

There is a tendency for broadband providers to offer prices subject to area which disadvantage more rural communities. In reality the special offers are actually only available if there is no other competition from the BT exchange in that area.

An example of this is PlusNet, which is owned by BT and I would assume use the same ADSL/SDSL equipment as BT in the local exchange. Therefore their cost for providing services should be the same in all areas that BT has infrastructure. However when applying for the price advertised they state that it is not available which appears to be the fact that all other providers (Virgin, Sky etc) in that area would have to pay the BT wholesale access costs and therefore are naturally more expensive which in turn means that PlusNet/BT do not need to be competitive. The reality of this is that rural communities are subsidising the cost reductions available to urban areas which is not fair.

This consultation needs to ensure that people in rural communities are not disadvantaged by price.