



Digital Economy Bill

Factsheet – Broadband Universal Service Obligation

(clause 1)

What are we going to do?

- introduce a safety-net so that everyone has the legal right to request connection to fast broadband, our ambition is to set this initially at 10Mbps
- as broadband connectivity across the UK improves, this will help ensure that no one gets left behind

How are we going to do it?

- create a new broadband Universal Service Obligation (USO)
- the bill will set the legal framework and the detail will be set out in regulations informed by Ofcom's technical analysis

Minister for the Digital Economy, Ed Vaizey, said:

"In November 2015, the Prime Minister announced our intention to implement a new broadband Universal Service Obligation that will give people the legal right to request a fast internet connection no matter where they live or work. This will put broadband on a more equal footing to other essential services such as electricity and water supply.

This government has a clear digital agenda, and our ambition is for world-class digital connectivity. As the UK continues to take great strides towards ever better connectivity, a broadband USO will provide a digital safety net for all, and will help make sure no-one gets left behind."

Background

The Conservative Party manifesto committed to provide universal broadband. The bill will give every household and business a new legal right to request an affordable broadband connection, from a designated provider, no matter where they live, up to a reasonable cost threshold. The government's ambition is to initially set the minimum download speed at 10 Megabits per second (Mbps). This speed will be increased over time as broadband speeds increase overall. Ofcom has reported that 10Mbps is the speed needed for a USO given a typical household's use of digital services and is adequate for demanding services like streaming high definition video content. Once implemented, the designated universal service provider or providers will have a legal obligation to connect people upon reasonable request. This is a very important issue for consumers and we are moving ahead rapidly with our plans:



- government has consulted widely on these proposals and a summary of responses together with the government's response to the consultation was published in May 2016
- ofcom has consulted with industry and will publish its technical analysis in late 2016
- government will consult again on the detail of the USO including specific requirements and guidance for its design. This might include, for example, the minimum speed, quality and pricing. We will do this once we have considered Ofcom's analysis.

Key Questions and Answers

- **Why don't you use existing powers to set out exactly how the USO will work?**

These new measures will put beyond doubt the government's power to introduce a new broadband USO and to direct Ofcom to review it as needed.
- **Why don't you just introduce a broadband USO now?**

Under the existing regulatory framework, the process for developing and delivering a new broadband USO involves both government and Ofcom. There are a number of steps that need to be taken, including introducing new legislation. We will of course implement this as soon as we can and we are looking at ways of doing that - mindful of the need to align this carefully with existing roll-out and investment plans.
- **Why is the speed of the USO not on the face of the bill?**

The broadband USO needs to be kept relevant to satisfy emerging consumer demands and technological changes in the years ahead. The speed will be specified in regulations to allow it to be updated when necessary. Regulations can be updated in a much shorter timescale than a new bill, which can take a year before it can be brought into force.
- **Why is the speed so low?**

By the end of 2017 at least 95% of premises in the UK will have access to broadband at speeds of at least 24Mbps - more than twice the speed of the proposed broadband USO. That is because the broadband USO is not the standard, but a safety-net. It is designed to ensure that those people who are not fortunate enough to live or work within reach of the UK's superfast broadband infrastructure, are still able to access broadband at a minimum speed that ensures they are not socially or economically left behind.