

**Telefónica UK Limited's ("O2") response to Ofcom's "Wholesale Local Access Market Review: Promoting network competition in superfast and ultrafast broadband" dated 1 December 2017.**

O2 both welcomes and strongly supports Ofcom's proposal to introduce a new clause into the draft SMP conditions which specifies that geographically targeted discounting of wholesale prices will amount to undue discrimination.

O2 considers investment in fibre as critical to the future development of resilient telecommunications networks in the UK both in terms of ultrafast broadband to the premises and for use in the future deployment of 5G technology. O2 considers that the promotion of competition between fibre infrastructure providers is essential to facilitating future network development. It is the competitive process that provides the best prospects of securing optimal service quality, prices, innovation, as well as investment and it is both right and appropriate for Ofcom to use its regulatory powers to ensure that the competitive process is not undermined.