

Our ref:
Your ref:

2 June 2014

Ms Maureen Watt MSP
Convener
Infrastructure and Capital Investment Committee
The Scottish Parliament
EDINBURGH
EH99 1SP

VICKI NASH
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Dear Ms Watt

I noted with interest the remarks made by Robert Madelin regarding Ofcom's presence north of the border and the extent to which we are aware of differential pricing for broadband when he met the committee on 7 May. I thought it would be helpful to clarify our position on this and our work in relation to significant market power.

You will know from our previous engagement with your committee that Ofcom has an office in Scotland with a small staff complement who work across the sectors we regulate in conjunction with our specialist policy teams. We have a duty to research markets constantly and are very aware of the differences which exist across the UK in the availability, take-up and use of communications services and publish a wealth of data in this regard. This includes our annual Communications Market reports for Scotland (the 2013 version can be seen [here](#)), our Infrastructure reports showing data for each local authority area in Scotland (see [here](#)) and last year, you will be aware we published a report 'The availability of communications services in the UK' which explained why variations in availability exist and how this might be improved (see [here](#)).

Separately, we are required to periodically review various communications markets and to introduce regulation where we find the level of competition to be insufficient. As part of these reviews we investigate how competition varies between different areas in the UK and where appropriate we will introduce regulation that is geographically targeted. A recent example of this is our current review of the Wholesale Broadband Access market which we have just notified to the European Commission.¹ This review has identified that whilst generally there is strong competition in this market, this competition does not extend to all areas of the UK. As a consequence we have introduced regulation that is targeted to the 9.5% of the UK (excluding the Hull area) where competition is insufficient – we refer to this area as Market A. Once this notification process is complete, we will publish a final statement to bring our decisions into effect.

I hope this information is helpful.

Yours sincerely

Vicki Nash

¹ <http://stakeholders.ofcom.org.uk/consultations/review-wba-markets/draftstatement/>