

We are now coming up to 10 years following the “unbundling”, or “ring-fencing” of the network from the incumbent operator, which as a catalyst for the development of communications in this country can be seen as a partial success, but thrown a number of flaws into closer scrutiny, particularly in recent times.

You will be well aware of the areas where it has worked, and there is no point in addressing these as the main aim of the consultation will be to elicit views on where the system is failing, and indeed how to address these particular issues.

Openreach is not a truly independent business – it needs to be. There has been little investment in the wider network by BT over the last decade, because simply, it was not obliged to. Whilst the exchanges were opened to competitors, it is they alone that have been making the capex necessary in recent years to stay in the game. In response, BT has been able to invest copious sums into the purchase of sports rights in particular, which whilst I enjoy as a consumer technically for “free” – I also know that the underlying cost of the “package” has increased significantly over recent years. As a BT customer, should I really be paying £40 per month for home (fibre) broadband and some £17 per month in addition as line rental? Yes I can switch and get a few short months free, but then pay more for line rental and receive an inferior speed on a copper network.

The fibre network needs to be opened up to competitors on beneficial (below market) terms if necessary to stimulate activity here. Better incentives here than for customer acquisition at a loss. This will provide some recompense as it has been artificially keeping its “wholesale” price unrealistically high since inception. This benefits BT only.

The much lauded (by BT) sum of £2.5bn into the fibre network masks a consistent fall in capex investment into the network in most years since the end of the last decade. This quite clearly was never the intention – much the opposite. This network needs to be unleashed, at sensible prices to stimulate growth.

The areas I would suggest that Ofcom needs to address as a result of this consultation are the following:-

- The fibre network needs to be expanded and cheaper access made available to any competitor at regulated prices if necessary. Reward any independent direct investment by an operator into the network in some way – e.g more favourable access rates, ability to increase market share, etc. Possibly introduce a scheme of “tokens” that could be used as a quid pro quo.
- Promote competition – make it easier for competitors to have access to networks and provide an alternative.
- Openreach needs to be properly split and spun off independently. There is no reason why competitors should not have some voting representation at board level of such an entity on matters of strategic interest, potentially acting as a control mechanism.
- The market in broadband is far too small and restrictive – are 4 players enough when we are looking at significantly more in other “utility” areas where there is a perception (actually reflected in practise) the market is not acting as a true market?
- Do we really wish to see the previous incumbent take over one of the larger mobile operators and have more than half the cashflows in UK telecoms going to one entity? (FT article). This cannot be acceptable.
- The consumer and end user has to be the real beneficiary here for the next phase – not corporate activity and shareholders interested in short term (or other for that matter) gains.

- Quoted broadband speeds that “entice” consumers/possible customers need to be actually available to the consumer for say 95% of the day (based on 24 hours) and 100% of the time at peak hours (Ofcom should define this – probably at say between 12-2pm and 6 and 9pm).