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National Competence Centre,
Broadband Delivery UK,
Department for Culture, Media & Sport,
100 Parliament Street,
London
SW1A 2BQ

Dear Sirs,

Thank you for publishing the consultation on the revised state aid measure. We wish to take this opportunity and respond in the hope of assisting our colleagues in DETI (NI) to seek the level of transparency on BT's clawback mechanisms and BT capital contribution. We are a local authority development organisation which works in the cross-border areas of Northern Ireland and Ireland. Our local authority members in Northern Ireland are: Armagh City Banbridge and Craigavon Borough Council; Fermanagh and Omagh District Council, and Mid Ulster District Council.

As a cross-border organisation we are acutely aware that neighbouring towns in the Republic of Ireland are receiving the same FTTC solution without subsidy while many are also getting the FTTP option. This leaves the available subsidy for those actually living in rural areas.

We do appreciate the work done to date. The work by DETI through BT has to date secured cabinet upgrades across exchanges areas of the Region. Unfortunately, cabinets on their own means those living more than 1200 metres from the cabinet do not see a measurable improvement and thus complaints remain high. The upgrades need to continue and commitment is needed to bring fibre closer to peoples' homes.

The consultation documentation is set out without reconciling the existing activity and fails to outline how BT's capital contribution owed and the clawback revenues are to be re-covered and re-used to reach our most challenging geographic areas. The quality of the final outcome now rests to the extent to which BT's capital accruals to BDUK and clawback revenues are pursued and re-distributed. We think therefore that the proposed process would be much improved if a reconciliation process was completed as part of any new procurement. If this is not done, it is likely some of the money BT original earmarked for rural is likely to end up funding BT Sport for example.

World class connectivity provides an immediate means of remote areas being able to participate in the global economy. As it stands too many of our citizens and too much of our land mass remains poorly connected.

We are encouraged that the consultation on state aid for Broadband is seeking alternative approaches but these alternatives cannot emerge unless there is a reconciliation of existing costs and

contributions. This has been referred to as a 'true up' by some UK local authorities. They have yet to occur and are much needed. Furthermore, we do not think the depth of coverage required will happen unless there is an unambiguous commitment to delivering Fibre to the Premise where it is needed. In re-stating the ambition, our Councils, stand ready to work with those excluded to assist in demand aggregation processes.

We would encourage BDUK to use the current consultation to re-state their commitment to insure the contractual clauses to support extensions by communities are enforced. The latter includes an affordable Fibre on Demand product from BT and mapping publicly funded assets.

At least 12-15% of our premises are failing to see any significant improvement from the fibre to the cabinet solution. We are concerned UK Ministers and Whitehall Officials will be tempted to declare victory where there is no none, where some hard yards need to be fought and won. We are delighted that DETI has received funding for SRP2, but this is still subject to BT's commercial confidentiality agreements. The latter gives BT the opportunity to game every cost and piece of capital. Any gaming of costs in the UK is then repeated in Northern Ireland. We hope this consultation process will respect and respond to public officials and their constituents' desire for more transparency on the existing contractual arrangements, so the existing funding pots can be recovered from BT for those who have not yet seen any improvement in service.

Sincerely yours,



Shane Campbell
CEO