 INCA considers it essential that Ofcom considers the targeted 'acquisition pricing' individually against the REO cost range. The impact of the new-to-network pricing on the overall weighted average WLA pricing is likely to be limited, but the market impact of the aggressive acquisition pricing could be very material indeed. It is important that Ofcom considers this for both rental and connection charges. We refer Ofcom to our discussion of the application of the price squeeze test above.

5.1.3 The NGA2010/26 Extending Equinox 10Gb GEA Cablelink discount and 550Mb try-before-you-buy incentives

64 INCA's concern with this offer relates to the 550Mb try-before-you-buy offer. This offer overlays with the two offers outlined above and adds incremental savings for CPs that sell the 550Mb product to customers.

65 INCA's main concern regarding this offer is the way it overlays incrementally to the other relevant offers, recent offers and existing offers. This offer particularly interlaces with the Frontbook ARPU Share recent offer as INCA understands that the CP's ARPU will be calculated at the pre-discount levels for the 550Mb connections, despite the CP not in reality facing that level of cost.

[14] TAR Annex 8 Paragraph A8.36.
[15] TAR Annex 8 Paragraph A8.40.

5.2 Relevant Ethernet offers

5.2.1 The ETH022/26 Incremental Ethernet Net Demand Offer

66 This offer applies to EAD circuits of 100Mb and 1Gb speeds and offers a rebate equivalent to the average connection charge for six months, renewable for another six months at Openreach's discretion. It is subject to a CP-specific baseline calculated using 90% of the individual CP's net order volumes between April 2025 and March 2026 (split into two equal six-months parts). If the CP exceeds the baseline, then all orders above the baseline (up to a maximum of 150% of the baseline volume) qualify for the discount.

67 INCA is concerned that this offer, alongside recent and existing Ethernet offers that may apply to the same circuits, could reduce the effective price of leased line services to a level that raises concerns under the fair and reasonable pricing provisions in the TAR[16]. Ofcom must therefore assess the combined effect of the relevant offers in each LLA market. Unlike for FTTP, Ofcom has not calculated an REO cost range for Ethernet circuits and has not explained what alternative benchmark it will use to assess whether sufficient margin remains for competing networks. Ofcom should not dismiss this concern without undertaking that assessment.

5.3 Recent FTTP offers

68 At the same time as notifying the relevant FTTP offers above, Openreach also notified two other FTTP offers.

5.3.1 NGA2011/26 FTTP Frontbook ARPU share offer and Box Swap offer

69 The FTTP Frontbook ARPU share offer Rebates excess ARPU above £19.32. If the CP's frontbook ARPU exceeds that level, Openreach will refund the excess at the end of the relevant period. The offer is scheduled to come into effect on 1st July 2026 and run for 12 months.

70 This offer sits alongside the relevant offers reviewed above and also the existing Equinox offers, including the ARPU share component of Equinox. Openreach undertakes that it will apply the ARPU share offer that is most beneficial to each individual CP.

[16] Ofcom, *Promoting competition and investment in fibre networks: Telecoms Access Review 2026–31*, Volume 3, paras 4.31–4.45; Volume 4, paras 2.2–2.6 and 2.165–2.176

71 INCA understands that the ARPU is calculated pre-discount, so the CPs will benefit from the ARPU share based on the base prices, not the prices adjusted by the offers set out above. This, for example, means that a CP will benefit from the full 550Mb FTTP price in the ARPU calculation, even though the CP only pays for the 160Mb product. Likewise, it will benefit from the pricing before the £9.50 monthly rental discount is applied to the national new-to-network offer.

72 Although Ofcom has argued that this offer is not conditional[17], this offer still needs to be considered when Ofcom assesses whether the cumulative effect of all applicable offers is that the resulting price level constitutes a price squeeze. We refer Ofcom to our discussion of the relevant framework and reference products for the price squeeze assessment above.

73 In addition to the impact on overall pricing levels and the threat this poses to the ability of Altnets to become sufficiently established to represent sustainable competition to Openreach, INCA is concerned that this offer, especially because it is a targeted frontbook pricing offer, appears to be targeted at Altnets who offer high-speed symmetrical FTTP connections at affordable prices. It is 'cheap' for Openreach to apply this frontbook ARPU offer and it has a disproportionate impact on the competitive market relative to the impact on the overall weighted average Openreach FTTP prices.

74 The Box Swap offer works in tandem with the frontbook ARPU share offer to allow CPs to target Altnet customers. This offer along with the other discounts could result in CPs selling primarily higher speed products and could create a longer-term lock-in effect.

5.4 Recent Ethernet offers

75 In addition to the relevant offers discussed above, Openreach has recently notified the EAD up to 1Gb Re-sign offer for 3, 5 or (5 plus 5) year terms offer.

76 This offer entitles a CP to a rental discount of 10% on the current one year term rental prices with no CPI price rises for a full 3 or 5 years in return for signing up to a new 3 or 5 year term or for circuits signing up for the (5 + 5) year terms, a rental discount of 10% on the current one year term rental prices with no CPI price rises for the first 5 years, followed by a rental discount of 20% on the current one year rental prices with no CPI price rises for the second 5 year term.

77 By promoting longer contracts, this offer is clearly intended to lock down Ethernet customers and foreclose Altnets from competing for those customers active in this

[17] A conclusion with which INCA disagrees.

market. The long-term pricing stability and real-term reductions, combined with other offers including the relevant Ethernet offer discussed above, is likely to, over time, take the overall Ethernet pricing to or below the cost level of an REO. As Ofcom has not produced an Ethernet REO cost range, it is not possible to make an assessment of this concern at this time.

78 Although this offer was notified as conditional, its cumulative and incremental effect on Ethernet pricing is of significant concern to INCA and its members.

5.5 Existing FTTP Offers

79 The Equinox 1 and Equinox 2 offers are still active in the market. It is imperative that Ofcom consider all offers (relevant, recent and existing) when assessing the incremental and cumulative impact of the offers included in the CFI.

5.6 Existing Ethernet Offers

80 A large number of offers exist in the Ethernet market. Several of those offers have been in place for extended periods, having been serially renewed. Some offers are applicable nationally, whereas others are only in parts of the market.

Existing national Ethernet offers

- The EAD 1Gb Remote Upgrade Special Offer offers CPs a free connection on EAD 10Mb and EAD 100Mb remote upgrade orders to a 1Gb speed. The offer is valid for a 12 month period.
- The EAD 1Gb Alternative pricing Special Offer is also known as the 'spread-connect offer'. This offers has a zero connection charge but an increased rental charge to recover the standard connection charge over the period of the contract.

Existing offers in in Area 2, HNR and CLA markets

- The Rental Special Offer for EAD 1GB New Provides offers CPs a fixed rental price (no CPI adjustment) for 3 and 5 year contracts.

Existing offers in CLA and HNR markets

- The Connection Special Offer for EAD New Provides offers CPs reduced connection charges to £2,057 for EAD 10Gb 5 years circuits (A discount of £2,014).

Existing offers in the HNR only

- The Connection Special Offer for EAD 1Gb New Provides offers CPs reduced connection charges for EAD 1Gb circuits with savings of £1,561 and £1,582 for standard and extended reach 3 year circuit contracts respectively.

Exiting offers in the CLA only

- The Connection Special offer for EAD 1Gb New provides offers CPs connection discounts of £1,561 and £1,582 for standard and extended reach 3-year circuit contracts respectively.

81 The offers listed above are not conditional and have not been subject to the extended notification period and associated reviews and analyses. Although it may be appropriate that they are individually not a cause for competition concern, collectively and in combination with the relevant and recent Ethernet offers INCA is concerned that the provision of ethernet services may be close to or even below the costs of an REO.

82 INCA therefore urges Ofcom to ensure that the consultation issues in relation to the relevant offers and the analysis performed to assess those offers take into account the full set of discounts and special offers in the market.

6 Taking into account the Statement of Strategic Priorities

83 Alongside the strong pro network competition stance in the TAR, the Statement of Strategic Priorities (SSP)[18] reinforces Ofcom's role to ensure that Openreach cannot use its market dominance to erect barriers to investment in competitive FTTP networks and the take-up on those networks to enable the Altnets to establish themselves as sustainable competitors to Openreach.

84 Government policy has provided strong support for inward investment to upgrade the UK telecommunications infrastructure and to enable a competitive market at all levels.

85 The SSP states that "Ofcom should prevent Openreach from offering commercial arrangements that would have a detrimental effect on the establishment of sustained competition, while sustained competition is still developing in the market"[19].

86 INCA considers that the offers included in the CFI would likely have a detrimental effect on the establishment of sustainable network competition and as such Ofcom needs to ensure that stakeholders have the opportunity to present their considered views and analyses in a full consultation process.

[18] Department for Science, Innovation and Technology, *Statement of Strategic Priorities for Telecommunications, the Management of Radio Spectrum, and Postal Services*, designated 27 April 2026

[19] Department for Science, Innovation and Technology, *Statement of Strategic Priorities for Telecommunications, the Management of Radio Spectrum, and Postal Services*, designated 27 April 2026, Strategic Priority 1a, p.6

7 INCA's Conclusion

87 Ofcom's Call for Inputs was issued to assist Ofcom in its decision on:

- Whether to consult on the conditional offers notified by Openreach and, if so, what aspects of the offers cause concern for stakeholders and should therefore be covered in the consultations.
- Which aspects of the geographic offer Ofcom should focus on in its mandatory consultation.

88 INCA's analysis shows that all of the conditional offers give rise to material competition concerns. Although undertaken in a very short period of time, our analysis has identified a number of potential harms that could arise if the offers are introduced as currently specified.

89 INCA considers it imperative that Ofcom engage in as broad a consultation as possible for these offers.

90 INCA recommends that the offers are consulted on together. This is due to the offers being incremental to each other and to the recent and existing offers also outlined in this document.