



HOUSE OF COMMONS

LONDON SW1A 0AA

James Gray MP
House of Commons
London
SW1A 0AA

3 February 2010

Dear James,

CONSERVATIVE POLICY ON BROADBAND

I know that the issue of broadband speed and coverage is one that concerns many of your constituents, so I wanted to write to you to set out our policies aimed at creating a superfast broadband network that will reach the whole country, including areas that have been badly served by broadband to date. This is an area where there is a real dividing line between our approach and the government's which I hope will be helpful to you in your local campaigning.

We are one of the slowest countries in the developed world for broadband - according to independent studies we come 21st out of 30 developed countries. Large parts of the country, particularly remote rural areas, only receive broadband at less than 1 Mbps. This prevents users from performing the most basic tasks such as watching streamed video on the BBC iPlayer. It is also very bad for local businesses.

We have set out a number of policies which would roll out broadband across the country. The first is to allow other private sector operators to lay fibre in BT's pipes and ducts. This will mean that we are not dependent on BT alone to upgrade the fixed line infrastructure. It is an approach that has worked well in other countries such as France and Singapore and represents the final ending of BT's monopoly, a process started by the last Conservative government. We will also amend current regulation to allow widespread aerial deployment of fibre using BT's existing telegraph poles, and consider changing business rates that currently disadvantage new operators. We are confident that this market-led approach will deliver superfast broadband to most of the country.

However for the parts of the country that the market will not reach, we will consider using a proportion of the BBC licence fee to finance investment. Currently the licence fee is paying for digital switchover and developing the capacity of Digital UK is one of the BBC's core purposes. This should not therefore be seen as "top-slicing." The BBC is also one of the heaviest drivers of demand for superfast broadband through its

iPlayer – so it is a far more appropriate way to finance this investment than the government’s unpopular “phone tax.”



The amounts this generates will be made available either on a match funding basis to local authorities or leveraged up as low interest loans to companies willing to invest in developing the infrastructure. The latter route would mean stimulating investment of up to £3 bn in our rural infrastructure.

Our plan is that the UK should be the first major European country to offer broadband at speeds of up to 100 mbps to the majority of the country. This could involve either mobile or fixed line solutions, and goes far beyond the Government’s proposed target of universal access to 2 mpbs.

This is a key part of George Osborne’s growth strategy: it delivers “green growth,” ensures growth is evenly balanced throughout the UK, and by strengthening our digital and creative industries reduces our dependence on financial services.

Labour has totally failed to keep the UK at the forefront of digital technology, but we are offering a deregulatory, private-sector driver alternative that could transform our economy, both in cities and rural areas.

I am more than happy to discuss these policies if you have any specific questions.

Best wishes

A handwritten signature in blue ink that reads "Jeremy".

Jeremy Hunt

Member of Parliament

Shadow Secretary of State for Culture, Media and Sport