

Minister of State for Digital 4th Floor 100 Parliament Street London SW1A 2BQ

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30<sup>th</sup> July 2017

Dear Colleagues,

## Universal Broadband

I am writing to set out the Government's next steps for delivering universal broadband.

As set out in our manifesto, we will ensure that "by 2020 every home and every business in Britain has access to high speed broadband."

As a result of our superfast broadband programme 93% of UK premises already have access to superfast broadband - according to independent figures from <u>thinkbroadband.com</u>. That's expected to rise to 97% by 2020 but even with this investment, there will still be around one million premises unable to access speeds of 10Mbps or more - the level that Ofcom says a typical household currently needs. The costs of connecting these premises are high, particularly for the final 1%, which are in some of the most remote regions of the UK.

Our priority is to get good connectivity to as many people as possible, as quickly as possible. Ensuring a minimum, fast, reliable service for all businesses and households will strengthen societies and economies in remote regions and improve productivity in support of our Industrial Strategy.

In the Digital Economy Act 2017, we took the power for a new broadband USO - which would give people the right to request a connection, at a minimum speed, from a designated provider, up to a reasonable cost threshold. The USO will initially provide minimum speeds of at least 10Mbps, reviewed upwards in due course. We are today publishing the <u>consultation</u> for enabling this statutory USO.

Today we have also announced that <u>BT has volunteered a proposal to deliver the USO</u>. The BT proposal would be legally binding and deliver a minimum speed of at least 10Mbps, whilst many premises will receive substantially faster speeds.

We welcome this proposal, which could be delivered more quickly than under the regulatory USO. We will be giving this careful consideration, as it has the potential to deliver better connectivity to more people, more quickly than under the regulatory USO. Unlike under a regulatory USO, the proposal from BT is to proactively build the necessary network infrastructure to connect the majority of households and businesses rather than wait for this to be done on request.

To be clear - we have not yet decided which is the best route to delivering universal broadband; we will do that once we have completed our consultation on the regulatory USO, and worked through BT's proposal in detail with them. In the event that BT's proposal is our preferred route we would put in place a legally binding



agreement committing them to delivery. I am confident that we will find the right solution to giving people the connectivity they need.

The long and short of it is that we are on track to deliver our manifesto commitment of high speed broadband to every premise by 2020.

This of course is alongside investing now in the next generation of technologies: full fibre and 5G so people can be connected where they live, work, and travel.

I will update you on progress in due course.

Yours ever

Matt Hand

The Rt Hon Matt Hancock MP Minister of State for Digital