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MEMBER OF PARLIAMENT FOR ARUNDEL & SOUTH DOWNS

HOUSE OF COMMONS  
LONDON SW1A 0AA

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Lee Mann

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## TIME FOR A BROADBAND SHAKE-UP?

I enclose a discussion paper which has been published today by GovernUp, the independent project for effective government which I co-chair. *'Time for a Broadband Shake-Up - the case for reform of the UK's digital communications market'* finds that 'business as usual' will not be enough to ensure that our future broadband needs are met.

The report argues that a more competitive market is needed to deliver reliable, super-fast connectivity to all UK citizens. In particular it recommends that as part of its current strategic review Ofcom should refer the broadband market to the Competition and Markets Authority.

Such a referral would identify how serious the issues with lack of competition and under-investment are, and allow a rigorous assessment of what further steps need to be taken to ensure that the UK has a fit-for-purpose, future proofed digital infrastructure.

I recognise that the Government is making progress with the roll-out of superfast, and the announcement of a new broadband Universal Service Obligation to give everyone the legal right to broadband with speeds of 10 Mbps by 2020 was good news.

However, as we look to the future and the rapid growth in demand for data rich services, there are genuine concerns about the businesses and households which are left behind, and whether our broadband network will be adequate for tomorrow's needs.

Despite the Openreach network generating healthy profits and receiving public subsidies to deliver broadband in hard to reach parts of the UK, BT's investment in the network has been flat, in recent years growing below inflation. Meanwhile the company has invested heavily in other areas of their business, including acquiring EE and developing BT Sport.

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Vertical integration with Openreach has helped BT to secure upwards of 70 per cent of connections in the emerging superfast broadband market on its own network, putting it on track to regain a monopoly position and reversing the competition stimulated in 2005. This has resulted in poor quality of service for both retail and wholesale customers.

GovernUp's digital communications project has been sponsored by Vodafone. However, the calls for reform are coming from a wide variety of stakeholders, not just BT's direct competitors. The GovernUp paper sets out these issues fairly and well, and I hope that you will find it useful as you consider them.

With kind regards.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Nick Herbert'.

**NICK HERBERT**