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Vice-President Andrus Ansip

Commissioner Oettinger

European Commission
Rue de la Loi / Wetstraat 200
1049 Brussels
Belgium

Dear Vice-President Ansip and Commissioner Oettinger,

I am writing to inform you that we intend to submit to the European Commission a notification under the power to impose an exceptional remedy on BT, requiring the legal separation of Openreach. This is in the absence of having received voluntary commitments from BT that address our competition concerns.

In July we consulted on a set of proposed reforms designed to address our concern over BT's incentive and ability to favour its own retail business when making strategic decisions about new network investments by Openreach. We proposed that legal separation of Openreach was required to strengthen its independence from BT and ensure Openreach works in the interests of all of its customers.

In light of responses to that consultation, our current view is that an effective form of legal separation remains the most proportionate means of addressing our concerns and delivering benefits to people and businesses across the UK. We are now preparing a notification on which we intend to consult in the early part of next year.

We then intend to proceed quickly to submit the notification to the European Commission, having taken account of all consultation responses, in accordance with the procedures set out under Article 8(3) of the Access Directive. Subject to the Commission's decision, we would then implement our reforms as soon as possible.

Throughout this process, we remain open to further voluntary commitments from BT that address our competition concerns.

Yours sincerely



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