



Ms Tanja Salem
Floor 3, Strategy
Ofcom
Riverside House
2A Southwark Bridge Road
LONDON SE1 9HA

6 October 2015

Dear Ms Salem

I am writing to you in response to Ofcom's consultation process on its strategic review into digital communications. Given the many letters and emails I have received from my constituents, and the many constituency surgery meetings I have held about broadband, which is the biggest single issue facing my constituents in a very rural area - affecting as it does everything from the ability to run a business from home, the ability to manage a farm and the ability of children to return their homework to their teachers – in the comments below I focus on making a small number of succinct points on behalf of my constituents.

Openreach, which is part of the BT Group plc, is responsible for maintaining BT's national UK fixed line phone and broadband network. As you will be aware, BT is designated as the provider of universal service in the UK. The Universal Service Obligation (USO) conditions imposed on BT require provision of a connection upon reasonable request, capable of 'functional internet access'. This is defined as a minimum speed of 28.8 kbit/s.

As the founding chairman of the All Party Parliamentary Group on Self-Build, Custom and Community Housebuilding and Placemaking, I am aware that people who build their own home in rural areas are often shocked to find that they cannot get a broadband service through the USO and that Openreach is not required to provide them with a broadband service. Many of my constituents also find that they are too far from the exchange to which they are connected to benefit from superfast services. While I do welcome the investment of national and local government, alongside Local Enterprise Partnerships, in enabling a growing number of my constituents to use these services, what we have so far is simply not good enough.

In July this year I attended a planning inquiry for an Area Action Plan for the village of Long Stratton in my constituency. As part of my evidence to the Inspector, I suggested that the Area Action Plan should be ambitious and specify a high minimum broadband speed in the Area Action Plan. However, I was surprised to hear that such matters could not be specified by the planning authority and that it was entirely for Openreach to decide. This is simply not good enough. I am not aware that Openreach is under any current obligation to make the best of this opportunity in order to make Long Stratton into a showcase for the ability of modern technology to allow people living in rural areas to work effectively from home, reducing the need of residents to travel and improving their quality of life. I would be very grateful if Ofcom could consider how central and local government's planning policy documents might be used to specify high quality broadband for new and existing residents.

You will be aware that Ofcom reviewed the USO in 2005 including an examination of the requirement to provide 'functional internet access', and decided against making any changes, stating that: "*the benchmark minimum speed should remain at 28.8 kbit/s for the time being.*" The development of communications technology very quickly left this benchmark far behind and it is welcome that the previous government announced its intention to look at raising the Universal Service Obligation for internet access in its Digital Communications Strategy, published on 18 March 2015. In this strategy, the Coalition Government stated its commitment to:



“... ensuring that every single household in the UK has access to the basic broadband needed to live and work in the modern world. So we will look to raise the Universal Service Obligation (USO) – the legal entitlement to a basic service – from dial up speeds to 5Mbps broadband. This commitment to all goes further than any other country in Europe. Once in place, a USO would mean that consumers gain a legal right to request installation of 5Mbps capable services at an affordable price”. ([DCMS & HM Treasury Digital Communications Infrastructure Strategy policy paper, para 1.2](#))

I welcome this commitment and I believe that there should be a firm timescale for raising the standard of the Universal Service Obligation for broadband to speeds of not less than 5mbps. This decision would transform the quality of service available to my constituents in rural areas, which is currently unacceptable and deeply damaging to our future economic prospects. Ofcom should do all it can to support and enforce a 5mbps standard and also ensure that this minimum standard is kept under regular review. This would allow Ofcom to decide to ratchet up the 5mbps standard quickly and effectively in order to support economic growth and/or technological development.

In terms of the future of Openreach, it is plainly not in the interests of consumers or of competition overall that BT is in a position where it can potentially influence the corporate direction of Openreach. The fact that many people still refer to it as ‘BT Openreach’ is an indication that while it may be *de jure* a legally separate entity it is *de facto* seen very much as an arm of BT. The ‘functional separation’ of Openreach from BT – yet with Openreach remaining part of the overall BT Group – is in my view no longer able to command public confidence. Ofcom should therefore require Openreach to be separated off entirely from BT so that Openreach becomes a completely independent business, probably with its own stock market quotation. In my view, this would significantly increase the likelihood of Openreach’s becoming a customer-focused organisation. This would increase choice, responsiveness and the ability of the digital telecommunications infrastructure to serve the UK’s rural residents properly.

Yours sincerely

A handwritten signature in blue ink that reads "Richard Bacon." It is written in a cursive style with a long horizontal underline underneath the name.

RICHARD BACON
MP for South Norfolk