

Scottish Affairs Committee
House of Commons
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Dear Members of the Scottish Affairs Committee

CONNECTIVITY IN SCOTLAND: DIGITAL CONNECTIVITY

I write to you in respect of the Scottish Affairs Committee enquiry into digital connectivity in Scotland. My name is Ben and I am the Managing Director of Optua. We are an independent provider of connectivity to businesses in Scotland, pursuing a gigabit-first approach to our organisation, where we believe that in the 21st century all businesses in Scotland should have access to gigabit internet speeds for both their operations and their customers.

I write to follow up on the recent publication in January 2026 of the summary of the roundtable on digital and fixed link connectivity, and the note of the Scottish Affairs Committee visit to Skye in December 2025 I welcome that the roundtable raised several critical issues, such as the cultural perception that rural communities should not be served with quality broadband services, the impact this has on small and medium-sized enterprise, the monopolisation of supply in remote and rural areas, and the difficulties that smaller providers face with costs to rent access to ducts and poles installed by incumbent operators like Openreach.

Optua has witnessed firsthand the systemic barriers that prevent rural businesses from accessing the connectivity they require. Our business customers across Scotland – particularly in Ayrshire – consistently report the same issues highlighted in your roundtables: unreliable service, monopolistic pricing, and a pervasive sense that rural connectivity is treated as an afterthought rather than a priority.

We serve businesses that depend on reliable, high-speed connectivity to operate effectively in the modern economy. These are not simply convenience issues. Without adequate broadband, businesses cannot process card transactions, access cloud-based systems, maintain customer relationships, or compete on equal footing with their urban counterparts. The “rural premium” described in your Skye visit is a real and quantifiable disadvantage that undermines economic development across Scotland's rural communities.



INFRASTRUCTURE ACCESS AS A BARRIER TO COMPETITION

A fundamental barrier to improving rural connectivity is the cost structure imposed on alternative providers seeking to use existing infrastructure. Smaller providers must rent access to Openreach ducts and poles at prohibitive rates. More problematically, we are charged for access to both ducts and poles regardless of what is actually required. This adds unnecessary expense that directly undermines our ability to serve rural areas competitively.

This creates a perverse incentive structure. Openreach, having received substantial public subsidy to deploy infrastructure, can extract monopoly rents from competitors attempting to serve the very areas Openreach has deprioritised. When Skye has 13% fibre coverage against a Scottish average of 60%, yet alternative providers face structural barriers to addressing that gap, the market cannot function to correct the failure.

Openreach's recent correspondence to the Committee cited two-thirds of broadband poles in Scotland sitting on private land as a significant barrier. While this presents genuine challenges, it has been a known characteristic of Scottish geography throughout the entire period of broadband deployment. It cannot reasonably be presented as an unexpected obstacle. More critically, if private land access genuinely constrains Openreach's ability to deliver, the infrastructure access regime should enable alternative providers to pursue different deployment strategies, whether through wireless solutions, community partnerships, or alternative routing. Instead, the current pricing structure for access to existing infrastructure makes these alternative economically unviable.

THE CONSEQUENCES OF POLICY MISALIGNMENT

Your roundtable identified a lack of coordination between UK and Scottish Government connectivity initiatives. This misalignment has tangible consequences for providers and customers. Businesses attempting to access voucher schemes face conflicting eligibility criteria, duplicative processes, and in some cases fall into the gaps between the two schemes. This administrative complexity discourages uptake and leaves viable projects unfunded.

More fundamentally, both Project Gigabit and the Reaching 100% (R100) programme incentivise the wrong outcomes. By setting coverage percentage targets without specifying which areas must be covered, these schemes encourage providers to prioritise "low hanging fruit" where deployment is cheapest and fastest. The result is that coverage statistics improve while entire rural communities remain unserved.

This is not accidental. It is the predictable result of policy design that treats rural connectivity as a secondary concern. Openreach's figures demonstrate this clearly: 60% coverage across Scotland sounds substantial until you examine specific rural areas like Skye at 13%. The variance reveals that progress is concentrated where it is easiest, not where it is most needed.



MARKET STRUCTURE AND REGULATORY FRAMEWORK

The cultural perception that rural communities should not expect quality broadband, identified repeatedly in your inquiry, is embedded in regulatory and policy frameworks that systematically deprioritise rural areas.

Ofcom's current approach to regulations telecommunications markets assumes that competition will naturally drive improvement. This works in urban areas with multiple providers and high population density, however, it fails in rural Scotland, where low density makes commercial deployment marginal and incumbent dominance prevents competitive and disruptive entry. Applying the same regulatory framework to fundamentally different markets produce the outcomes we see: excellent connectivity in cities, inadequate connectivity in rural areas, and therefore widening inequality.

The solution is not to abandon competition, but to recognise rural markets require different forms of regulatory interventions. This includes enforcing infrastructure access on genuinely competitive terms. The current regime allows Openreach to simultaneously underdeliver in rural areas while extracting rents from competitors who attempt to fill the gaps. This protects underperformance rather than correcting it.

ECONOMIC AND STRATEGIC IMPLICATIONS

The roundtable discussion noted £100 billion in potential renewables investment across the Highlands, much of it dependent on improved connectivity. Rural connectivity is not a subsidy to declining areas, but an enabler of economic activity with national significance. Scotland's geography positions it advantageously for renewables, aquaculture, and emerging industries like space technology. These opportunities cannot be realised without the digital infrastructure to support them.

Businesses increasingly operate across distributed teams and require reliable connectivity regardless of physical location. The shift to remote and hybrid working makes connectivity a determinant of where people can choose to live and work. Poor rural connectivity drives depopulation, which in turn makes commercial deployment less viable, creating a self-reinforcing cycle of decline.

The participants in your Skye visit emphasised that connectivity was cited by the Scottish Government's own working group as a barrier to people living on Scotland's islands. Addressing this is not simply about fairness to existing residents. It is about enabling Scotland to retain and attract the working-age population required to sustain rural economies and capitalise on emerging opportunities.

UNIVERSAL SERVICE OBLIGATION

The proposal raised in your roundtable to mandate fibre connectivity to every household and business in Scotland through a Universal Service Obligation (USO) merits serious consideration. Digital connectivity has become essential infrastructure, equivalent to water and electricity. Businesses cannot function without it, and communities cannot thrive without it.

The current approach, which relies on voluntarily commercial rollout supplemented by Government voucher schemes, has demonstrably failed rural Scotland. Openreach's performance in Skye is a clear



example. Despite receiving substantial public funding and citing £530 million investment across Scotland, the organisation has delivered only 13% coverage in that area while achieving 60% nationally. This variance cannot be explained solely by engineering challenges. It reflects prioritisation decisions that systemically favour easier deployments over harder ones.

A USO would establish a clear legal requirement for connectivity, remove the incentive to prioritise “low hanging fruit”, and ensure that public funding is directed toward genuine universal coverage rather than incremental improvements in areas that are relatively well served. Such an obligation need not be delivered solely by Openreach. Opening delivery to competitive tender, with infrastructure access guaranteed on fair terms, would enable providers like Optua to compete for the opportunity to serve currently neglected areas.

STARLINK

The roundtable discussions revealed increasing adoption of Starlink across rural Scotland, with businesses and residents turning to satellite connectivity in the absence of adequate terrestrial infrastructure. While Starlink can deliver speeds of up to 250mbps compared to 1-2mbps on legacy copper lines, its emergence as a widespread solution represents a policy failure, not a success.

Starlink imposes costs of approximately £250-300 for initial equipment purchase and £75 per month for service. This is substantially higher than equivalent terrestrial broadband in urban areas, creating a two-tier system where rural users pay a premium for connectivity that should be considered essential infrastructure. The “rural premium” becomes not just a market reality but an accepted policy outcome.

More fundamentally, satellite connectivity is inherently inferior to fibre for business use. Latency on satellite connections, even with low Earth orbit constellations, remains significantly higher than terrestrial fibre. This affects real-time applications including Cloud Voice (VoIP) solutions, video conferencing, online collaboration tools, and cloud-based business systems. For businesses competing in national and international markets, this latency disadvantage compounds the geographic isolation they already face.

The roundtable also identified legitimate concerns about national security risks associated with dependency on foreign-controlled satellite infrastructure for critical connectivity. When businesses, medical facilities, and emergency services rely on satellite connectivity due to the absence of terrestrial alternatives, Scotland's digital infrastructure becomes dependent on the commercial and strategic priorities of a private American company. This is not a sustainable foundation for economic development or national resilience.

Starlink's increasing adoption in rural Scotland also sends a damaging policy signal. It reinforces the perception that rural communities do not deserve the same infrastructure investment as urban areas, and that expensive workarounds are an acceptable substitute for proper deployment. This perception, identified repeatedly in your inquiry, becomes self-fulfilling when policymakers point to Starlink availability as evidence that rural connectivity needs are being met.

Weather dependency presents another constraint. Satellite connectivity is vulnerable to disruption from heavy rain, snow, and storms, precisely the conditions that frequently affect rural Scotland. Your Skye



visit documented multiple instances of connectivity loss during recent storms, leaving communities without service for days. Satellite solutions do not resolve this resilience problem and may exacerbate it.

Finally, satellite networks face capacity constraints that terrestrial fibre does not. As adoption increases within a geographic area, available bandwidth must be shared among users, degrading performance. Fibre infrastructure, by contrast, can be upgraded to meet demand without affecting existing users. Treating satellite as the long-term solution to rural connectivity means accepting a capacity ceiling that will constrain economic development.

The fact that businesses and residents are turning to Starlink at scale demonstrates both their desperation for connectivity and the comprehensive failure of terrestrial deployment policy. Rather than accepting satellite as an adequate solution, policymakers should recognise its prevalence as evidence that current policy is not delivering the infrastructure rural Scotland requires. Starlink may serve as a temporary bridge, but it cannot substitute for the fibre infrastructure that would place rural businesses on equal footing with their urban competitors.

CONCLUSION

Scotland's rural businesses and communities have been failed by a policy and regulatory framework that treats connectivity as optional rather than essential, and that prioritises statistical targets over genuine universal service. The evidence presented to your inquiry demonstrates both the scale of the problem and the structural barriers that prevent market-based solutions from emerging.

Optua stands ready to contribute to delivering improved connectivity across Scotland, but we cannot do so effectively without a regulatory environment that enables rather than obstructs competition in rural areas. The current system protects underperformance and entrenches inequality. When an incumbent provider can simultaneously deliver 13% coverage in one area and 60% nationally, while charging competitors prohibitive rates to access the infrastructure built with public subsidy, the market is not functioning as intended.

I welcome the Committee's scrutiny of these issues.

Sincerely,



Ben Macaulay
Managing Director

