

Delivering a more independent Openreach

TO ACCELERATE BRITAIN'S DIGITAL FUTURE

Openreach is gaining more control of its strategy, investments and plans. It will continue to treat all customers equally and there are changes being made to how Openreach is run, so it can make even more of its own decisions, steered by an independent Board of experienced people from across industry. It will be independent, transparent, autonomous and accountable.

What's happening

| MORE INDEPENDENCE: A NEW OPENREACH BOARD | MORE TRANSPARENCY: A NEW WAY OF WORKING WITH SERVICE PROVIDERS |
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| <p>The new board will have:</p> <ul style="list-style-type: none"> a majority of independent members, including the chair, all of whom will be appointed in consultation with Ofcom responsibility for strategy, investment and performance; and a legal obligation to treat all service providers the same a mandate to hear representations from customers oversight of the Openreach CEO, who will report to the Openreach Chairman, with accountability to the BT Group CEO on issues relating to BT's responsibilities as a consolidated publicly listed company | <p>All service providers will get equal access to Openreach through:</p> <ul style="list-style-type: none"> a new formal consultation process for major investments a confidential stage to that new process more freedom for Openreach to consider co-investment and risk-sharing opportunities with other service providers |
| MORE AUTONOMY OVER INVESTMENTS AND DECISION MAKING | MORE ACCOUNTABILITY WITH A NEW GOVERNANCE REGIME |
| <p>Openreach will have greater autonomy:</p> <ul style="list-style-type: none"> over its budgets, decision making and day-to-day activities to develop its own strategy and plans to determine priorities and decide its own spending, within the overall budget agreed with BT Group Board | <p>To be legally accountable for these changes BT Group:</p> <ul style="list-style-type: none"> has formally notified Ofcom of the steps BT intends to take to re-organise Openreach (under section 89C of the Communications Act and Article 13B of the Access Directive) has asked Ofcom to make this binding through a variation to BT's Undertakings under the Enterprise Act is amending BT's Articles of Association to delegate greater powers to Openreach and make sure its board treats all customers the same is implementing new governance protocols to define and reinforce Openreach's independence is creating a new, independent Openreach Board Audit, Risk and Compliance Committee |

Openreach will be better-placed to deliver its plans for better service, broader coverage and faster speeds for the UK's digital future, with continued investment from BT Group.

What it means...

| BETTER SERVICE | BROADER COVERAGE | FASTER SPEEDS |
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| <ul style="list-style-type: none"> a step change in customer service, including commitments to be delivered in 2017: hiring 1,000 new engineers and investing in multiskilling and training to sort out customers' issues faster halving missed appointments, and delivering 95% of installations on time providing more business connections (Ethernet) in addition to meeting and exceeding Ofcom's rising service targets | <ul style="list-style-type: none"> helping to deliver the government's 95% superfast fibre target in 2017, with wholesale access, so customers benefit from choice and fair competition working towards delivering fast broadband (10Mbps or better) to those who currently have slow speeds working with the rest of the industry, so alternative providers can build their networks using Openreach's ducts and poles | <ul style="list-style-type: none"> aiming to bring ultrafast broadband to 12m homes and businesses by the end of 2020. That includes up to 1m SMEs. This will be done by: increasing the role of fibre-to-the-premises (FTTP) with up to 2m homes and businesses covered by the end of 2020 bringing G.fast technology (up to 330 Mbps) to 10m homes and businesses by the end of 2020 |

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