

## NFU Evidence: Strengthening Openreach's strategic and operational independence.

The NFU represents 47,000 farm businesses in England and Wales. In addition we have 40,000 countryside members with an interest in farming and the countryside. In May 2015 the NFU launched the [NFU Spotlight on Farm Broadband and Mobile Networks](#) document to highlight the current lack of infrastructure available for the farm business sector and to propose solutions that would help ensure the UK could become the best connected country in the world.

NFU welcomes the opportunity to respond to this consultation, NFU farmers and growers are within the last 5% of the population for whom there is no superfast roll out provision and very limited mobile phone coverage. NFU landowners and tenants also host and could host telecommunications apparatus if they receive a fair land deal.

The NFU welcomed Ofcom's announcement in July 2016 that it would seek to strengthen Openreach's strategic and operational independence. Of particular note, as confirmed within the consultation document, is the commitment that:

*Openreach must become more responsive to the needs of the service providers, people and businesses that depend on its network. We said in February that it is necessary to reform the relationship between Openreach and BT Group, to give Openreach greater independence and ensure it serves all of its customers equally.*

*We expect a more responsive Openreach to deliver two sets of benefits:*

*It should result in a more competitive market. Effective competition will ensure that people and businesses have a choice of services from different providers, with quality and pricing that meets their needs*

*It should support continued investment in new networks and services, in particular new ultrafast broadband networks. Investment decisions that are currently in the pipeline would be taken in the interest of all of Openreach's customers. New models of investment will become more likely, including models that share risk across a broader base of customers (paragraphs 1.6 and 1.7 DCR: Strengthening Openreach's strategic and operational independence).*



The NFU believes it is essential to choose a future Openreach model that:

- reduces operational barriers that would prevent a fully functioning rural broadband and mobile networks market to develop.
- is able to deliver investment in the existing and proposed backhaul networks so that rural consumers do not have to rely on ageing copper and even aluminium cables and have a future proofed network that will deliver genuine superfast speeds now and ultrafast in the near future.
- allows easier access to data about what the state of infrastructure and when it will be updated
- allows fair access to infrastructure for all those companies, landowners and community groups who are looking to improve their access to digital services.
- that can provide infrastructure connections at a price that farm business can afford to access.
- makes reasonable provision for the rights of landowners and tenants whose land is affected by existing BT owned equipment running through their land which could be transferred to Openreach.

In respect of the last point we would ask Ofcom to clarify whether or not wayleave / other agreements are capable of assignment or whether a totally new agreement will be required?

The introduction of the Digital Communications Act next year changes the method of valuation for apparatus on land from the value of the site to the operator to a 'no scheme' valuation. It does not affect agreements already in place but will be applicable to agreements and valuations post the Act coming into force. Therefore if new agreements are required, it is likely that since they will be after the Act is in force, they will potentially be on no scheme rates. The NFU believes that there needs to be fair agreements about how existing landowners will be affected, especially as some wayleaves will be historic and alternative locations may be required for new infrastructure (for example along paths rather than through the middle of fields may be more practical to replace and maintain).

NFU welcomes Ofcom's proposals to provide greater consultation with customers on investment plans, and would welcome more clarity about how this would work in practice?

Providing infrastructure for the last 5% needs to be a priority for any new model, so it is important for the resultant Openreach structure and governance to be able to deliver this fairly and robustly, but without unnecessary bureaucracy for the customer. For example if a community group or landowner wishes to connect to a network this should be achievable at a reasonable cost in a reasonable timescale.

Finally the effectiveness of any new Ofcom structure is will depend on how quickly a superfast broadband and mobile network infrastructure is delivered. As the UK moves to ultrafast services and seeks to use fifth generation technology, how quickly backhaul can be provided and upgraded will be a key measurement of success. If part of the network is still missing or running on aged equipment delivering low speeds then the UK economy will not be competitive. For the farming sector, which is becoming increasingly dependent on this type of technology, that means not able to deliver the high quality and sustainable food our growing nation needs.