

Consultation response form

Please complete this form in full and return to Broadband.USO@ofcom.org.uk.

Consultation title	Approach to high excess costs under the broadband universal service
Full name	Mr Francis Arthur Ian McKenzie
Contact phone number	[X]
Representing (delete as appropriate)	Organisation
Organisation name	N McKenzie & Sons
Email address	[X]

Confidentiality

We ask for your contact details along with your response so that we can engage with you on this consultation. For further information about how Ofcom handles your personal information and your corresponding rights, see [Ofcom's General Privacy Statement](#).

Your details: We will keep your contact number and email address confidential. Is there anything else you want to keep confidential? Delete as appropriate.	Nothing
Your response: Please indicate how much of your response you want to keep confidential. Delete as appropriate.	None
For confidential responses, can Ofcom publish a reference to the contents of your response?	Yes

Your response

Question	Your response
Question 1: Do you agree with our proposal to amend the treatment of excess costs in determining eligibility for a USO connection, where excess costs are above £5,000? Please set out your reasons and supporting evidence for your response.	Confidential? - N We disagree with the wording of Clause 3.26(b), describing the proposed approach where excess costs are greater than £5,000. This clause states: "BT should raise awareness within a community to allow demand to be aggregated". We would like BT's obligations in

this regard to be more clearly set out. For there to be any chance of demand being aggregated, BT must provide sufficient information. In our case, BT refused to do so.

We received a USO quote of £266K. We wanted to find out: (1) is this quote reasonable (2) how many other premises could share the infrastructure.

For (1), we asked BT to state the number of metres of new fibre cabling that would be installed, so that we could work out a £/m figure, and compare this to installations elsewhere. BT refused to give this information. BT would only reveal the percentage of the quoted cost attributed to different aspects of the build. This was insufficient information to determine if BT's quote was reasonable.

For (2), BT stated that no other properties could share this USO connection. However, this was in direct contradiction with another quote we received from BT under the Community Fibre scheme. BT quoted us £40K for Community Fibre with 9 premises sharing the infrastructure. Why had BT calculated our USO quote based on no other premises sharing the infrastructure, whereas clearly it was possible, as evidenced by the Community Fibre quote, for BT to build shared infrastructure?

In addition, the cost per premises is far higher under the USO scheme than under Community Fibre. For our USO quote, the cost per premises is £266K, whereas for our Community Fibre quote, the cost per premises is £4.4K.

We would like Clause 3.26(b) to be enhanced to give USO customers the power to demand that BT must:

1) State the number of metres of new fibre cabling that will be installed under a USO quote.

2) Use the same methodology for assessing how many premises could share the infrastructure under a USO quote as is used for Community Fibre quotes.

3) Justify why a USO quote is far higher on a cost per premises basis than Community Fibre.