

## **Future Telecoms Infrastructure Review: terms of reference**

### *Context*

The UK's Digital Strategy set out the government's goal to create the conditions and set the framework for investment in world-class digital connectivity, that is ultrafast, reliable, long-lasting and widely available to UK homes and businesses.

Whilst the UK is an international leader in the availability of copper-based super-fast broadband it must improve its performance on the deployment of full fibre networks, to support the connectivity of homes and businesses and provide the backbone for a denser 5G mobile network and underpin economic growth.

The government's approach to achieving these goals is to encourage markets to deliver commercially across all areas of the UK. We want to build on what has been achieved so far, by ensuring that market and policy conditions are as good as they can be to support investor confidence and maximise investment in full fibre and new technologies.

The government will undertake an in-depth review of the telecoms market, to understand companies' incentives for investment in new digital infrastructure, establishing a clear evidence base to determine what, if any, additional policy interventions may be needed to deliver government's objectives, whilst promoting a stable environment for investment.

The Review will be set against the government's continuing work to improve the business case for future infrastructure investment through our Local Full Fibre Networks and 5G Test Beds and Trials programmes, the Digital Infrastructure Investment Fund, business rates relief for fibre networks, and the setup of a Barrier Busting Task Force. It will also take into account the likely future developments in the regulation of the telecoms market such as Ofcom's existing initiatives to drive competition and investment in future digital infrastructure.

### *Purpose and scope of the Review*

In particular the Review will assess:

- the barriers to investment in digital infrastructure and next-generation digital connectivity, now and over the coming decades including cost, levels of demand, market structures and regulation;
- how investment incentives vary between different areas of the UK and across different parts of the telecoms market;
- what policy changes government should consider to encourage greater investment in new digital infrastructure. These may include encouraging greater competition, other measures that can increase the attractiveness of investment through changes in the relative risks and returns, or direct government intervention.

As part of its work the the Review will seek to address key questions that could affect the evolution of the UK's digital infrastructure such as the ongoing convergence between fixed and mobile technologies and the transition from copper to full fibre networks.

### *Process*

This is a cross-government Review led by the Department for Digital, Culture, Media and Sport. The Review will seek a wide range of evidence, including from industry, academia and other stakeholders. The evidence base will also include economic analysis, international and cross-industry comparators and analysis of competitive dynamics.

### *Output*

A report, to be published in Summer 2018, that identifies options for incentivising investment in the UK's future digital infrastructure.