Open Market Review

Running from 25th March 2021
to 22nd April 2021

REQUEST FOR INFORMATION

Department for
Digital, Culture,
Media & Sport

UK GIGABIT PROGRAMME

Contents

1. Introduction

The government's ambition is to deliver nationwide gigabit-capable broadband as soon as possible. The market is making great progress in delivering a huge uplift in provision, but we recognise that there is a need for government intervention in the parts of the country that are not commercially viable. This is why the Budget in 2020 committed £5bn for the hardest to reach parts of the country, ensuring that all areas of the UK can benefit.

The £5bn will be spent through a package of coordinated and mutually supportive interventions, collectively known as the UK Gigabit Programme. As part of this, BDUK is developing a procurement approach for funding contracts to suppliers delivering gigabit-capable wholesale infrastructure. This procurement approach will be a successor to the highly successful Superfast broadband programme.

We wish to work collaboratively with industry to maximise efficiency, minimise market distortion and achieve our objectives within a tight time frame. To do this, we must first identify the intervention areas which currently are not commercially viable, where no infrastructure exists or is planned to be built within the next three years.

Once the eligibility of the premises has been assessed through an Open Market Review and validated through the subsequent Public Review stage, the premises identified by BDUK as eligible will be grouped into appropriately sized intervention areas to ensure that the right areas are targeted for government investment.

We invite suppliers to provide us with information about their infrastructure within the area detailed below. We intend to put this together with data available through Ofcom's "Connected Nations"[1] publication to allow us to carry out an assessment of existing and planned broadband connectivity. Forming the intervention areas will include taking information learned from Ofcom Connected Nations data; publicly available supplier information about build and planned build; information that we can gather through this Open Market Review (OMR) and the forthcoming Public Review.

In this way, working with suppliers, we are starting to build a comprehensive dataset across the UK, encompassing regions and counties. BDUK will use this information to inform the size and scale of the intervention areas (IAs). The IAs will be issued to the market so that suppliers can bid for funding to support delivery to those areas. These intervention areas have been broken down into three types of intervention areas which will deliver subsidised gigabit networks, consisting of Regional, Cross - Regional and Local Supplier areas.

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[1] https://www.ofcom.org.uk/research-and-data/multi-sector-research/infrastructure-research

2. Why should you as suppliers participate in this OMR?

Our goal is to ensure we target the parts of the country that need government support first. By working with us, you will help to maximise the use of public subsidy to help provide ever faster, better connectivity across all parts of the UK. You will help us to identify areas which will be left out because they are not commercially viable, thereby bringing significant benefits to the UK economy.

If you have existing network coverage, or plan to build infrastructure within the next three years, we actively encourage you to respond to this OMR, so that we can ensure we target the right areas for public subsidy, and avoid over-building commercial infrastructure.

3. UK Gigabit Programme - Progress to Date

The UK Gigabit Programme has made significant progress to date in shaping the strategy for delivery including the procurement approach. To get this right, we have carried out significant market engagement, talking to many suppliers over the last 2 years.

Furthermore, we have been working to define areas where there appears to be existing or planned coverage currently i.e. where suppliers are already operating commercially, or areas where there are existing BDUK programmes e.g. NBS 2016 - Superfast, Local Full Fibre Network, Rural Gigabit Connectivity and the Gigabit Broadband Voucher Scheme.

The first OMR and Public Review was launched in November 2020, in the County of Cumbria. This has been followed in quick succession with further planned phases, these have been outlined and described within the Project Gigabit Delivery Plan.

4. Geographical Scope

This Request for Information (RFI) will allow us to identify potential Intervention areas for investment. This OMR RFI is concerned with the following geographic areas:

- East of Cornwall (Lot 33)

- Hampshire and Isle of Wight (Lot 27)

- Norfolk (Lot 7)

- Shropshire including Telford and Wrekin (Lot 25)

- Suffolk (Lot 2)

- West of Cornwall and Isles of Scilly (Lot 32)

- Worcestershire (Lot 24)

For more information about current coverage in these areas, please refer to the Ofcom Connected Nations report, which contains more information about connectivity, including speed data. BDUK will endeavour to publish on a rolling basis the coverage information which can be found at this web link: Digital Connectivity Portal

BDUK will supply blank templates for the OMR, showing the premises across the nation that we consider relevant to the OMR process. For easier working, these have been divided into eight separate templates, covering: Wales, Northern Ireland, North West, North East, Central East, Central West, South West and finally South East (s)[2]. The premises data has been sourced from Address Base Premium Epoch 82, from Ordnance Survey published February 2021. Even though we are, at this stage specifically focussing on data for the seven areas listed above, for the purposes of our broadband planning we would be grateful for your full broadband plans.

To access this information you will need to sign an Ordnance Survey End User Licence to access this data. You can download the Public Sector Geospatial Agreement (PSGA) from the same GOV.UK page hosting this document.

Please provide us with your email address so Building Digital UK can create a Shared Area within our Google Drive for you to access this information. We also require you to sign a Non Disclosure Agreement (NDA) with BDUK, if this is not already in place, please email ukgigabit@BDUK.Zendesk.com to initiate this process.

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[2] The OMR Response template will be released to providers once BDUK has received the signed Ordnance Survey Public Sector End User Licence Form which can be found at the end of this document

*This map shows the planned Intervention Areas*
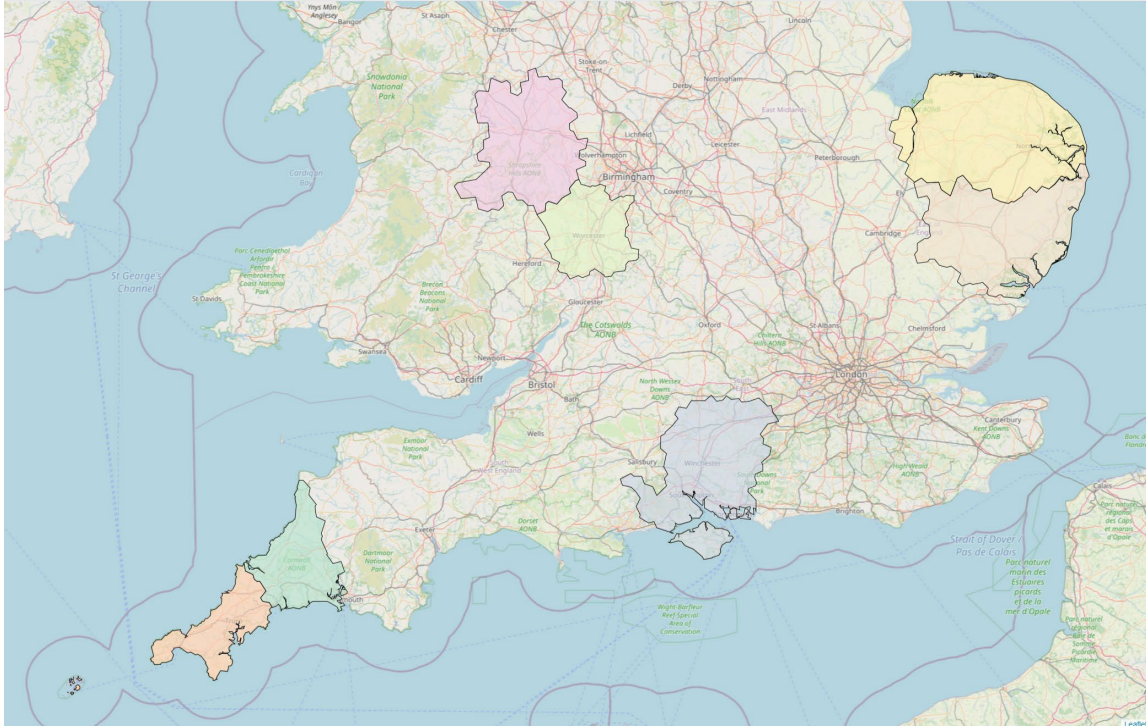
# 5. Purpose of this Open Market Review Request For Information

We are launching this OMR RFI to establish existing and planned (over the next 3 years) coverage of broadband services within the geographic areas outlined above. We seek responses from all existing and prospective broadband infrastructure suppliers that operate, or are planning to operate within the geography over the next three years.

This OMR process will be followed by a formal Public Review (known as the Public Consultation under the Superfast Programme, a former broadband coverage intervention). BDUK applies a best practice approach that promotes the use of an OMR RFI and a Public Review. We consider that early market research at this stage is an essential part of our market engagement to shape public investment plans. The results of the OMR will assist us with understanding the broadband infrastructure (whether NGA, ultrafast or gigabit-capable) already in place and where there are plans for investment in such infrastructure in the forthcoming three years. The RFI will enable us to make a significant step in the design of the areas to be targeted by the new procurements and contracts.

We will evaluate the suppliers' responses and may engage with suppliers further to discuss and confirm their coverage claims. Following this, we will be able to evaluate all suppliers' responses and determine the eligibility of the premises for government subsidy. The flowchart below shows a summary of how the OMR process works.
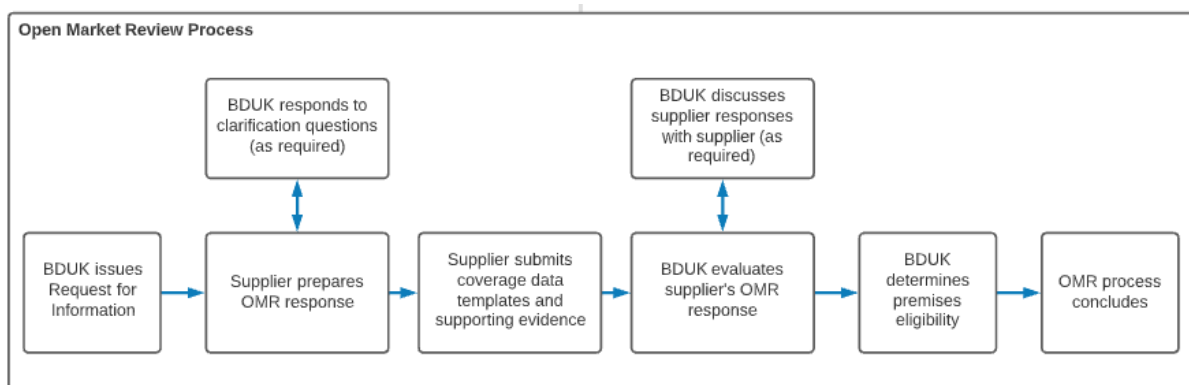
We will then conduct a Public Review to validate the eligibility of the premises. The Public Review will take place over the period of at least one month, and once concluded will confirm the eligibility of the premises for procurement(s). The full details of these procurements will follow the conclusion of this OMR and Public Review, however the flowchart below shows the order of processes, from OMR to procurement.
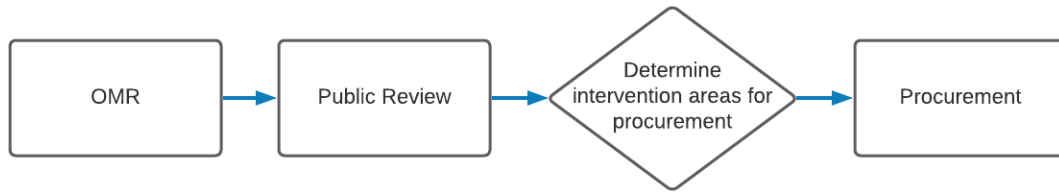
6. Commercial Process

BDUK will budget an appropriate amount of public funding from the UK Gigabit Programme for each intervention at the procurement stage. The budget will be specified within the Invitation To Treat documentation, following the Public Review. Details of any restrictions on the use of public subsidy will be explained in the tender documentation. It is BDUK's intention to procure gigabit-capable solutions – those capable of achieving a minimum of 1Gbps download speed - for the identified areas in scope for gigabit-capable deployment.

Suppliers have the opportunity during the OMR and Public Review processes, to share with BDUK, any firm and credible investment plans that may mean that public subsidy will not be warranted. It will be important for this OMR and the Public Review to establish these plans.

7. The Role of Local Bodies

BDUK will work with the relevant local bodies to answer questions, evaluate supplier responses, assess data accuracy, support the build phase and engage with the local community. Sharing the premises data set out within each location and intervention areas, during the OMR and Public Review stages, will help us gain further confidence that the proposed interventions are eligible for subsidy.

BDUK will maintain a central dataset and will work with authorities to assess and review the data in the areas relevant to the respective local body and interventions areas. BDUK will be responsible for the data and local bodies would have to sign a NDA prior to gaining access to the data.

This Request for Information is being carried out independently of any activities that local bodies may be undertaking, for example, under the National Broadband Scheme 2016[3] known as the Superfast Programme.

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[3] See https://www.gov.uk/government/publications/2016-nbs-overview

8. Making a Data Response

To submit a data response, please follow these steps:

1. Sign the Public Sector Geospatial Agreement (PSGA) End User Licence Agreement, which will be required before downloading the data. Please return this, as soon as possible, to **ukgigabit@BDUK.Zendesk.com**.

2. Once you have done this, we will provide you with login details to our shared drive area where you will be able to download the response templates.

3. You may seek clarification, on making a data response, at any time from 25th March 2021 to 22nd April 2021. Please send these questions to us at **ukgigabit@BDUK.Zendesk.com**.

4. You may submit your data response to us up to 22nd April 2021. You should make your data submission to us via our secure data interchange portal (shared drive area). Please upload the data response template and any further supporting evidence you feel you should send. The final deadline for data responses is 22nd April 2021.

BDUK will provide explicit details of the secure data interchange portal closer to the end date and will enable providers to authenticate themselves and to upload their responses. It will ensure that data collected from each supplier is held securely and separately. Please note that the data you provide in your response will be treated as commercially confidential, albeit that it may be necessary to share some/all of your response data with our professional advisors and/or local bodies, Ofcom and BEIS State Aid Branch. We will use this information to define the intervention areas for the Public Review.

Please ensure that you engage with us as soon as possible to confirm whether you would require to put in place a non-disclosure agreement (NDA) enabling us to share data between each other and the associated Local Bodies as part of this NDA process.

If you have any questions about any of the above, please contact **ukgigabit@BDUK.Zendesk.com**

9. Submission Requirements

Responses to this OMR RFI must include the following:

1. A fully completed Coverage Data submission - **Annex A**
   This is a data submission that should cover your current and planned premise coverage. Data should be submitted in bar-separated variable file format.
   - The required data fields are provided in the OMR Data Submission Format file
   - The Premises Scope for Annex A will be emailed to you after you have sent us a signed PSGA End User License.

2. Your completed Supporting Evidence response to the questions outlined in **Annex B**

10. Date for Return

You can upload your data from the beginning of April and up to 5pm on 22nd April 2021.

Thank you.

BDUK Case Management Team

Annex A: Data Submission Format

BDUK will provide you with the necessary templates to collect your build plans. These templates will be made available to you on request. Please email ukgigabit@BDUK.Zendesk.com to request a copy.

Annex B: Supporting Evidence

Please provide details and additional supporting evidence of any current or planned investment in broadband infrastructure (Next Generation Access broadband, ultrafast and gigabit-capable) in the identified geographies. In the case of planned investment, we are particularly interested in plans for the forthcoming three years. In addition to the completion of the attached CSV file template, any information provided in response to this request should include but not be limited to:

- An appropriate demonstration/explanation as to how your broadband infrastructure or suppliers' service(s) meets with minimum standards where these claim to be Next Generation Access, ultrafast or gigabit.

- For information only, capability definition is consistent with the definitions set out in Ofcom Connected Nations Reports, e.g.,
    - decent (10 Mbps and above),
    - superfast (30 Mbps and above),
    - ultrafast (300 Mbps and above) and
    - gigabit-capable broadband, which can offer speeds of 1 Gbps and above.

- *Note:* where a supplier's service offer is limited to passive services *only* (e.g. dark fibre, duct access, mast access), this would <u>not</u> generally be considered to be an Next Generation Access, ultrafast or gigabit-capable broadband network, unless the supplier provides a description of how an active services provider is technically and commercially able to support Next Generation Access, ultrafast or gigabit-capable services over the infrastructure.

- Nevertheless, if a passive infrastructure supplier is offering access to infrastructure in the identified geography, it is encouraged to provide further details of its location in order that bidders for any future procurement process might consider its use in designing their solutions.

- Within each broadband category (Next Generation Access, ultrafast or gigabit-capable) please indicate: (i) what level of take-up is expected in total; and (ii) what level of take-up can be sustained by the network design and dimensioning.

- For example, a fixed wireless supplier may only be expecting 10% take-up of premises covered by its superfast network, and only be able to support a total of 20% of all premises passed converting to customers without significant capacity upgrades to the network.

- Please indicate the "normally available" and "minimum" speeds for the customers of each service e.g.

Service	Download "normally available"	Download "minimum"	Upload "normally available"
100Mbps	100Mbps	80Mbps	20Mbps
300Mbps	300Mbps	240Mbps	60Mbps
1Gbps	980Mbps	800Mbps	200Mbps

Please refer to the full text of the Ofcom's Voluntary Code of Practice for Better Broadband Speeds (March 2019), however, these definitions can be summarised as follows:

Summary Extract from the Ofcom Voluntary Code of Practice
"Normally available" speed is defined as the speed a customer could expect to receive during peak times - measured as 8-10pm for residential services and 12-2pm for business services and reflecting when customers are most likely to use the service.

"Minimum speed" is defined as the minimum guaranteed speed a customer should expect from the service, which would trigger the customers right to exit the contract if speeds fall below this minimum level and are unable to be resolved within a 30-day period.

- Appropriate indicators of quality of the service e.g., contention ratio and/or bandwidth allocation per end user, together with a technical explanation of how these will support the achievement of the normally available and minimum speeds for all users.

- A description of the technical architectures that demonstrate how the claimed data speeds and performance will be maintained end-to-end across the deployed infrastructure. This could include, for example, network connectivity diagrams, deployment/coverage maps, design/dimensioning rules for network elements, backhaul capacity information, types and quantities of equipment, technical specifications, network performance measurements etc.

- Description of all services/products offered over the infrastructure including any wholesale provision to any retail service providers currently offered and any planned extension to these services within the next 3 years. Please indicate which retail service providers are using these services and what services are being taken?

- Installation and rental tariffs for those services/products clearly identifying whether they are inclusive or exclusive of VAT.

- For future coverage and plans the broadband infrastructure provider will need to provide evidence to demonstrate credible and plausible character of the planned investment and as a minimum should include a business plan, a detailed calendar deployment plan, proof of adequate financing, proposed technical architecture (see above).

- Confirmation from an authorised signatory that all information provided is of suitable accuracy.

Please supplement with supporting evidence as you consider appropriate e.g. public websites, published reports, etc.

Annex C: Technical Definition

The UK will review the criteria for gigabit-capable networks within three months of the launch of the Dynamic Purchasing System, based upon the consultation with industry, and the UK regulator, around the criteria below. In the meantime BDUK will work with the following technical definition:

Infrastructure that can support gigabit-capable downstream services directly or via third-party providers without restriction, as set out below:

a) connections that are gigabit-capable (capable of delivering 1000Mbps or more download speeds) at the time of delivery of the connection without the need for future hardware upgrades or modification[4] i.e., gigabit-capability to be available from day one and if the consumer takes a slower speed it must be soft upgradeable without undue delay;

b) products with a clear and comprehensible explanation of the minimum[5] and maximum advertised download and upload speeds;

c) products with 100 Mbps download speed as a minimum;

d) upload speeds in line with industry norms for corresponding download speeds (e.g. typically 20 Mbps and above for 100 Mbps download services, and proportional for higher download speed services);

e) low data latency in line with recent industry norms and/or the requirements of real-time services (e.g. 10 ms and below);

f) maintenance of other technical performance indicators (e.g. jitter, packet loss, contention ratio etc.) in line with recent industry norms industry norms and/or the requirements of real-time services (e.g. voice/video calling, telematics, telemedicine etc.);

g) actual data speeds and performance during the busiest hours of the day (not more than 4 out of every 24), that do not degrade more than 50% below the higher of these criteria[6] and providers' service specifications (note: for performance where lower values are better, such as latency, jitter and packet loss, then a factor of 100% above would apply instead);

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[4] This principally applies to CPE but also backhaul/other network upgrades.

[5] Minimum download speeds may include the usual framing and packet overheads of the technologies used, provided that they amount to no more than a few percent of the total traffic i.e. data speed is defined as (user data traffic + overheads) / time

[6] Typically contention ratios of around 20:1 to 30:1 have been found to meet these criteria and should not be exceeded unless it can be otherwise demonstrated how these criteria would be met. For the avoidance of doubt, the performance criteria take precedence over contention ratio considerations.

h) actual data speeds and performance that do not degrade outside of the busiest hours below 95% of the higher of these criteria and providers' service specifications;

i) actual data speeds and performance that do not degrade as take-up of services approaches 100% of the addressable market (including any part arising from switch-off of legacy networks), to be demonstrated by firm commercial and technical (including capacity upgrade) plans.

j) where service offerings and performance vary by locality e.g. as a result of subscribers' distances from infrastructure, gigabit-capability to be maintained for all potential customers;

k) order fulfilment and rectification within typical industry timescales, supported by demonstrably efficient wholesale service management processes;

l) maintenance of customer service levels and network availability in line with industry norms, ideally supported by service level agreements;

m) service provision that does not unfairly discriminate against particular types of services, providers, subscribers or third parties (e.g., via traffic shaping or quality of service measures); and

n) for subsidised networks only; offering of wholesale access products on open and non-discriminatory terms in line with the principle of technological neutrality, to enable the interconnection to the subsidised network of any technology which other communications providers and/or retail providers may reasonably consider appropriate in accordance with the wholesale access requirements.