

## Broadband cost reduction directive

### Department for Culture, Media and Sport

**RPC rating: confirmed as a non-qualifying regulatory provision**

#### Description of proposal

The proposal implements elements of the Broadband Cost Reduction Directive, including requiring infrastructure owners to give high speed Internet providers access to and information about physical infrastructure at a 'fair and reasonable price' and to provide information about and co-ordinate planned civil works.

One element of the directive, relating to in-building infrastructure requirements, was the subject of a previous Department for Communities and Local Government submission, with an estimated direct cost to business of £0.2 million each year.

#### Impacts of proposal

The proposal will require infrastructure owners (such as water or electricity networks) to provide high speed Internet providers with access to their network infrastructures and to respond to requests for information and surveys regarding the use of the infrastructure to support the delivery of high speed broadband. The requirements are, however, subject to a number of safeguards and restrictions. For example, the Department expects the costs of the access and information requirements to be limited as infrastructure owners will be able to charge 'fair and reasonable' prices for the use of the network and will be able to recover any costs associated with information requests through "a system of proportionate, non-discriminatory and transparent charges". Where charges cannot be agreed, Ofcom will be able to set prices to enable recovery of costs taking into account likely impacts on the infrastructure owner's business plans and investments, including potential costs associated with downstream competition (for example where an infrastructure owner already provides network services that would compete with those provided by the Internet provider). Businesses receiving requests will therefore be compensated for any costs incurred and those making the requests will only choose to proceed with their requests where they estimate the likely costs are outweighed by potential benefits.

The requirement to co-ordinate works is limited; co-ordination can be refused if it would lead to delays or increased costs for initially-planned works.

## Quality of submission

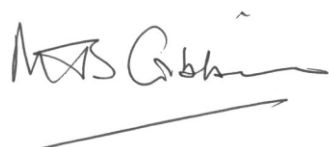
The Department has provided sufficient information to support its assessment that the proposal does not go beyond the minimum EU requirements. The Department has also provided sufficient information on the scale of the impacts to support its assessment that the gross costs are not expected to exceed £1 million in any year. For example, the Department has provided detail on the safeguards and limitations, and highlighted the extent to which the domestic market already operates in line with the majority of the requirements.

## Departmental assessment

Classification	Non-qualifying regulatory provision (EU)
Equivalent annual net direct cost to business	N/A (fast track non-qualifying regulatory provision)

## RPC assessment

Classification	Non-qualifying regulatory provision (EU)
Small and micro business assessment	Not required (fast track low-cost regulation)



**Michael Gibbons CBE, Chairman**