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12 JAN 2016

Chief Executive's Office

Ref# 20160107
23 December 2015

Dear Sharon,

I write to make a submission to Ofcom's *Strategic Review of Digital Communications*.

The new regulatory settlement for telecommunications established in the 1980s had competition at its heart. Maintaining effective competition was a central concern when I took the Communications Act 2003 through the Commons. I am worried that the primacy of competition seems now much less clear.

I set up BDUK as a minister in 2009-10. It is particularly disappointing that BDUK's financial support for superfast broadband has all gone to BT. In my view, it should have been a requirement that at least one of the BDUK contracts should have been awarded to another provider, just as a requirement was built in to the 3G licence auction that one of the licences should be taken by a new entrant.

UK consumers have enjoyed a highly competitive 3G market, but there is growing evidence that they are suffering from lack of competition in the broadband market. BT has done very well out of public subsidy for superfast broadband, and its control of the last mile has been reinforced. Demand for superfast service has exceeded forecasts so that – while it has had to repay some of its windfall surplus – some commentators have argued that BT has had to commit little if any of its own capital resources. The true financial picture is opaque.

BT has been very aggressive in the competitive market. In theory, BT's competitors have the same relationship with Openreach as BT's own retail services. In practice, competitors are at a disadvantage. I therefore hope that Ofcom will open up a thorough review of the relationship between BT, Openreach and BT's competitors. In the first instance, there should be a reference to the Competition and Markets Authority.

Thank you for the opportunity to contribute to the review.

Yours ever
Stephen

STEPHEN TIMMS MP