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Selina Chadha
Ofcom
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13 February 2019

Dear Selina,

Delivering the Broadband Universal Service: Proposals for designating providers and applying conditions

We support Ofcom's work to implement the Government's Universal Service Obligation (USO) for broadband. Effective implementation of the broadband USO will mean there is a safety net in place to ensure that all homes and businesses can access decent broadband of at least 10 Mbit/s at an affordable price. However, we expect that the majority will receive decent connectivity without having to rely on the USO, given current and planned broadband network deployment in the UK.

We have reviewed Ofcom's consultation document, published on 5 December 2018, which outlines its plans in relation to designating the Universal Service Providers (USPs), and the relevant conditions that will apply to them in delivering USO connections and services. We broadly agree with the approach Ofcom proposes and consider it is consistent with the legislative framework.

We have a small number of specific comments on the proposals:

1. We support Ofcom's proposal to set the affordability threshold at £45/month (including VAT, connection charges, monthly payments and other broadband charges) to determine eligibility for the USO: if consumers cannot access a service for this price or less that meets the USO technical specifications then they will be eligible. We agree that this threshold

appropriately balances the risk of distorting competition by setting the threshold too low with the need to ensure that everybody has access to an affordable broadband service.

2. We note that Ofcom is proposing to disclose to USPs information we (and other CPs) provide on network coverage in response to information requests for the Connected Nations reports in order to support implementation of the USO. While we do not object to this proposal as it supports the effective implementation of the policy, we will only consent to Ofcom disclosing our data if strong mechanisms are put in place to ensure the proper use and security of this commercially sensitive data backed up by legally binding and enforceable obligations on the USPs. Improper use of the data for purposes other than complying with the USO must be prevented. Rickard Granberg's response of 24 January 2019 to your 10 January 2019 letter sets out our concerns and the steps we consider necessary to address them in detail. We look forward to discussing this matter with you further to ensure the appropriate safeguards are put in place to support effective and secure data-sharing.

3. We agree with Ofcom's proposals in Section 9 to oblige the USPs to report on their performance to demonstrate compliance with the universal service conditions and to maintain accounting records so that net cost claims may be audited and verified. Ofcom must specify the requirements that the USPs must fulfil, rather than leaving any details to their discretion.

We note that Ofcom expects to consult on the funding regulations this summer. We would appreciate the opportunity to discuss funding arrangements with you as your thinking on this matter develops and in advance of the consultation.

Yours sincerely,



Beth Wainwright
Head of Regulatory Policy