

Cabinet Secretary for the Rural Economy and Connectivity  
Fergus Ewing MSP

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Rt Hon Matt Hancock MP  
Minister of State for Digital and Culture  
4th Floor  
100 Parliament Street  
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25 October 2016

The Scottish Government has placed digital connectivity at the heart of its agenda. As set out in the Programme for Government, we are committed to delivering 100% superfast broadband access across Scotland by the end of this Parliament in 2021, recognising the transformation impact it can have, particularly in our most remote and rural communities.

The UK Government's ambition to deliver a broadband USO, while welcome, appears to be developing in isolation. Given that the Scottish Government intends to deliver further investment to extend superfast broadband access in the coming years, it is vital that our respective plans are co-ordinated effectively. In our response to both the BDUK and Ofcom consultations, the Scottish Government suggested that a working group be established to help shape the USO to ensure that it meets the needs of all of the devolved administration as well as the UK Government. This was a suggestion welcomed by Ofcom CEO, Sharon White. Despite my letter of 31 August, requesting that DCMS officials liaise with their counterparts in the Scottish Government and other devolved administrations to set up such a group at the earliest opportunity, contact has not been forthcoming.

I would appreciate an opportunity to meet with you to discuss the broadband USO, as well as the wider digital agenda. If you are agreeable, I would be grateful if you could ask your officials to liaise with my office to agree a suitable date and time.

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Rt Hon Matt Hancock MP  
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16 January 2017

Dear Mr Hancock

The publication of Ofcom's technical advice on the introduction of a broadband USO is welcomed by the Scottish Government. As made clear in our responses to previous consultations on this issue, if designed correctly, the USO offers a unique opportunity to ensure that every part of the UK is served by a fibre infrastructure that is dynamic and future-proofed, keeping pace with the demands of future broadband technology.

High-speed, high bandwidth connectivity will underpin future growth and drive a range of economic and social benefits. That is why we have given a clear and unequivocal commitment to deliver 100% superfast broadband access across Scotland by 2021. The Budget that we announced in December reflects that prioritisation and will allow us to kick-start our Reaching 100% programme later this year, building on the success of our existing Digital Scotland programme.

Achieving 100% coverage will support rural development, protect and create jobs and businesses in some of our most remote and fragile communities, and enable innovation and growth across the economy.

I was heartened to see that Ofcom's analysis assessed a range of technical specifications and scenarios. The expectation set by UK Ministers over recent months has been that a 10Mbps USO is likely. Ofcom's analysis of a 30Mbps superfast option was, therefore, a welcome surprise. Equally welcome was their assessment that the cost of implementing the superfast option in Scotland would be broadly similar to implementing a 10Mbps USO.

Given the significant additional benefits that would accrue from extending superfast access, I would strongly support the development of the superfast USO. This would bring the rest of the UK into line with the Scottish Government's 100% superfast commitment and ensure that the USO can deliver a step change in the quality of the UK's digital infrastructure.

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A superfast USO would help focus investment in Scotland, removing the potential complication of UK Government-led activity to deliver a 10Mbps USO occurring at a point when the Scottish Government is delivering investment to achieve 30Mbps coverage in Scotland. Notwithstanding, we are clear that the USO should not merely deliver a 'one time only' solution, whatever speed level is set. Provision should be made to ensure that the performance and requirements of a USO over time are benchmarked, reviewed and updated on a regular basis.

We have undertaken analysis of potential costs of achieving 100% superfast coverage in Scotland and we would be keen to work with Ofcom and UK Government officials to reconcile the two sets of figures and deepen our understanding of how the target is most effectively delivered.

My officials have previously shared with DCMS the Scottish Government's substantive response to Ofcom's consultation on the USO, and this sets out our views on a number of issues in addition to costs of USO delivery. Quite simply, the underlying principle of the USO must be that it ensures a genuinely universal right of access. For this reason, we are clear that delivery of the USO must be affordable to end-users regardless of technology used, which could be achieved through implementation of a price cap. Furthermore, we would support the introduction of a social tariff to ensure income fluctuations are not a barrier to being able to access broadband services.

We remain committed to working with DCMS on the design of the USO. There was a previous agreement in principle that a working group be established to allow appropriate input of the Devolved Administrations. Whilst some engagement at official level has taken place, it's disappointing that a formal working group was never convened and it is my view that this is still required to ensure effective outcomes of the USO across the UK. I urge you to consider this as a means of ensuring that the Scottish Government, and other Devolved Administrations, are fully involved in the process and at all decision points.

On a different matter, I would welcome further information regarding the Chancellor's funding announcements for fibre networks and 5G mobile made at the autumn statement, for which DCMS has shared only limited information. I am keen to discuss these matters at the earliest opportunity. It has been unfortunate that no meeting has yet been arranged but I trust that this will now be progressed by our Private Offices.

I am copying this letter to my Ministerial counterparts in Wales and Northern Ireland.



**FERGUS EWING**

C.C.

Julie James AM, Minister for Skills and Science  
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Simon Hamilton MLA, Minister for the Economy  
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24 February 2017



I have written to you on a number of occasions since October 2016 when I first sought a meeting to discuss digital connectivity. It is unfortunate that this has not yet been arranged and I trust that this can be rectified soon. In the meantime, I thought it would be helpful if I set out the key points I wish to discuss.

1. Broadband Universal Service Obligation – as outlined in my letter of 16 January, I strongly believe that the UK Government should instruct Ofcom to implement a superfast USO, set at 30Mbps. This is now a position that has been endorsed by the House of Lords in their consideration of the Digital Economy Bill, which further illustrates the wide consensus that has developed around this key issue. It is vital that the UK Government displays the ambition needed to ensure that people across the country are not disadvantaged by poor broadband connectivity. An early discussion around the UK Government's position will be important to help align and co-ordinate our respective efforts in this area.
2. UK Government funding for Full Fibre & 5G networks – in my January letter, I sought further information on the funding announcements made by the Chancellor in the Autumn Budget Statement. Since then, my officials have responded to the DCMS call for evidence, setting out potential areas for collaboration between our two Governments. Areas of focus include promoting Scotland as a test-bed to support the development of 5G, building on partnerships the Scottish Government and Scottish Futures Trust have established with industry and academia. I am keen to progress these as a matter of urgency.
3. Implementing an 'outside in' approach to 5G – we want to see coverage obligations linked to future 5G spectrum releases prioritise rural coverage. The 'outside in' approach has worked in Germany, where licence conditions applied to the 800MHz band meant that winning bidders were obliged to roll out to rural areas first, before rolling out to urban areas. The forthcoming 700MHz auction in the UK offers an opportunity for the UK Government and

Ofcom to adopt a similar approach. This could help bridge the digital divide and extend good quality mobile coverage to some of our hardest to reach rural communities.

4. Action to improve 4G coverage – the Scottish Government has agreed an action plan with the mobile network operators, part of which includes work to jointly develop proposals to fill 4G coverage gaps. This is underway and we have provisionally allocated funding to deliver new mobile infrastructure as part of our 2017/18 budget, which confirms £112 million for investment in digital connectivity. I believe that there are opportunities for both Governments to work together on this, building on the very positive collaboration that is taking place to future-proof masts deployed via the Emergency Services Mobile Communications Programme. I would urge UK Government to consider providing additional funding to address mobile not-spots in Scotland. This would be very welcome, given the limited impact of the Mobile Infrastructure Project in Scotland compared to other parts of the UK.

5. Monitoring of existing mobile coverage obligations – I am keen to understand what action the UK Government and Ofcom will take to ensure that both O2's licence obligations on population coverage and the 90% geographic coverage will be met and independently verified – both in Scotland and across the UK. A rigorous testing process, and sanctions should quality of service fall short, will help reassure the public that the regulatory regime governing mobile operators is working as it should.

I recognise that telecoms is a reserved matter but the critical importance of good quality digital connectivity to Scotland's economy has meant that it is an area where the Scottish Government has had to become increasingly active. I want to develop effective partnerships with the UK Government around what are undoubtedly shared objectives in this area and would urge you to agree to an early meeting at which we can discuss the issues outlined in this letter in more detail.

*Yours sincerely*  
*Fergus Ewing*  
**FERGUS EWING**



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Our ref: 302146/dm/8  
24 April 2017

Dear Fergus,

Thank you for your letter of 24 February about digital connectivity and your previous letters of 25 October and 16 January raising particular points about the broadband Universal Service Obligation (USO). Firstly, I apologise that unfortunately circumstances meant that I was unable to visit Scotland to meet you to discuss these issues in detail earlier this week. As you will understand, all discussions will now have to be deferred until after the General Election.

Across the digital connectivity issues you raise, I have appreciated your views on the unique challenges in Scotland and am keen that our officials work constructively together going forward to deliver better connectivity across the UK.

Yours ever

**The Rt Hon Matt Hancock MP**  
**Minister of State for Digital and Culture**



Rt Hon Matt Hancock MP  
Minister of State for Digital and Culture  
100 Parliament Street  
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29 June 2017

Dear Matt,

Digital connectivity continues to be an area of growing importance to Scotland's economy. The availability of good quality digital infrastructure, coupled with affordable access to both superfast broadband and 4G mobile phone services is now viewed as a necessity by many. And yet there is still much to do if we are to ensure that no one is unfairly disadvantaged in accessing these services.

The introduction of a Universal Service Obligation for broadband as outlined in the Digital Economy Act presented an opportunity to clarify how and when people can expect to be connected to broadband services. However, there remains uncertainty regarding how this will be funded, when it will be introduced and how it will be aligned effectively with the activity that we are planning to deliver the Scottish Government's 100% superfast commitment. Likewise, the recent announcement to scrap EU mobile roaming charges, while welcome, was somewhat overshadowed by the lack of clarity surrounding the implications of Brexit and the UK's place in the Digital Single Market post-2019.

Telecoms is, of course, reserved to the UK Parliament. The Scottish Government has been a proactive player in this space only because it is of such critical importance to Scotland's economy. However, it is vital that your Government takes the lead in ensuring that rural communities across the UK are able to share in the services enjoyed in urban areas. There will be many opportunities to demonstrate this – from future mobile coverage obligations to the way in which funding for full fibre and 5G is delivered.

The Scottish Government has set out a commitment that 100% of premises across Scotland will be able to access superfast broadband by 2021. We are taking forward preparations for a new OJEU procurement later this year and expect to commit hundreds of millions of pounds to this priority infrastructure project. The UK Government has so far committed just £20.99 million to the project. I am sure that, given the reserved nature of these matters, you will be keen to address this disparity and supplement the resources on offer from the UK Government, from the full fibre funding previously announced or some other source.

Now more than ever, it is crucial that we meet to discuss the many issues affecting digital connectivity across Scotland, particularly in respect of our most rural and remote areas. I would be grateful if your officials could contact my Diary Secretary Ellie Fairgrieve on 0131 244 1557 or [CabSecREC@gov.scot](mailto:CabSecREC@gov.scot) to arrange a suitable date.

I am also eager to meet with officials from BDUK, perhaps as an adjunct to our meeting, to discuss our forthcoming R100 procurement and the input that they will provide in their capacity as National Competency Centre for public investment in broadband.

Yours sincerely,

A handwritten signature in black ink that reads "Fergus Ewing". The signature is written in a cursive style with a large loop at the end of the word "Ewing".

**FERGUS EWING**





John Whittingdale MP  
Secretary of State for Culture, Media & Sport  
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24 June 2016

Thank you for your letter of 26 May. I, too, look forward to working with you and other UK Government Ministers on the topics highlighted in your letter.

Although telecoms remains a reserved issue, the Scottish Government has set an ambitious digital policy agenda, including a commitment to deliver 100 per cent superfast broadband coverage by the end of the current Scottish Parliament in 2021. Unlike the UK Government, our view is that the importance of digital connectivity necessitates further public investment to ensure that all parts of Scotland can benefit from faster broadband.

My response to Ed Vaizey's recent letter made clear that we are committed to moving as swiftly as possible towards new procurements but that there are a number of steps that must be taken before we can do so, not least finalising the coverage footprint that will be delivered by the existing Digital Scotland projects. These remain on track to deliver at least 95% fibre broadband across Scotland by the end of 2017. BT is currently modelling residual funding within the two contracts and we expect this to be agreed in the coming weeks.

I am keen to see the broadband Universal Service Obligation (USO) work effectively, even if it may not apply as extensively in Scotland as it will in other parts of the UK. Given our differing ambitions, I believe that it is crucial that the Scottish Government is involved in the design of the USO to ensure co-ordination with our planned investment.



In our response to the Department for Culture Media and Sport's USO consultation, the Scottish Government suggested that a working group, involving the devolved administrations and Ofcom, would be an effective means of ensuring shared strategic oversight as the scoping work develops. Establishing such a group would be a further demonstration of the positive and productive relationship referred to in your letter.

I look forward to hearing from you on this point.

*Yours sincerely  
Fergus*

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31 August 2016

Thank you for your letter of 8 August, which addressed the Scottish Government's suggestion that an official level working group be established to oversee the design of the proposed Universal Service Obligation (USO) for broadband.

You proposed that such a group be established after the analysis currently being undertaken by Ofcom is published towards the end of this year.

I recently met Sharon White and we agreed that, if it is to be effective, the working group must be convened well in advance of Ofcom publishing its analysis in December. I would ask, therefore, that DCMS officials liaise with their counterparts in the Scottish Government and other devolved administrations to set up such a group at the earliest opportunity.

I am copying this letter to both Sharon and the Secretary of State for Scotland.

**FERGUS EWING**

