

DCMS – April 2016
A New Broadband Universal Service Obligation
Response from the OFCOM Advisory Committee for Scotland

‘The Advisory Committee for Scotland advises Ofcom about the interests and opinions, in relation to communications matters, of persons living in Scotland.’¹

This response to the Broadband Universal Service Obligation Consultation is from the Advisory Committee for Scotland (ACS). In no sense does it represent the views of Ofcom. However, it draws on the collective knowledge and expertise of the Advisory Committee for Scotland, informed by discussion at our meetings, the agendas and minutes of which are available on the Ofcom website.

The ACS is pleased that the USD/USO framework is being used and, indeed, championed and that, alongside the telephony and mail framework, the UK government recognises the principal rights of all citizens to communications in a modern society. The ACS limits its response to this consultation to the following specified questions and focuses on key points it believes are important in a Scottish context. We would also refer you to our response to the DCMS enquiry into establishing world-class connectivity throughout the UK, dated September 2015².

Background

This consultation seeks views on the Government’s proposed approach to introducing a new Broadband Universal Service Obligation.

The Government intends to introduce a new enabling power in primary legislation, which will give the Secretary of State an explicit power to introduce a broadband USO to provide for the functional internet access considered appropriate for today’s needs. Secondary legislation would then be developed setting out the scope, including specific requirements and guidance for the design of the USO, which Ofcom will be responsible for implementing.

Do you have any concerns about the approach that has been set out by the DCMS?

The ACS recognises that primary and secondary legislation is necessary to introduce a broadband USO. The process must have a clear objective and timeline to implement. It would not be a universal service if the delivery was subject to an open ended timescale; this would lead to the most rural areas waiting at the end of the queue once again. We consider that more could be done at the primary legislation level to provide for what will follow. The ACS would argue for a wider duty to be applied to Ministers in considering the regulation and any matters it provides for. For example placing Ministers under a duty, in making the order and in any provisions under it, ‘to have regard to the economic and social well-being of customers or potential customers in rural and remote areas or other areas of economic and social disadvantage and to seek to minimise any disparity in service levels between those areas and service levels enjoyed generally.’

¹ <http://www.ofcom.org.uk/about/how-ofcom-is-run/committees/scotland/>

² <http://data.parliament.uk/writtenevidence/committeeevidence.svc/evidencedocument/culture-media-and-sport-committee/establishing-worldclass-connectivity-throughout-the-uk/written/21807.html>

In addition the ACS would suggest the primary legislation should state:-

- that the draft regulation shall be subject to consultation
- that the regulation must provide for a review at least every two years of the level of the USO; or alternatively, the minimum for the USO be tied to a calculation of the mean level of service, to ensure that the USO is at no time less than X percent of the highest level of commercial service offered to householders by the provider.

Further comments in a Scottish context

We recognise that this consultation is only concerned with defining the required primary legislation, however, the ACS wishes to make some further points here which will probably be more relevant at the secondary legislation stage, but which may affect the shaping of the primary legislation.

- The ACS would argue that, if the commitment is serious, then a USO should be exactly that – Universal, without a cost of provision threshold, because broadband is such a vital enabler of other services and it is a different economic case from the provision of voice or mail services. However, we note that the EU Universal Service Directive says that a USO provider cannot be burdened with unfair costs – it is therefore almost inevitable that there will be a debate on costs and what is fair to the owners of the Obligation.
- Any exceptions from the USO, (as already exist in mail regulation), must be based on some agreed formulation of 'reasonableness' which is technology neutral, with the onus on the provider to make the case for connection being unreasonable. The lack of a suitable definition of reasonableness will invariably differentiate and discriminate against rural communities, resulting in greater costs for rural areas, inevitably lower take up and the knock on consequential impact to fragile economies as a result of being excluded from digital society. The ACS would argue that access to broadband is essential to being able to participate as a UK citizen and the cost of ensuring a USO for broadband needs to be set against the possible savings which could be gained from being able to assume that every household has broadband. These include online access to government services, to further and higher education, and to tele-healthcare. In general, the savings would be highest in rural areas where transport is most expensive. There are also the economic benefits of stabilising populations in our most fragile communities by making remote working possible and allowing small businesses to offer the same services as their competitors elsewhere.
- It will be important to obtain clarity on whom the USO rests and on the precise definition of the obligation. A clear definition of the obligation is imperative, together with a clear route of redress if the obligation is not being met. This should include compensation for consumers if broadband levels drop significantly below the USO level.
- The ACS would caution against making comparisons with the way costs for telephone installation under the telephony USO are passed on to the consumer above a certain threshold. A voice line is either there, or it is not. Once the infrastructure is in place, only basic maintenance is required and the ongoing cost is relatively predictable. Broadband is a far more variable product, with increased speeds not linearly related to increased costs. Once connected, the cost of supplying broadband is less predictable in more populous areas. We are already seeing broadband speeds falling in urban areas due to contention, requiring

further infrastructure investment to maintain existing speeds. New builds in urban areas can also require significant infrastructure investment to maintain broadband speeds for that area, which will not be related to the installation cost of the physical broadband connection. Unless the cost of such investment in a local urban area is directly passed on to the local consumers, it is much harder to justify passing on the installation cost for rural consumers – it could be argued rural consumers would be unfairly subsidising the maintenance of the USO in urban areas.

- The ACS considers that, if it is not a factor in defining primary legislation, there needs to be an early commitment in the USO to a delivery strategy where the most remote and rural areas are those that should receive the first and greatest priority among the areas to be brought up to the USO basic level - moving from the edge to the middle ground, rather than extending from the middle ground out to the edge.

We do not propose to specify speed in primary legislation. Should speed be specified in primary or secondary legislation?

The ACS believes that, consistent with the government's initial pronouncement, a USO with an absolute minimum download speed of 10Mbps, should be a fundamental objective in primary legislation. The ACS believes that starting with this minimum objective in the primary legislation will help to ensure that the debate has a clear end goal, and ensure any ongoing work completed before the secondary legislation is in place is fit for purpose. Provision should be made in the primary legislation for secondary legislation to be used to adjust this minimum speed upward, as outlined in the consultation document, according to changes in technology and user connectivity requirements. As discussed above, we suggest including in the primary legislation a statement that the minimum for the USO be tied to a calculation of the mean level of service, to ensure that the USO is at no time less than X percent of the highest level of commercial service offered to householders by the provider, or alternatively, stating the maximum period between reviews of the level of USO.

In terms of giving the Secretary of State a power to direct Ofcom to review the USO, should Government have a continuing role or should this be a matter for Ofcom?

The ACS believes that, as the regulator, Ofcom should enforce the USO and keep it under review. The ACS was pleased to note that, on a recent visit to Scotland, the CEO of Ofcom confirmed that no consultation with HMT has taken place with respect to maximisation of income from spectrum and that Ofcom does not have a spectrum revenue income maximisation obligation in its remit. This is important in the context of a broadband USO being substantially delivered in rural areas over wireless infrastructure.

Broadband USO Consultation
Digital Economy Unit
Department for Culture, Media and Sport
100 Parliament Street, London
SW1A 2BQ
broadbandusoconsultation@culture.gov.uk

Monday 18th April 2016

Dear Sir/Madam,

BCC RESPONSE TO BROADBAND USO CONSULTATION

The British Chambers of Commerce (BCC) sits at the heart of a network of 52 accredited Chambers of Commerce across the UK and a fast-growing Global Business Network. In the UK, our network brings together over 70,000 member businesses, and engages with a further 200,000 non-member companies each year. Overseas, our Global Business Network offers practical, on-the-ground help to UK exporters, and supports two-way trade.

The BCC welcomes the opportunity to respond to the Department for Culture, Media and Sport consultation on the implementation of a new broadband Universal Service Obligation (USO). In an increasingly globalised world, the ability of UK companies to compete will depend upon the quality of the nation's infrastructure. This also requires sustained investment in digital connectivity, as it underpins economic growth and will improve productivity in the long term.

In January 2016, the BCC wrote a letter to the Rt Hon John Whittingdale MP, regarding business concerns on lack of digital and mobile connectivity, signed by all of our 52 Accredited Chambers of Commerce. Accredited Chambers of Commerce across the UK urged the Culture Secretary to address four key areas – broadband speed, mobile coverage, improved competition and the development of 5G technology. In particular, the issue of broadband speed, lack of coverage and clarity on installation/fault repairs was raised numerous times amongst the businesses we represent.

We support the government introducing the enabling power and the additional measure requiring Ofcom to review the USO and ensure the speed reflects connectivity needs, in primary legislation. We are also supportive of the government's proposals to include the speed in secondary legislation. Ofcom's Connected Nations report found that only 68% of small business had access to superfast broadband, so it is important the USO includes SMEs within its remit. However, we do not agree with the government that the speed of the broadband USO should be 10Mbps to begin with - this should be more ambitious to reflect the pace of developments in the digital world. It is positive to read that the Government will look to raise the speed of the USO after 2020 over time, and we would welcome further details and a timeline for this. In addition, the BCC believe the government and Ofcom should work together to review the USO as this would be the most efficient way to make sure targets and investment benefits business directly.

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It is important to note that accredited Chambers of Commerce are accountable to their business membership, and have a deep knowledge of local business requirements with connectivity topping the list. Businesses must have a strong connection to sell, buy and conduct their day to day business. Therefore, in order to support our exporters and improve the UK's overall export performance - we must ensure that business in all parts of the UK have access to a sufficient broadband speed. It is key to achieving this objective.

The BCC remain keen to engage further as this consultation progresses. If you require any further information please contact [REDACTED] S40 in the first instance [REDACTED] S40 (0207 654 5820).

Yours sincerely,

[REDACTED]

Section 40



Consultation: A New Broadband USO Consultation by DCMS

Date: 18 April 2016

Contact:

S40

Our (PID) Reference: PD 20010 2538

1. Introduction

- 1.1 The Consumer Council is a non-departmental public body (NDPB) established through the General Consumer Council (Northern Ireland) Order 1984. Our principal statutory duty is to promote and safeguard the interests of consumers in Northern Ireland.
- 1.2 The Consumer Council has specific statutory duties in relation to energy, postal services, transport, and water and sewerage. These include considering consumer complaints and enquiries, carrying out research and educating and informing consumers.
- 1.3 We welcome the opportunity to respond to the Department for Culture, Media and Sport's consultation on A New Broadband Universal Service Obligation (USO).

2. Q1. Do you have any concerns about the approach that has been set out here?

- 2.1 The Consumer Council agrees with the general principle and believes that access to broadband can be viewed in the same way as basic utility services.
- 2.2 A USO protects rural and remote areas, ensuring that all areas experience the same minimum level of service. This proposal ostensibly ensures access to this essential service for consumers regardless of their location.
- 2.3 The Consumer Council is keen to ensure that the USO proposed provides a fair deal for NI consumers. We would encourage consideration be given to a principle of uniformity to be included in either Primary or Secondary Legislation. Uniformity means consumers can access the same minimum level of service regardless of their location in the UK. It is fundamental that any USO is geographically uniform in terms of access, speed, cost and service level. We acknowledge that the second consultation will provide greater detail of the USO specifications. However, we

would caution that without the safe guard of uniformity, some nations within the UK may pay more to access a minimum level of service.

2.4 The consultation document states, “We know from various interventions that the government has made to date that it is unlikely that everyone will want to be connected...”.¹ The Consumer Council’s recent consumer proficiency findings echo this (53% of offline consumers expressed having no interest in being connected). However, we would urge ongoing government commitment to closing the digital divide.

2.5 Research from BT suggests, accessing and using the internet is worth an estimated £6.8 billion to UK consumers and the economy, based on BT estimation that monetary worth to each new internet user is £1,064. Government services are increasingly being moved to and promoted online. If Government accepts there are some consumers who will not make the move online, equity of accessibility and service levels using offline channels must be maintained.

3. Q2. We do not propose to specify speed in primary legislation. Should speed be specified in primary or secondary legislation?

3.1 The Consumer Council recognises that technology advances rapidly. However, a bare minimum speed, such as the 10Mbps deemed necessary to meet the needs of a typical household, set in legislation may serve to protect consumers and work towards equitable provision.

3.2 This minimum would need to be future-proofed as there has been an average 40% growth per year in broadband data usage in the home. Demand for higher connection speeds is growing and will continue to grow as homes become “more smart”, for example, smart energy meters and health monitoring devices.

¹ Page 10, paragraph 2

3.3 Consumers are currently struggling to tackle issues of poor service and slower than promised speeds with their internet provider. Eight in 10 people do not know that the speeds quoted in broadband advertisements only need to be available to 10% of customers².

3.4 It would therefore seem prudent to use legislation to set out clear guidance on what consumers should expect in terms of service levels and more detailed criteria pertaining to effective enquires and complaint resolution. The Consumer Council agrees with the proposed approach of specifying the minimum level of service (including speeds) in secondary legislation so it can be revised more easily - a flexibility which is needed in this rapidly developing market.

4. Q3. In terms of giving the Secretary of State a power to direct Ofcom to review the USO, should Government have a continuing role in the USO, or should this be a matter for Ofcom?

4.1 The Consumer Council considers that Ofcom is a competent regulator and is best placed to review the USO. Ofcom has demonstrated its extensive experience in monitoring and reviewing USOs in both basic fixed line telephony and postal services. We believe its knowledge in these complex markets and other regulated industries provides a firm foundation for it to be given powers to review a broadband USO.

4.2 As broadband is seen as an essential service by the majority of consumers, the Consumer Council believes consideration must be given to statutory methods for intervention should the broadband USO provision become under threat. Such mechanisms would provide the necessary safeguard for consumers who will be vulnerable and therefore reliant on a USO broadband service. A similar safeguard is in place in postal services, whereby the Postal Services Act 2011 bestowed Ofcom with regulatory tools to intervene if it was considered that the universal postal service was at risk.

² <http://www.which.co.uk/campaigns/broadband-speed-service/ofcom-reforms-digital-communications/>

5. Conclusion

5.1 The Consumer Council has recently conducted research on the proficiency of Northern Ireland consumers. This will soon be published on our website and will contain statistics in relation to consumer online activities, online shopping and reasons for not using the internet. We would be happy to share this with you if you believe it would be of benefit and interest.

5.2 Should you wish to discuss this response please contact

S40

or at

S40



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Seatem House
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BroadbandUSOConsultation Mailbox
<broadbandusoconsultation@culture.gov.uk>

DCMS broadband USO consultation

1 message

Section 40

11 April 2016 at 14:14

To: "broadbandusoconsultation@culture.gov.uk" <broadbandusoconsultation@culture.gov.uk>

Please find attached a response to the broadband USO consultation from the Ofcom Advisory Committee for Scotland

Regards

S40

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For more information visit www.ofcom.org.uk

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Broad band consultation

1 message

Section 40

5 April 2016 at 14:42

To: broadbandusoconsultation@culture.gov.uk

Dear Sirs

I would make the following observations

Questions Q1: Do you have any concerns about the approach that has been set out here?

A USO should definately exist. Based on experience of dealing with the monopolistic Openreach they would do little or nothing without external legally binding presure.

Openreach seem to have slowed their fibre rollout in Warwickshire. How many DSLAM (fibre) cabinets have been installed in the last 12 months compared to the previous?

Q2: We do not propose to specify speed in primary legislation. Should speed be specified in primary or secondary legislation?

Yes. 10Mb/s is a useful but technically low target (Virgin are talking about over 450Mb/s whilst the fastest BT circuits are currently 80Mb/s) the target should have a rolling 3 to 5 year adjustment upwards with each adjustment doubling over the next 10 years.

Q3: In terms of giving the Secretary of State a power to direct Ofcom to review the USO, should Government have a continuing role in the USO, or should this be a matter for Ofcom?

The government should have a role. Ofcom seem toothless (perhaps because of the weakness of the Telecommunications Act and the lack of service obligation it places on Openreach)

kind regards

Section 40



Department
for Culture
Media & Sport

BroadbandUSOConsultation Mailbox <broadbandusoconsultation@culture.gov.uk>

Response

1 message

Section 40

15 April 2016 at 21:43

To: broadbandusoconsultation@culture.gov.uk

The consultation is far too limited. I've no problem with the 10MPS universal speed but there is nothing about connection continuity which in case of the BT system is an absolute disgrace. I can get c 30Mbps+ in SK6 5PG via BT. The issue is the continuity of service which is diabolical in wind and rain. BT will look at my connection but charge me c £100 if they can't find a fault. However as there are problems all over the area (the local station have the same problem their staff tell me), and a glance at BT national forums suggest this is a very common problem, this suggests there is a systemic infrastructure weakness which BT will not address. I note that virgin are even starting to use this in their promotional material.

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WT/TH

11 April 2016

broadbandusoconsultation@culture.gov.uk

Norfolk County Council's response to the Department Culture, Media and Sport –A NEW BROADBAND UNIVERSAL SERVICE OBLIGATION CONSULTATION. This response is restricted to the specific questions asked within this consultation concerning primary legislation. The authority intends responding to the next more detailed consultation concerning secondary legislation.

The response reflects feedback that the authority has received concerning broadband provision over recent years from both Norfolk residents and businesses.

Q1:**Do you have any concerns about the approach that has been set out here?**

Norfolk County Council agrees with an approach which deals with detail within secondary legislation. As well as speed, key issues within secondary legislation should include:

- Although defining a maximum customer contribution to one-off installation costs is useful, the level of the total cap is critical and could still mean that a connection is not available to everyone who wants one. Cases have occurred in Norfolk where the current telephony USO installation cap of £3,400 has been insufficient to cover the cost of a landline installation and therefore there are residents who have not been able to afford a phone line. Technologies that avoid the need for a fixed line should mitigate this risk; however customers may need information to dispel some existing negative perceptions of some types of broadband technology.
- Monthly usage costs are also key. Customers will expect to be able to access a service which is broadly comparable in cost terms as a similar service delivered using fixed line infrastructure.
- Fixed line services offer customers a choice of Internet Service Provider. Consideration is needed about whether such choice will be available for USO services.

Norfolk County Council believes a demand led process is appropriate based on:

- Potentially high costs to implement a solution for every property, whether or not the infrastructure is then used.

- The difficulty in dealing with new builds if a one-off implementation process is used.
- The likely long timescales for implementation if a solution was procured for all properties. A demand led approach should be more responsive to individual customers.

The following issues associated with a demand led approach should be addressed within secondary legislation:

- For a demand led approach to be effective, it will require a straightforward process for people to request a connection.
- Provider(s) having sufficient capacity to deal with the initial potential peak in demand. This could cause real frustration if the lead time for installations is too long. Service levels may be needed to ensure that people can access a connection within a sensible timescale, whilst being realistic about provider(s) capacity to deliver.

Q2:

We do not propose to specify speed in primary legislation. Should speed be specified in primary or secondary legislation?

Norfolk County Council agrees that speed should be specified in secondary legislation which is more easily amended because:

- What is considered a reasonable minimum broadband speed will change overtime.
- It will allow changes to be incorporated that result from the European Union, specifically the EU Universal Service Directive.

Q3:

In terms of giving the Secretary of State a power to direct Ofcom to review the USO, should Government have a continuing role in the USO, or should this be a matter for Ofcom?

Norfolk County Council believes the Government should have an ongoing role in the USO, although delivery should be overseen by Ofcom, because:

- There are interdependencies associated with the delivery of broadband infrastructure involving other areas of Government policy, for instance planning and highways.
- Further public subsidy funding sources may be available, for instance from further Gain-Share rebates that will have wider implications for instance State Aid.
- As the telecommunication environment evolves, irrespective of technical neutrality, the providers capable of delivering the USO may change.

- Broadband is of such strategic importance that decisions in setting acceptable minimum levels of speed should be based on direction from Government that reflects wider public opinion.

Yours sincerely

Section 40

The Bit Commons response to DCMS Broadband USO.
April 2016

Thank you for the opportunity to respond to the Broadband USO consultation. It is hoped the following perspective can be accommodated to get a better outcome.

Summary

It would appear DCMS has the option of simply passing the issue of a USO of 10Mbps to Ofcom and letting them do what they can. In a minimalist approach this is likely to continue the current practice of overstating coverage and then dealing with the exceptions when objections become loud enough, with the option to point to satellite services as and when expedient.

I have outlined a more comprehensive alternative, building upon the good work that has occurred in the last four years by BDUK while working to extract the most from the very large remaining funds available and the potential to extend further what is now a heavily subsidised data transport infrastructure owned by BT. It would seem peculiar that DCMS would stop now, given the hard yards that have been gained on costs and transparency issues, the result of which is that more and better coverage is possible for costs which are much lower than BT has endeavoured to portray.

Your proposal outlined that BDUK states there are a 1m lines that need to be covered by USO. A full cost reconciliation of the BDUK/LA programme would reveal sufficient funding to support the wide scale use of FTTdp (Fibre to the distribution point or manifold) to most of these locations supporting as few as 5 premises per location. This seems too big and obvious a factor to fail to reference in this proposal.

Q1: Do you have any concerns about the approach that has been set out here?

1.1 Your stated approach is politically pragmatic, but the paper suffers from not outlining what seems to be possible.

1.2 The political aspiration and the sentiment of 10 Mbps 'speed' at the edge of the network is understood. It is a reasonable way for politicians who have little technical knowledge stating that 2Mbps may not be enough and more is needed. Converting a sentiment into a piece of legislation is highly problematic.

1.3 The USO for the telephone service was defined after the engineers had finished defining and building a network to support a 'telephone' service. Legislators took something that was relatively stable and wrote law around an engineering specification and a set of features that could be described in detail. It then limited the liability to the then incumbent by limiting the amount BT contributed to a new connection.

1.4 Using the telephone network to deliver access to the internet is not governed by any regulation or definitions, a contributing factor to a nomenclature unrelated to how the service actually works. The underlying access component used for the telephone service is a Metal Path Facility, which is defined in a manner that supports a telephone service and which does not guarantee the metal path will support the higher frequencies used by Broadband. These are distance (signal attenuation) and



quality issues.

1.5 Access to the internet, using the best effort principles of IP networking and a mix of mediums to support a flow of data in the form of encoded zeros and ones (bits) continues to be a work in progress. It can be shown that the capacity issue for connectivity is the least of the challenges facing internet based services as we understand them today. The security of transactions, naming and addressing functions, scalability, even the software languages used in some key network elements are in significant flux and will continue to be so. Yet of none of these developments which will have a profound impact on the user experience can be considered as part of the intended USO. The latter cannot be contained in a USO because the internet is a networks of networks and this includes the users own home network.

1.6 Thus the notion of creating a USO for the access component of a national data transport service that we call 'Broadband' is highly problematic. The term 'Broadband' refers to a frequency range allocated in a copper access networks and used to establish an electromagnetic path upon which the data we wish to be transferred is encoded. It would be easy to state the USO incorrectly in the form of some 'nominal' access speed, when what may be required is the right to order an access product which is capable of using all the potential connectivity made possible even if we are not ready to exploit it all.

1.7 Even the term 'speed' is problematic. The speed of light is constant so the USO when defined cannot use 'speed', it will need to describe 'throughput' and should aim to avoid populist but misleading terms like superfast and ultrafast.

1.8 The proposed approach by DCMS appears minimalist and thus could be enhanced at several levels to take advantage of the substantial groundwork done by BDUK. Particular attention should be paid to what are FTTP Hamlets, where it is cheaper to offer FTTP than it is to fund an FTTC solution. BT in their written evidence to CMS Inquiry on February suggest the subsidy budgets available will support significant FTTP in the final 5%.

1.9 The current approach is lacking any link to the original goal of being best in Europe as opposed to being marginally better than the larger economies. The proposal fails to reference discussions on setting a sunset date for the telephony service and the opportunity to write a the USO for 'Broadband'.

1.10 There is no effort to outline what a Broadband service actually is. As implied but not described, the USO is a product which will enable access to what it is a best effort data transport service. The capacity available from such a core network is measured in Terabits per second, while the access networks can have support Gigabit throughputs. Thus some effort should be made to begin to define what a national data transport service looks like, how it works, and how best to licence such an operator. Writing a USO in a way that such a facility can be accessed anywhere where the minimum throughput can be measured at 10Mbps is problematic and might be better served by focusing on what product needs to be ordered in order to achieve such an outcome.

1.11 There is no attempt to link the approach with a reconciliation of the £1.7bn of subsidies contracted by BDUK, particularly reporting the underspends, the clawback, and the payment by BT of its capital contribution. If BDUK Phase 1 and Phase 2 is little more than 25,000 cabinets and circa 40,000 FTTP connections, costing no more than £800m in subsidies, then the management of the remaining public monies and BT capital contribution will have a profound impact on the quality of the service delivered in the final 5% and the gaps that exist in every UK town and city. The decision to subsidise BT was a decision to extend the access to be BT's core optical fibre network, whose core

has sufficient capacity to support 10Tbps while some 3Tbps is currently lit. BDUK has funded, new handover points, aggregation nodes, fibre spines to cabinets and these can be extended further, and this was and remains a condition of the state aid measure SA33671. While the state aid measure has lapsed for new public subsidy the conditions of the measure are there to be applied for at least the next 4 years. This aspect should be fully referenced and its significance explained in progressing a design for the USO.

1.12 There is no mention of the provision of fibre on demand including fibre to the distribution node (or manifold) and fibre to the node (mini-DSLAM) as possible contributors to meeting the USO. These products were described in outline form in the BDUK requirements of 2012 and their role in helping to establish the USO should at least be referenced.

1.13 While technical neutrality is referenced, no mention is made that different technologies have different service levels. So called technology neutrality is only upheld if published service parameters ignore the key differentiating properties of delay, jitter and packet loss during congested periods of the different technological options. Yet these cannot be ignored if a USO utilising a codified data transport service is to be managed in a manner needed to support critical services.

1.14 DCMS continue to use BT's propaganda on costs without stating BDUK's experience in delivering the FTTC elements at costs significantly under BT's estimates and before any examination has been done on the presence of BT's capital contribution in the BDUK programme. It should not be acceptable to use the 2008/9 BSG costs of £29bn for a FTTP transition when the unit costs for urban areas are being quoted at less than £300 a premise to connect. Even rural areas are managing to receive FTTP connections at less than a £1,000.

1.15 The Bit Commons recommends that the 2012 DCMS Vision and Strategy for Broadband is updated to include any changes in Government thinking. The 10Mbps line access speed could, in a simple way, be met with a satellite service. But the satellite industry will admit that satellite is designed as an in-fill solution where others services cannot reach. The delay characteristics and cost of peak hour capacity means while playing a valuable role in the nations data transport fabric, it is not a panacea. Should the quality of the USO therefore be sacrificed by seeking a lowest common denominator which has not been designed to have national capacity?

1.16 Similarly, fixed wireless solutions have different service level parameters and by their nature need more reconfiguring and capacity as customer volumes are added. Should the USO be bound by the limitations of fixed wireless services?

1.17 Parliament voted overwhelmingly for a 98% 4G coverage obligation and the voice of parliament is nearly respected in the '95% coverage obligation by nation' contained in the licence condition attached to O2's licence. 4G is an IP based data transport service and thus the 4G coverage obligation and the intended USO should be aligned or interwork in some way.

1.18 While stating the need for a USO is easy, defining it in suitable terms and how it is to be met is another matter.

1.19 The Bit Commons is suggesting that any USO needs to reference the full potential of the BDUK investment of £1.7bn in BT's network. Particular reference should be made to the clauses that support the extension of the service and right of individuals to seek extensions of the service. If examined DCMS could not at least reference the full expectations of the BDUK Framework requirements and the consequences of the state aid measure being enforced. The proposal as it stands ignores the possibilities arising from the <£1bn subsidy spent so far. The remaining funds

plus the clawback, the BT capital and the recovered proxy costs from the early contracts can have an even more significant impact on shaping the delivery of a meaningful USO. The proposal as it stands ignores this potential and misses the opportunity to report on some real achievements by Government, which includes the potential to go much further and deeper.

1.20 This would suggest, just as the USO for telephony can be reduced to a conditional right to order a telephone line defined in the form of a metal path facility, 'Broadband' could be defined as a right to order a medium (Wireless or fibre) capable of supporting the desired throughput. In this context limiting the USO to 10Mbps makes little sense.

1.21 Just passing the USO to Ofcom is probably not the answer, as Ofcom is principally a competition authority. Ofcom has a variety of conflicting roles, many of which need to be balanced. At one extreme it must claim its successes by using the same public relations as BT uses for investment numbers and claims on technology like G.Fast. At another extreme it must act as Government's agent for spectrum auctions, which tends to impact on Ofcom's ability to enforce and measure mobile coverage obligations. Thus, the variety of roles Ofcom plays means it tends to self-select its goals to match its budget, resource and support the political economy of the organisation by reporting its own successes.

1.22 The Bit Commons is of the opinion that the '10Mbps USO for Broadband' should not just be passed on to Ofcom to use its discretion to define what it might be and measure it as it wishes. Some definitions and guidelines are needed as to what services are expected to work and when. The latter needs to be the function of a licence of a 'data transport network provider'. Such an approach would be new and would need to be subject to peer review and public consultation. The USC of 2Mbps arose from the need to provide sufficient resources for one home worker (within a household) to be able to work from home. This definition would exclude a family of teenagers hammering video streaming sites of their choice.

1.23 What is the 10Mbps for? Is it 5 home workers per premise pursuing work related activity or is it a more generous allowance for a household to do as it pleases? What happens if it's 20 workers in an architectural practice in rural Herefordshire? Is that now 20 times 10 Mbps for that location?

1.24 Perhaps we cannot define what the 10Mbps is for and how it was derived and thus we should not be bound by the limitation it implies.

1.25 There is a chance that 10Mbps a second has been set by some guesswork on how far a BT mini DSLAM can be deployed, while ignoring the potential of various other technologies including the options for FTTP in several forms.

1.26 The Bit Commons believe the capacity to order a direct fibre access service must feature for those who cannot get a 10Mbps service from the interim FTTC solution. The USO cannot be bound by BT attempting to limit access to what is now a fundamentally heavily subsidised set of middle miles with ample capacity to be stretched further.

1.27 In brief the proposed approach is not comprehensive enough, given the investments the Government has made and the very great potential to extract a great deal more from existing BDUK initiative.

Q2: We do not propose to specify speed in primary legislation. Should speed be specified in primary or secondary legislation?

2.1 Access 'speed' be it described as superfast or ultrafast is misnomer and cannot be used in any legislation of any sort. Legislation should firstly define broadband as a data transport capability and make clear operators should be licensed for this purpose. This appears to be a necessary step and a pre-condition to describing the medium to access this resource.

2.2 It needs to refer to investment Government has made in extending BT wholesale data transport facility including the number of components added, handover points, aggregation nodes, splitting locations, cabinets. It should report on the monies remaining to further extend this facility using the clauses of the BDUK contract and the conditions of the state aid measure supporting that investment.

2.3 The legislation could refer to this minimum throughput figure but also refer to customers right to order and pay for a direct fibre access connection should they wish.

2.4 Why would the Government make available £1.7bn of taxpayers money to BT unless the contracts permitted the network to be extended? Why would a proposal on the USO ignore the detail of what the Government has paid for and the conditions under which that investment was allowed?

2.5 Perhaps the legislation would make explicit reference to customers not being bound by the properties of the existing Metal Path Facility supporting telephony, when a superior medium with a lower term cost is available. Perhaps the legislation could make specific reference to customers not being denied access to this potential. Expediency and short terms interests of the dominant supplier should not prevent this potential to be fully exploited.

2.6 In this context therefore the legislation should not be defined around the convenience of what a dominant carrier wishes to do, but the defined by the properties of the best available medium.

2.7 The Bit Commons suggests the legislation could be used to instruct Ofcom to make provision to define and licence a wholesale data transport provider(s).

2.8 The legislation should also seek to support provision of the best medium. This would include the provision of fibre access product, and a customers conditional right to order such a product.

2.9 The Legislation could grant Ofcom some discretion as to how and when such measures come into force, including the nature of the conditional right to order such a service.

2.10 The legislation should take steps to make illegal the 'gaming of costs' where public money is being requested. The same legislation could also clarify and limit the use of commercial confidentiality so these cannot be used to withhold basic project data on costs and coverage.

Q3: In terms of giving the Secretary of State a power to direct Ofcom to review the USO, should Government have a continuing role in the USO, or should this be a matter for Ofcom?

3.1 The Government must own the ambition and the policy to fulfil that ambition. Handing a 10Mbps USO to Ofcom to define and enforce without any instructions, risks Ofcom delivering the very minimum that BT wishes to deliver.

3.2 There is a fundamental issue with the information BT is choosing to inform public policy on this matter. BT's investment data for next generation access has not been independently verified. BT claimed investment typically includes 10 years of future operational costs. BT bid data supporting requests for state aid was found by the NAO, BDUK and several Parliamentary Select Committees as unreliable. The latter has been a significant factor in the calls for BT to be broken up.

3.3 The Government should have the courage to enforce the BDUK requirements and the lapsed state aid measure as a contribution to realising the USO. This would build upon the work of local authorities where future proof connectivity is being included in their planning guidelines. The USO can build upon this practice and support the notion that a future proof product can at least be ordered. If at the beginning this needs to be done by more than one person in an area, then can be accommodated.

3.4 If the Government is unwilling to write the legislation, how can Ofcom be expected to enforce a USO? Government and Ofcom need to work in tandem. Government can outline the ambition and enforce the BDUK state measure. Ofcom's new found desire for dark fibre provision and orchestrating improved access to BT's duct and poles can increase competition. Ofcom can also use its powers to amend operator's licences to capture if needed the requirement to codify a 'data transport service' its properties and any need for a minimum standard. Working together, it means a USO can be written to overcome BT's desire to over rely upon what is a cheap interim solution by establishing for customers the right to replace their telephone lines with an access line capable of much greater throughputs with a lower long term cost. Ofcom can use its powers to define what is a new market and the apply the required access to the components of the service to foster competition. The Government can set the policy, Ofcom can determine the pace at which that policy is applied and enforced.

3.5 Ofcom on its own is unlikely to be able to bring to progress the requirement and ambition Parliament is seeking on behalf of the electorate. It needs to be a joint effort to counter the very great commercial power which BT has chosen to use and evidenced in the gaming of costs for rural Broadband in the current BDUK sponsored roll out.

Thank you again for the opportunity to reply to this consultation.

Section 40

April 2016.

Q1 I DO HAVE CONCERNS WITH THE APPROACH AS I KNOW FROM EXPERIENCE THAT BT OPENREACH MANIPULATE TO SELL WHAT THEY HAVE DONE - EXCHANGES THAT ARE ENABLED CANNOT PROVIDE FIBRE TO THE SURROUNDING AREA AS THERE HAS BEEN NO INVESTMENT IN GREEN BOXES NEAR TO THE CLIENT AREAS!

I AM CONCERNED THAT THE DATA WILL BE FUZZY AND NOT REPRESENTATIVE OF THE ACTUAL SERVICE AT END POINT OF DELIVERY WILL THERE BE RESOURCES IN PLACE TO COMPLETELY REVIEW THE DATA BEING SENT BACK ON THE SERVICE IMPLEMENTATION AND TAKE UP AND WILL THE RESOURCES HAVE TEETH AND POWER TO MAKE GOOD? HERE IN SCOTLAND THATS NOT THE CASE

Q2 I FEEL THAT A MINIMUM SPEED SHOULD BE NOTED IN THE LEGISLATION TO AT LEAST GIVE A BASE LINE 10 MB IS NOT ENOUGH AS THIS CAN BE GIVEN BY EXISTING COPPER LINES AND THE NEED IS TO STRETCH THE PROVIDERS . THIS UP TO SPEED SALES PITCH IS MISLEADING!

MORE IMPORTANTLY IT NEEDS TO ENSURE THE QUALITY OF THE LINE AND BROADBAND SERVICE TO MANY SUFFER FROM POOR QUALITY BROADBAND AND TELEPHONE CALLS WHILE PAYING FOR 38/76MB FIBRE THAT NEVER REACHES THESE SPEEDS REGULARLY BUT BT SAYS IT DID AT "00.02 ON SOME DATE" THUS MEETING THE REGULATION!

Q3 OFCOM IS A WASTE OF SPACE WITH NO POWER OR WISH TO DEAL WITH THE TELECOMS – LIKE HMRC THERE ARE TOO MANY LUNCHES GOVERNMENT NEED TO ENSURE THEIR STATEMENTS AND POLICIES ARE MET

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Broadbandusoconsultation@culture.gov.uk

Thank you for the opportunity to respond to the UK Government's public consultation on the proposed Broadband Universal Service Obligation. This response is provided by the Department of Enterprise, Trade and Investment (DETI) which carries the responsibility in supporting investment in telecommunications infrastructure, facilitating improvements in broadband, mobile and international connectivity on behalf of the Northern Ireland Executive.

Question 1 – Do you have any concerns about the approach that has been set out here?

As recognised in the consultation document poor rural availability has a particular impact on all the devolved administrations which are more rural than the whole of the UK. DETI would reiterate its view that a USO of 10 Mbps lacks ambition and does not satisfactorily address the digital divide between rural and urban dwellers or meet the desired EU target of 30 Mbps by 2020. Anecdotal evidence in Northern Ireland suggests that this apparent inequality continues to be a real issue that disadvantages rural communities and businesses. The proposed USO runs the risk of being perceived as inadequate in meeting the current needs and moreover sustaining social exclusion as superfast services continue to roll out elsewhere.

Question 2 – We do not propose to specify speed in primary legislation. Should speed be specified in primary or secondary legislation?

DETI would concur that speeds should be specified in secondary legislation as they are easier to amend as technology evolves and demand for services increases.

Question 3 - In terms of giving the Secretary of State a power to direct Ofcom to review the USO, should Government have a continuing role in the USO, or should this be a matter for Ofcom.

It is not absolutely clear what the question is seeking to address. However, DETI believes it important that Government has a continuing role in the USO as it retains

the ultimate responsibility for the direction of policy and meeting the expectations of business and citizens.

Telecoms Branch
(e-mail: telecomspolicy@detini.gov.uk)



DCMS Consultation: A New Broadband Universal Service Obligation

Introduction and Summary

WiSpire welcomes the opportunity to respond to this consultation and applauds the Government for taking a proactive approach to improving broadband delivery. Broadband has become an essential utility, as important for modern life and commerce as access to water or electricity. Targeting 100% penetration of broadband is something WiSpire has consistently advocated to policy makers.

However, we are concerned that the USO might not be administered in a way that overcomes the prejudice faced by smaller providers of alternative technologies, or delivers meaningful results for UK citizens. While a broadband USO could be an effective regulatory instrument, the Government must be careful that it does not damage competition or support the domination of the broadband access market by a few large players.

Q1: Do you have any concerns about the approach that has been set out here?

Our main concern with the approach set out by the Government is that it does not make clear who the obligation will be placed upon. When it was implemented for voice calls, there were monopoly providers, so it was easy to identify on which companies to impose the USO. It is much less clear how companies will be identified as candidates to fulfil a broadband USO when there are numerous providers of non-contiguous broadband networks.

We have suggested in our previous interactions with Government that a better way to guarantee universal broadband service would be to take a more market driven approach. This would first involve creating a national database of those areas where citizens currently do not receive an appropriate broadband service. Using this data, the Government would create geographic blocks, each of appropriate scale, and run separate competitive tender processes for the delivery of the broadband USO in each one. The winning bidder would be awarded a contract to provide universal service within a set timescale.

For this approach to succeed, the government must make sure not to disincentivise the engagement of smaller operators, or lose the benefits of using other technologies, by imposing onerous requirements on companies wishing to participate in the broadband USO tender processes. If successfully implemented, we believe our approach will more effectively achieve the delivery of a USO broadband service than the traditional model, and have the additional effect of stimulating the broader market for broadband solutions in areas where it is difficult to deliver using fibre.

Q2: We do not propose to specify speed in primary legislation. Should speed be specified in primary or secondary legislation?

We believe a download speed of 10Mbps is sufficient for virtually any household activity and is the optimum speed in terms of universal availability. With regards to upload speed, most users do not



upload content to anywhere near the same degree as they download content.¹ The technical parameters of government support for universal service should reflect this.

With regards to latency, a more tailored approach is necessary. For some niche activities super-low latency is necessary, but for the majority of Internet activities a degree of latency can be built into the network without any discernible impact on the user's enjoyment of the service. If the government introduced strict technical parameters around latency this would have a very damaging effect on closing the digital divide; in areas where super-low latency is technically difficult to achieve, it would not be commercially feasible for universal service schemes to operate, further entrenching the geographic divide in the UK between the digital haves and have nots. We recommend the government take a flexible, market led approach to latency as part of any universal service provision.

The above provisions are best delineated in secondary legislation, where the Government has greater scope to act in concert with industry to deliver a USO that is achievable and will effectively deliver the goal of broadband access for all.

Q3: In terms of giving the Secretary of State a power to direct Ofcom to review the USO, should Government have a continuing role in the USO, or should this be a matter for Ofcom?

Oversight of the USO should be the responsibility of the communications regulator Ofcom. We do not feel it is appropriate for Government to have an ongoing role in enforcing the USO.

¹ As evidenced in Ofcom's 2015 Survey [Adult's Media Use and Attitudes](#). Confidence in doing creative things online which involve uploading content has actually decreased as a national average from 66% to 59% in the last year, primarily as a result of older Internet users getting online.

A New Broadband Universal Service Obligation Consultation – March 2016

Comments of Kingston Seymour Parish Council

1. Timing and Duration of Consultation

Kingston Seymour Parish Council (KSPC) notes that this consultation was published on 23 March with a deadline for responses of 18 April. This gives interested parties (and there are many) less than 4 weeks to consider and comment on the proposals. This is an unacceptably short timescale, especially since that 4 weeks includes Easter and the school holiday period.

Until recently, Government consultations were required to comply with the Code of Practice on Consultations 2008, criterion 2 of which stated that

“Consultations should normally last for at least 12 weeks with consideration given to longer timescales where feasible and sensible”

This appears to have been superseded by Consultation Principles 2016, which states (Principle E) that

“Consultations should last for a proportionate amount of time

Judge the length of the consultation on the basis of legal advice and taking into account the nature and impact of the proposal. Consulting for too long will unnecessarily delay policy development. Consulting too quickly will not give enough time for consideration and will reduce the quality of responses”

KSPC considers that this consultation fails to comply with Principle E. Given that this important matter is of national significance and has particular relevance to a very large number of rural communities as well as to poorly-served pockets of urban areas, this period of time seems far too short. Although Parish Councils were alerted very quickly by the National Association of Local Councils, there will be many councils and communities who cannot arrange meetings and draft considered responses within such a short time.

Furthermore, Principle G states that

“Consultations should take account of the groups being consulted

Consult stakeholders in a way that suits them. Charities may need more time to respond than businesses, for example. When the consultation spans all or part of a holiday period, consider how this may affect consultation and take appropriate mitigating action”

This criterion appears to have been ignored completely.

In the view of KSPC, the new consultation principles are a retrograde and anti-democratic step, especially if as in this case seems certain, they are to be completely disregarded.

2. Content of Consultation

KSPC welcomes the proposal to introduce a USO of no less than 10Mbps broadband speed to every household. At last government seems to have recognised the impact on rural communities and businesses of the lack of access to information and services. Access to fast broadband critically affects quality of life and the value of properties. In this village, located in North Somerset between

the M5 and the Severn estuary, just 4 miles from Clevedon and 6 from Weston-super-Mare, there are still a significant number of homes (including farms and several businesses) with **no access to Broadband at all**. Measures such as Dongles or private satellite schemes are only a partial solution as they are expensive and have data capacity limitations. In most of the parish, the recent provision of FTTC has improved download speeds from a dire average 1-3 Mbps to speeds ranging from 4 to around 15 Mbps, higher in a few instances. But the Parish Council is not happy with a situation whereby a significant minority of its parishioners are disadvantaged, and so the proposals are welcome.

Q1. Do you have any concerns about the approach that has been set out here?

KSPC notes that owing to the high cost of providing services in remote or sparsely populated areas, it is proposed that a demand-led approach will be introduced. How this will work, and what thresholds will have to be met in order to qualify, is not specified, but the fact that there is to be no automatic roll-out undermines the whole notion of a USO. It seems inevitable that small, scattered, isolated communities will still be at the end of a long queue, and indeed there is no actual guarantee that the USO will be achieved, not any timescale for such achievement.

KSPC notes that there is to be further consultation on secondary legislation which will contain more detail of the USO and provide an opportunity to comment on how it will be implemented. It is hoped that this will address some of the Council's concerns. Please ensure that this stage of the consultation is better targeted and of longer duration than the current stage.

Q2. We do not propose to specify speed in primary legislation. Should speed be specified in primary or secondary legislation?

Given the (welcome) intention that the 10Mbps speed should increase over time, it would not seem sensible to enshrine any speed in primary legislation.

Q3. In terms of giving the Secretary of State a power to direct Ofcom to review the USO, should Government have a continuing role in the USO , or should this be a matter for Ofcom?

KSPC does not have a view on this.

KSPC / LAA / 11.4.16

A New Broadband Universal Service Obligation

Welsh Government response

Legislation

Given that many areas in rural Wales could benefit from the introduction of the USO we would want to see it introduced as swiftly as possible. It would be helpful to have sight of the timeframe for the introduction of the new enabling power in primary legislation.

We note that you intend to consult on secondary legislation after Ofcom reports its findings by the end of this year. It would also be helpful to have clarity on your timeline for the introduction of secondary legislation.

Speed

The rationale outlined in the consultation document that 10Mbps meets the needs of a typical household seems, on the face of it, sensible as are the proposals that this should grow over time as usage grows. However, it does seem somewhat unambitious compared to the aspirations for superfast broadband at 24Mbps in England and 30Mbps in Wales. It also does not meet European ambitions of 30Mbps to all by 2020.

Setting the USO at a higher level would also seem to be the most sustainable approach in that it would reduce the need for further interventions that may be required as the speed of the USO increases over time. By way of example, consultation with industry during the development of the Access Broadband Cymru scheme in Wales determined that a reasonable cost for deploying a wireless solution capable of 10 – 20 Mbps is in the region of £400 per premises. For speed in excess of 30Mbps this would double to £800 per premises. The extra costs are needed to cover higher gain antennas and the density of radio sites required to provide a reliable retail service. It is a similar picture for satellite. From a value for money point of view it would be hard to justify spending £400 now only to need to reinvest in the same locations a few years later.

For fibre the picture is likely to be different as many of costs for deploying 10Mbps, for example civil engineering and backhaul, would be common for deploying 30Mbps. In terms of fibre, this makes the case for a greater investment up front more compelling because as speeds increase the cost of deployment drops disproportionately more quickly.

Cost

Any costs that would fall to the end user would also need to be carefully balanced. Obviously the detailed mechanism will only become clear once Ofcom completes its review. However, there is a danger that if the same methodology is followed as per the current telephony USO, in that costs over a threshold figure fall to the end user, it would disproportionately disadvantage

those in rural communities and more than likely the very homes and businesses that the USO is designed to tackle. This is a function of the cost of deployment which increases with distance and isolation. This is particularly true of fibre based solutions where for greater distance greater amounts of fibre needs to be deployed and more civil engineering undertaken. However, it would also be true of wireless solutions where more and a greater density of radio sites is required.

**A NEW BROADBAND UNIVERSAL SERVICE OBLIGATION CONSULTATION:
RESPONSE FROM THE SNP WESTMINSTER GROUP**

EXECUTIVE SUMMARY

- This is the response of the SNP Westminster Group to the Department of Culture, Media and Sport consultation paper, 'A New Broadband Universal Service Obligation', published on 23rd March.
- We believe that the powers to introduce a Universal Service Obligation (USO) should be devolved to ministers and legislatures in Northern Ireland, Scotland, and Wales, rather than being given to the Secretary of State for Culture, Media and Sport.
- We agree that speed - and other aspects of the USO - should be specified in secondary and not primary legislation. This will make it far simpler to adjust the USO in response to changes in technology, consumer demand or behaviour.
- Governments should have a continuing role in the USO, rather than this being left simply to Ofcom. The scope of the USO is, at least in part, a political decision for democratically elected bodies, not simply a technocratic one for a regulator to make in isolation.
- We believe that a download speed of 10Mbits/s is insufficiently ambitious for the proposed USO, and that the ideal at which to aim should be 30Mbits/s and that download speed targets should be reviewed periodically in line with the EU Digital Agenda. The UK Government must engage in the review of the EU telecoms framework to facilitate more flexible rules which would allow this.
- Current UK Government broadband targets lack ambition and will not deliver world-class digital connectivity. Other European nations, especially in Scandinavia as well as some Asian countries, perform better. London's average download broadband speed ranks only 26th out of 33 other European capital cities.
- Existing utility USOs all include connection charges, payable by consumers. Such charges in a broadband USO may be prohibitive for customers in remote rural areas. We therefore propose that there should be a voucher scheme to help defray these costs.
- We also propose that such a voucher scheme should be flexible. The voucher might be used to offset the costs of a straightforward product offer from the supplier to whom the USO applies, or else groups of individuals should be allowed to pool their vouchers and use these towards the costs of community-based schemes, of which there are already examples in the UK.

1. INTRODUCTION

1.1 This is the response of the SNP Westminster Group to the DCMS consultation paper, 'A New Broadband Universal Service Obligation'¹, published on 23rd March.

2. THE CASE FOR DEVOLVING CONTROL

2.1 We believe that the powers to introduce a USO should be devolved to ministers and legislatures in Northern Ireland, Scotland, and Wales, rather than being given to the Secretary of State for Culture, Media and Sport.

2.2 This would allow the Devolved Administrations to design a USO that is most appropriate to their conditions – for instance, taking into consideration the large number (over 90²) of inhabited islands in Scotland, or the distribution of housing in rural Northern Ireland. And, as the consultation paper itself admits: “poor rural availability has a particular impact on Scotland, Wales and Northern Ireland.”³

2.3 Furthermore, many of the regulatory issues that affect the deployment of broadband infrastructure are already devolved. This is acknowledged in the consultation paper - for example, in its discussion of the role of planning regulations or building regulations.⁴ The design of a USO cannot be viewed in isolation, but rather needs to be taken in the context of these other regulatory requirements as well as in the context of the services that governments themselves wish to deliver digitally.

3. SECONDARY LEGISLATION & THE ROLE OF GOVERNMENT

3.1 We agree that speed - and other aspects of the USO - should be specified in secondary, not primary, legislation. This will make it far simpler to adjust the USO in response to changes in technology, consumer demand or consumer behaviour.

3.2 In digital communications, the pace of these changes is particularly rapid. For example, the BDUK programme described in the paper sets out that the UK Government has a target of superfast broadband - which it defines as at least 24Mbits/s - to be available to 95% of UK premises by the end of 2017⁵. Today, however, Ofcom defines 'superfast' broadband as a download speed of 30Mbits/s, which is also the EU's target for 2020. The UK Government also has a stated long-term ambition that ultrafast broadband of at least 100Mbps should

¹https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/510148/Broadband_Universal_Service_Obligation.pdf

²Based on 2001 Census data.

³A New Broadband Universal Service Obligation, Page 9

⁴A New Broadband Universal Service Obligation, Page 7

⁵'Fixing the Foundations' July 2015:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/443898/Productivity_Plan_web.pdf

become available to nearly all UK premises⁶. In Scotland, the First Minister has recently pledged that if re-elected, her government will over the course of the next parliament deliver superfast broadband to 100% of premises. We note that the leader of the Scottish Conservative Party has also called for the greater availability of superfast broadband in rural Scotland, thus demonstrating that the desire to improve digital connectivity in Scotland is not a party political matter, but rather an issue commanding broad support. It is clear, therefore, that expectations as far as speed is concerned are constantly increasing in the light of demand and technological improvements. Because of this, it is our belief that the USO should be regularly reviewed to allow it to keep up with the pace of change and to address any developmental issues.

3.3 We also believe that UK Government and the devolved administrations should have a continuing role in the USO rather than this being left simply to Ofcom. The scope of a USO, including how much consumers benefiting from it should be required to pay, is a political decision for democratically elected bodies, not a technocratic one for a regulator to make in isolation. Most UK Government schemes to improve connectivity have used a cost-effectiveness test ('most bang for your buck'). However, such an approach is likely to miss out the smallest and most remote communities that would arguably benefit most from improved digital connectivity. In Scotland, we would prefer a greater emphasis on a needs-based approach. We recognise that other governments elsewhere in the UK may not wish to do this, hence our request for the power to be devolved, because these are choices for democratically elected representatives.

4. SCOPE OF THE USO

4.1 We support the need for a USO and believe that as internet is now reasonably considered by many to be a utility then a strong and enforceable obligation is necessary.

4.2 We note that the consultation paper suggests that the USO is likely to be at 10Mbps/s, which would be consistent with previous UK Government statements on this issue.⁷ We note, also that DCMS is commissioning Ofcom to undertake detailed analysis of the key factors that will help inform the design of the USO and report by the end of this year, with an intention to consult on proposals for secondary legislation thereafter.

4.3 Other than download speed, the consultation paper is largely silent on other aspects, and states that 'we do not have a detailed blueprint for a broadband USO here in the UK'.⁸ Download speed is only one measure, and while many domestic users can make do with lower upload speeds not all can, nor can some businesses. There is also the question of how much data usage would be allowed as part of the USO, as well as the cost to consumers. The issue of cost is addressed in more detail below.

4.4 Furthermore, we also believe that a download speed of 10Mbps/s is insufficiently ambitious for the proposed USO, and that a much higher rate should be set in order to futureproof levels of service. The ideal target should be 30Mbps/s. This would appear to require a revision of

⁶Digital Communications Infrastructure Strategy, March 2015:

<https://www.gov.uk/government/publications/the-digital-communications-infrastructure-strategy/the-digital-communications-infrastructure-strategy>

⁷<https://www.gov.uk/government/news/government-plans-to-make-sure-no-one-is-left-behind-on-broadband-access>

⁸A New Broadband Universal Service Obligation, Page 14

relevant EU guidelines⁹, and UK Government should engage constructively in the ongoing review of the EU telecoms framework with the objective of securing a more flexible USO (in addition to a State Aid framework at EU level that allows early action and investment in areas where the market cannot be expected to reach). The Universal Service Directive was last revised in 2009 and the guidelines last revised in 2011, i.e. seven and five years ago respectively – aeons in the rapidly changing landscape of digital communications. Since most or indeed all other member states are seeking to improve digital connectivity, we believe that the UK should not be held back in these negotiations through lack of ambition, as it would find willing allies in other member states.

5. THE UK'S DIGITAL AMBITION

5.1 We do not believe current UK Government policy on broadband is sufficiently ambitious, or that it will deliver world-class digital connectivity in the UK. That is not merely our view, as we note that the Institute of Directors has accused the UK Government of a 'poverty of ambition' on broadband speeds.¹⁰ UK Government¹¹ may like to claim that the UK compares well against the EU 'big five' - France, Germany, Italy, Spain, and UK - on broadband availability. However, other European nations, as well as some Asian countries, perform better.

5.2 Ofcom says that the UK has lower availability of ultrafast broadband than many other countries, with only 2% of premises offered speeds greater than 300Mbit/s.¹² The UK compares particularly badly against other European countries in terms of fibre to the premises (FTTP)¹³ availability. London's average download broadband speed ranked only 26th out of 33 other European capital cities¹⁴. Our research shows that in Finland, 96 per cent of the country is now online. As well as a high proportion of the country having access to broadband, speeds are said to be high: typically 1Gbit/s, even in rural areas. Lithuania has average download speeds of 36.5 Mbits/s, with average upload speeds that are almost as good, at circa 27 Mbits/s.¹⁵ This compares favourably to the position in the UK, where average download speeds are 29Mbits/s, and average upload speeds only 3.5Mbits/s.¹⁶ Sweden, with a population density of 55.6 per square mile - less than a tenth of that across the UK as a whole – has achieved a high degree of digital connectivity, and has a national target for 90% of households to have access to 100Mbits/s by 2020.

5.3 Current UK Government and industry strategy on both the USO and superfast broadband rollout generally seems to be compromised by a general lack of ambition. This culture needs to be addressed. We need to aim high, to be focused on the needs of the end user and to review regularly both policy and technological developments within the sector.

⁹ 'Universal service in e-communications: report on the outcome of the public consultation and the third periodic review of the scope in accordance with Article 15 of Directive 2002/22/EC' - COM(2011) 795 final

¹⁰ IoD, '*Ultrafast Britain*': <http://www.iod.com/influencing/press-office/press-releases/uk-broadband-ambition-needs-to-be-a-thousand-times-higher>

¹¹ <https://www.gov.uk/government/news/uk-broadband-coverage-better-than-european-rivals>

¹² Ofcom, Digital Communications Review, Interim Conclusions.

¹³ http://www.ftthcouncil.eu/documents/Reports/2015/Market_Data_December_2014.pdf

¹⁴ House of Lords Digital Skills Committee report, '*UK's Digital Future*', February 2015, quoted at page 27 of House of Commons Library Research Paper Number CBP06643, 11 January 2016

¹⁵ BAS & Kalba International, '*Digital Scotland 2020 Achieving World-Class Digital Infrastructure : A Final Report to The Scottish Government*', 21st December 2012:

<http://www.gov.scot/Resource/0041/00414982.pdf>

¹⁶ Ofcom, Connected Nations 2015, Scotland.

6. VOUCHERS

6.1 The consultation paper refers to the existing telephony USO,¹⁷ whereby BT is required to provide a connection upon reasonable request and at uniform prices irrespective of geographical location. Where installation of a new line costs £3,400 or less, BT sets a standard connection charge of £130. Where installation will cost more than £3,400, BT requires the customer to pay the excess costs, plus its standard connection charge. Similar rules apply to other utilities now subject to USOs, such as the water and electricity industries, which also have a duty to supply service to anyone who requests it, but have a right to recover the reasonable costs of making the connection. As a result, we are concerned that the new broadband USO might be of limited use to customers in remote rural areas because in practice, the person potentially requesting the connection may judge the costs to be prohibitive.

6.2 A possible solution/mitigation for this problem would be a voucher scheme, whereby the charge to customers in remote areas could be reduced through a subsidy from general taxation. We suggest that this would be an appropriate use of public funds for those in rural areas, who, through their location, already face a range of additional costs. We also consider this method to be preferable to a cost-sharing mechanism financed by market players in the e-communication sector, as also permitted by the Universal Service Directive, because additional costs laced on providers would likely be passed onto all consumers, and would thus tend to be regressive. There is precedent for the use of voucher schemes, for example in the (now-closed) Broadband Connection Voucher Scheme¹⁸, and in the more recent satellite scheme.¹⁹

6.3 We suggest that the design of the voucher scheme should be flexible, unlike the current satellite voucher scheme, which can only be used to offset the installation and other costs from selected retail providers. We believe that a voucher scheme could be a one-off option, which might be used to offset the costs of a straightforward product offer from the supplier to whom the USO applies. Alternatively, however, we suggest that groups of individuals could pool their vouchers and use these towards the costs of community-based schemes, of which there are already some examples in the UK, such as the Broadband for the Rural North initiative in Lancashire,²⁰ and which are also common in Scandinavia, such as the Swedish 'Byalags'. This flexibility would allow communities, where there was agreement to do so, to develop their own fibre-based schemes, rather than having to accept whatever was offered by the USO provider, which might be a sub-optimal satellite solution. This is important so that rural areas are not in any further way disadvantaged.

¹⁷The obligation on BT encompasses the provision of a narrowband connection capable of 'functional internet access' (FIA). Guidelines on FIA were issued in 2003, and said that users should be able to expect connection speeds of at least 28.8 Kbit/s.

¹⁸<https://www.connectionvouchers.co.uk/>

¹⁹

<https://www.gov.uk/government/news/satellite-dishes-to-boost-broadband-speeds-in-most-remote-areas-of-uk>

²⁰<http://b4rn.org.uk/>

16 April 2016

A Broadband Universal Service Obligation – consultation response

Introduction

The Foundation for Information Society Policy (FISP)¹ was formed in 2012 with the aim of contributing independent advice to support policy and regulatory developments in the communications sector. It is entirely independent of political parties, communications network providers and any significant commercial interests in technologies, products and services.

FISP notes that this (initial) consultation is primarily aimed at the supply side, but with an opportunity for businesses and consumers to have their say at an early stage. It is important that a government decision on the introduction of a broadband USO is based on a wide variety of opinion. This response addresses, primarily, issues of process rather than of content (of a USO).

Along with many other observers, we are wholly supportive of the idea of Universal Service (US) (in the sense of universal fit-for-purpose digital connectivity). However we explain below why we believe that there are better ways to achieve Universal Service than Universal Service Obligations (USO) in the traditional European mould, as are being proposed in this consultation. While we can hardly object to the very modest first steps that are proposed in the consultation, we are concerned that this unadventurous attitude will not best support the desired outcomes of later steps.

We note in particular that:

- Supply-side opinion publicly expressed to date appears to be nervous of the application of USO levies, either as part of a cost-sharing mechanism between market players, or in partnership with public funding. While this risk remains, the instinct could be to reject outright or to dilute the application of the underlying notion of universal service. It will be far better to work “with the grain” of the supply side than against it.
- The long timescale inherent in changing legislation means that a new USO mechanism of the kind suggested in the consultation cannot be effective for some years at least. Such a waiting period with new arrangements in the pipeline risks leading to reduced activity to improve connectivity, unless other actions are taken meanwhile (such as those we suggest below).

The proposed USO

¹ See www.fisp.org.uk

FISP welcomes Government's recognition of the need to guarantee fit-for-purpose digital connectivity for everyone in the UK, and Government's willingness to supplement market forces, if necessary, through regulatory intervention. But we note that this consultation, in keeping with earlier indications² suggests a universal service obligation (USO) approach similar to those imposed on BT and Kingston (the universal service providers or USPs) in 2003 for voice telephony.

We doubt that this can be the best tool for the job. Our reasons are:

- Most importantly, the current USO concept was designed to provide a backward-looking "safety net", activated only when a substantial majority already have a service. That served well in the relatively stable conditions of two decades ago. But with today's pace of change, looking backwards will never achieve the desired level of social inclusion.
- Prior designation of USPs unnecessarily limits both users' choice and providers' opportunities. Convergence points to providing universal access to appropriate infrastructure, allowing any service provider to offer service over that infrastructure.
- The traditional approach to shared funding (as now prescribed by the USD) does not seem to recognise the inherent long-term profitability of good connectivity – to society as a whole, as well as (usually) to the service provider. In many cases, funding shortfalls will need "bridging" only. Initial funding can go well beyond the traditional telco base, possibly to include OTT players, such as Netflix and broadcasters, as well as regional and public service sources.³
- We agree that it is time for a demand-led approach, but as the CD describes, poor connectivity tends to affect a number of customers within a limited area. It would be far more efficient to serve them at the same time rather than one by one.

A new approach

Rather than designating a few universal service providers, we propose a new approach which builds on existing UK strengths and exploits new opportunities by:

- Giving end users and local organisations an open forum in which to express their connectivity needs, which will help them to group (for example by geography or common interest). This is consistent with the government's proposals for a demand-led USO.
- Holding open bidding rounds, with service providers of different sizes and using different technologies able to offer, alone or in combination, to provide infrastructure, services and user support as needed for each project. This will foster innovation and cost reductions. Effectively, this amounts to appointing many USPs, each to fulfil a specific local or community USO.
- Assessing bids taking account of a range of factors, not just price; awarding projects in consultation with the requesting groups; and publishing the reasons for each

² Both DCMS' input to the CMS Select Committee Inquiry into world-call connectivity, and Ofcom's draft plan for 2016-17.

³ Universal Service Directive: "...via a cost-sharing mechanism financed by market players in the e-communications sector....."

round's outcome. Pricing for premium access services does not need to be nationally uniform.

- Normally, where new build infrastructure is required and if this is publicly financed in whole or part, requiring access to be made available on reasonable (cost-reflective) terms to all comers.
- Binding all service providers by General Conditions to include offerings suitable for people whose use is constrained not only by disability (as at present) but also financially (typically presented as "entry level packages"). The introduction of a USO will inevitably have social policy implications.

By splitting projects (notionally) into "catching up" and "looking ahead" components, such an approach should be capable of compatibility with the existing European Framework. This permits competitive as well as prior designation of USPs, and limits only the use of industry levies.

This approach could operate alongside continuing and reformed BDUK processes to disburse public funds, which we note appear to be moving towards smaller, more localised projects.

Three specific questions

The consultation poses three questions:

Q1: Do you have any concerns about the approach that has been set out here?

Q2: We do not propose to specify speed in primary legislation.

Should speed be specified in primary or secondary legislation?

Q3: In terms of giving the Secretary of State a power to direct Ofcom to review the USO, should Government have a continuing role in the USO, or should this be a matter for Ofcom?

Q1 – FISP has no direct concerns about the approach being taken by government; but we hope that it will not take the place of more immediate and imaginative initiatives such as we suggest above.

Q2 –A speed target is one of high mobility and, while needed, is best left to secondary legislation where it is more easily reviewed and revised;

Q3 –The government must play a continuing role in any broadband USO, not only where any question of public funding remains, but also to ensure that if a USO levy is to be applied to players outside the existing Ofcom regulatory framework, policy issues can be dealt with appropriately.

Footnote:

FISP has received some comments on the impact of the word "obligation". It naturally raises hackles among those potentially obliged, and seems quite unnecessary when the thrust of the original policy is actually to give rights to end users - a more positive and fundamentally attractive concept. Of course rights must be made real, but this is surely achievable. It is suggested that the term "USO" could be safely relegated to technical and regulatory discussions about, for example, continuing EU compliance. For purposes of publicly engaging with users and suppliers we could talk about "fulfilling users' universal service rights" or even the by now well-worn "universal service opportunities".

Universal Service Obligation

Preamble

To put things into perspective:-

The use of unrestrained access to the internet is now becoming absolutely essential for communication, business, entertainment, shopping, research, security, cloud storage and many other things. Indeed, people without acceptable internet access are now being compromised financially by suppliers of utilities, banks, on-line retailers etc etc. Many companies totally rely on internet business. Competition is critical and a fast internet speed is similarly critical in that regard.

- 2Mbps only allows the slowest and poorest quality access to the internet
- 10Mbps is not that much better. It may allow a better quality and faster internet access for low level research but is not sufficient for streaming of quality music, tv, film, Facetime, Skype, video.
- Our reliance on the internet can only increase and probably exponentially so.
- The term 'superfast' is being bandied about but when you compare what the UK providers call superfast with countries providing between 100 and 1000 then I believe 'superfast' is a fatuous term.
- I have read with interest that in one major country internet users are complaining bitterly about a speed of 100Mbps.

Answer to Question 1

The above preamble is my response to that question

Answer to Question 2

Speed must be specified in primary legislation because of its importance. Again, see my preamble above.

Answer to Question 3

Ofcom may have a role in review of the USO but surely we need Government powers to drive this forward and without delay.



HOUSE OF COMMONS

LONDON SW1A 0AA

15 April 2016

Broadband USO Consultation
Digital Economy Unit
Department for Culture, Media and Sport
100 Parliament Street
London
SW1A 2BQ

Dear Sir/Madam,

Broadband is an essential service. Everyone relies on it working reliably and at a speed that makes regular interaction possible. In the community of Tonbridge, Edenbridge and Malling this is all too often not the case. There are many villages, such as Ightham and Cowden which are lagging behind for all due to poor Broadband speeds. This affects the economic prosperity of our rural villages and prevents inwards investment.

I am pleased that the Government is taking this step to give residents and businesses a legal right to request a connection at a minimum speed through the Universal Service Obligation. This will certainly give us world class digital connectivity at ultrafast speeds.

There is a further consultation to come, so I would like to take this opportunity to address each of the key questions which have been posed.

1) Do you have any concerns about the approach that has been set out here?

There should be greater emphasis on competition within the broadband sector. I hear regularly from residents and businesses who have a problem with BT, but the truth is that with BT Openreach's market dominance, they have few if any alternatives but to persevere with a poor service. With an 83 percent share BT Openreach has a near monopoly on the sector and this should be broken up to allow greater competition and choice for users.

I have spoken with many other companies who could provide broadband to homes failed by BT Openreach either on reliability or speed. Unfortunately, due to the current approach they cannot. At my own home I often receive no more than 0.12 megabytes per second from BT, but I cannot change providers because there is no competition. This must be addressed through this consultation.

2) We do not propose to specify speed in primary legislation. Should speed be specified in primary or secondary legislation?

Representing a predominantly rural community, which is so close to London, many residents would wish to avoid the daily commute but current slow speeds make it impossible to be



connected reliably with the faster speeds enjoyed in the urban areas. Speed should therefore be a factor in the legislation. As demand for speed is only going to increase with greater complexity in security and increasing file size, the number should not be set as an absolute but rather a proportion with the fastest in the UK set as the target.

Rural communities could then be guaranteed to be no more than a certain percentage slower than Central London, for example. Geography should not be used as a discriminator for economic development when that growth would benefit the whole country.

3) In terms of giving the Secretary of State a power to direct Ofcom to review the USO, should Government have a continuing role in the USO, or should this be a matter for Ofcom?

The Secretary of State should maintain oversight of the Universal Service Obligation but delegate operational implementation to Ofcom. This would ensure that the Government is has the responsibility to deliver and can be held to account.

Finally, I would like to emphasise the importance of this consultation to West Kent. Our proximity to London brings many benefits, but an adequate broadband speed is not one of them. This must change. I welcome the Government's commitment to addressing this issue and look forward to working to ensure that this exercise results in a better service and quicker broadband for residents and businesses in our community.

Best wishes,

Tom Tugendhat

TOM TUGENDHAT

HSB PROVISION FOR WHERWELL HAMPSHIRE

BACKGROUND

I am submitting this as a resident of Wherwell. I have just resigned from the Parish council having been a councillor for 20 years S40 for the last 15 years.

Currently Wherwell is part of the 5% of Hampshire that are not scheduled to receive HSB in the foreseeable future.

Residents of Wherwell are very frustrated at how HCC have allocated funding to certain areas of the county with no clear transparency as how the decisions were made to decide which areas would get subsidised provision. A quote in the local press from the leader of HCC stated that areas of the New Forest would be getting subsidised provision and that it was mainly remote areas in the county that would not get subsidised HSB. Wherwell is hardly remote being less than 4 miles from Andover and 1 mile from the A303.

It would have been appreciated if HCC had provided information of alternative methods of accessing HSB rather than individual parishes each trying to research alternative provision.

PROPOSED APPROACH

Question 1

How could the USO be enforced? Could the companies involved refuse to comply due to the costs involved?

Who would be responsible for prioritising the provision to different areas?

Currently for our parish which is large, but with a relatively small population, provision depended on the likely uptake of HSB in the area. Would this still govern when provision would be made?

From our parish's experience it seems that BT and Open Reach do not work as a partnership to provide HSB. The relationship between BT, Virgin, OpenReach and OFCOM would benefit from being reviewed.

There should be a proposed time scale to implement the primary and secondary legislation and then for HSB to be instigated to all areas.

Question 2

Ideally some specification for speed and quality of provision should be specified in both primary and secondary legislation but this would have to include provision for the speed of future developments of HSB.

Question3

How would OFCOM be monitored? Up to now have they been monitoring HSB provision? If so it does not seem to have been effective. Do their terms of reference need to be reviewed in order for them to be effective? I feel the Secretary of State should have the power to direct OFCOM to review the USO.

Communications Consumer Panel and ACOD response to DCMS' consultation on a new Broadband Universal Service Obligation (USO)

The Communications Consumer Panel (the Panel) and the Advisory Committee on Older and Disabled People (ACOD) welcome the opportunity to contribute to DCMS' consultation on the introduction of a new broadband USO.

The Panel works to protect and promote people's interests in the communications sector, including the postal sector. We are an independent statutory body set up under the Communications Act 2003. The Panel carries out research, provides advice and encourages Ofcom, governments, the EU, industry and others to look at issues through the eyes of consumers, citizens and microbusinesses.

The Panel pays particular attention to the needs of older people and people with disabilities, the needs of people in rural areas and people on low incomes, and the needs of micro businesses, which have many of the same problems as individual consumers.

Four members of the Panel also represent the interests of consumers in England, Northern Ireland, Scotland and Wales respectively. They liaise with the key stakeholders in the Nations to understand the perspectives of consumers in all parts of the UK and input these perspectives to the Panel's consideration of issues. Following the alignment of ACOD with the Panel, the Panel is more alert than ever to the interests of older and disabled consumers and citizens.

Response

The Panel recognises the effort and investment that has been put into improving broadband coverage and speeds by providers, Government and Ofcom to date. However, whilst this is to be applauded, there are still large gaps in availability of a usable Broadband service - which causes detriment to large numbers of people, often disproportionately so for micro businesses and for the more vulnerable in society. We have long called for the introduction of a USO - a legal 'safety net' - which, as DCMS recognises, will give consumers and micro businesses the right to a good quality broadband service, fit for consumers', citizens' and microbusinesses' needs. We therefore welcome plans for such a USO, and urge its implementation as soon as possible.

The introduction of a USO recognises the vital nature of the relationship between the consumer and the service provided, and so it is vital that the USO is future-proofed. As technological possibilities develop, along with people's usage, requirements in 10 years' time may be fundamentally different from those now. We agree that the inclusion of the

relevant speed in secondary legislation will make it easier to update - with a 'floor' of 10Mbps across the UK, increasing incrementally in line with, or ideally anticipating, consumers' needs.

We welcome the Government's continued push towards digital inclusion, so that people in the margins of the communications market are not left behind. The benefits must be available to all, particularly those who can really benefit, and not just those who are most easily served. We are therefore pleased that digital inclusion is a Government priority. This is necessary to help reduce social isolation; to help people run a business or work from home; and to provide access to education, entertainment and public services, including medical services.

The Panel believes that a technical Broadband USO is vitally important - but on its own it will not solve the availability and digital inclusion problem. The essential elements of a universal service should include factors of access and availability alongside quality of service, transparent information, redress and consumer representation.

In tandem with the USO development we would recommend strongly the development of mechanisms for delivering the above, and the wider outcomes of digital inclusion as expressed in the consultation document. For example, these would include special tariff schemes for low-income consumers (following basic telephony, and other utilities). Measures such as these would make the USO more meaningful and democratic, and will support greater digital inclusion for those who most need some help.

We would caution against the use of a wholly demand-led approach based on current usage. It is almost impossible to predict accurately demand across the UK where some individuals have had their usage constrained by current speed provision and others have yet to go online to any great extent - or even at all. Providers should therefore be incentivised to encourage and support take-up. The Government's aim should be that individuals are not just included, but are able and are encouraged to engage and participate fully; and that UK businesses are able to compete with overseas companies where those countries guarantee specified broadband speeds.

The consultation document states all homes and businesses can now access basic broadband of 2Mbps, but Ofcom's Connected Nations Report¹, December 2015, still showed up to 9% of rural UK receiving speeds of less than 2Mbps (up to 2% of the whole of the UK). We welcome initiatives such as the supply of satellite connectivity to those who would benefit from it - but we are unsure about the take-up and practical impact so far for consumers of the scheme that the Government announced in December 2015 and we therefore believe it is crucial that the USO implementation offers these groups of

¹http://stakeholders.ofcom.org.uk/binaries/research/infrastructure/2015/downloads/connected_nations2015.pdf

consumers the same service as the rest of the UK as speedily as possible. However, it is, we believe, vital that this scheme is widely publicised and that ongoing costs are addressed for those who might encounter difficulty paying for the service. For this commitment to deliver on the intended outcome it is essential that there is no gap between available technical solutions and the consumer experience.

Given the stated intentions behind the proposed USO, we would also encourage Government and Ofcom to think creatively about the way spectrum is licenced, to ensure that spectrum is utilised to best effect as a way of also delivering those intentions. New uses of technology, such as the Internet of Things, which will have many benefits to consumers and micro businesses, will make a USO even more important.

We therefore support the introduction of a new enabling power in primary legislation, which gives the Secretary of State an explicit power to introduce a broadband USO to provide for the functional internet access considered appropriate for today's needs.

We would strongly urge the Government to act without delay to ensure that secondary legislation defining scope, specific requirements and guidance for the design of the USO can be implemented as soon as possible. We would encourage DCMS to liaise with other departments such as BIS and DCLG, to consider the needs of micro businesses and rural communities and to engage with consumer representatives such as the Communications Consumer Panel, who are able to provide independent, evidence-based insight?

Answers to specific questions

1. We do not have any concerns about the introduction of primary legislation setting out the power to introduce a new broadband USO.
2. We agree that speed should be set out in secondary legislation, which will make it easier to update - with a 'floor' of 10Mbps across the UK, increasing incrementally in anticipation of consumers' needs. We will be keen to contribute to a later consultation on the detailed design of the USO. It is also vital that other factors in addition to speed are taken into account and that the USO guarantees consumers and businesses a robust level of reliability, to ensure a good quality experience and not just intermittent, averaged speeds.
3. We believe that the Government should retain accountability, while empowering Ofcom to publicly review the USO. It will be necessary to balance the need for regularity of reviews, to ensure that the USO remains fit for purpose, and the cost to providers, where that cost is ultimately passed on to consumers and businesses. A USO should deliver a legal safety net to allow for access, coverage and affordability of services, to consumers and businesses across the UK and should encourage - and not suppress - take-up of such services.

Telefonica UK Limited (“Telefonica”) welcomes the opportunity to respond to the Government’s consultation on the proposed Broadband Universal Service Obligation¹.

Telefonica is a leading digital communications company and operates the O2 commercial brand which has the highest customer satisfaction for any mobile provider, according to Ofcom². With over 23 million customers, O2 runs 2G, 3G and 4G networks across the UK, as well as operating O2 Wifi and owning half of Tesco Mobile. O2 has over 450 retail stores and sponsors The O2, O2 Academy venues and the England rugby team.

We have restricted our comments to answering the questions set out at the end of the consultation:

Q1: Do you have any concerns about the approach that has been set out here?

Telefonica appreciates that there are a large range of issues to define and determine and that this work will be undertaken in the months and years ahead. However, at this stage, we would like to make some observations.

Firstly, in its Call For Inputs on the same issue, Ofcom reports, in relation to the funding of the USO, that “The Government has indicated that its preference is for an industry funded scheme”³. Such a preference does not appear to feature at all in the Government’s own consultation. This is surprising. The Government says of its consultation that it “seeks your view on the Government’s proposed approach to introducing a new broadband Universal Service Obligation”, but then fails to mention its apparent preference that the USO should be funded (apparently entirely) by the industry rather than through taxation.

The source of funding is clearly a major issue. It raises significant distributional and efficiency issues which require thoughtful analysis.

Ofcom’s comment raises profound questions about the development of policy on this issue, not least:

1. what analysis has the Government carried out in relation to the funding of the USO?
2. how has it arrived at its apparent preference?
3. how are respondents to provide a view on these matters if the Government doesn’t even mention its preference in this consultation, let alone publish any analysis it may have carried out?

There are also obvious procedural problems about arriving at a preference without having first conducted a meaningful consultation. Telefonica would welcome clarity on the issue as a matter of urgency.

¹ Department for Culture Media and Sport, “A New Broadband Universal Service Obligation Consultation” 23 March 2016

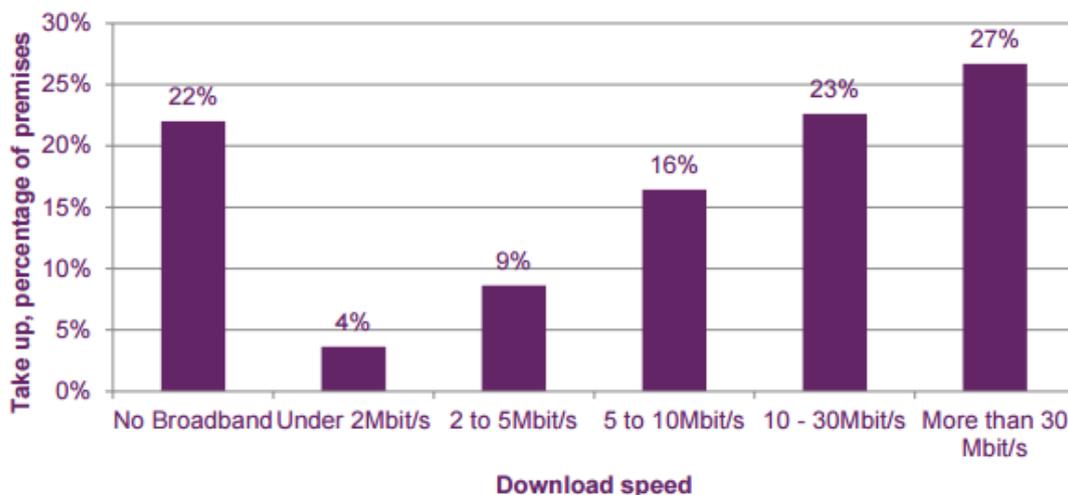
² See: http://stakeholders.ofcom.org.uk/market-data-research/other/cross-media/quality-of-customer-service-annual-reports/2015/?utm_source=updates&utm_medium=email&utm_campaign=qocs2015

³ See paragraph 1.28 of “Designing the broadband universal service obligation”, Ofcom, 7 April 2016
Telefónica UK Limited

Turning to the contents of this consultation, the Government notes the Commission's guidance that broadband connections might feature in a USO in circumstances where the data rate in question is used at national level (i) by at least half of all households; and (ii) by at least 80 per cent of all households with a broadband connection⁴.

Telefonica notes figure 12 of Ofcom's "Connected Nations Report 2015", which is reproduced, here:

Figure 12: Take-up of fixed broadband



Ofcom's analysis suggests that the first of the Commission's two criteria referred above is currently being met. Precisely 50% of premises in the UK receive broadband at speeds of at least 10Mbps. However, the second criterion does not appear to be being met at the moment. Of premises with a broadband connection, approximately 64.1% receive speeds of at least 10Mbps (i.e. $(23\%+27\%)/(100\%-22\%)$). This is less than the 80% set out in the Commission's guidance.

Telefonica appreciates that broadband take up at various data speeds is subject to a lot of change as the market develops, and that both criteria may well be met in the future. We simply note that, at the moment, one criterion is not being met. With this in mind, it is also worth noting, as the consultation document does, that very few Member States have included broadband in universal service obligations and that those which have, have specified speeds in the order of 1 or 2 Mbps.

Thirdly, as the Government notes⁵ the Universal Service Commitment scheme (subsidised access to a satellite broadband) already provides qualifying premises (i.e. those with access to speeds below 2 Mbps) with the option of superfast speeds. It would presumably be possible to amend the qualifying criteria such that those premises with access to speeds below 10Mbps would qualify for the subsidised service. Amending the scheme in this way would seem to deliver the Government's policy. Telefonica expects that the Government will wish to analyse this option in the regulatory impact assessment which it refers to on page 15 of the consultation.

⁴ At page 13 of the consultation. Note that Telefónica's view is that Member States should not restrict their assessment of broadband solely to the average speed used by a majority (as the Draft Recommendation specified), but also consider whether it supports services necessary to avoid social exclusion.

⁵ on page 6 of the consultation
Telefónica UK Limited

Fourthly, the Government has set out in qualitative terms the rationale for the proposed USO, in section 2 of the Consultation document. It also recognises, in section 4, that there “is a complex set of interrelated factors that will need to be considered in developing the USO, with the aim of making it affordable for every home and business in the UK – the need to ensure access to broadband of a minimum speed and quality to the maximum number of people and businesses, at the lowest cost, while at the same time ensuring that we build on existing service provision, without undermining competition”. As noted above, the Government accepts the need to conduct a regulatory impact assessment at the appropriate time. At this stage, Telefonica would make the point that, in order to consider, properly, the various approaches that might be taken to give effect to its policy when it undertakes the regulatory impact assessment, the Government should seek, as far as possible, to *quantify* the anticipated benefits (as well as the costs) of the different approaches. Otherwise, it will not be in a position to make properly informed decisions⁶.

Q2: We do not propose to specify speed in primary legislation. Should speed be specified in primary or secondary legislation?

It is not clear to Telefonica that the Government should seek to introduce primary legislation at this stage. If there are social and/or coverage needs that cannot be satisfied by the market there may be other instruments that are better suited to meeting these needs and which would be more economically efficient and result in fewer market distortion, than a Universal Service Obligation; for example State Aid or direct financial support instruments.

However, as a matter of principle, we agree that speed should not be set out in primary legislation.

Q3: In terms of giving the Secretary of State a power to direct Ofcom to review the USO, should Government have a continuing role in the USO, or should this be a matter for Ofcom?

Telefonica believes that the development of the broadband universal service policy (should a USO be necessary) should be based on sound regulatory principles. Intervention should be proportionate, evidence based and targeted. The benefits of intervention should outweigh the costs. This should be the case regardless of whether the Government or Ofcom reviews the USO.

That said, clearly a USO involves a transfer from one set of consumers or citizens to another. In that sense, decisions about universal service are inherently political and, consequently, Telefonica believes that Government should continue to play a role in the development of policy.

⁶ the impact assessment should verify whether or not the political objective of the universal provision of whatever specific data rate is met by the market, in terms of coverage and affordability, on a technology neutral basis. No new USO should be imposed if the objectives are met by the market. On the contrary, in the event the market does not deliver the politically desirable outcome, then the impact assessment should check whether the criteria mentioned by the EC in its Communication from 2011 are met, and in particular the criteria relating to the costs of using other approaches and the benefits of public intervention and its impact in terms of competition, market distortion and broader policy objectives.

Response to the Department of Culture, Media and Sport's 'A new broadband universal service obligation consultation' – Submission from Ofcom's Advisory Committee for Northern Ireland

The Advisory Committee for Northern Ireland (ACNI) is independent of, and gives advice to, Ofcom on aspects of its business that have the potential to impact on citizens and consumers in Northern Ireland.

The Committee welcomes the opportunity to contribute to the Department of Culture, Media and Sport's Consultation on provision of a broadband USO in the UK.

Northern Ireland is uniquely placed to show the benefits and challenges of providing good connectivity for all, including rural communities and businesses. Through intervention by both the Northern Ireland Executive and the UK government, Northern Ireland has led the way in building good fibre-enabled broadband networks. However, there are still very significant shortfalls in service in Northern Ireland and some 40,000 households still have access to a service of less than 2 Mbps.

Whilst both consumers and businesses in Northern Ireland have been among the first in the UK to benefit from superfast broadband services, one consequence of this early investment has been that the region has also been among the first to encounter the problems that come with trying to extend superfast services to rural areas. It is against this backdrop that ACNI is pleased to make observations on the DCMS USO paper.

The DCMS paper sets out 3 very specific questions, which we will address in turn as part of our response to the consultation. We do however want to set out a context in which our consultation response should be considered and make some general observations.

The USO will be very welcome but may not, on its own, resolve the inequalities that persist in accessing adequate broadband service. For example in the northwest of Northern Ireland, and including Derry city, whilst access has been largely resolved, the cost of service continues to be a barrier – either real or perceived – to both domestic consumers and SMEs.

In the absence of Government subsidy, the infrastructure costs to assist those in the most remote places will continue to be an issue for commercial providers. There needs to be a continued focus on potential solutions to this issue including the use of appropriate existing and innovative technologies. Further there is a need for marketing new offers to consumers and this has a cost.

The mobile companies must be included. They are critical to addressing the issues we have highlighted and already offer high street support and a range of broadband products, including pay as you go options. Indeed, the diminishing relationship of consumers with landline providers already points the way, with consumers using increasingly mobile and satellite TV services.

As technology advances, costs of deploying faster speed connections should drop, therefore making faster connections more viable and more extensively available. However, these advances may take years to manifest at local community level, particularly in rural areas of Northern Ireland. It is important to ensure that those in the most rural areas are not left behind with deeper and multiple disadvantage.

A Broadband USO is much more complex than a Voice USO, and the universality of accessibility is therefore likely to demand a much wider variety of solutions, creating a situation that will require careful, regular and structured review.

Q1: Do you have any concerns about the approach that has been set out here?

One concern is around the principle that a USO connection is demand-led – that it is provided on request rather than pre-emptively. This is a very different concept to other USOs such as water, electricity, telephony etc. This may not cater for those who may not, for whatever reason, be aware of the availability of the option and who may not therefore make the necessary ‘demand.’ This is an obligation, which will need to be promoted on a proactive basis.

The USO provides huge potential benefits for citizens in all aspects of life. It also presents benefits for the provision of public services. It has the potential for an engagement with the public, including ‘hard to reach’ groups and elected representatives. A ‘reactive demand led’ USO provision would dilute that and is a serious cause for concern.

The level of demand will be very much led by the cost and the quality of the service.

Q2: We do not propose to specify speed in primary legislation. Should speed be specified in primary or secondary legislation?

We believe the required minimum speed of service is likely to increase over a relatively short time. It may not be practical in legislative terms to specify a speed within primary or even secondary legislation. However, we would want to see a robust measure for ensuring that the USO maintains pace with technological advances.

We believe that the primary legislation is about introducing power to implement a USO on Broadband, and should therefore be relatively simple. The secondary legislation allows for the process by which the USO will be enacted. Therefore, taking all legal advice on board, we believe speed, affordability, engagement and other practicalities are best dealt with in secondary legislation.

Q3: In terms of giving the Secretary of State a power to direct Ofcom to review the USO, should Government have a continuing role in the USO, or should this be a matter for Ofcom?

This should be a matter primarily for Ofcom, as long as the legislation is framed in a way which gives Ofcom authority to address key issues, in a timely way. Minimum review periods should be set with options to review more frequently should the pace of development demand it.



Forum of

**Private
Business**

For our members, not for profit.

Consultation Response

A New Broadband and Universal Service (USO) Consultation

April 2016

The Forum of Private Business is a proactive, not-for-profit organisation, providing comprehensive support, protection and reassurance to small businesses. We add value to businesses through the collective voice for members in local, central and European government, and the provision of tailored solutions that promote business success.

Broadband has now become vital to the way most businesses operate and government wants to accelerate this phenomenon. In 2014 broadband was vitally important for 55% of business owners when they assessed their premises. In contrast 44% reported that reliable energy supply was vitally important at their business location and 33% saw roads or banking services in a similar way.

Q1 Do you have concerns about the approach that has been set out here

Broadly the approach seems sensible. Our major concerns are about the lack of coverage in some areas and the need for government to have a clear strategy that is in line with access to high speed broadband – particularly departments such as HMRC and their proposals for quarterly accounts. In light of the saving to government in going digital the Forum feels that full coverage to businesses is required even if it means that some connections cost a large amount of money.

The Forum is also concerned that a lack of access to high speed broadband will give our members (and their community) fewer opportunities as the importance and scope of business activities through digital technology grows.

At the very least, the Forum would be interested in seeing a financial product such as a grant or soft loan available for small employers in rural locations to ensure they are able to access high speed broadband – the alternative would be to reign in the digital designs of some other members of the government.

Our other concern about the approach is that it is too focussed on Europe – the government should be looking to compare the UK to best practice – currently Asian countries like Singapore, Japan and Korea rather than other EU countries and the USA. With a current referendum on whether to stay or leave the EU, the Forum feels that the consultation suggests that this project is EU driven rather than driven by the ambition of the UK government to give employers in the UK access to the technology to compete in the global marketplace.

Q2 Should speed be specified in primary or secondary legislation

We fully support the government view not to specify broadband speed in primary legislation but it must not be omitted from secondary legislation as speed is a key performance indicator for the scheme on an ongoing process. Secondary legislation will be more flexible and this would allow the government to increase the speed as technology improves.

The biggest concern with the more flexible approach is that potentially speeds could be revised down easily meaning that there could be an inability of our members to be able to access online portals and therefore may fail to be compliant with government legislation through no fault of their own.

Q3 In terms of giving the Secretary of State a power to direct Ofcom to review the USO, should government have a continuing role in the USO or should this be a matter for Ofcom

We feel that the Secretary of State should have a continuing role in the USO process. When there are a small number of suppliers there is a potential perception that the regulator becoming too close to the industry or one particular supplier. Having the Secretary of State involved should limit this risk and insure that there is less opportunity for this to happen or be perceived by outside organisations as happening.

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Reference: Broadband USO Consultation

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Broadband USO Consultation
Digital Economy Unit
Department for Culture, Media & Sport
100 Parliament Street
LONDON
SW1A 2BQ

18 April 2016

To whom it may concern

Re: Broadband Universal Service Obligation Consultation

In response to your consultation issued 23rd March 2016, please find response below on behalf of Oxfordshire County Council.

Q1: Do you have any concerns about the approach that has been set out here?

We would like to understand more about what mechanisms are being considered for the operation of a broadband USO. For example, has DCMS conducted any review as to the likely cost to the private sector for invoking a USO and what possible impacts there would be on pricing for those not benefitting from the USO by way of the industry displacing the cost of implementation to other consumers?

Q2: We do not plan to specify speed in primary legislation. Should speed be specified in primary or secondary legislation?

We consider this should form part of the secondary legislation and as such would form part of the second consultation.

Q3: In terms of giving the Secretary of State a power to direct Ofcom to review the USO, should Government have a continuing role in the USO, or should this be a matter for Ofcom?

We consider the Government should retain a role in reviewing the continual operation of the USO, and should as an electable body, be required to put targets in place on itself for converting the private sector investment commensurate with implementation of a USO, into outcomes. These could include take-up of services, enabling greater public sector digital integration by cleansing other legislation currently acting as a barrier such as data protection.

A NEW BROADBAND UNIVERSAL SERVICE OBLIGATION CONSULTATION

Essex County Council Consultation Response

Background

Digital inclusion is a priority for Essex. We believe that broadband should be considered a utility equal in importance to gas, electricity and water. It needs to be available, reliable, and fast and is critical to support our communities in the way they choose to live and work and businesses aspirations for growth.

We recognise that the lack of access to suitable broadband provision (especially in more sparsely populated rural areas) could affect inward investment, quality of life and the value of properties.

Even with the range of government initiatives currently available it is acknowledged that the infrastructure market under normal conditions is unlikely to deliver superfast broadband to 100% of Essex premises because elements can be commercially unattractive for service providers to invest.

Essex County Council is committed to making optimum use of the public funds available and is investing some £12m of its resource to match that provided by the government. We are currently working in partnership with BDUK and selected suppliers (e.g. BT and Gigaclear plc), to improve broadband infrastructure. We estimate that 94% of premises (125,000) in the Essex area will have access to superfast broadband speeds (**24mbps or above**) by the end of the current deployment programme in 2019.

For a minority of Essex householders there remains uncertainty about the future availability of a usable broadband programme and there will still be pockets of the County where appropriate connectivity is an aspiration rather than a reality.

We therefore welcome the proposition of a new universal service obligation as without access to faster speeds, many citizens will be unable to access the economic and social benefits afforded by the Internet, while small businesses will be unable to expand, compete with larger businesses and contribute to the wider economy.

Summary of Proposal

The Government has started a consultation into a proposed new universal service obligation (USO) for broadband that would allow speeds of at **least 10Mbps** to every household by 2020. The government's view is that, given high deployment costs, the new USO should be demand-led, with providers rolling out infrastructure on '**reasonable**' request up to a '**reasonable**' cost threshold in those areas not reached by commercial investment or public sector intervention. The government intends to use primary legislation to introduce the USO, with details such as **speed and quality** specified in secondary legislation, as this can be revised more easily. It is also considering legislation to require Ofcom to review the USO as appropriate

Q1: Do you have any concerns about the approach that has been set out here?

A1: We agree the importance of ensuring that everyone can access a 'fit for purpose' broadband service and support the introduction of a USO for the final (6% in Essex) homes and businesses in the very hardest to reach areas.

The Market - There is a risk that introducing a new obligatory measure with price controls could impact competition and further entrench market dominance, making it harder for rivals to enter the market. A key element therefore will be to ensure the right levers and incentives are in place for private sector investment; maintaining strong competition and choice will be important for Essex communities and businesses.

Affordability – 'Reasonable' cost threshold suggest either uniform pricing of services or caps on charges retaining an element of competition and flexibility for low cost incentives. The preference in Essex would be the latter, however should the option of uniformity be selected a payment mechanism which factors both regional variation in relative input prices and average local income to ensure fairness in terms of cost recovery and affordability would assist.

Demand-led - Guidance is required on the issues that will be taken into account in considering whether a request is reasonable.

Funding - Additional match funding from local authority investment was provided to optimize the reach of superfast broadband. Local government finances are under increasing pressure and clarity on how the USO will be funded is required. To ensure this can become a reality, the deployment costs should require minimum extra local public money.

Future Proof - In new developments, there is no obligation on developers to ensure suitable provision is made, which could continue to create additional gaps in broadband coverage, we would therefore like to see legislative enforcement of fit-for-purpose broadband for all new developments with residential and business premises.

Strategy - A strategy and funding commitment for expanding 24Mbps+ capable services to cover 100% of the United Kingdom would also be welcomed.

Q2: We do not propose to specify speed in primary legislation should speed be specified in primary or secondary legislation?

A2: In the evolving technology driven world, there is a constant pressure for organisations to meet customers demand for enhanced functionality, keep up with market trends and react quickly to the global competition. In Essex we believe speed should be incorporated in secondary legislation, allowing you to change the threshold effectively and efficiently driving the market now and in preparation for the future.

Q3: In terms of giving the Secretary of State a power to direct Ofcom to review the USO, should Government have a continuing role in the USO, or should this be a matter for Ofcom?

A3: We agree that there will be a need for timely and proportionate reviews of the new USO, primarily for the reasons outlined above.

Ofcom will have a challenging role in ensuring that the fundamental principles of the Universal Service are upheld, given the prospect of rapidly changing market conditions and need to encourage competition in the market. Greater powers / capacity or further government support may be required to ensure they can respond in an agile way to novel and emerging risks.

Consultation Closing Date: **Monday 18 April 2016**
Email response to: broadbandusoconsultation@culture.gov.uk

CONFIDENTIAL: Virgin Media's response to the Department for Culture, Media and Sport consultation on A New Broadband Universal Service Obligation

Introduction

Virgin Media welcomes the opportunity to respond to Government's first formal consultation on a new broadband Universal Service Obligation (USO). Given the possible complexity of any intervention, Virgin Media anticipates that a number of rounds of consultation on elements of detail will be required before a new USO is specified. This should include a further consultation, in advance of secondary legislation, following Ofcom's recommendations on the technical specification of the USO. Virgin Media requests that Government invites comments on the exact language of the primary legislation. On the basis of the information in the consultation document it is difficult for us to take a view on whether Government requires additional enabling powers in order to enact a broadband USO.

We largely agree with how Government explains the objectives of a USO. The Minister describes the intervention as a "safety net" in his foreword. The activities that should be basic rights for all citizens encompass: viewing websites; making use of gov.uk sites and services; transacting online and viewing culturally significant or educational video content. This mirrors what Virgin Media set out as its interpretation of the rationale for a USO in its letter to DCMS of February 2016.

It is important that Government is precise about the purpose of the USO in order to allow Ofcom to make proportionate decisions on its design, technical specification and funding. The consultation rightly acknowledges the constraints that the Universal Service Directive places on the specification of the USO:

- Cost-effectiveness;
- Proportionality;
- Technology neutrality;
- Ensuring that the USO does not distort competition

In practice, these limiting factors should constrain Government and Ofcom from: (i) setting the technical specification for the USO above the level required to participate in society and the economy; (ii) preventing – through its technical specification – alternative technologies from playing a part in meeting the USO, particularly in the most remote areas; (iii) recovering costs of the USO from wider industry; and (iv) applying the USO to areas where there is a reasonable expectation that the market will deliver.

The funding mechanism for the USO is critical. Virgin Media welcomes comments by Minister Vaizey to the Culture, Media and Sport Select Committee implying that general taxation remains under consideration as a potential funding mechanism for the USO. We expect this issue to be central to Ofcom's consultation.

Do you have any concerns about the approach that has been set out here?

We have a number of concerns about how the USO may be designed and implemented.

The application of a USO in urban areas

The consultation envisages that a USO could have effect in urban areas of the UK where 10Mbps broadband is currently not available from any supplier. This is rather short sighted. The scale of declared investment plans by multiple UK broadband suppliers and the evidence of increasing demand for broadband (take-up rose by 5% points in 2015) suggest that urban areas will be supplied by the market within the timescales envisioned for the implementation of a USO. Virgin Media believes that inclusion of urban areas in a USO would be misconceived and carry a high risk of market distortion. There is evidence that supports our view:

- Government underestimated the demand for broadband in its design of the BDUK procurement process. The assumption that take-up would reach 20% after seven years has proved extremely conservative: in some instances, by the end of year one, actual take-up was four times higher than anticipated. As a consequence, taxpayer money has been wasted subsidising build to premises that would have been commercially viable to supply.
- Virgin Media has made clear that its investment programme – *Project Lightning* – will prioritise urban in-fill opportunities close to our existing network. We anticipate that around 60% of the four million premises that will be passed under *Project Lightning* will constitute infill and we have announced that Manchester, Leeds and Nottingham are priority areas for build at the early stages of the programme. Project Lightning has passed more than 250,000 homes in its first nine months and in 2016 we will significantly increase the volume of homes added to our network.
- Since the launch of *Project Lightning*, BT has announced its intention to rollout G.Fast to 10 million premises by 2020, with an implied focus on urban areas, including areas that have not been part of the Infinity programme¹. Hyperoptic and CityFibre are investing in their own urban networks – both have attracted funding in the past two years² and CityFibre has formed a joint venture with Sky and TalkTalk in York. Dido Harding has stated that the partnership could eventually pass 10 million premises across the UK³.

In its recent 10-year strategic review, Ofcom made clear its long-term strategic priority – incentivising commercial investment in competing end-to-end infrastructures. It indicated that a good outcome would be that in 40% of the country (presumably the most densely populated 40%) customers have a choice between at least three competing infrastructures. It intends to make access to BT's poles and ducts easier in order to meet this goal. It is hard to square the application of the USO to urban areas with Ofcom's desire to see more competition between competing infrastructures. Indeed, it could deter the very investment that Ofcom is keen to see.

¹ In multiple public statements BT has positioned the investment as an alternative to Ethernet for those that require ultrafast speeds, suggesting it will reach beyond the existing Infinity footprint.

² CityFibre raised £16.5m at its IPO in January 2014 and has raised in excess of £30m since according to press reports; Sky and TalkTalk has each invested £5m in its JV with CityFibre. Hyperoptic has received £50m in venture capital from Quantum Strategic Partners - http://www.theregister.co.uk/2013/05/23/hyperoptic_gets_multimillion_pound_investment_boost_to_expand_business/

³ https://recombu.com/digital/article/talktalk-to-reach-10m-homes-with-google-style-gigabit-fibre-broadband-city-hunt_M13169.html

Virgin Media acknowledges that Government faces a degree of uncertainty about the extent of commercial rollout in urban areas in the short/medium term. *Project Lightning* is a demand-led programme. As such, we (and perhaps others) cannot be definitive about our future investment plans. Virgin Media is not able to state its precise rollout plans over the remaining years of the programme at this stage. As a consequence, Government (or more likely Ofcom) will be required to make a judgement on whether there is sufficient evidence that the market will supply. **It is critical that this assessment is made:** blanket application of the USO to currently unsupplied urban areas risks deterring competitive investment and inflating the cost of the USO.

Virgin Media's experience of BDUK interventions since the announcement of *Project Lightning* has exacerbated our concerns. As the DCMS is aware, several areas that had been earmarked for intervention under Phase 2 of the BDUK programme are commercially viable for us. However, we have had limited success in gaining agreement from local authorities to 'de-scope'. In north Swindon we committed to pass 8,000 premises if the relevant postcodes were removed from the intervention area. Swindon Borough Council has concluded that it is unable to de-scope these postcodes because it would face liabilities under the contract with its supplier.

If some urban areas do fall within the scope of the USO, Virgin Media would expect rigorous safeguards to be introduced to ensure that commercial supply is given every opportunity to meet demand ahead of any intervention. One solution would be to introduce the USO in phases, beginning with the most remote areas and ending with urban areas.

Cost-effectiveness and funding

In his recent letter to Ofcom the Culture Secretary states: "Government's preference for an industry funded scheme" and asks Ofcom to consider an industry cost sharing mechanism. The question of how the USO is funded is critical. Virgin Media expects this to be subject to proper consideration and consultation before a decision is made, not least because the funding mechanism is constrained by the legal framework and specification of the USO. Accordingly, we welcome Minister Vaizey's recent statement to the DCMS' Broadband enquiry that State funding of the USO is still a possibility. We expect submissions on the matter to form part of our response to the Ofcom consultation; we would be grateful if Government could confirm that it holds the same expectations.

The Universal Service Directive requires Member States to pursue the most cost-effective means in delivering a USO. It also requires that non-supplier funded mechanisms can only be used where the cost represents an unfair burden on the Universal Service Provider. Given BT's recent comments that it could deliver 10Mbps to the majority of the remaining premises on a commercial basis⁴, it seems reasonable to infer that meeting the majority of the USO would not be an unfair burden for BT. Again, this will be an important topic for Ofcom's consultation.

For the most remote areas – where the burden may be unfair for BT - satellite broadband has many advantages that make it a particularly cost-effective solution. The deployment costs associated with providing satellite broadband to an individual premise are low. By contrast, and as Government acknowledged in its preliminary conclusions on the Market Test Pilots, the economics of fixed

⁴ See Gavin Paterson's oral evidence to the CMS Select Committee inquiry on *World Class Connectivity*

broadband rollout to the most remote parts within a USO intervention area will be disproportionately costly.

Future proofing the USO

Government asserts that the USO (a 'safety net'⁵) will need to increase beyond 10Mbps over time. Ofcom has supported this view on the basis that: "advanced applications that demand higher speeds are becoming more commonplace" and "[i]ncreasingly, there are several simultaneous uses of broadband in a home at any one time."⁶

There are two important shortcomings in Ofcom's analysis. First, it fails to recognise improvements in the performance of networks in managing "advanced applications". Second, Ofcom's evidence base for a 10Mbps USO *already* takes account of a high level of simultaneous usage.

Household bandwidth requirement is a product of the following factors⁷: overlapping usage (itself a product of the number of people in a household online, number of devices and time spent online); and bandwidth intensity of usage.

Ofcom's assessment of average household bandwidth requirements already takes account of a high degree of overlapping (or simultaneous) usage. It also includes a range of bandwidth-heavy applications. The 10Mbps average bandwidth case is based on a family of four with 6Mbps used for "film streaming in HD", 2Mbps for "catch-up TV", 1.5Mbps for "video calling and web browsing" and 0.5Mbps reserved for web browsing.

It is hard to envisage a dramatic changes increase in overlapping usage. Household size has remained roughly static for decades, the number of devices used simultaneously and total hours spent online both have natural ceilings and are reaching saturation.

The case for moving beyond 10Mbps with time therefore rests principally on an assumption that new applications will place more pressure on bandwidth than HD streaming. What is missing from that assessment is an understanding of advances in the performance of networks in managing traffic of advanced applications. It is precisely because of the exponential growth of HD video streaming over the past decade that technology companies have invested heavily in improving video compression rates. Investment has seen rates of video compression performance improve by c.10% per annum in recent years⁸. As a consequence, the amount of bandwidth required to process live HD streaming has halved every seven years⁹. The same trend applies to 4K streaming. When 4K was developed, the assumed bandwidth requirement was 20Mbps. Codec developers are now demonstrating systems carrying 4K in 7-8 Mbps,¹⁰ or even as low as 2 Mbps¹¹.

Virgin Media also notes that business connectivity requirements form part of the justification for the introduction, and technical specification of the USO, with an obvious focus on small businesses.

⁵ By which we mean: part of a minimum set of services required to participate in society.

⁶ Ofcom Digital Communications Review 2016, page 27, para 3.35

⁷ Communications Chambers report *Domestic Demand for Bandwidth*, 2013 - <http://www.broadbanduk.org/wp-content/uploads/2013/11/BSG-Domestic-demand-for-bandwidth.pdf>

⁸ <http://www.broadbanduk.org/wp-content/uploads/2013/11/BSG-Domestic-demand-for-bandwidth.pdf> page 37

⁹ ZetaCast, *Technical Evolution of the DTT Platform*, 2012

¹⁰ BBC, *V-Nova streaming tech produces 4K compression 'worth watching'*, 1 April 2015

¹¹ The Online Reporter, *Tveon Claims 4K Streams at under 2 Mbps*, 19 October 2015

Multiple studies have been undertaken on the long-term bandwidth requirements of SMEs. The most extensive study of UK SME requirements was undertaken by Communications Chambers on behalf of the Broadband Stakeholder Group and published in 2015¹². The study finds that median downstream demand for small businesses in 2015 was 5Mbps and models that this is likely to increase to 8.1Mbps in 2025.

Careful consideration is required before assuming that the level of the USO must increase inexorably over time.

Implementing a “demand-led” model

The current USO works under a demand-led principle. It appears that this can easily be extended to services provided via satellite, but it is difficult to see how the demand-led approach can apply to broadband unless that demand is aggregated in some way.

Under the current USO, BT or KCOM meets the cost of supplying a fixed voice and functional internet service to an individual premise up to a fixed threshold. The network is, in effect, extended by one additional premise. In a similar manner, a premise can be supplied with broadband by installing a dish and subscribing to a satellite provider. Government has already introduced a voucher scheme that subsidises satellite reception equipment. Minister Ed Vaizey told the Culture, Media and Sport Select Committee on 13th April 2016 that satellite was capable of delivering speeds in excess of Governments 10Mbps target, and the Market Test Pilots identified no technical limitations to satellite broadband. The provisional findings noted “their [satellite broadband suppliers’] commercial model remains valid whether premises are twenty feet or twenty miles apart”. We continue to believe that the provision of broadband via satellite should play a role in fulfilling any USO.

It is harder to envisage how a demand-led model would apply to fixed broadband. BT has indicated that it would be able to deliver the majority of the USO using “long-reach VDSL”. We understand that this requires fibre to the cabinet and an upgrade of equipment within the cabinet i.e., expenditure which is *shared* between those who take up the new higher speed broadband – there is no incremental cost attributable to an *individual* customer since all those connected to the cabinet can receive an enhanced broadband speed.

It would be disproportionate to require a cabinet to be upgraded to serve an individual customer and therefore (in this example) BT should be allowed to require a minimum aggregated demand before the work is done to upgrade the cabinet. In effect, this could replace the £3,400 maximum cost threshold under the current USO. This is obviously a matter for further consultation.

Should speed be specified in primary or secondary legislation?

Virgin Media agrees with the approach set out in the consultation. It would be inappropriate for the technical specification of the USO to be enshrined in primary legislation. This is a policy matter and

¹² <http://www.broadbanduk.org/wp-content/uploads/2013/01/Small-Business-Connectivity-Requirements.pdf>

views are likely to change over time. It is inappropriate in those circumstances to 'lock in' a minimum standard.

In addition, DCMS has provided no guidance on the eventual form of any Order, which would set out the parameters of the USO regime. Clearly, that Order will require careful consideration and engagement directly with the industry (not just indirect input via Ofcom).

Should Government have a continuing role in the USO, or should this be a matter for Ofcom?

Virgin Media considers it appropriate for Ofcom to take the lead role in implementing a USO. Ofcom has the necessary technical and economic expertise and experience to take evidence-based judgements on the specification, scope and funding of a USO.

April 2016

LGA submission to the Department for Culture, Media and Sport consultation on a broadband Universal Service Obligation

18 April 2016



Submission

1. About the Local Government Association

- 1.1. The Local Government Association (LGA) is the national voice of local government. We work with councils to support, promote and improve local government. We are a politically-led, cross party organisation which works on behalf of councils to ensure local government has a strong, credible voice with national government.
- 1.2. We aim to influence and set the political agenda on the issues that matter to councils so they are able to deliver local solutions to national problems. The LGA covers every part of England and Wales, supporting local government as the most efficient and accountable part of the public sector.

2. Summary

- 2.1. Access to fast and reliable digital connectivity is no longer a luxury, it is a necessity. It is something residents and businesses expect in their premises; a vital component for supporting growth in urban and non-metropolitan areas, and an essential enabler of public sector digital transformation and wider public sector reform.
- 2.2. Councils have strongly supported the extension of access to fast and reliable connectivity through the Superfast Broadband Programme. The sector sees it as a fundamental part of their efforts to unlock economic growth – the roll out is projected to return £20 in net economic impact for every £1 of public investment by 2024¹ - as well as to help enable more of their residents and local businesses to self-serve, and their workforce to operate efficiently both in and out of the office. As a result, many councils are aiming to extend provision beyond the Programme's target of passing 95 per cent of premises and, in some places, are hoping to achieve closer to 100 per cent by using funding from claw-back clauses in supplier contracts.
- 2.3. Despite this, there will inevitably be some premises, mainly from remote rural areas, that won't be reached by the current tranches of work. In these communities, digital needs are already acute, with businesses and residents, including homeworkers, still suffering from poor digital connectivity. As such, the LGA welcomes the creation of a broadband Universal Service Obligation (USO) as a safety net for those residents and businesses not connected. The LGA calls on the Government to legislate for the USO's minimum speed to be reviewed at appropriate intervals and upgraded when necessary to reflect the needs of users as well as the capabilities of the market. A speed of 10 Mbps will quickly become outdated with the increasing requirements of technology and the needs of

¹ UK Broadband Impact Study Impact Report November 2013 - https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/257006/UK_Broadband_Impact_Study_-_Impact_Report_-_Nov_2013_-_Final.pdf

businesses

and

households.

- 2.4. The creation of primary legislation to enable the Secretary of State to enact a USO presents an opportunity to crystallise a key principle behind the USO: that at a bare minimum, it will provide residents and businesses with adequate and reliable speeds that allow them to access 'digital by default' public services – like Universal Credit, or renewing a driving licence – and importantly, at peak times. Many remote rural areas have well below 2 Mbps speed during key periods, including when school children get home, during school holidays, and after 6pm. This is unacceptable and as such, connections provided under the USO should be independently monitored to ensure speeds do not fall below 10 Mbps during peak hours.

3. Do you have any concerns about the approach that has been set out here?

- 3.1. As the consultation process for the creation of a USO begins, there remain some uncertainties over how it will be designed and delivered, as well as how it will be monitored. When the Government presents more detailed proposals, the LGA will be seeking clarification on the following areas:
- 3.2. As well as a minimum standard set for download speed, it is important the Government specify appropriate criteria for the reliability, quality and upload speed of a connection, in secondary legislation. To be useful to residents and businesses, broadband connectivity needs to enable them to conduct their online activities during normal peak hours. It will be important that the Government, through Ofcom, monitor average USO connection performance to ensure suppliers provide connections that abide by this standard and the minimum USO download speed at all times.
- 3.3. It is sensible the USO is designed as a demand-led approach but only if digitally excluded residents and businesses are well informed of the benefits of faster speeds. It will be important that the USO works alongside local government digital inclusion strategies to increase the digital skills of communities and encourage more small businesses to get online. To highlight this point, 23 per cent of UK adults, as well as 23 per cent of small businesses, do not have the basic digital skills necessary to take advantage of the internet.
- 3.4. The Government should also explore helping communities and residents make their own arrangements or to aggregate their connection requests to encourage suppliers to provide them with a connection. Communities may wish to install their own alternative infrastructure if they feel the speeds provided under the USO are unacceptable.

The LGA has launched an Up to Speed campaign to raise awareness amongst residents of the benefits of faster speeds. It also provides a series of success stories, including other successful demand-led approaches fronted by the community, where residents have installed faster speeds under their own initiative.

- 3.5. It will be important for the Government to clarify how the affordability and cost-effectiveness of connections will be defined, enforced and how these costs will be met. Inevitably, there will be variance on cost and affordability between places depending upon economic, social and geographic characteristics. It is important the benefits and risks of local versus nationally set standards are weighed up to avoid disadvantaging those areas, particularly in remote rural locations, where residents might be

asked to incur above average expense to be connected and, as a result, continue to be digitally excluded.

- 3.6. Finally, we would like clarification on who will ultimately be held accountable for the success of the USO and how the process itself will be clear and transparent. If a decision is made that a premise cannot be connected due to overwhelming cost, that decision will need to be open to scrutiny by residents, businesses, and locally elected officials.

4. We do not propose to specify speed in primary legislation. Should speed be specified in primary or secondary legislation?

4.1. A fixed USO download speed will quickly become outdated with the increasing requirements of technology and the needs of businesses and households. Therefore, if specifying an exact download speed in secondary legislation allows for the minimum speed to be quickly reviewed and updated, then it is to be supported. Nevertheless, at the very least, the primary legislation should clarify that any minimum USO download speed and connection should enable residents and businesses to reliably access public sector services which are “digital by default,” at peak times, whether that is submitting a tax return, universal credit form or, for farmers in remote rural areas, completing forms online to receive funding. To aid this process, the Government should provide and regularly update a national minimum standard of speed required to access its ‘digital by default’ services.

4.2. The capability of current market speeds should also be a serious consideration when upgrading the minimum speed. As such, achieving 10 Mbps by 2020 should be seen as a short term aspiration and something to be built on. Nationally, demand for and availability of faster speeds continues to grow with many areas already having the digital infrastructure in place to cope with demand. It is estimated that the average maximum download speed already available to residents in the UK is over 120 Mbps.² When compared with those areas with poor connectivity, this highlights how big the digital divide could become if we are not ambitious enough with the USO. Therefore, in place of specifying exact speeds in the primary legislation, the Government should instead consider stipulating a minimum download speed as a percentage of average national download speeds as defined by Ofcom. This would also place less pressure on the need for upgrades via secondary legislation to be agreed.

4.3. Finally, the consultation outlines that the Government is “considering an additional measure in primary legislation which would provide the Secretary of State with a power to require Ofcom to review the USO, as appropriate.” The LGA supports this addition to the primary legislation and suggests a review should take place at regular intervals, with the next taking place in 2020 and with the aim of setting a more appropriate higher target for 2025. This will ensure that people and small businesses that rely on the USO do not fall behind as the demand for faster broadband connections grow.

5. In terms of giving the Secretary of State a power to direct Ofcom to review the USO, should Government have a continuing role in the USO, or should this be a matter for Ofcom?

5.1. To achieve universal coverage of both fixed broadband and mobile connectivity, the Government has an important leadership role to play in ensuring the country’s digital infrastructure can compete globally. It must

² <http://labs.thinkbroadband.com/local/>

continue to work in partnership with local government, Ofcom and industry to incentivise the market to extend access to hard-to-reach areas.

- 5.2. Many of the Government's wider public service ambitions depend on citizens, businesses and the public sector workforce having fast and reliable broadband connectivity. As more central and local government services become 'digital by default,' more people will need to have fast and reliable speeds. This was highlighted most recently when the Government announced that, during this Parliament, HM Revenue and Customs (HMRC) will move to a fully digital tax system "with the information HMRC needs automatically uploaded, bringing an end to the tax return."³ Similarly, the Government's ambitions to integrate health and social care depend on citizens, health, social care and voluntary sector workers being able to access and share real-time data which is dependent on reliable connectivity. The Government cannot move services online and make the efficiency savings it needs without maintaining a continuing role in the USO.
- 5.3. The Government will also have an important role in aligning its digital strategy across departments with the development and maintenance of the USO. As an example, the USO will need to tie in with the Government's work to map public sector networks and other digital infrastructure, including the extensive fibre networks running alongside the UK's rail and motorways, as part of efforts to understand how existing capacity can be utilised to extend provision across the country.
- 5.4. It will also need to ensure there is alignment with the commercial roll out of 4G and opportunities for the sharing of backhaul sites, which can be very costly to provide in rural areas. In the absence of the Mobile Infrastructure Project, the Government will still need to ensure mobile network operators remain committed to rolling out coverage to those areas that remain poorly connected. Part of this will be working with Ofcom to encourage MNOs to share clear definitions of their commercial plans across postcode areas, with councils. This will help them respond to the broader digital needs of their residents and potentially support broadband USO interventions by sharing the use of backhaul sites.
- 5.5. Finally, local government also has a vital role to play at the centre of digital delivery, including helping shape where and how the USO might be delivered. Councils are best placed to understand the wider digital needs of local areas. They are at the centre of improving superfast broadband connectivity through the Superfast Broadband Programme, raising residents' and businesses' digital skills through a range of local initiatives, and improving mobile connectivity by working with mobile operators on the best placement of infrastructure. Moving forward, it will be important digital infrastructure suppliers, mobile network operators and councils are able to openly share their infrastructure roll out plans to ensure efforts to improve the connectivity of local residents and businesses are as joined up and efficient as possible. Where there are national borders it will also be important for councils and devolved administrations to work cross-border on rural broadband issues to maximise cost efficiency and to avoid duplication.

³ HM revenue and Customs: Making tax digital - https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/484668/making-tax-digital.pdf

A new broadband Universal Service Obligation (USO): Consultation

KCOM welcomes the opportunity to comment on the consultation published by the Department of Culture Media & Sport (DCSM) on 23 March 2016. The consultation asked three questions relating to the Government's proposed approach to introducing a new broadband USO (the 'Consultation').

We have a keen interest in this subject both as the current USO designate in the Hull area, as a supplier of network services in the rest of the UK. For these reasons the necessary USO 'burden assessment' is relevant for both the provision of our broadband services in the Hull area, as well as the potential contribution we may have to provide to support a wider USO obligation. Indeed, given the significant costs of meeting a UK-wide broadband USO we, like Government, consider that it is important that any obligation is implemented in an effective, efficient and equitable manner. With this in mind the underlying cost benefit assessment will be critical in establishing the case for imposing the requirement, the operational parameters and the incidence of costs.

The Consultation asks three questions of stakeholders. We have provided answers to each of these below. Before doing so, we consider it worthwhile making four general points:-

- First, it is our view that rather than examining the case for a broadband USO in isolation the assessment should form part of a broader review of all the USO obligations deriving from the European Service Directive. Indeed, by undertaking a broader review of this kind Government will be better informed in the resulting 'burden' assessment, and by extension the efficiency of funding requirements needed to meet the resulting obligation.
- Second, the burden assessment forms and objective method of assessing the impact of the specified form of USO. This assessment is likely to result in the recognition that a funding gap exists which will have to be met by one or more parties to the delivery of the objective i.e. industry, Government, and end users. We think that it will important that Government assesses the case for State contribution at an appropriate time.
- Third, any decision to set an implementation date before 2020 is likely to have unnecessary cost impacts. In 2012, we made a commitment to invest in a ubiquitous future-proof ultrafast FTTP access network in Hull and parts of the East Yorkshire area. We are in the process of rolling out this network to all the homes and businesses in these areas and have publically committed to complete the deployment by 2020.¹ It is the largest single deployment of FTTP in the UK and is capable of delivering 1Gbps services today, and offers an easy upgrade path to

¹ We use fibre to the cabinet (FTTC) for a small number of premises, and may keep these existing deployments for some time before upgrading to FTTP.



10Gbps services and beyond. This capability will offer both business customers and residential consumers across the Hull Area baseline broadband speeds well above those envisaged by the new USO, with a low standard connection charge and fair prices. An implementation date earlier than 2020 is likely to require us (should we be designated) to either change our network planning to meet requests 'on demand', or otherwise move forward our plans. Both have operational and cost implications. Similarly, outside Hull other Communications Providers have indicated that they have near term deployments plans in marginal areas (i.e. the final ~5%). These are likely to be similarly time sensitive. Moreover, any decisions about the qualifying parameters of 'functional internet access' [considered appropriate for today's needs] will also have a direct impact on the cost of USO coverage. As such they will also need to be factored into the cost benefit analysis.

- Forth, given the Government considers that primary legislation is needed to enable Ofcom to introduce a broadband USO the sole purpose of this legislation should be to confirm the legal powers.

DCMS Consultation questions

Q1. Do you have any concerns about the approach that has been set out here?

Within the narrow confines of the question of needing to legislate in order to provide for legal certainty we do not have particular concerns.

Q2. We do not propose to specify speed in primary legislation. Should speed be specified in primary or secondary legislation?

We do not consider that it is appropriate to include any details on the relevant qualifying headline broadband speeds, or other parameters. In our view, 'functional internet access [considered appropriate for today's needs]' should be defined by the regulator at the time of its USO assessment. Indeed, Ofcom are themselves are seeking stakeholders' views on its design.²

Q3. In terms of giving the Secretary of State a power to direct Ofcom to review the USO, should Government have a continuing role in the USO, or should this be a matter for Ofcom?

We do not consider that it is appropriate for the Secretary of State ('SoS') to be given the power to direct Ofcom to review either the prospective broadband USO, or the broader USO obligations. The regularity of the broadband USO assessment should be driven by the evidence base rather than prescribed by Government. In our view Ofcom is best

² Ofcom (2016), *Designing the broadband universal service obligation*, Call for inputs, 7 April 2016, available at: <http://stakeholders.ofcom.org.uk/consultations/broadband-USO-CFI/>



placed to make that evidential assessment as the independent national regulatory authority. However, that is not to suggest that the SoS is not a key stakeholder. Indeed, Government could potentially be making a material financial contribution to the costs of meeting the broadband USO and as such (like industry) needs to be kept informed about the schedule of work Ofcom is proposing and the risks that they will need to use departmental funding towards the costs of meeting the broadband USO.



About ISPA

1. The Internet Services Providers' Association is the trade association for the Internet industry in the UK. ISPA has over 200 members from across the sector, including a large number of access provider ISPs from small to large, content platforms, hosting providers, and others. Our membership consists of ISPs rolling out and operating networks on a national and local scale utilising a variety of technologies, to those that resell wholesale services or a combination of both.

Introduction

2. ISPA supports the principle of broadband universality so that, as Government states, the enormous benefits of getting online can be felt as widely as possible. However, we feel it is important to first look at the detail of what delivering broadband universality may entail before jumping into a legal obligation. We are only at the start of determining universality and there may be more efficient and effective alternatives to delivering what Government is aiming for without creating a new legal obligation.
3. Broadband rollout is by and large market driven and through the work of our members average broadband speeds have increased significantly in recent years to 28.9Mbps. The Government-backed BDUK rollout programme will lead to around 95% of superfast coverage by 2017, with additional work to address the harder to reach areas. We are therefore close to universality and how the 'final 5%' is addressed depends on the needs of the local area.

Response to questions

Q1: Do you have any concerns about the approach that has been set out here?

4. The approach set out by Government is to leave most of the detail to secondary legislation and through Ofcom, including an additional consultation, to meet the objectives. It is therefore difficult, at this early stage, to set out detailed concerns with the current approach. During this process it will be important to explore the different options available to Government and discuss with interested parties the most effective way of achieving universality. The right approach to delivering universality will depend on what Government is hoping to achieve, and due to the lack of detail, this is something which our members are currently unclear on. If Government want to create a safety net solely based on speed this could be delivered now but at a different specification to a future-proofed, more ambitious service.

5. To help identify what a USO or universality could look like, there are a number of key factors that need to be considered. Focusing on these and other factors before setting a USO will help determine the right approach:

- Technology – we agree with the technology neutral approach the Universal Services Directive states, but the type of technologies used to deliver a USO will depend on Government’s overall objective. For example, setting a safety net of 10Mbps will mean a different approach to an obligation to provide something more ambitious
- Cost – the choice of technologies will impact on the overall cost of the programme. A USO has to look at cost effectiveness, but this could limit the overall specification of universality
- Topography – the landscape of different parts of the country may benefit from a different approach, meaning a one-size-fits-all technical specification may not be appropriate
- Speeds/reliability – a number of factors (such as latency, jitter, and wiring) need to be considered in determining a reliable and quality connection. It will be important to look at each of these when determining what may be required
- Headline speed – whilst it may seem attractive to focus on a headline speed, we feel it would be more effective by focusing on the everyday online services that can be delivered and consumed.
- Maximising opportunities – the ISPA membership includes a number of ISPs that run their own networks in rural and localised areas, opportunities should be available to a broad range of companies as possible

6. The creation of a USO may create uncertainty in the market over future investment decisions or rollout plans. This may particularly impact on rollout in rural areas, so it is imperative that Government speaks to industry to fully understand current and future network coverage and rollout plans. As has been made clear in the subsequent Ofcom consultation, Government will not be looking to fund this and is expecting it to be funded by industry, there is a potential for market distortion, impacting on existing networks and rollout. Given the wider societal and economic benefits of a USO, public funding should also be an option considered. Any policy intervention in this area would require a detailed cost benefit analysis.

Q2: We do not propose to specify speed in primary legislation. Should speed be specified in primary or secondary legislation?

7. We feel it is appropriate for secondary legislation to be used rather than primary legislation to set detailed specifications. It is crucial that any changes to the requirements made by secondary legislation by Ofcom should only follow comprehensive consultation.

8. Government should also take this opportunity to explore whether other options are available. For instance, is there a need to legislate in this way? Could the definition of functional internet access be updated? Would secondary legislation be subject to affirmative or negative procedure?

Q3: In terms of giving the Secretary of State a power to direct Ofcom to review the USO, should Government have a continuing role in the USO, or should this be a matter for Ofcom?

9. As set out above, we feel that Ofcom should have an important part to play in ensuring broadband universality so that the detailed technical challenges and specifications in delivering a USO and the potential impact on the market are worked through. We understand that communications needs are an important issue, and so therefore repeat the need for full consultation when setting a USO and making any changes to this. Decisions made could have significant impact on the market.

A New Broadband Universal Service Obligation: Consultation

A response from the Rural Services Network

The Department for Culture, Media & Sport is seeking views on the Government's approach to introducing a new broadband Universal Service Obligation (USO).

This response comes from the Rural Services Network (RSN), which is a membership organisation representing 154 local authorities (counties, unitaries and districts) and almost 100 other rural service providers (such as police authorities, fire and rescue authorities, housing associations and public transport operators). Thousands of parish/town councils and community bodies are associate members. The RSN exists to: make representations on issues affecting rural services; promote active networking among rural providers and sectors; and establish and broadcast rural best practice.

It is worthwhile stating upfront that the RSN acknowledges the progress made with rolling out broadband coverage as a result of the Superfast Broadband Programme (whilst recognising certain design despite certain issues that have arisen). Many RSN member authorities have managed the programme locally. This effort has and is benefitting many rural households and businesses, especially in easier-to-reach rural areas. Without the Government intervention such progress would certainly not have been possible.

The RSN also welcomes the proposal to introduce a broadband USO. It is something we have called for recognising that broadband is now an essential utility. We will not rehearse, here, all the arguments why that is so.

The consultation document asks three questions, which we briefly address below.

Q1: Do you have any concerns about the approach that has been set out here?

We are very concerned with the proposal to make the USO entirely demand-led and not to have a successor to the Superfast Broadband Programme. We recognise that hard-to-reach (mainly rural) premises will cost more to connect with broadband networks. That is what causes the market failure and is exactly why public sector intervention is justified in such areas. The focus of public funding for broadband should be (and always should have been) hard-to-reach areas, rather than commercially marginal areas.

Although details remain to be worked out, it seems clear that the approach proposed in the consultation paper would place a large part of the USO cost onto consumers in currently unconnected areas. It would introduce a significant cost-penalty for consumers living or working in very rural areas. This seems to fly in the face of the promise that the USO would provide broadband connections at a reasonable cost.

It is also very unclear how practical a demand-led USO would be to deliver. Given that the rest of the USO connection cost would fall on a network provider, the question arises how would providers be forced to deliver in the most rural areas? It seems inevitable that they will be unwilling and will seek ways to avoid delivery in the highest cost rural areas.

The RSN therefore believes that there must be a successor to the Superfast Broadband Programme as part of introducing any USO. This would avoid there being an unacceptable cost-penalty for rural consumers and would ensure that providers are willing to deliver on the USO in rural areas.

Whilst a USO would, in principle, be most welcome, an entirely demand-led proposal is flawed and unfair. As it stands, the USO would only seem to give the right to ask for a broadband connection. We very much hope that the proposal will therefore be looked at again.

Q2: We do not propose to specify speed in primary legislation. Should speed be specified in primary or secondary legislation?

The RSN agrees that it would be counter-productive to specify the USO speed in primary legislation. What is an acceptable broadband speed for typical uses is changing (increasing) all the time. Ofcom have referred to 10 Mbps as the current reasonable level. Whilst we do not dispute this, it may even be that by the time a USO is introduced that speed looks out of date.

Specifying speed in secondary legislation would be sensible. It would still give the USO legislative clout, whilst offering more flexibility and making it easier to up-rate in future. In short, we support the direction of the consultation paper on this question.

Q3: In terms of giving the Secretary of State a power to direct Ofcom to review the USO, should Government have a continuing role in the USO, or should this be a matter for Ofcom?

It is important that Ofcom can provide independent review and advice about the USO. That is a technical role which would be best handled in an independent manner by the regulator. We would hope that Ofcom can monitor adherence to the USO and advise on its up-rating without interference.

RSN does, however, think that Government should retain a role. Whilst we would hope to see Ofcom set its own timetable for regular review of the USO, we believe it is still right and reasonable for Government to retain the power to direct Ofcom to instigate a review. RSN also believes there is a case for Government retaining the power to intervene and set a higher USO level than Ofcom might otherwise propose. Ofcom would presumably propose a USO based solely upon a technical assessment. It seems perfectly reasonable for Government's to take wider economic and social aspirations into account and to have higher policy ambitions for broadband connectivity.

**Department for Culture Media & Sport Consultation:
A New Broadband Universal Service Obligation**

Response from Cisco

Network Use and the Digital Value at Stake

- It is clear that digitisation is now at the heart of both economic growth and the development and delivery of new public services.
- Cisco's [Visual Networking Index](#) (VNI) sets out a credible, rolling five year forecast for network usage across the world. The latest version of this forecast that IP traffic in the UK would increase by a compound annual growth rate (cagr) of 27% between 2014 and 2019 (from 2.4 to 7.9 exabytes per month). In terms of mobile data, the VNI forecasts that UK mobile data usage will increase at a 47% Compound Annual Growth Rate between 2015 and 2020 (from 0.1 exabytes to 0.6 exabytes per month).
- Cisco's [Value at Stake](#) analysis identifies the value that digitisation adds to the private sector. In the UK, the analysis showed that there was nearly \$1tn digital value at stake over the decade from 2015. This analysis also shows that digitisation is accelerating across different economic sectors and that digital value is increasingly coming from consumers (eg consumer-focused digital solutions such as telehealth, wearables etc).
- In terms of the role of digitisation in the delivery of public services, the UK government is a global leader through the work of the Government Digital Service and the Digital by Default principle. This approach was boosted in the 2015 Autumn Statement which outlined a near doubling of the annual budget for the [Government Digital Service](#).
- Taken together, these three factors show the central role the internet is playing in new private sector growth and the delivery of public services.

Universal Coverage

- Central to facilitating this economic growth and delivery of digital public services in the future will be ensuring we have the right networks across the United Kingdom. Without adequate internet coverage, we will be closing down opportunities for economic growth and denying people access to valuable public services.
- Cisco is therefore strongly supportive of the Government's objective of delivering superfast connectivity across the United Kingdom.
- There are a range of technologies that can deliver broadband services and we support technology neutral policies that help deliver superfast connectivity. Wherever possible, we would encourage fixed and mobile technologies being deployed in parallel to reflect the different connectivity needs of different devices.

A Universal Service Obligation

- We would like to encourage the Government and Ofcom to maintain their focus on delivering universal coverage through creating the right market and regulatory conditions for private sector investment in broadband networks wherever possible. However, we appreciate that there are areas of the UK where a commercial case for investment is unlikely to be created despite efforts to incentivise this via specific policy and regulation. We therefore agree that a mechanism may be required to ensure no one in the UK is left behind in the current digitisation revolution. In line with the Broadband Stakeholder Group we agree that it is important to look at a variety of market-based options for meeting the need

for universality in the first instance but that, where these are not practical, a limited Universal Service Obligation may be required.

Use of legislation

- Cisco agrees with DCMS's proposed approach of not including detail on speeds, quality criteria and other details in primary legislation. As forecast in the VNI, speeds and other connectivity requirements evolve rapidly and any speed or other requirements set out in primary legislation would quickly become dated and need to be updated.

The need for ambition

- Cisco would like to encourage the Government to be as ambitious as possible in terms of setting out speed and other requirements elsewhere though. In order to keep pace with global developments on network investment and improvement, the UK will need to ensure that minimum USO speeds are kept under regular review but, more importantly, that the government focuses on ensuring the UK is leading the way globally in terms of connectivity more broadly – both in terms of ubiquity of coverage but also in terms of minimum and average speeds. It is through the enabling power of the network that the benefits set out in Cisco's [Value at Stake](#) report for the economy and public services can be realised.
- We believe, therefore, that the Government, in partnership with Ofcom, should play a leading role in ensuring that the USO is regularly reviewed.

Funding the Universal Service Obligation

- We strongly favour using market mechanisms wherever possible to fund broadband delivery. As with the ongoing BDUK work, where the market cannot reasonably deliver, the government should provide funding to ensure no one is left behind.
- Given the wider economic and societal goals of the USO, it would make sense for the cost of funding the USO to fall to the public purse. Requiring telecoms companies to foot the bill for the USO may divert investment from elsewhere and potentially lead to higher prices for consumers.
- To provide certainty for industry, we would favour this public-funding model for the USO being set out in primary legislation.

Wider considerations

- Cisco would also like to highlight the importance of using the opportunity of discussing universal coverage in the United Kingdom to review and address connectivity needs in publicly funded spaces such as schools, hospitals, libraries and parks to ensure that services offered through these organisations are able to maximise the opportunities digital technologies offer.



Universal Service Obligation

1 message

Section 40

24 March 2016 at 17:46

To: broadbandusoconsultation@culture.gov.uk

From Section 40 I am an independent communications (words not telephones) consultant and my business has suffered from an unnecessary handicap of poor broadband and mobile telephony because I work from a rural location.

The government has consistently failed in its promise to deliver broadband to people in rural areas. It is unclear how all this consultation is likely to redress the fact of dismal or non-existent broadband provision in rural areas against the fiction contained in the unending stream of government announcements, press releases, directives and subsidies to BT Open Reach that claim a rural roll out was well in hand.

A universal service obligation is impossible without the broadband infrastructure and the government has surrendered the building of the necessary infrastructure to a system that gives no incentive and imposes no obligation for the monopoly supplier BT Open Reach.

The only universal service obligation in this equation is the universal obligation by BT Open Reach to service the dividends of its shareholders.

The tentative promises made in the consultation document have the hallmark dead hand of BT Open Reach on each page confirming that government will do nothing in this arena that will challenge the willingness and competence of BT to provide a 21st century broadband service for everyone, not just the 90% for whom it is easy and profitable for BT Open Reach to supply.

It is inevitable that in a purely market-based arrangement firms like broadband and mobile phone providers will pick the lowest hanging fruit. Which is why licences or contracts should have imposed on such companies an obligation to provide for the least accessible and least profitable markets and regions BEFORE firms could milk the cash cows of high density populations.

Another consultation document about lousy rural broadband service and mealy mouthing so about a universal service obligation is just another way of fudging the government failure to fund and force through the provision of a rural broadband service that could enormously benefit deprived areas.



Department
for Culture
Media & Sport

BroadbandUSOConsultation Mailbox <broadbandusoconsultation@culture.gov.uk>

Competition

1 message

Section 40

23 March 2016 at 15:42

To: broadbandusoconsultation@culture.gov.uk

Cc: Section 40

Hi,

I'm wondering as part of the USO commitment to 10mbps could it be stipulated that competition is also an element. At the moment my Openreach based connection is limited to 5mbps - Virgin is available to me at 200mbps - Openreach would have no obligation to enable fibre to my cabinet if no competition is required for USO.

My preference is for a fast Openreach connection, I have dealt with Virgin but due to issues with congestion and variable customer service I never want to deal with them again.

Regards,

Section 40

Exchange Details: Stechford (Birmingham), cabinet 50



Department
for Culture
Media & Sport

BroadbandUSOConsultation Mailbox <broadbandusoconsultation@culture.gov.uk>

Broadband Universal Service Consultation

1 message

Section 40

18 April 2016 at 09:30

To: "broadbandusoconsultation@culture.gov.uk" <broadbandusoconsultation@culture.gov.uk>

Cc: Section 40

Dear Sir

Please find below Yate Town Council's response to the above consultation:

We strongly support the project, and in particular the bringing of superfast broadband to those parts of our parish not yet covered.

However, it is essential that this is provided prior to the new development at North Yate and not lead to roads being dug up after they have been laid.

Regards

Section 40

Email is susceptible to data corruption, interception and unauthorised amendment. We accept no liability for corruption etc, any loss or damage sustained as a result or as a result of software viruses.

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Broadband USO Consultation response from BCS, The Chartered Institute of IT (Organisation)

1 message

Section 40

18 April 2016 at 15:17

To: "broadbandusoconsultation@culture.gov.uk" <broadbandusoconsultation@culture.gov.uk>

BCS, The Chartered Institute for IT

BCS is a charity with a Royal Charter. Its mission is to make IT better for society. It does this through leadership on societal and professional issues, working with communities and promoting excellence.

BCS brings together industry, academics, practitioners, educators and government to share knowledge, promote new thinking, educate, shape public policy and inform the public. This is achieved through and with a network of 75,000 members across the UK and internationally. BCS is funded through membership fees, through the delivery of a range of professional development tools for practitioners and employers, and as a leading IT qualification body, through a range of widely recognised professional and end-user qualifications. www.bcs.org

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The views of our members were gathered through our normal consultation procedure, by posting the consultation on our Policy Hub website for comment and then referring back to our Communications team (community of expertise) for comments and final response.

Question 1

BCS strongly supports the need for a Broadband USO and agrees with the rationale given for it in Section 2 of the consultation paper. We accept that a demand led approach is best but feel that this should be seen as a medium-term expedient to prioritise the implementation of the USO. In the longer term, the national aspiration should be for universal provision, covering a similar proportion of all premises as are currently provided with electricity, for example.

One issue with a demand led approach is that demands can change when premises change in use or ownership. With that in mind the programme should be funded on a long term basis so that premises can be added to the programme as the occupiers' requirements change. Once a premises has been provided with the USO service this should be retained rather than being allowed to lapse if the occupier's requirements change. Fixed infrastructure should be retained just as the wiring for electricity supply or pipe work for water supply would be. The industry should agree standards for termination equipment and what is retained at the premises on changes in requirements.

It is now apparent that a significant proportion of the hardest to reach communities will be served by players other than BT and Virgin (e.g. Gigaclear, ITS, Community Services, Satellite

etc.) . There is therefore a need to look at alternative approaches - e.g. putting the obligation out to auction based on local government boundaries.

We note that Ofcom will, in effect, become a competition authority under these proposals. Their powers and responsibilities will need careful consideration.

Question 2

We accept that the USO speed should not be set in primary legislation. A 10mbs standard would be sufficient for households and SMEs if set today but we would caution that this must be achieved on a consistent basis, including at times when the Internet generally, or local infrastructure, are at maximum demand levels. In practice this may require a higher "rated" speed to be specified.

Among the organisations to be involved in setting regulations regarding the USO, the Law Society should be consulted with a view to including questions related to broadband provision in property conveyancing.

The proposed division between primary and secondary legislation is supported. However, the timescale proposed in the consultation paper to bring this into effect seems unnecessarily slow, with consultation on secondary legislation still a year away.

Question 3

The existing telephony USO does not require government intervention, so if the terms of Ofcom's responsibilities and powers are well designed there should not be a need for government to have an ongoing role. The important factors will be technology-neutrality and service standards . In this regard it should be noted that speed is not the only factor; there will also need to be Quality of Service standards which will change as expectations rise. Service down time and time to repair standards will be important factors, for example, with remote premises and these should be set and monitored by Ofcom.

Regards

Section 40

USO Broadband

1 message

Section 40

23 March 2016 at 16:10

To: broadbandusoconsultation@culture.gov.uk

Nearly six years ago I organised a public meeting in Rousdon with the support of the parish council. Sovereign Coaches and Rousdon Car Sales, together with a grant arranged by [redacted S40] supplied the funds for a survey and quotation from Rutland Telecom to provide superfast broadband for all of Combpyne Rousdon. They quoted a figure of approximately £250,000 to provide superfast broadband through a fixed line and wireless system.

I applied for a DEFRA grant.

DEFRA required us to say if we were to be included in the CDS programme and that DCC would provide the answer.

DCC/CDS refused to answer claiming BT insisted on commercial confidentiality.

[redacted S40] of BT gave evidence to the PAC of the House of Commons that BT had no objection to informing taxpayers when and how they were to be included in the scheme.

We applied for the DEFRA grant pointing out that CDS/DCC refused to supply the information they required.

DEFRA rejected our application on the grounds that we were to be included.

The CDS map changed our area from "out of programme" to "coming soon".

[redacted S40] gave a public assurance at the meeting in Upottery in August, 2015 that BT had agreed to cabinet realignment. He also emailed me that we were to have two cabinets.

CDS published a new map to show us as green, defined as "live and accepting orders" but that owing to distance we would receive no benefit.

BT included us in their statistics as "passed" by superfast broadband as our cabinet had been upgraded yet they knew this would provide us with no benefit.

Six year later we have **broadband of less than 1 mbps**.

It appears that the tax payers' subsidy has been used by BT to connect towns and large villages that they would almost certainly have done anyway. In 2009 the Minister wrote to me that the proposed funds were to connect remote rural areas.

It would be hard to imagine a more ineffectual body than Ofcom or an example of how taxpayers' money has been misused.

It is essential that 100% of premises have superfast broadband forthwith. This would cost a fraction of the ridiculous HS2 rail link and be a much better return on the capital invested.

This whole sorry episode illustrates how the UK Government is only interested in urban areas.

Section 40



response

1 message

Section 40

3 April 2016 at 22:13

To: broadbandusoconsultation@culture.gov.uk

Dear Sir/Madam,

S40

Grantshouse and Houndwood community council in Berwickshire, Scotland.

Several of our outlying farms will not benefit from BT's superfast upgrade and along with neighbouring CC's we have been looking at alternatives in some detail.

In response to your consultation:

Q1: The approach taken should be to exclude satellite broadband as an option from the USO. The ping-time limits what can be done online and unlike microwave or a line connection this is not upgradeable. Current satellite broadband is prone to a loss of signal in certain conditions and a reduction in speed at peak hours, while these might be improved in future it is not a service the CC would recommend to residents.

Q2: A speed above 10mbs should initially be prescribed, an upload and download speed should be specified.

Q3: As government will fund a portion of this the government should be the body to review the USO.

Section 40

S40

Grantshouse Community Council



Broad band consultation

1 message

Section 40

5 April 2016 at 14:42

To: broadbandusoconsultation@culture.gov.uk

Dear Sirs

I would make the following observations

Questions Q1: Do you have any concerns about the approach that has been set out here?

A USO should definitely exist. Based on experience of dealing with the monopolistic Openreach they would do little or nothing without external legally binding pressure.

Openreach seem to have slowed their fibre rollout in Warwickshire. How many DSLAM (fibre) cabinets have been installed in the last 12 months compared to the previous?

Q2: We do not propose to specify speed in primary legislation. Should speed be specified in primary or secondary legislation?

Yes. 10Mb/s is a useful but technically low target (Virgin are talking about over 450Mb/s whilst the fastest BT circuits are currently 80Mb/s) the target should have a rolling 3 to 5 year adjustment upwards with each adjustment doubling over the next 10 years.

Q3: In terms of giving the Secretary of State a power to direct Ofcom to review the USO, should Government have a continuing role in the USO, or should this be a matter for Ofcom?

The government should have a role. Ofcom seem toothless (perhaps because of the weakness of the Telecommunications Act and the lack of service obligation it places on Openreach)

kind regards

Section 40



Department
for Culture
Media & Sport

BroadbandUSOConsultation Mailbox <broadbandusoconsultation@culture.gov.uk>

uso consultation

1 message

Section 40

11 April 2016 at 23:05

To: broadbandusoconsultation@culture.gov.uk

Q1 no

Q2 no

Q3 matter for Ofcom

By email to: broadbandusoconsultation@culture.gov.uk

12th April 2016

Response by Gigaclear to DCMS Broadband USO Consultation

Executive Summary

1. Gigaclear welcomes the opportunity to comment on the consultation regarding a new broadband Universal Service (“USO”). We agree with the Government’s view this is a complex issue which needs to be thought through carefully before the Government considers how best to move forward. Although the Prime Minister announced his support for a broadband USO last year, Ofcom is only just beginning the task of assessing how such a scheme might be implemented or what it would consist of. Parliament (and the industry) will require answers to detailed questions before it is asked to consider any legislative proposals to implement a new USO.
2. In particular, Gigaclear believes that the issues of the minimum speed requirements, communications provider participation and the method of funding are all issues that need to be addressed in detail and in advance of primary legislation being adopted. Without this work, Parliament and the industry would be asked to support commitments that would be uncosted but which could run into hundreds of millions of pounds.
3. Once the commitments are properly costed, Government should also make a commitment, in the primary legislation itself, that the broadband USO will be funded from general taxation and will not be another cost that is imposed on the telecommunications industry. Although we understand this is not the Government’s current preference, we think it makes no sense for the Government to extoll the public benefits of broadband connectivity for the UK and then to tax the industry that is delivering it. If the broadband USO becomes another industry tax or another BT subsidy, then this will be fundamentally unfair and will deter investment in broadband by companies like Gigaclear.

Introduction

4. Gigaclear was founded in December 2010. The company is dedicated to building and operating ultrafast, pure fibre-to-the-premises broadband networks in rural Britain. It has delivered to over 20,000 properties to date in Berkshire, Cambridgeshire, Essex, Gloucestershire, Kent, Leicestershire, Lincolnshire, Northamptonshire, Oxfordshire and Rutland and expects to serve over 50,000 properties by the end of this year.
5. Gigaclear builds networks largely using commercial investment. It is also the first Internet Service Provider, other than BT, to be awarded and be delivering contracts as part of the Government-subsidised BDUK programme that are now delivering Superfast (or in fact Ultrafast) services to rural Britain. The company has begun trialling 5Gbps broadband speeds. When commercially launched later in 2016, this Gigaclear service will be the UK's fastest residential and small business broadband package.
6. Gigaclear fully supports the Government's ambitions for fast broadband services to be available to all homes and businesses that want them. Gigaclear has already adopted a demand led approach that DCMS highlights as one of its reasons for proposing a broadband USO. Gigaclear invests in many of the areas where a broadband USO might be expected to be relevant.
7. Gigaclear appreciates that the DCMS consultation document marks the beginning of the debate and is committed to full engagement in the debate and framework development by Ofcom and DCMS that will be needed following this initial consultation.

DCMS' proposals

8. DCMS acknowledges that the provision of a broadband services brings into play a complex set of interrelated factors that need to be considered in developing a USO. Gigaclear is in no doubt that the development of a broadband USO together with a funding mechanism that will work is of itself an extremely complex issue. Whilst there may be are international precedents of successful USO and Universal Service Funds, there are almost as many examples of failed or failing mechanisms.
9. To ensure the successful implementation of a broadband USO there must be:
 - a. Certainty of purpose and proposed output;
 - b. Clarity (through primary and secondary legislation) as to the separate roles of Government and Ofcom; and
 - c. Proportionate funding mechanisms that balance the need for access to superfast services whilst ensuring competition and technological development.

Each of these points are considered in more detail below. We recognise that some of them will be addressed by the consultation which Ofcom is now undertaking and the report which it will present to the Government in due course.

a. Certainty of purpose and proposed output

10. Government has stated that it needs to ensure access to broadband of a minimum speed and quality to the maximum number of people and businesses at the lowest cost, whilst at the same time not undermining the fast developing competitive market. Government needs to be clear on what constitutes a suitable minimum speed requirement and how this relates the costs which might be imposed on taxpayers or upon the industry.
11. The extent to which network operators should be subject to either an obligation to provide and/or an obligation to contribute to a fund should be made clear. Ultrafast service providers such as Gigaclear should not be penalised by being asked to compete to provide much slower speed services as part of any broadband USO allocation process. Any allocation process should, instead, seek to leverage the capabilities of existing networks to provide the best possible services to households and businesses within a particular area on a universal basis.
12. The fundamental issue of the source of funding needs to be resolved (and clarified in the primary legislation). Gigaclear believes there is a clear case for funding from general taxation.

b. Clarity (through primary and secondary legislation) as to the separate roles and responsibilities of Government and Ofcom to achieve the desired output

13. The separate roles and responsibility of Government and Ofcom must be clear from the start.
14. Draft primary legislation should not be put before Parliament until there is certainty on the preferred regulatory framework, (for example minimum speed requirements, technological neutrality and funding mechanism). The primary legislation should not ignore the fundamental issues that further down the line could result in the failure of the scheme to get off the ground.
15. Ofcom's general duties under Section 3 of the Communications Act 2003 must remain as a cornerstone to the broadband USO regulatory framework, promoting competition whilst furthering the interests of consumers. A rush to achieve demand led universal availability must not be at the risk of failing to develop regulation which is transparent, accountable, proportionate, consistent and targeted.

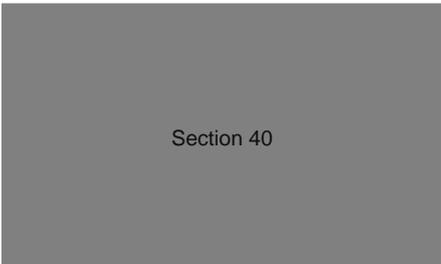
c. Proportionate funding mechanisms that balance the need for access to superfast services whilst ensuring competition and technological development

16. The cost of enabling universal broadband connection will be significant and potentially many hundreds of millions, perhaps billions, of pounds. The Government has made it clear that its preference is for an industry funded scheme, but has provided no justification for this view.

Windrush Court
Abingdon
Oxon
OX14 1SY

17. Gigaclear is strongly of the view that the scheme must be funded from general taxation rather than from an additional levy on the telecommunications industry. Moreover, we think this is a decision for Government (on behalf of the taxpayer) rather than for Ofcom. Ofcom's current review cannot therefore address this issue – the Government must do so directly in its legislative proposals for Parliament.
18. The fundamental case for a broadband USO is that the national economy and society as a whole will benefit from universal broadband connectivity, not simply telecommunications operators like Gigaclear or their immediate customers. The beneficiaries of the broadband USO will therefore be all UK taxpayers, and those beneficiaries should therefore contribute to the costs. This is, after all, precisely the basis on which the Government has already asked UK taxpayers and rate payers to contribute over £1bn to support the deployment of broadband networks in rural areas under the BDUK schemes and to fund vouchers which enable SMEs to connect to broadband networks. The broadband USO is intended to provide similar benefits, and so should be funded on a similar basis.
19. We are aware that legal provision exists for a broadband USO to be funded by the telecommunications industry. These provisions date back to the 1990s, and reflect the fact that USO commitments were historically subsidised by state-owned telecommunications operators. In those days, public funding and funding by the telecoms operators amounted to the same thing and had little or no impact on competition. In the UK, BT has been required to fund the USO without receiving any contributions from competitors as they have emerged.
20. It makes no sense for the Government to modernise the USO (to reflect changing demand for broadband) but not to modernise the funding mechanism at the same time. An industry funded USO would be an anachronism in the twenty first century. Where regulators have sought to maintain them they have proven very difficult and costly to implement.

Yours sincerely,



Section 40

For Gigaclear plc



Broadband speed

1 message

Section 40

12 April 2016 at 18:17

To: broadbandusoconsultation@culture.gov.uk

Dear Sirs

I am totally circumspect in respect of this initiative. I moved to East Malling in Kent nearly two years ago and the internet speed was appalling, virgin, we were informed, were going to put in a fibre optic in May of 2014. It did not happen, we signed up to sky and experienced slow internet. Then talk talk offered us a more economic deal and promised superfast fibre, they said it was already there and ready to go for us. Whooppee, not. The speed did improve but it is still sooo slow. I complained we were told, yes it is undoubtedly fibre and superfast, but it is only fibre into the village more than half a mile distant it then comes by overhead copper wire on the same line as the telephone. Download 26mbps and upload 1.96 mbps tested by <http://www.speedtest.net/>. Not superfast broadband and for which I am billed!

So unless the fibre cable is emplaced in every road and lane in the country the suppliers will still be able to claim fibre/superfast broadband when it is only partially true.

Regards

Section 40



Department
for Culture
Media & Sport

BroadbandUSOConsultation Mailbox <broadbandusoconsultation@culture.gov.uk>

LAIS1389

1 message

Section 40

12 April 2016 at 20:20

To: broadbandusoconsultation@culture.gov.uk

Cc: Section 40

To whom it may concern

Please find the response from Hasketon Parish Council regarding LAIS1389 - Broadband

Questions Q1: Do you have any concerns about the approach that has been set out here?

No, other than the comments listed below

Q2: We do not propose to specify speed in primary legislation. Should speed be specified in primary or secondary legislation?

Speed should be specified in primary legislation - but consideration should be given to speeds relative to an overall benchmark, as it is anticipated that minimum acceptable speeds will increase over time and an arbitrary speed of 10Mbps may become obsolete. Consideration of 'speed' should pertain to synchronous port speeds, that is synchronous upload and download speeds, as well as backhaul throughput. Consideration should not simply be the local access loop synchronisation speed which may not have a direct bearing on true network performance speed.

Q3: In terms of giving the Secretary of State a power to direct Ofcom to review the USO, should Government have a continuing role in the USO, or should this be a matter for Ofcom?

It feels this matter will be best served by Ofcom who can apply the appropriate specialisms - and if a relative USO benchmark is used - it is envisaged Ofcom would be better placed to manage and set this benchmark.

Regards

Section 40

CC

Section 40



Broadband USO consultation

1 message

Section 40

12 April 2016 at 20:58

To: broadbandusoconsultation@culture.gov.uk

First I outline my interest in this consultation as a private user of residential broadband services

I live on a modern housing estate still under construction although our house is on a phase completed 20 years ago

Open Reach are responsible for my broadband connection which operates at one half of one megabit speed.....not enough to fill in an online form....download files....or send an attachment....

A visit to our local costa coffee house any morning will see people who operate small businesses from home using their free wifi services to attempt their business for the day...in this day and age this should be a major embarrassment for the government

In this context I find the USO an unnecessarily complicated and vague obfuscation of a plan, lacking in ambition or any meaningful attempt to hold complacent service providers to account

In any other market, Open Reach's dominant market position would be called a monopoly, which I believe is at the root of this complacency

This would appear to be at odds with a Conservative governments dynamic free market approach. Currently I have no choice but to sit on my hands and wait while Open Reach decide when they might get around to meeting my needs....this feels awfully familiar to someone like me who is old enough to remember waiting for a GPO phone line in the 1970's pre deregulating the telecoms market....

To me there is no difference....and if there is a role for government in this it is to genuinely open up this market to competition...and to set ambitious service standards for providers to meet

And yet all I see is this rather feeble, timid and confused approach which does nothing to establish guaranteed service standards

If Britain is to power ahead as a nation we need unsurpassed high speed broadband capability. What the relationship between government and ofcom should be frankly I neither know nor care...I am not qualified to judge

However the fact the question is being asked at all suggests to me there is a lack of leadership in driving through one of the most important infrastructure programmes in history...and I do not see how this muddled USO will address this vacuum

Section 40

Sent from my iPad



USO Consultation Response from Stratton Strawless Parish Council

1 message

Section 40

12 April 2016 at 10:00

To: broadbandusoconsultation@culture.gov.uk

Response from Stratton Strawless Parish Council.

Details of the New Broadband Universal Service Obligation Consultation were kindly provided to our Parish Clerk by Norfolk Association of Local Councils.

The USO details were discussed by the Parish Council at yesterday evening's monthly meeting. I am responding to the Consultation Questions on behalf of Stratton Strawless Parish Council, having so far made representations to Norfolk County Council regarding Broadband speeds in our Parish under the Better Broadband for Norfolk programme.

Answers to Consultation Questions

Q1: Do you have any concerns about the approach that has been set out here?

A1: We do not have any concerns about the approach that has been set out.

Q2: We do not propose to specify speed in primary legislation. Should speed be specified in primary or secondary legislation?

A2: We believe that speed should be specified in primary legislation.

Q3: In terms of giving the Secretary of State a power to direct Ofcom to review the USO, should Government have a continuing role in the USO, or should this be a matter for Ofcom?

A3: We believe that it is correct to direct Ofcom to review the USO but that Government should also have an effective continuing role in the USO.

I trust that our responses to the three questions have been clearly set out.

Section 40

For and on behalf of Stratton Strawless Parish Council



Feedback from Chairman of Burton Dassett Parish Council

1 message

Section 40

6 April 2016 at 14:01

To: broadbandusoconsultation@culture.gov.uk

Dear Sir/Madam,

I have been asked to submit the feedback from the chairman of Burton Dassett Parish Council

S40

S40

10 Mbps is the Requirement. The relevant Minister should come up with a plan to achieve the Requirement, possibly a series of Options, and a Costed Recommendation. Maybe ranking the Costed Options as a follow-on paragraph? The questions posed are delaying: Do you have any concerns about the approach that has been set out here? That type of question just takes us nowhere. Similarly, distracting questions on primary legislation. This is mostly 'noise' disguised as consultation. The Government knows the Requirement – get on with it, and give us the price

Section 40



Department
for Culture
Media & Sport

BroadbandUSOConsultation Mailbox
<broadbandusoconsultation@culture.gov.uk>

S40

1 message

Section 40

8 April 2016 at 14:40

To: "broadbandusoconsultation@culture.gov.uk" <broadbandusoconsultation@culture.gov.uk>

Cc: Section 40

Dear Sirs,

We live less than 800 yards from a major highway. Our Bt broadband connection is to all intents and purposes completely useless. Like our neighbours we have been repeatedly fobbed off by Openreach when we've requested a better broadband connection over the last few years. It almost seems that it's our fault for living where we do!

In desperation we have satellite broadband, as our neighbour does, but it's expensive and limiting.

Please consider us and provide us with a decent cable broadband connection.

Kind regards

Section 40

Section 40

[Shortlisted for the North West Insider Property Awards 2016 – Architect's Practice of the Year](#)

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Response to consultation questions raised

1 message

Section 40

28 March 2016 at 14:20

To: broadbandusoconsultation@culture.gov.uk

Replying in an individual capacity to the consultation questions raised.

Q1:

Do you have any concerns about the approach that has been set out here?

A1:

Yes. Instead, be straightforward and go for one simple "SMART" primary legislation objective:

For example:

"Universal access to internet for all UK mainland premises with a min. of 2Mbps upstream access and 40ms response time by end of 2018 provided (with documented few exceptions) to the premises within 12 working weeks of placing an order with the service provider".

Q2:

Yes, speed should be specified in the primary legislation -
See answer to Q1 above

Q3:

Re OFCOM responsibility. Government retain responsibility and charge OFCOM to manage and report progress and updates, problems and barriers to a Government committee on a six month basis.

Best wishes,

Section 40



Consultation response

1 message

Section 40

7 April 2016 at 14:34

To: broadbandusoconsultation@culture.gov.uk

The consultation questions are:

Questions Q1: Do you have any concerns about the approach that has been set out here?

Q2: We do not propose to specify speed in primary legislation. Should speed be specified in primary or secondary legislation?

Q3: In terms of giving the Secretary of State a power to direct Ofcom to review the USO, should Government have a continuing role in the USO, or should this be a matter for Ofcom?

Our response to the consultation is as follows:

Q1 : We have no concerns

Q2: Speed should be specified in secondary legislation

Q3: The Government should have a continuing role in the USO

Many thanks

Section 40

Q3:



Virus-free. www.avast.com



Response from Ideford Parish Council

1 message

Section 40

17 April 2016 at 19:43

To: broadbandusoconsultation@culture.gov.uk

Cc: Section 40

I am responding to the consultation on broadband provision and the Universal Service Obligation (USO) on behalf of Ideford Parish Council in Devon. We are a rural community in the Teignbridge District council area of Devon. I am the lead councillor looking at Broadband for the community of 400 residents and 178 properties spread over a main Village and 4 hamlets.

Our current telephony /broadband is provided by Openreach from three different exchanges with the area of 147 properties receiving average download speeds of less than 1 Megabyte per second.

We are the only area in the UK not to have a current Phase 2 contract and confirmed BDUK funding under the Connecting Devon and Somerset Scheme and that the situation is so bad that we are currently looking at self-help or co-funded solutions with no Government or BDUK support.

Therefore in relation to provision of Superfast Broadband, we are in dire need of further assistance and legislation to help our community; but in relation to the questions in the consultation, our responses are as follows:

1. Do you have any questions about approach set out here?

OFCOM to look at key factors that will design the Universal Service Obligation and to oversee it moving forward to ensure provision and maintenance of infrastructure accountability.

You need to provide a definition of functional internet access – The electronic communications USO 2003 needs to be updated. Failure to do so would allow ISPs to continue to sweat aging infrastructure on the grounds it meets “functional internet access”

You are not proposing to specify minimum speed, quality or other detailed criteria in the USO, concern with that is that ISPs would not be held accountable and could argue that areas are adequately covered but users are choosing not to take up a contract with a provider (For example this could be due to expensive options in less affluent areas)

2. Speed will not be specified in Primary Legislation – should it be?

We need appropriate minimum standards - 2 Mbps, 10 Mbps, 24 Mbps – what is it? Need to set a baseline requirement. In all the recent DCMS and Parliamentary coverage we here reference to all or some of these figures.

Consideration should also be given to upload as well as download speeds (Asymmetric v Symmetric)

Statistics are easily manipulated and it is not clear of the definitions between properties served or passed.

You will pump money into areas that already have 24 + Mbps whilst ignoring those with less than 2

You have just introduced a minimum and living wage to set a consistent standard, why can you not do

that for a minimum speed for broadband? This would prioritise the currently severely disadvantaged areas.

3. Should Government remain engaged with the USO or leave it to OFCOM.

The USO should be reviewed regularly, especially as technology advances

Legislative oversight should be strong until 100% of the UK achieves the minimum standard

Thereafter OFCOM could drive continued improvements.

If Government is putting a USO in place it should stand behind it.

I hope these comments assist the consultation and that we can see some change and improvements to assist communities like ourselves.

Section 40

Ideford Parish Council

 admin@gardnerandhill.co.uk.vcf
1K

**FW: Response to government consultation on Universal Service Obligation**

1 message

Section 40

18 April 2016 at 19:18

To: broadbandusoconsultation@culture.gov.uk

Cc: Section 40

I have pleasure in submitting our responses to the three questions raised in your USO consultation.

I am submitting this on behalf of three organisations:

1. Wansdyke Ltd, a telecoms consultancy advising on community broadband and mobile connectivity solutions across the UK

Section 40

2. Kelston Community Network CIC

Section 40

3. Herefordshire Community Networks CIC

Section 40

Q1: Do you have any concerns about the approach that has been set out here?

In principle we believe that the approach is sound and appropriate. We would like to comment as follows:

1. We note that the current expectation of the expected USO footprint remains quoted in terms of number of premises (residential and business) equating to 4% of the country, including 0.5 million in rural locations and 100,000 in remote rural locations — or approximately 2.5% but the end of 2017. We believe this figure to be an understatement in that availability of broadband even below the 2Mbps USC is a not uncommon circumstance today, even in areas marked as 'fibre enabled' in BT commercial areas. We would suggest that the footprint should be stated in terms of landmass
2. Although the suggested approach is technology agnostic, after the initial reference to 4G services provided by the mobile operators we perceive the approach to be interpreted in terms of fixed line broadband. We believe 4G services have a role to play in the USO, not only in terms of delivery of service but also in terms of the mobile operators contribution to the funding of solutions. A quick calculation using a BT/EE tariff to provide a user with the average monthly data download reported last year by OFCOM (112 GB per month) gives a usage charge of approaching £10,000. Hence any USO scheme needs to consider the affordability of service as well as affordability of connection.
3. We would suggest that Secretary of State be given powers to instruct OFCOM to specify the USO in terms other than download speed. We recognise that OFCOM, in its work with Actual Experience Plc, <https://www.actual-experience.com/>, recognises there are many factors other than download speed which affect the user's experience of his or her broadband connection. As in 2 above, we believe that cost of serviced needs to be factored in to the definition of USO. Hence we would like to

see effort being put into a measurable benchmark system, monitored by OFCOM, where the user's broadband experience is measured against a defined standard which, unlike the Actual Experience model, uses measures which are not dependent on the service quality of third party servers such as Netflix, BBC iPlayer etc. and which take into account both connection and usage costs

Q2: We do not propose to specify speed in primary legislation. Should speed be specified in primary or secondary legislation?

We believe that secondary legislation is probably the only viable long-term approach.

1. However, as explained in our response to Q1, we feel that measurement of download speed solely is a far too simplistic measure, and that a benchmarking system including both performance experienced and affordability needs to be part of the secondary legislation

Q3: In terms of giving the Secretary of State a power to direct Ofcom to review the USO, should Government have a continuing role in the USO, or should this be a matter for Ofcom?

Provided that OFCOM is directed to consider all aspects of the USO and not simply download speed — as explained above — we have no objections to the suggested approach

Regards

Section 40

 **Broadband_Universal_Service_Obligation.pdf**
204K



Broadband in the rural community

1 message

Section 40

9 April 2016 at 22:20

To: "broadbandusoconsultation@culture.gov.uk" <broadbandusoconsultation@culture.gov.uk>

As a resident in the Parish of Combe Fields, a Parish near Coventry in the County of Warwickshire some 1.5 miles from junction 2 of the M6 I would like to respond to the consultation on broadband in the rural community.

The consultation questions are:

Questions Q1: Do you have any concerns about the approach that has been set out here?

Q2: We do not propose to specify speed in primary legislation. Should speed be specified in primary or secondary legislation?

Q3: In terms of giving the Secretary of State a power to direct Ofcom to review the USO, should Government have a continuing role in the USO, or should this be a matter for Ofcom?

Q1: I believe that anything which ensures rural communities get equal opportunity for access to broadband is a good step. Internet access is becoming a mandatory service that households require to access modern services, such as streaming catch up TV and social media, but more important is the necessity to support flexible working. As a resident living in a BT 'white area' with no prospect of receiving broadband >10Mb area I am currently unable to work from home, as the majority of my colleagues do, due to the low speed of internet access available to me – I cannot remote access the company servers to allow me to perform the required tasks.

As a small rural parish we are not large enough to demand broadband provision, but nearly 50% of residents are self-employed and work from home under great difficulties.

We have investigated other means of broadband supply but they are either unavailable in our rural setting or prohibitively expensive - the current rollout plans for broadband show our community as being in the 1% who will not receive any benefit from this, even though we are only just outside Coventry.

Q2: based on the paper I do not believe the minimum speed should be set in primary legislation as this may prevent the set level from being updated as technology inevitably develops.

Q3: I am not clear of the benefit of government or Ofcom having a role in the USO, so cannot comment on this question.

Thank you for your consideration.

Kind regards,

Section 40

Resident of Combe Fields Parish, Warwickshire

Section 40



Response to Consultation

1 message

Section 40

10 April 2016 at 12:27

To: broadbandusoconsultation@culture.gov.uk

Cc: Section 40

Q1: Do you have any concerns about the approach that has been set out here?

Yes, roll out of high speed broadband has been talked about now for years and several times we have been assured that we would get the service in our rural area. Nothing has happened except the date has been put off or back every time. I run a small business and in order to compete I need access to high speed broadband. I need to access several services run by companies that are building applications which rely on high speed access. Trying to use them on slow broadband services is VERY time consuming and frustrating. Either stop companies building these business services which rely on high speed access (probably impossible) or give us access to high speed broadband to be able to use them.

Q2: We do not propose to specify speed in primary legislation. Should speed be specified in primary or secondary legislation?

Yes, speed should be specified as soon as possible. In today's world 2MB access is almost useless. 10MB UPLOAD is what is required at a minimum.

Q3: In terms of giving the Secretary of State a power to direct Ofcom to review the USO, should Government have a continuing role in the USO, or should this be a matter for Ofcom?

Someone needs to keep Ofcom working towards an accepted goal. Leaving them to regulate themselves is not helpful.

Section 40



Harewood Ward - superfast Broadband

1 message

Section 40

11 April 2016 at 08:28

To: broadbandusoconsultation@culture.gov.uk

I am a residential consumer living in Wherwell. I understand that the 5% of the country who will not be receiving superfast broadband includes the ward I live in. This is hugely disappointing:

- I do not believe the leaving 5% of the country out of superfast broadband is an acceptable figure
- There are a disproportionate amount of people living in this ward who are either elderly or have young families - we will be significant users of the service
- The ward is based in Hampshire, between Andover and Winchester, just off the A303. It is not a remote area and existing infrastructure is already well established

I request that you look again at the map and population characteristics of the roll out, and reconsider the decision for the Harewood ward and surrounding areas.

Yours

Section 40



Broadband speed

1 message

Section 40

10 April 2016 at 13:50

To: broadbandusoconsultation@culture.gov.uk

Dear Sirs

I purchased a house in Dundry, S40 in January 2012 which is less than 1 mile from the Bristol boundary. At the time we were informed by BT that the current poor broadband (0.5 to 1 Mbps) would be upgraded in March 2013. This did not happen, they say, because the local box needed upgraded power supply and this was too expensive. There are now no plans for BT to upgrade in our area.

Every day we see large advertisements from BT and Virgin etc. for super fast broadband, spending millions which could be spent on installing a better connection. This is very frustrating to those of us who do not have access to such a network.

Please help.

Regards

S40

--

 Please consider the environment before printing this.



Broadband USO Consultation

1 message

Section 40

26 March 2016 at 17:23

To: broadbandusoconsultation@culture.gov.uk

For the record I am a resident living 800 yards outside the centre of Cammeringham village in Lincolnshire,

Section 40

I moved here from London when I retired in 2005. In London I enjoyed Telewest Cable, the successor to Cable London with which I had my original contract. I took basic cable TV, telephone landline and 256Mb broadband initially, circa 1993, and within a year had added a second telephone line. By the time I left London I had been enjoying 1Mb broadband for a year or more and I found that service adequate for my needs at the time although when there was an outage due to fault or incident it could take up to 7 days for Telewest to localise and repair the fault. I noted at the time that Telewest was always reluctant to entertain fault reports until there were further corroborating reports from other customers in the same area. Thus the cable services and specifically broadband were very good but they were not excellent.

Upon relocating to Cammeringham and ordering a BT landline the only choice of broadband service was 256kb dial up. I could choose from many ISPs but of course their services were all carried by the same BT cable and equipment, indeed all the way to London where the ISP I selected had its equipment co-located, my ISP being based in Ipswich. I had to wait about a year or so before BT upgraded Scampton exchange for basic ADSL service and as soon as it became available I switched to it. The ISP was very good with excellent support when required but getting broadband faults resolved could be difficult as they were handed over to BT Openreach and finding out exactly the causes of a fault and what was done to resolve it was difficult. The ISP served me well for many years until it began to lose customers wholesale as better alternative services became available to them. At this point I should say that I had a solid 4Mb landline connection to Scampton exchange regardless of the broadband speed.

While still served by my ISP I became aware of a local radio broadband service and decided to try it for a year alongside my landline ADSL service. The WISP offered a guaranteed 10Mb minimum download service which I enjoyed for about three months before it was raised to 40Mb just before the company began an expansion programme.

The service was excellent and I had a great rapport with technical support initially, unfortunately as the company began to expand it got into technical difficulties and for several months I had no radio broadband service at all but was still paying the monthly subscription. Inevitably the WISP folded after being unable to resolve the technical difficulties and Quickline took over the existing radio broadband network.

I was with Quickline for about three months but was dissatisfied with the available 10Mb service at the same price that I had been getting 40Mb for previously and also issues with fault resolution. Specifically a fault would cause an outage but the only way to restore service was to ring technical support which was very inconvenient and annoying as I am a 24/7 internet user and expect self restoration when a fault is cleared.

I signed up to BT ADSL in 2013, cancelling my broadband services with both Quickline and the ISP in Ipswich. I fully expected that by 2015 at the latest I would be able to enjoy BT Infinity, I had seen the OnLincolnshire plans for my area which initially planned to provide high speed internet service by late 2014 but which was subsequently put back. I carefully watched the council planning webpages and noted where the new DSLAM cabinets were being installed, it was quite obvious (I spent 35 years in communications, the first six of which were spent as a PO Telephones engineer) that even though the fibre optic cable was passing right through the village it was not to be served. Our village does not have a telephone cabinet, that is two villages south at Aisthorpe about halfway between Scampton exchange and Cammeringham village. Scampton Cabinet 2 is enabled but it is a useless three kilometres from my front door by cable route. The fibre optic serves two cabinets in Ingham village north of Cammeringham and Scampton Cabinet 1 there is only two kilometres from my front door, such is the distribution of the original telephone network.

When I quizzed OnLincolnshire regarding the bypassing of Cammeringham as far as high speed internet was concerned I got no satisfactory answers really, I was simply told that BT determined what was to be done for the area based upon the financial grant. Ingham parish council recently reported that BT Infinity was no longer available to new residents and my assumption is that the available DSLAM equipment has reached

capacity. OnLincolnshire told me just a few days ago that it can do nothing more with regard to high speed internet in my area, its hands being tied because West Lindsey District Council have invested in Quickline radio broadband and those holding the purse strings will not entertain a landline investment in an area where an alternative provision is in place.

I would hope that BT will see some commercial value in planting telephone and DSLAM cabinets in the middle of Cammeringham village, possibly when providing additional capacity to Ingham village and I have written to BT to that effect but I am not holding my breath. There is nothing special about 2Mb broadband, in fact the ADSL connection here is quoted at 1Mb to 1.5Mb but I have to be honest and say that I get better than 2Mb, closer to 2.5Mb on average, while my neighbour across the road served from the same cabinet and same DP gets half that on a good day. I used to get better than 3Mb here until the trouble began after the Infinity rollout in the area, the service has been about 1Mb less ever since. Back in September 2014 my broadband became intermittent and after reporting the problem it took a succession of visits from BT Openreach engineers and until February 2015 to get the service I have enjoyed since. Following that experience I have had a Sam Knows white box monitoring my service as it is useful evidence of the provided service.

So as, I see it, as far as high speed internet provision is concerned I was shafted once because Cammeringham did not figure at all in the OnLincolnshire rollout. I was shafted a second time when WLDC decided to opt for radio broadband with a WISP that I have already used and rejected. It looks as though I will be shafted again because the DCMS voucher scheme won't apply to me on the grounds that I already have 'basic' broadband. I do not regard 2Mb as basic, particularly as I enjoyed 1Mb more than a decade ago and have seen as much as 40Mb at my present location. What I want is a BT Infinity service, I would love a Virgin Media fibre optic 50Mb service but Virgin has no network in my area, as BT has infrastructure here it shouldn't be a problem but it seems that it is!

I believe that the government should be looking at gigabit internet now, instead of the short term approach that seems to blight any and all projects that UK governments of both persuasions have been taking for decades. 2Mb is a joke, it would be fine if new broadband services were not swallowing the bandwidth wholesale but on 2Mb one notices the congestion when certain events are broadcast online, in this day and age I'd have said an absolute minimum speed should be 20Mb and I have no doubt that, that will be too slow within a decade!

As to the specific questions asked in the consultation;

The way I see it the existing government investment in broadband provision has been mishandled, instead of cabling entire rural areas, there seems to have been a lot of cherry-picking, the high speed broadband map of Lincolnshire county resembles a Swiss cheese. To be honest I think the government and the politicians at all levels care little for me or the many thousands of others like me who have retired to nicer parts of the country but have ever increasing needs for a decent and reliable high speed internet at a competitive and affordable price. It is very frustrating to see BT advertising 40% discount deals where what is being offered is simply not available.

I believe that a minimum broadband speed should be specified in the USO primary legislation as a clause that the speed will be reviewed every few years and updated as necessary.

I'm not at all certain that Ofcom is as fit a body as it should be for the role that it has today, like many regulators it seems to have few teeth and chooses not to exercise those that it does have too often. It has done little or nothing that has been successful in stopping annoying and irritating calls from all sorts of legal hawkers and peddlers of financial recovery services. The government should definitely maintain a continuing role in the USO.



Department
for Culture
Media & Sport

BroadbandUSOConsultation Mailbox
<broadbandusoconsultation@culture.gov.uk>

broadband

1 message

Section 40

17 April 2016 at 16:36

To: "broadbandusoconsultation@culture.gov.uk" <broadbandusoconsultation@culture.gov.uk>

I am currently in rural Sicily, Italy on holiday and have had much faster broadband here (10+ Mbps) than I do at home in Devon, UK (< 1.5 Mbps).

30 mbps should be available to all: if not please reduce my tax accordingly. I and many others are fed up with the lies, misinformation and incompetence of BT, CDS and BDUK.

Section 40

[Sent from Yahoo Mail on Android](#)



Re slow broadband

1 message

Section 40

30 March 2016 at 14:50

To: broadbandusoconsultation@culture.gov.uk

I live in Foulden New Mains in the Scottish Borders. Our current broadband speed is 0.75 in the evening when all our neighbours are in up to a maximum of 1.78 during the day. The recent upgrade to fibre has and will not make any difference to us as we are at the end of a copper wire 4 miles from the Paxton exchange . BT have met with us and the MP saying they will never replace this line as it is not cost effective. This lack of reliable service is a serious problem for our community. We have 2 small businesses and we are both Gps that run a small rural surgery. During the day our day is so full of clinical work that we do not get time to do our emails , read essential attachments and do learning modules .

S40

S40

We obviously also work on the Internet the weekends and normally before we leave for work at 7.30 am. This is now becoming more problematic because at 0.75 you cannot even reliably open a web page. The speed has dropped a lot recently as we have a new neighbour who streams a lot of data and we are after him on the line. My broadband provider Plusnet will not do anything to help. In the last few weeks when we have had important emails etc we have had to drive to work (46 mile) round trip just to get reliable internet. We have also stayed later or gone in for 7am . We could see less patients and do our internet during the day but we pride ourselves on the quality of care we offer and good personal access. A recent national survey put is in the top 1% of practices.

S40

S40

This situation is incredibly stressful never knowing if the Internet will work . They is no option of 4G internet. I tried it but it would not work. I only live 7 miles from a major town Berwick-upon -Tweed and 400 m from a main road the A6105 it is not in the middle of nowhere. I do not think in modern society internet is a luxury it is an essential service to participate in modern life and education. I feel very discriminated against just because BT choose to connect us to Paxton with a Berwick number down old not upgraded infrastructure we cannot have a service. I am really desperate for some help. I connected the digital Scotland service . They will not help as they say I can access fibre via Paxton . As I explained this does not help us at all. I am not bothered about steaming or social media (I never get time) but I need it for my medical work

Yours with Thanks

S40

Sent from my iPhone



Snettisham PC response to broadband consultation

1 message

Section 40

7 April 2016 at 15:48

To: broadbandusoconsultation@culture.gov.uk

Dear Sir,

Council met last evening and approved the following response:

1. Council has no objection to the approach outlined.
2. Specifying speed in secondary legislation would seem to allow greater flexibility.
3. Council believes HMG should have a continuing role as this would increase democratic accountability.

With kind regards

Section 40



Response to Consultation

1 message

Section 40

19 April 2016 at 17:30

To: broadbandusoconsultation@culture.gov.uk

Our response is as follows:

1. No
2. Specify a minimum of 10 megabits
3. Ofcom subject to them having sufficient authority to ensure the implementation of the required minimum standards for delivery.

Section 40

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Broadband Speeds

1 message

Section 40

30 March 2016 at 21:51

To: "broadbandusoconsultation@culture.gov.uk" <broadbandusoconsultation@culture.gov.uk>

As a resident in Suffolk with extraordinary slow broadband, coupled with an erratic service due to an outdated and dysfunctional delivery method I am fully supportive of everyone receiving broadband of minimum speeds.

The focus should be on rural areas where we are struggling to keep up with our businesses, our children doing online homework, and constant problems with our telephone and broadband connections.

Until Open Reach is prepared to extend super fast broadband speed capabilities, those of us in rural Suffolk are despairing every day

Any help is appreciated. Actual response and action would be amazing!

Section 40

Sent from my iPad

Limited (Registration No. 2906991), Sky-In-Home Service Limited (Registration No. 2067075) and Sky Subscribers Services Limited (Registration No. 2340150) are direct or indirect subsidiaries of Sky plc (Registration No. 2247735). All of the companies mentioned in this paragraph are incorporated in England and Wales and share the same registered office at Grant Way, Isleworth, Middlesex TW7 5QD.

----- Forwarded message -----

From: [REDACTED] Section 40
To: [REDACTED] Section 40
Cc:
Date: Tue, 19 Apr 2016 10:54:31 +0000
Subject: USO

Dear [REDACTED] Section 40

Thank you for your time on Monday. As discussed, given that the DCMS consultation is focused on the process of establishing a broadband universal service obligation, rather than the substance of such a policy, Sky does not plan to submit a full consultation response. Nevertheless, we do have some short observations to make in relation to the consultation.

DCMS is proposing to bring forward primary legislation which will in turn enable additional secondary legislation to be passed that will set (and, presumably in the future, amend) the framework and characteristics of a broadband USO. Sky has no particular objection to this approach at a high level, although without sight of the proposed draft legislation it is impossible to comment on whether it will achieve DCMS's objectives in a proportionate manner, without any unintended consequences.

Sky is firmly of the view that detailed engagement with industry is crucial to establishing a workable USO that does not distort the market. While we will engage in full with Ofcom's call for input (and would be happy to share our response with Government), there will still be a need for further consultation when DCMS brings forward secondary legislation on the basis of any Ofcom recommendation. Similarly, it is critical that any "enabling power" DCMS proposes includes a sufficiently high threshold for further future changes via secondary legislation - by, for example, stipulating that the Secretary of State (or, accordingly, Ofcom) must consult on any notice or order he/she issues in relation to future amendments to the USO such as a change in speed, affordability or other characteristic of the framework. This approach will be crucial to ensuring that, both now and in the future, industry has the opportunity to provide evidence and views on how the USO should operate and evolve.

Sky looks forward to further engagement with DCMS and Ofcom on this issue.

Best,

[REDACTED]
Section 40



Lochdon - Isle of Mull - Individual Customer

1 message

Section 40

24 March 2016 at 11:45

To: broadbandusoconsultation@culture.gov.uk

Dear sirs,

It appears that the Craignure Telephone Exchange has now been updated to fibre. The exchange itself is physically located in Lochdon (some three miles from Craignure). A new roadside green box has been installed in Craignure and I know several households that are now connected to superfast broadband.

It would also appear that every house in Lochdon is connected to the Craignure Telephone Exchange via an 'Exchange Only' line, and therefore we are unable to be connected to the new, faster, service. We all have a Lochdon PostCode - namely [REDACTED] S40 [REDACTED]. There is one household I know that has a Craignure PostCode, is just 250 metres from the green box, but is connected to Craignure Telephone Exchange via an EO line; they cannot get superfast broadband either.

It is particularly galling that my house is just 50 metres from Craignure Telephone Exchange!

There seems to be no promise of anything better in the near future.

Kind regards,

[REDACTED]

Section 40

Consultation

1 message

Section 40

12 April 2016 at 07:22

To: "broadbandusoconsultation@culture.gov.uk" <broadbandusoconsultation@culture.gov.uk>

I am responding as an individual who also works from home about two days per week.

Our broadband is currently delivered vis out telephone line, broadband performance is overall very poor and we are limited to what we can use it for. Normal activities like downloading from the internet can sometimes be impossible and viewing is frequently interrupted as the line drops.

When I work at home, I have to plan what I can do at home rather than do what I am required to do, leaving anything that requires a good internet connection until I'm in the office.

I think plans to upgrade to a minimum of 10 MB would be a huge step forward although I fear that if we leave it in the control of the providers (BT here) we will always lag behind. My view is that they are not interested in providing a decent reliable service to the rural community.

Regards,

Section 40



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Section 40

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Broadband supply rural communities

1 message

Section 40

13 April 2016 at 17:53

To: broadbandusoconsultation@culture.gov.uk

Dear sirs,
reference the consultation on Boardband supply to rural communities.
There should be a mechanism which would facilitate the installation of fixed broadband supply.
The satellite option is not suitable for all and results in a monopoly situation, where supplier cannot be changed easily.
Fixed Boardband installation should be an obligation of supply. Whether customers contribute to the cost is a question, but since the telephone companies will have the supply buttoned up for the future, they can recover the costs long term. Such a policy would increase employment and rural enterprise.
regards

Section 40



Broadband USO Consultation

1 message

Section 40

30 March 2016 at 18:46

To: broadbandusoconsultation@culture.gov.uk

Questions

Q1: Do you have any concerns about the approach that has been set out here?

Response:

A USO is essential, the BTUK projects has been a success, but only for those Citizens that live within Metropolitan catchments, where BT (who have won the majority of the BDUK contracts - thanks to their monopoly of scale) have successfully milked the project and snatched all the low hanging fruit, concentrating FTTC (Fibre To The Cabinet), within the large catchment areas, and concentrating the benefits of VDSL onto homes & business who may already have had a perfectly serviceable ADSL level of service.

Those of us in purely rural areas, or small hamlets catchments are still waiting with little better than dial up speed performance, demonstrating that the USC of 2Mb that was offered on winning the BDUK contracts, has not been adhered to.

Establishing a USO will ensure that citizens in this predicament, will also enjoy the benefits of investments made that others already have.

A note of caution, the USO must specify that it applies to traditional ground based, fibre, or LTE / wireless solutions, at equivalent costs & bandwidth capabilities to those enjoying super & ultra fast speeds in the larger catchments areas.

Ergo, the cop out of pushing Sattelite solutions at the consumer who currently receives telephone and sub-standard ADSL speeds, as a way of meeting the USO commitment should not be allowed as an option to the Suppliers.

Sattelite is very expensive compared to VDSL solutions (advertised to those that can receive them on our televisions every day). Satellite based broadband, has severe limitations in the form of down load allowance and with this speed step reductions, therefore Satellite solutions are a poor substitute compared to a land based solutions. Not least, the very long latency associated with the transmission and receipt of information to and from the Satellite, make the solution unsuitable for permanent home and business connections.

Therefore ' Satellite' should be excluded as an Option to meeting the USO, for all but very exceptional cases, or where temporary access is required by a consumer.

Q2: We do not propose to specify speed in primary legislation. Should speed be specified in primary or secondary legislation?

Response

A minimum acceptable speed should be in Primary Legislation. However, it should be clear that this is a minimum level of speed that would be acceptable to the USO as an initial starting point - and will climb in line with National performance, as infrastructure and technical advances increase the 'average' national speed, the minimum USO should increase alongside and in step with the National average . Thus ensuring that those on the periphery are kept in step and no longer 'left behind' by technical advances.

Q3: In terms of giving the Secretary of State a power to direct Ofcom to review the USO, should Government have a continuing role in the USO, or should this be a matter for Ofcom?

Response

The Government should maintain & write into primary legislation, the methodology of setting the initial USO and ensuring it is reviewed and 'updated' annually (as previously stated) with oversight and right to audit.

OfCom have too often demonstrated that they are ineffectual, especially in their dealings with the monopoly incumbent - BT.

OfCom cannot be trusted to maintain the objectives of the USO, unless they have clear and unbreakable rules to follow in the future.

If OfCom cannot or will not agree to this - then the Government should maintain the supremacy over this piece of legislation.

On a final note - a USO cannot be set too soon - for far too long, as previously mentioned, those seen as un-economic to receive this basic modern utility, have waited while those around them have experienced the renaissance the modern Internet brings to Family, Homes & Business', this is especially true for those serving the Country in our rural (food producing) areas.

Section 40



Response to Consultation

1 message

Section 40

20 April 2016 at 20:56

To: broadbandusoconsultation@culture.gov.uk

In responding to the consultation here are the responses from Flamstead Parish Council:

Q1: We have no concerns about the approach that has been set out.

Q2: Speed should be specified in primary and secondary legislation.

Q3: Yes to the Government having a continuing role in the USO and having someone to champion it would be even better.

A further comment was made that all new build properties should have broadband installation as standard.

Kind regards

Section 40



Poor Broadband in Mellor, Stockport

1 message

Section 40

17 April 2016 at 12:27

To: "broadbandusoconsultation@culture.gov.uk" <broadbandusoconsultation@culture.gov.uk>

Please improve the broadband capability in my area. I am a small business developing websites for other small businesses. I have also customers in Sweden, Greece, Bulgaria and Albania and at the moment have to use a hosting service managed by Fasthosts Ltd. to achieve the network performance levels I need.

Kind regards

Section 40



Department
for Culture
Media & Sport

BroadbandUSOConsultation Mailbox
<broadbandusoconsultation@culture.gov.uk>

Broadband

1 message

Section 40

13 April 2016 at 11:22

To: broadbandusoconsultation@culture.gov.uk

Hi

I have no realistic access to broadband at my home. BT can offer me 1mbps at best!!! Is this rally good enough for 2016 in the middle of Kent? I have to use mobile tethering and at the moment I am paying about £60 per month for 30gb plus three iphone contracts.

Regards

Section 40



A new Broadband Universal Service Obligation Consultation: response from Shropshire Council

1 message

Section 40

18 April 2016 at 09:15

To: "broadbandusoconsultation@culture.gov.uk" <broadbandusoconsultation@culture.gov.uk>

Cc: Section 40

Section 40

FAO Digital Economy Unit Re: Broadband USO Consultation

This response is provided on behalf of Shropshire Council, via S40 Rurality and Equalities Specialist. The details for the technical lead officer, S40 are given at the foot of this response.

Deadline is 11:45 Monday

<https://www.gov.uk/government/consultations/broadband-universal-service-obligation>
Broadband Universal Service Obligation – Consultation Response from Shropshire Council

Summary

- Shropshire is a sparsely populated and predominantly rural county, where no area is uninhabited but where all inhabitants expect equitable access, online or otherwise, to facilities and services. With just under one person per hectare (0.96 persons; 310,000 population; source ONS mid year estimates 2014), for a terrain covering 319,736 hectares, the county size is approximately ten times that of all Inner London Boroughs (31,929 hectares; source ONS Census 2011) but with less assured connectivity.
- High transport costs and service delivery costs arise accordingly, given distances to be travelled not only for households to physically access employment, education, health, shopping and leisure opportunities but also for providers of services to households e.g. social care, and significantly to businesses operating in rural locations, particularly home based entrepreneurs, SMEs and the land based businesses.
- Fast and reliable digital connectivity is no longer deemed a luxury, but an essential and vital component and enabler for all residents and businesses. Without access to fast and reliable broadband Shropshire will continue to be disadvantaged economically and socially.
- The Council sees digital connectivity as a key policy to supporting economic growth and to supporting the resilience of communities and individuals in a challenging financial environment. For all communities, the absence of assured connectivity continues to have adverse impact.
- Despite significant investments by BDUK, the Authority and Partners it is inevitable that some premises will not be connected to superfast broadband within the current phases of work. As such, Shropshire welcomes the creation of a broadband Universal Service Obligation (USO) to provide residents and businesses with assurances on service provision.

Note: the information that Shropshire Council is providing very much complements and emphasises points already provided to the BIS Select Committee Inquiries into the Government's Productivity Plan and into the Digital Economy, as well as to the CMS Select Committee Inquiry into "Establishing World Class Connectivity throughout the UK". The context above accordingly includes extract text from the CMS Select Committee Inquiry.

Key Request to Government

- Shropshire Council calls on the Government to legislate for the USO's minimum speed to be reviewed at appropriate intervals and upgraded when necessary to reflect the needs of users as well as the capabilities of the market. A speed of 10 Mbps will quickly become outdated with the

increasing requirements of technology and consumer demands.

- A USO should be set with a service specification that provides residents and businesses with adequate and reliable speeds. The specification should provide for 'digital by default' public services at peak times.
- Connections provided under the USO should be independently monitored to ensure the standard is being achieved.
- We would encourage the Government to consider a split obligation between download and upload speeds at a ratio of 4:1 minimum in order to address the critical business need and function of data upload speeds.

Do you have any concerns about the approach that has been set out here?

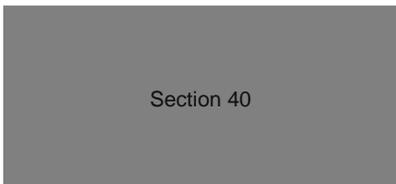
- Residents will have a right to request a 10Mbps service that is "affordable". The usual, definitional difficulties associated with affordable spring to mind as an immediate problem. How many alternative technologies would pass this test and will a rate of affordability be set nationally or locally (to reflect the expense incurred in Shropshire).
- The response to a request must be "technology neutral" and should be 'supplier neutral' but also must be delivered by "the most cost effective means possible". If a property is not in any commercial or intervention build plans, how is a satellite solution of 10Mbps going to be cost effective at a household level?
- It is important that the Government specify appropriate criteria for the reliability, latency and quality of a connection. To be useful to residents and businesses, broadband needs to enable them to conduct their online activities during peak hours.

We do not propose to specify speed in primary legislation. Should speed be specified in primary or secondary legislation?

- The Government needs to be clear on its long-term plans to build flexibility into the speed definition? Opting for secondary legislation may allow for this. 10Mbps by 2020 is immediately seen as a short term aspiration which will need revising upwards by 2025 as a fixed USO speed will quickly become outdated with the increasing requirements of technology and the needs of businesses and households
- At the very least, a definition within the legislation needs to be considered for a minimum USO speed and connection. This should have a specification that allows residents and businesses to reliably access public sector services which are "digital by default," at peak times.

In terms of giving the Secretary Of State a power to direct Ofcom to review the USO, should Government have a continuing role in the USO, or should this be a matter for Ofcom?

- The Government should retain overall responsibility and veto over Ofcom who should retain the regulatory role.
- The Government have a natural ambassadorial role for the UK's digital economy and should align its digital strategy with the USO.



Section 40

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----- Forwarded message -----

From: [redacted] Section 40
To: [redacted]
Cc: [redacted] Section 40
[redacted] Section 40

Date: Wed, 6 Apr 2016 11:46:59 +0000
Subject: FW: The Digital Connectivity Sounding Board - Government Consultation responses

Hello [redacted] S40 – please see my comments below regards the USO proposal.

I have asked our Planning Officers for comments on the Mobile and Electronic Communications code regulation changes by Tuesday of next week. I have confirmed this timescale with [redacted] S40 at DCMS.

You will know from our previous conversations that Shropshire is severely impacted by poor infrastructure connectivity and feels disadvantaged. Any legislation changes that improve the position would be supported provided it balances the rural sensitivities of our county with a pragmatic consultation process. The key here is that the infrastructure developers comply with the revised policy and at the same time are proactive with the consultation activity with our planners.

Regards

[redacted] S40

From: [redacted] Section 40
Sent: 04 April 2016 12:49
To: [redacted] Section 40
[redacted] Section 40

Subject: [CAUTION] The Digital Connectivity Sounding Board - Government Consultation responses

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Dear colleagues,

Over the past six months I have, at some point, spoken with you to utilise your expertise and experience on digital connectivity. Thank you for your input so far! You have also kindly said you would be happy to be consulted on the work the LGA carries out in this area in future including our responses to Government consultations.

I am emailing today on three consultations the Government has recently released:

- [Broadband Universal Service Obligation](#)

Q1: Do you have any concerns about the approach that has been set out here?

- Residents will have a right to request a 10Mbps service that is “affordable”. The usual, definitional difficulties associated with affordable spring to mind as an immediate problem. How many alternative technologies would pass this test and will a rate of affordability be set nationally or locally (to reflect the expense incurred in Shropshire).
- The response to a request must be “technology neutral” and should be ‘supplier neutral’ but also must be delivered by “the most cost effective means possible”. If a property is not in any commercial or intervention build plans, how is a satellite solution of 10Mbps going to be cost effective at a household level?

Q2: We Do not propose to specify speed in primary legislation. Should Speed be specified in primary or secondary legislation?

- The government needs to be clear on its long-term plans to build flexibility into the speed definition? Opting for secondary legislation may allow for this. 10Mbps by 2020 is immediately seen as a short term aspiration which will need revising upwards by 2025.

Q3: In Terms of giving the Secretary Of State A power to direct Ofcom To review the USO, Should Government Have a continuing role in the USO, Or should this be a matter for Ofcom?

- Yes. The Government should retain overall responsibility and veto over Ofcom. Ofcom to date have remained constrained and limited in instilling performance penalties on infrastructure providers.
- Electronic Communications Code regulations:
 - [Mobile planning changes](#)
 - Electronic Communications code regulations – fixed broadband (attached email)

We plan to respond to the Broadband Universal Service Obligation consultation on behalf of the sector. As timescales are tight, if you could please share any early thoughts you might have by Wednesday this week I would be most grateful. I’ll also look to give you a further opportunity to input once a first draft has been finalised. The deadline for the consultation is Monday 18 April.

On the much more technical ECC regulations consultations, we are liaising with the Planning Officers Society over their response. If you have any responses to these, please do let me know and I can pass them on.

Kind regards

S40



USO Consultation

1 message

Section 40

7 April 2016 at 15:32

To: broadbandusoconsultation@culture.gov.uk

I make this submission as an individual living less than 40 miles from the centre of London and still only 5 Mbps broadband speed **even after** BDUK intervention.

Q1: Do you have any concerns about the approach that has been set out here?

A1: The basic premise should not be about current demand but about future vision. Clearly access to such technology should be a given at each and every address in the UK. People who don't express interest eventually die - new people move in and want it but are prevented from getting it due to the apathy (or ignorance of others) and a lack of vision on the part of both Government and commercial operators.

Q2: We do not propose to specify speed in primary legislation. Should speed be specified in primary or secondary legislation?

A2: You discuss throughout the document a USO of 10 Mbps yet shy away from specifying a minimum speed. This will not progress the situation far enough. A minimum speed should be specified in both primary and secondary legislation to prevent operators getting away with fulfilling other criteria in preference to the minimum download speed criteria. Surely to cover the dynamics of change (10 MBps OK this year - 100 MBps necessary next year etc) a suitable form of words can be found to cover such a dynamic.

Q3: In terms of giving the Secretary of State a power to direct Ofcom to review the USO, should Government have a continuing role in the USO, or should this be a matter for Ofcom?

A3. The regulators are often made to look toothless. Government should maintain a role.

Kind regards

Section 40

Response

1 message

Section 40

28 March 2016 at 20:20

To: broadbandusoconsultation@culture.gov.uk

Having read your consultation document, I am concerned that your approach shows a lack of urgency for those areas struggling with grossly inadequate speed. It is no consolation that this is not the case in other areas.

I am a professional and the nature of my work is that I can do much of it from home – or rather, I could if I had any kind of decent broadband connection.

I had intended to semi-retire to West Wales, to a house bordering on Milford Haven: Milford Haven itself has had fibre broadband for some time. Although where I live cannot be described as ‘deep countryside’ where it might be expected that distances might create delay in providing a reasonable connection, BT have been unable to give any estimate of when fibre may be available, although I have been asking for this information now for many months.

Meanwhile, the connection from my home in S40 shows that over the last 6 months the average download speed has been 0.2 Mbps and the average upload speed has been 0.6 Mbps. It is impossible to conduct any kind of business activity that depends upon communications at these speeds. Compare this to the speeds at my London home, download of 49.37 Mbps and upload of 11.8 Mbps. Accordingly, I have no alternative but to remain in overcrowded London.

The other questions you ask are of relatively minor importance compared to this provided that if a minimum speed is not mentioned in primary legislation a statutory instrument is introduced promptly to provide this.

Regards,

Section 40



Response

1 message

Section 40

28 March 2016 at 20:20

To: broadbandusoconsultation@culture.gov.uk

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Meanwhile, the connection from my home in SA73 1DJ shows that over the last 6 months the average download speed has been 0.2 Mbps and the average upload speed has been 0.6 Mbps. It is impossible to conduct any kind of business activity that depends upon communications at these speeds. Compare this to the speeds at my London home, download of 49.37 Mbps and upload of 11.8 Mbps. Accordingly, I have no alternative but to remain in overcrowded London.

The other questions you ask are of relatively minor importance compared to this provided that if a minimum speed is not mentioned in primary legislation a statutory instrument is introduced promptly to provide this.

Regards,

Section 40



BroadbandUSOConsultation Mailbox
<broadbandusoconsultation@culture.gov.uk>

USO Consultation Response

1 message

Section 40

21 April 2016 at 13:08

To: "broadbandusoconsultation@culture.gov.uk" <broadbandusoconsultation@culture.gov.uk>

Loddon parish council wishes to make the following response to the consultation:

Q1 - There is no time scale; what is the delivery date for the Loddon area?

Q2 - Yes, specified as a minimum in primary legislation with regular reviews

Q3 - the Government should have a continuing role and the cost should be borne by the Government

Kind regards

Section 40

This message has been sent from Loddon Parish Council

Telephone 01508 522020

The Library Annexe, Church Plain, Loddon, Norwich NR14 6EX

The office is open to personal callers between 10am and 1pm on Tuesdays and Thursdays

If you have received this email by mistake, please disregard it and notify the sender immediately. Unauthorised disclosure or use of information may breach legislation or confidentiality and may be legal privileged. Emails sent from and received by Loddon Parish Council may be disclosed to other people under legislation, particularly the Freedom of Information Act 2000.

Unless this email relates to Loddon Parish Council business it will be regarded by the Council as personal and the sender will have sole responsibility for any legal actions that may arise. We do not accept any responsibility for the consequences of inadvertently passing on any virus. Email communications cannot be guaranteed to be secure or error free; anyone who communicates with us by email is taken to accept the risks in doing so.



Department
for Culture
Media & Sport

BroadbandUSOConsultation Mailbox
<broadbandusoconsultation@culture.gov.uk>

Faster internet access

1 message

Section 40

13 April 2016 at 20:46

To: broadbandusoconsultation@culture.gov.uk

Dear Section 40

I was dismayed to read of your intention to put more money into developing faster Broadband times.

I am oldfashioned; as far as I am concerned, the faster the internet, the faster the world goes and the faster old values disappear. I would exhort you to think of the poor and elderly who either do not understand or cannot afford internet access. Why don't you campaign instead for better information services in our local libraries?

With kind regards
Yours sincerely

Section 40



Broadband Universal Service Obligation

1 message

Section 40

28 March 2016 at 11:22

To: broadbandusoconsultation@culture.gov.uk

Good Morning,

Briefly, I'm a small business, heavily dependent upon broadband, living within sight of a BT exchange (about 4Km) on a farm at postcode [redacted] S40 just outside Glossop in Derbyshire. BT Wholesale and Openreach line-checker has shown my premises and phone lines "fibre enabled" for several years, despite my pointing out to them on numerous occasions, that as I'm actually 7 Km from the cabinet (that's the routing), there's no chance of that.

They've called me/emailed me and "sold" fibre several times, so out of sheer badness, I've told them to come and install it, then watched their sophisticated engineers try to achieve the impossible, before giving up, and telling me that "we can't do it" (so far 4 times). So we can establish fairly quickly, that they don't know what they are doing with existing technology, let alone any new developments, such as GFAST or DSLAM to the Pole.

I should point out that after I eventually got fed up enough, and complained via "Digital Derbyshire", BT removed one of my numbers from the "fibre enabled" options, the others remain incorrectly shown as "fibre enabled" with speeds up to 80Mbps. In reality, it is 1 Mbps)

USO of 10 Mbps to my premises is unachievable by any currently deployed fixed line technology. Satellite is hopeless, as it's already unbelievably over-subscribed, and suffers lag which makes many normal broadband facilities unusable. I had a TooWay service costing £79 per month, which simply didn't function; the claimed DL/UL speeds were 22/6 in reality were 0/0 for much of the time. So I now have a TooWay service costing £179 per month, with a 100GB limit, which is both expensive, unreliable, and limited.

Further, a USO of 10 Mbps is ludicrous. It's surely obvious that Netflix, Amazon, even the BBC, and Sky, are looking to migrate TV/Entertainment to the internet? What happens when a 30 or 40 to 1 contention fibre cable, has all customers trying to stream "Top Gear" in 4K? The answer is that the customers 500 metres or more from the cabinet, will slow down to "broken" speeds. Is that scenario catered for in the USO? Is 10 Mbps acceptable as an "average" or as a minimum?

Fixed Wireless, with FTTM, is such an obvious solution, and one which solves all the rural problems - (has anybody realised that the 3 - 5% unable to achieve "Superfast" are in fact probably 25 - 35% of the rural population? And that's a couple of million people?) - yet the fixed wireless technology is receiving no help from BDUK, and is actively being hindered by BT.

Conclusion:

USO of 10 Mbps will not be adequate for 2017, let alone 2020. It will not reach the very people who need it, and it will fall down for even urban areas, as demand outstrips supply. The "authorities" have an obvious solution (Wireless) staring them in the face, but seem unable to comprehend, still being stuck with BT.

Thank you

Section 40



Slow broadband for businesses and residents of Binsted

1 message

Section 40

26 March 2016 at 14:29

To: broadbandusoconsultation@culture.gov.uk

Good afternoon,

I run a small business in a rural area of West Sussex. We had a website for the business but have had to cancel this due to the fact that I could not keep it up to date or rely on it for customers due to the very poor speed of our broadband. All around us I hear of improvements to the local broadband from 10mbps to 50mbps when we still receive less than 1mbps. At this time I am only getting 650 kbps !!! It is upsetting to know that government money (our money) is being spent on improvements to property's that already receive speeds ten times what we are getting, while we ourselves are being left behind.

This may be a small village but there are six small businesses and around twenty homes suffering from poor broadband speeds. Fibre has been installed to our cabinet but nothing has been done to address the problem within the village and there are no signs of improvements in the future.

I would be happy if something could be done, we would all be happy with 5mbps not the 10 - 50mbps being promised else where.

Kind regards

(and on behalf of the residents of Binsted)

Section 40



Broadband Universal Service Obligation

1 message

Section 40

8 April 2016 at 15:47

To: "broadbandusoconsultation@culture.gov.uk" <broadbandusoconsultation@culture.gov.uk>

It was with great delight that I read a letter from my MP William Wragg informing me that the Government was at last starting to take some steps towards giving us a reliable fast broadband in STRINES, Cheshire.

We have a service at the moment which constantly drops out and at maximum crawls up to 1Mbps. Yes that's not a typo, **ONE** Mbps.

My neighbour and I have both purchased a satellite dish from Tooway which is a reliable fast connection but we cannot wait to be able to apply for a landline service.

We keep getting told that fibre has arrived in Marple but I assure you that it has not reached a cabinet near us as far as we are concerned.

Resident of S40

Sent from [Mail](#) for Windows 10



Test Valley Hampshire - Superfast Connectivity

1 message

Section 40

9 April 2016 at 14:43

To: broadbandusoconsultation@culture.gov.uk

Dear Sir

I am writing as an individual who spends a lot of time on line as part of my historical research project and also to facilitate my numerous pro bono activities. The current internet speeds in this area sometimes frustrate the work I am trying to do.

I am concerned to discover that the area of Test Valley in Hampshire, specifically Wherwell village, might be left out of the programme for superfast connectivity by the end of 2017.

Hopefully this will not be the case.

Yours faithfully

Section 40



Response on Broadband Supply

1 message

Section 40

11 April 2016 at 12:35

To: broadbandusoconsultation@culture.gov.uk

Q1: Do you have any concerns about the approach that has been set out here?

I feel that the government is taking far too soft an approach in this area. The companies have been given more than enough time to implement the highest level of connection speeds and coverage. As you would expect, the providers have only implemented the most suitable level of service and supply in areas that have the highest level of commercial gain.

For UK business to excel it needs to be supplied with the most suitable infrastructure. Business has changed over recent years and many leading businesses fully support working from home where possible to deliver cost savings and the best working conditions for employees. This is definitely not the case with broadband supply.

I have worked from home for several years and my supply is now so poor that I am seriously considering moving to try and get a broadband supply that is both high speed and doesn't drop of the face of the planet (speed wise) when the local children come home from school.

Q2: We do not propose to specify speed in primary legislation. Should speed be specified in primary or secondary legislation?

You cannot trust the suppliers to deliver what's needed only what they feel they can get away with or their customers warrant commercially in terms of investment. Additionally, you cannot trust Ofcom to deliver results as they have proven time after time they are "toothless tigers"!

Q3: In terms of giving the Secretary of State a power to direct Ofcom to review the USO, should Government have a continuing role in the USO, or should this be a matter for Ofcom?

Ofcom has proven in previous actions, in my opinion, that is not capable of policing or forcing action. It plays politics with the providers and continuously negotiates positions that aren't always in the public's best interests when a heavy hand is required. It should be the government that is responsible for forcing action and penalising at the highest level if implementation is not followed fully.

Section 40



Department
for Culture
Media & Sport

BroadbandUSOConsultation Mailbox
<broadbandusoconsultation@culture.gov.uk>

Broadband Universal Service Obligation

1 message

Section 40

29 March 2016 at 17:28

To: broadbandusoconsultation@culture.gov.uk

Provided that it will allow for enforcement of a minimum upload performance, as well as download, then I support the proposal.

<https://www.gov.uk/government/consultations/broadband-universal-service-obligation>

Kind Regards,

Section 40



Broadband in the Rural Community

1 message

Section 40

9 April 2016 at 08:59

To:

Cc:

Section 40

Section 40

As a resident in the Parish of Combe Fields, a Parish near Coventry in the County of Warwickshire some 1.5 miles from junction 2 of the M6. I am appalled that there is still no provision for High Speed Broadband within our Parish. In BT terms we are in a "white area" with no definite prospect of ever receiving high speed broadband. Although a Parish of approx. 90, nearly 50% are self-employed and work from home under great difficulties.

Within the Parish there are several large employers – Rolls-Royce, MTC, Sainsburys (Technical Centre not retail), London Taxi Co who have their own high speed systems.

As BT (CSW main contractor) have no plans to install high speed broadband within our Parish could "you" not bring pressure to bear on these employers or BT to provide a local parish system (S106 money, perhaps?). After all David Cameron "promised" that we would ALL have 10Mb by 2020!

We feel like a desert in the midst of an oasis.

Regards.

Section 40

Very Important

Please NOTE Email address is:-



Response to Govt. Consultation Document Re: BROADBAND UNIVERSAL SERVICE OBLIGATION

1 message

Section 40

18 April 2016 at 21:32

To: broadbandusoconsultation@culture.gov.uk

Dear Sir,

I informally represent a group of residents and businesses in East Barton who have been bypassed by the fast broadband upgrade carried out in our village by BT/Openreach over recent months. Our group comprises 14 properties (of a total 17) and, within this 14, there are 12 residential properties and 3 businesses plus an additional 2 businesses are operated from home by one resident. I have attended Gt. Barton Parish Council meetings to present our concerns and have the support of our Parish Council and our Suffolk District County Councillor. However, the views expressed below are my personal views only.

Q1: Your approach seems reasonable.

Q2: It seems sensible, from what you have stated, to specify minimum 'usually achievable' broadband speeds in secondary legislation. What I would wish to see is that, for locations where an upgrade of existing broadband to 'fast' has not been made as part of an area's general upgrade, that a Universal Service Obligation be in place to provide a capability to those overlooked locations for 'superfast' connectivity ie a minimum of 24mbps. This would ensure that such locations, in future, could be upgraded at the same time the general area in any future ultra-fast upgrade projects and, thereby, no more lag the general populous. Specifying speed should mean 'usually achievable' speeds and not 'up to'.

Q3: It is good that the Government has recognised the need for fast broadband connection as an essential part of a modern British society. This is true for all British Society not just town/city dwellers. It is all very well talking about the 90% & 95% having superfast connectivity by 2017. This is of no consolation for those of us achieving 1 to 4 mbps who cannot partake of what are now the most commonplace online services.

I believe that broadband speed is of such importance that Government must hold the feet of the providers to the fire, leaving no wriggle room for either themselves or providers. Some issues just have to be seen through to completion without passing the baton. If Ofcom can oversee the implementation, so be it, but the responsibility needs to remain with the Government.

Yours sincerely,

Section 40



Broadband universal obligation

1 message

Section 40

12 April 2016 at 10:40

To: broadbandusoconsultation@culture.gov.uk

To whom it may concern.

It is with much displeasure that I feel compelled to write this email at my disgust regarding the lack of speed on my broadband service. Ofcom recently published a report stating that high speed broadband, low cost should be available to all not as a luxury but as a right. We all pay the same council tax, line rental and broadband costs yet some have access to high speed whilst others, like myself are left with an inferior service.

I am a residential customer living in a semi rural area, yet people at the bottom of the hill (about 1.25 miles away) have high speed and I do not. This is unfair and I feel that all should have access to the same level of service. So please take everyone into account when coming to decisions regarding broadband universal obligation.

I am rather peeved but I am sure companies with no access to high speed broadband must feel they are at a disadvantage in the commercial world.

Best regards

S40

Can I please correct you on a couple of points, at no time did myself, [REDACTED] S40 [REDACTED] promise you that your cabinet would be installed in 2016, I believe that what we advised you was that if a suitable location could be found we would attempt to get the cabinets installed in 2016, but this was not a promise and was subject to finding a suitable location.

As of today we still do not have a firm location for cabinet 4 as both the pub and the owner of the post office has refused to grant a wayleave to stand the cabinet on their land, we have two further sites we are investigating but these will be subject to ESCC highways approval, both sites are being worked on and further work is required before we can choose a firm location.

All towns & villages are important to us as well, that is why we are working so hard to bring superfast broadband to Ditchling, both [REDACTED] S40 [REDACTED] & I have invested considerable time into finding locations for cabinets in your village and we will continue to do so so we can bring you all improved broadband speeds.

BT has now provided superfast broadband access to over 350,000 homes and businesses within East Sussex and we will continue to deliver over the next two years, both commercially and in partnership with ESCC.

I look forward to the opportunity to answer any questions the community have, please advise of a time, date & location for the meeting.

Many thanks for all your help.

Regards,

Section 40

This email contains BT information, which may be privileged or confidential. It's meant only for the individual(s) or entity named above. If you're not the intended recipient, note that disclosing, copying, distributing or using this information is prohibited. If you've received this email in error, please let me know immediately on the email address above. Thank you.
We monitor our email system, and may record your emails.

British Telecommunications plc
Registered office: 81 Newgate Street London EC1A 7AJ
Registered in England no: 180000

From: [redacted] Section 40

Sent: 24 April 2016 19:59

To: [redacted]

Cc: [redacted] Section 40

[redacted] Section 40

Subject: RE: Ditchling Residents

Hi [redacted] S40

Thanks for your e-mails of the 31/03/2016, 15/04/2016 and the 22/04/2016.

I have not replied to these as there seems little point. I have e-mails from you, the content of which lead me, and everyone else in the village to believe that the matter of Ditchling Broadband Cabinets would be dealt with immediately after the start of the financial year in April 2016. Telling us now that you actually meant 2017 is just ludicrous.

We are a village vibrant with many people working from home, and requiring as a necessity High Speed Broadband. Reneging on your promise is therefore a great disappointment to the many people who hoped that they could rely on BT service. This is why I have washed my hands of it, and thrown it open to the villagers to deal with you individually.

I am however quite prepared to set up a "community meeting" as you suggest, on the strict understanding that you come to the meeting prepared to tell us exactly when in early 2016 you will be installing the cabinets.

Failing that I will expect you to give us a detailed explanation of why other towns and villages are considered more important than us, in that you are installing their Broadband cabinets first.

I may add that as the government has pledged to provide this service I will now be taking the matter up officially with my Member of Parliament

[redacted] Section 40

From: [redacted] S40

To: [redacted] Section 40

CC: [redacted]
Subject: Ditchling Residents

Date: Fri, 22 Apr 2016 11:18:24 +0000

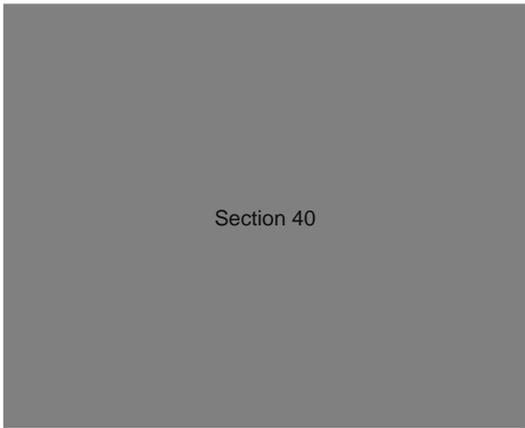
Hi S40

I have had a number of emails over the last couple of days from residents in Ditchling, may I suggest a community meeting to discuss the superfast broadband delivery so these emails can stop. I am happy to come to Ditchling at any time to discuss the rollout if you would like to set up a community meeting. The only dates I am not able to make is the 3rd or 4th May, otherwise I am free at any time.

Please can you advise of a date, time and venue.

Many thanks.

Regards,



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British Telecommunications plc
Registered office: 81 Newgate Street London EC1A 7AJ
Registered in England no: 180000

Section 40

26 April 2016 at 10:39

To: Section 40
Cc: Section 40

Section 40

Dear S40

I have answered your question regarding the residents of Ditchling, all residents of East Sussex are

important to us, but we need to find a workable solution to be able to bring superfast broadband to the village, something we have not yet been able to do in Ditchling. As you are well aware we had some locations for cabinet 4 but the residents who's land we wanted to stand the cabinet on refused to sign a wayleave or where trying to impose unacceptable terms that we could not agree to. Once we had exhausted these locations we have had to revisit the solution and find alternative sites and this is where we are currently up to.

As I have already said I am more than happy to come and meet the residents to assure them we are doing all we can to find a suitable location to stand a fibre cabinet to bring them superfast broadband. We are currently undertaking a massive engineering programme to rollout superfast broadband across the country, as well as in East Sussex and BT will continue to work hard to improve the broadband speeds of residents.

Many thanks.

Regards,

Section 40

This email contains BT information, which may be privileged or confidential. It's meant only for the individual(s) or entity named above. If you're not the intended recipient, note that disclosing, copying, distributing or using this information is prohibited. If you've received this email in error, please let me know immediately on the email address above. Thank you.
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British Telecommunications plc
Registered office: 81 Newgate Street London EC1A 7AJ
Registered in England no: 180000

From: Section 40

Sent: 25 April 2016 20:41

To: Section 40

Cc: Section 40

Section 40

A new broadband Universal Service Obligation

1 message

Section 40

17 April 2016 at 17:54

To: broadbandusoconsultation@culture.gov.uk

Dear Sir or Madam

I am replying to the public consultation as both a resident of a broadband not-spot near Salisbury, in Wiltshire, and former head of a residents' pressure group called the [Dun Valley Broadband Group](#). The DVBG was a group of enlightened residents from south Wiltshire who saw merit in the intention of Gigaclear (an independent ISP specialising in installing FTTH networks in rural areas) to invest in our neighbourhood. The DVBG was wound up when Wiltshire Council announced that BT would be co-funded to install FTTC for a part (only) of the local area.

The property where I live - just 3 miles to the east of Salisbury - currently has no landline broadband available, due to the distance (9km) from the nearest cabinet on our telephone line. Along with about 30 other properties in the near neighbourhood, we are in a postcode that is tagged as "PHASE 2 NO BUILD - At present there are no plans to upgrade the infrastructure for this postcode", by Wiltshire Council.

In answer to the questions raised in the consultation:

Q1: Do you have any concerns about the approach that has been set out here?

I welcome the government's proposed intervention to establish a USO that will ensure that those UK properties that are not served by adequate broadband provision, should at last be able to be so provided. The government has clearly understood the essential value to the quality of life and the economy of broadband, and it should therefore be ubiquitous throughout the land. This correspondent has waited patiently for the outcome of the government's previous intervention - through local councils and BT - but there has been no change to broadband availability in our immediate neighbourhood here in south Wiltshire.

I suggest that consideration should be given to how to prioritise the USO for those who have NO landline broadband at present. The needs of those with NO landline broadband exceed those with some. The numbers of households in the UK with zero landline broadband must be lower than those with less than 10Mbps, and so the cost to get those houses equipped with broadband must be less than raising everyone to 10Mbps. I urge the government to consider such a prioritisation in order to fix the digital inequality that prevails at the moment, and to fast track digital access for those who don't have it.

Additionally, I think that very careful attention should be given to the cost bands in which the commercial providers have to support a request under the USO. As we are dealing with those properties and locations that are the hardest to reach in the country, it would be easy for the chosen provider to estimate an installation cost that was so high as to exceed the upper limit that they have to pay for, and to be thus unaffordable for the resident. The service provider could therefore quote very high in order to discourage the resident from activating the USO.

Q2: We do not propose to specify speed in primary legislation. Should speed be specified in primary or secondary legislation?

If primary legislation is not the appropriate place for details such as speed (for the reasons given in the consultation document) then I believe that speed MUST be a component of the secondary legislation. Further, it may the speed should be defined in relation to the technology used to supply it. The fact is that different technologies deliver different user experience, and that headline speed is inadequate to describe the end-user experience on its own. For example, this correspondent has had access to satellite broadband for nearly a decade, with speeds theoretically available of 10Mbps (Avonline is the provider). However, as widely documented, satellite broadband is not an acceptable surrogate for landline broadband due to the latency issues involved in transmitting satellite signals over long distances. For the same reason, not only should speed with technology be part of the USO definition, but some categorisation of what technologies are acceptable will also need to be included. The government should avoid the mistake of assuming that satellite broadband (the subject of the current stop gap voucher scheme) is a potential panacea for the broadband

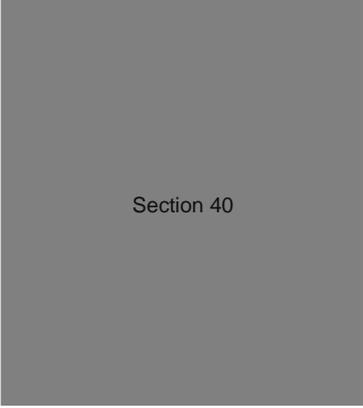
problem. Satellite is simply not a satisfactory substitute for landline broadband: the end-user experience is substantially and qualitatively inferior. In the same way, mobile cellular data cannot in itself provide an adequate alternative to landline broadband. Reliability, cost and data caps limit the acceptability of mobile cellular broadband as a substitute for landline broadband.

Q3: In terms of giving the Secretary of State a power to direct Ofcom to review the USO, should Government have a continuing role in the USO, or should this be a matter for Ofcom?

It seems to me that Ofcom have a grip on the health of the national digital infrastructure and so would be a worthy vehicle to help define and implement the proposed USO.

I hope that this is useful input and I would be glad to contribute further in any way that I can.

Yours sincerely,



Section 40



Broadband USO Consultation

1 message

Section 40

16 April 2016 at 17:51

To: broadbandusoconsultation@culture.gov.uk

I should like to strongly support the USO initiative for high speed broadband. I work from home and have no access to a high speed service. A good level of service would be very useful.

I would urge the government to:

- (1) Be ambitious in regard to speed and timing.
- (2) Set a timetable for FTTH (fibre to the home) to be universally available, not FTTC (fibre to the kerb) which will always be limited in speed.
- (3) Achieve this with the least possible amount of public funding.

Rgds

Section 40



Consultation response

1 message

Section 40

18 April 2016 at 16:29

To: broadbandusoconsultation@culture.gov.uk

Please find our response below. This can be made public. Please attribute to the Scottish Rural Parliament.

Q1. Do you have any concerns about the approach that has been set out here?

Whilst we broadly support a USO for broadband and the approach laid out in the consultation document, we do have concerns about placing a USO on small community-led broadband providers i.e. that they will be made a 'designated provider'. These organisations have been set-up by committed people, often on a voluntary basis, who wanted to see their community receive broadband provision and in Scotland they have been part-funded and supported to do so by the Scottish Government.

Given the cost of connecting the more remote households, it is likely to be unaffordable for such small broadband providers to provide this service. A USO applied to them would mean they are unlikely to be able to maintain affordable provision and this could potentially lead to the provision they already supply collapsing. In addition, many of these organisations are not yet able to supply 10Mbps, because the backhaul provision from BT is insufficient.

Placing an obligation on BT to supply sufficient backhaul and other support at an affordable cost for community-led schemes, who can then supply their local residents with 10Mbps+ should be considered. The affordability element is important; as small organisations with a geographically limited pool of customers, more expensive backhaul will impact on consumer prices.

Q2. We do not propose to specify speed in primary legislation. Should speed be specified in primary or secondary legislation?

Speed should be specified in secondary legislation in order to allow for the speed to be more easily amended as technology and standards change. Primary legislation should state that the speed should be 'consistently suitable for current living standards and business needs'.

Q3. In terms of giving the Secretary of State a power to direct Ofcom to review the USO, should Government have a continuing role in the USO, or should this be a matter for Ofcom?

The Government should have a continuing role in the USO as the body elected by and directly accountable to the people of the UK.

Many thanks,

Section 40



FW: Broadband USO consultation

2 messages

Section 40

18 April 2016 at 15:47

To: "broadbandusoconsultation@culture.gov.uk" <broadbandusoconsultation@culture.gov.uk>

The following is the response of the Digital Initiatives Group (DIG) of Hull City Council. The DIG is a group of senior managers (officers) drawn from multiple service areas including Customer Services, Major Projects and Infrastructure, Property and Assets, StreetScene, Regeneration and Legal. This group meets in person and virtually.

Q1.) Do you have any concerns about the approach that has been set out here?

The city of Hull currently has one of the lowest rates of superfast broadband to the premise in the UK, and is unusual in being an urban area suffering from this issue. Historically, Hull has been the only area of the UK without a BT presence, having been served for many years by a Kingston Communications (now branded 'KCom') monopoly. The city of Hull also suffers from high levels of deprivation, ranked 324th out of 326 local authorities.

Hull City Council notes the intention is to 'give people the right to request an affordable broadband connection, at a minimum speed, from a designated provider, up to a reasonable cost threshold'.

Our concerns include a practical issue as to which provider / providers would be 'designated', since in practice the infrastructure in Hull is dominated by KCom.

It is unclear what timescales are proposed by the legislation, since there are plans to increase superfast broadband availability in Hull, but these may be slower to implement than elsewhere due to the method chosen (KCom have elected to exclusively roll out fibre to the premise).

Similarly, the definitions of 'affordable' and 'up to a reasonable cost threshold' give us cause for concern, since even what an average area would see as a modest cost for both initial installation and ongoing running costs may be well above what a typical Hull household could outlay.

Q2.) We do not propose to specify speed in primary legislation. Should speed be specified in primary or secondary legislation?

A minimum standard within primary legislation would safeguard against delays in introducing secondary legislation.

Q3.) In terms of giving the Secretary of State a power to direct Ofcom to review the USO, should Government have a continuing role in the USO, or should this be a matter for Ofcom?

Yes, the Secretary of State should have to power to direct Ofcom to review.

With regards

Section 40



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Response to Broadband Consultation

1 message

Section 40

14 April 2016 at 20:42

To: broadbandusoconsultation@culture.gov.uk

Dear Sirs,

Response to Broadband Consultation Q2

Q2: We do not propose to specify speed in primary legislation. Should speed be specified in primary or secondary legislation?

Swanton Morley Parish Council strongly believes that a speed should be specified in legislation at the earliest opportunity and that this should be at a speed of a minimum of 10Mbps. In our parish of Swanton Morley, a broadband speed in the 'good' area of the village is approx. 7Mbps, whereas in other parts of the village it is barely any better than dial up. A lack of specified speed means that a definition of a 'decent' broadband speed will be subject to interpretation.

Kind Regards

Section 40

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new Braodband universal service obligation consultation

1 message

Section 40

30 March 2016 at 12:58

To: broadbandusoconsultation@culture.gov.uk

Cc: Section 40

Dear Mr Vaizey

I am responding to the government's consultation on a USO for broadband provision across England and Wales on one specific point. I am writing as an individual.

The government's claim that 95% of the population of England and Wales receives SFB (which leaves a great number of rural properties without) fails to mention that there are new build properties – presumably large numbers of them - without HSB because there has been no obligation on developers nor on BT to connect high speed broadband when constructing these properties. These are not isolated rural properties, but in the middle of towns, next to existing services and conduits. Do the government's 95% provision figures take account of this band of overlooked properties?

We moved into our new build Bovis home in June 2015. It took 4 months to get any BT internet or phone connection at all, until intervention by our MP and persistent contact with the chairman of BT and his complaints team. When we were finally connected in October, we were appalled that Open Reach hooked the property to the old copper wire system. As to signal strength now, we are lucky if we get a maximum 8mb.

I understand that BT have come to an agreement with the government to hook up future build houses to SFB. How will you get BT to include new build properties already built? This should be addressed by the consultation report.

Yours sincerely

Section 40



Broadband Consultation

1 message

Section 40

15 April 2016 at 10:41

To: broadbandusoconsultation@culture.gov.uk

Questions Q1: Do you have any concerns about the approach that has been set out here?

Yes. The approach is in essence a repeat of the promises/objectives made when the original project was launched to deliver 2Mbps to the rural community. The project funds were syphoned off by the providers to upgrade urban networks. Rural communities in this area were not included and consequently are still waiting to receive the acceptable minimum service let alone a service capable of supporting what a high percentage of the population consider normal facilities. Even with minimum service requirements specified there appears to be no power to force service providers to deliver this to end user customers in the home. How will this ensure that the last mile local loop will be upgraded to deliver increased speeds as the copper/aluminium cabling continues to degrade causing high error rates between the 'new' cabinet and the consumer of the service in the home.

How will this package change the current situation which is a catalogue of failure for rural communities with projects such as CSW Broadband over promising and under delivering. So far there has always be an excuse to explain why a minimum service cannot be delivered. How will increasing minimum speed requirements help inforce the delivery requirement of a minimum speed.

Better definitions of 'rural' are required to make it clear where funds are to be directed. The current interpretation driving BDUK projects is frankly meaningless.

Q2: We do not propose to specify speed in primary legislation. Should speed be specified in primary or secondary legislation?

Yes, but it would be future proofing to specify a minimum service as a factor of the best available at any time. Only then is it sensible to include in primary legislation. As has been proved with the current 2 Mbps service requirement the need to provide faster data transfer to support services available has far exceeded the minimum stated rendering the minimum service requirement inadequate and consequently meaningless.

Q3: In terms of giving the Secretary of State a power to direct Ofcom to review the USO, should Government have a continuing role in the USO, or should this be a matter for Ofcom?

Yes. If Broadband is not seen as strategically important then without Government oversight the infrastructure in rural communities will remain under invested and fail to keep up with rapid technology and service development.

What powers will Ofcom be given to ensure that have the ability to intervene at a local level to ensure the minimum service is delivered to small rural communities at a reasonable cost?

Section 40



Consultation response

1 message

Section 40

14 April 2016 at 14:34

To: "broadbandusoconsultation@culture.gov.uk" <broadbandusoconsultation@culture.gov.uk>

Under current projections 15% of houses and businesses in my constituency, Faversham and Mid Kent, will still be without superfast broadband by 2018, so I welcome plans to introduce a Universal Service Obligation.

In drawing up the proposals, I would like the Department to take into account the following:

- The USO only applies up to a 'reasonable cost'. However, premises that are still without broadband in 2018 are also likely to be in remote, rural locations not covered by commercial or publicly funded roll-out, and therefore costly to connect. The reasonable cost threshold should be calculated in such a way that reflects the location of a premises, the likelihood of it getting access to superfast broadband by any other means, and the economic and social harm a lack of connection causes to individuals and communities. I would be very concerned if the threshold meant that a material proportion of the 15% of properties still without broadband in my constituency are exceptions to the USO.

- I accept that it doesn't make sense to include a minimum speed in primary legislation, as technology is changing all the time and the USO needs the flexibility to adapt. However I would like to see much more detail about how the USO will keep pace with improvements in deliverable speeds in the future, so residents and businesses can be assured that they will be guaranteed a speed which is similar to the prevailing speeds available in areas that are covered by commercial roll-outs.

- Some people are unable to use broadband or choose not to – I don't want them to be left behind. The introduction of the USO may lead to more and more services becoming digital by default. The legislation should include protections against people and businesses being excluded from Government and other essential services such as banking and utilities, as they move online.

- The USO should be underpinned by much more robust and transparent data modelling and collection. I have seen discrepancies in the projections for the roll-out of superfast broadband in my constituency, and heard examples of people whose address was included in BDUK and Making Kent Quicker's post-code checker, but who were not receiving superfast speeds in practice. An accurate, accessible and up-to-date picture of broadband services in the UK would enable the Government and service providers to be held to account on delivery of the USO.

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response to BROADBAND UNIVERSAL SERVICE OBLIGATION CONSULTATION

1 message

Section 40

28 March 2016 at 12:47

To: "broadbandusoconsultation@culture.gov.uk" <broadbandusoconsultation@culture.gov.uk>

Hi,

Here are my Responses to the questions in the BROADBAND UNIVERSAL SERVICE OBLIGATION CONSULTATION

I am head of IT for Aardman Animations in Bristol.

Questions

Q1: Do you have any concerns about the approach that has been set out here?

Answer: Yes, the time it will take to get this into legislation and then enforced. The government are already behind the curve on Broadband, by the time this all happens the technologies will have moved on and we will still be behind the curve, you still talk about 2 Mb being ok, which it is not, even if it is actually achieved.

Q2: We do not propose to specify speed in primary legislation. Should Speed be specified in primary or secondary legislation?

Answer: Speed should be included in primary legislation, it is the key part of the whole technology, there should also be markers for guaranteed minimum to avoid the nonsense seen today between what is stated as 'up to' and what people actually get, which is usually a fraction of the stated figures you work to.

There is also no mention of uplink speed, there is an assumption that business only worry about download speed which is wrong, any business delivering in digital content space requires good uplink speeds to be competitive, this needs dealing with as well.

Q3: In terms of giving the Secretary of State A power to direct Ofcom To review the USO, should government have a continuing role in the USO, or should this be a matter for Ofcom?

Answer: Government need a continued roll here.

Kind regards

Section 40

Out of scope



Broadband USO

2 messages

Section 40

28 March 2016 at 16:12

To: broadbandusoconsultation@culture.gov.uk

Dear Mr Vazey

Speaking as a consumer living in a rural area, who depends increasingly on fast broadband speeds to be able to manage normal household matters, I would like to comment as follows:

Q1. No comment

Q2. What is critically important is that speed **is** specified. Whether this is within primary or secondary legislation is of less importance, but certainly flexibility will be needed to readily amend, to take account of developing technology and increasing demand.

Q3. The Government **should** have a continuing role in the USO. The voters are not able to influence Ofcom, but are, to a degree, able to influence Government decisions.

I appreciate having had the opportunity to read the Broadband USO consultation document. However, I only discovered that I had the opportunity to comment thanks to **thinkbroadband**. I wish the consultation had been more widely publicised.

Kind regards

Section 40

BroadbandUSOConsultation Mailbox <broadbandusoconsultation@culture.gov.uk> 30 March 2016 at 11:19

To: Section 40

Your message

To: BroadbandUSOConsultation Mailbox
Subject: Broadband USO



Department
for Culture
Media & Sport

BroadbandUSOConsultation Mailbox
<broadbandusoconsultation@culture.gov.uk>

Broadband Universal Service Obligation

1 message

Section 40

18 April 2016 at 10:37

To: broadbandusoconsultation@culture.gov.uk

I am replying as an individual who typically gets a 2.5 Mbps.

Consequently I support the proposal.

Regards

Section 40



Broadband USO consultation

1 message

Section 40

23 March 2016 at 20:18

To: broadbandusoconsultation@culture.gov.uk

Dear Broadband USO consultation,

Q1: Do you have any concerns about the approach that has been set out here?

Yes. My main concern is longevity of 10mpbs in every part of the UK.

By 2025 the UK will have developed 5th Generation communications capable of transferring wirelessly 1 terabyte a second per connected device (1024Gbps). The UK came 7 years late to 4G, now my concern is the government's poor planning for a long term investment in infrastructure that can withstand the demand by 2025. By 2025 we will have around 15-20 connected devices in each of our homes thanks of the Internet of Things. We will also need cabling at street level for new 5G masts to achieve around 5Pbps for a stable network.

10 Mbps will not meet the long term needs of the public by that time. That is why we should hit 1Gbps by 2025. Ideally this should be met with the equivalent of an upgrades of bigger cabling that crosses the whole country. It should not only be met by BT but a conglomerate(s) of mobile service providers and national network owners. This is not a Tender problem, this is a problem of getting the size just right for the future.

Extra cabling should be laid so that future generations don't have to suffer a long wait. This should be rolled out in stages until we reach that 1GB mark. Make no doubts Governments always play catchup, it's time they were ahead of the curve. Also there is a graph that will show you the growth needed in Broadband infrastructure growing by 5-10Mbps every year per device.

Paying for this now could save trillions and would save 15 years of being behind the technology the UK developed from being in place.

Q2: We do not propose to specify speed in primary legislation. Should speed be specified in primary or secondary legislation?

1Gbps, reason given above.

Q3: In terms of giving the Secretary of State a power to direct Ofcom to review the USO, should Government have a continuing role in the USO, or should this be a matter for Ofcom?

Neither Secretary of State or Ofcom, it should be a committee and then signed Secretary of State for any reviews. Committees get to the bottom of the problem.

Regards,

Section 40



High Speed Broadband

1 message

Section 40

18 April 2016 at 17:27

To: broadbandusoconsultation@culture.gov.uk

Please find below comments from Wherwell Parish Council.

In rural areas the need for reliable superfast broadband is greater than in urban areas for several key reasons.

Social

At a time when the world is becoming smaller, rural areas are actually becoming more isolated. The reduction or elimination of local public transport means the only way to see relatives and friend is for them to visit or the use of a car. This becomes an increasing challenge as we get older and perhaps less confident or able to travel long distances by car, then have access to technology such as Skype becomes an essential interface for parents, grandparents, children and grandchildren alike.

Economic

In the past village communities were self-sufficient, with most trades and stores operating locally and along with agriculture, employing most of the residents. While the economics have changed there is resurgence of business trying to run from home offices, but in today's global market you cannot operate in any capacity including agriculture without access to superfast broadband. Without this essential element as businesses try to succeed or grow they are forced to move their operations into town premises, increasing congestions and adding to the risk of failure due to additional overheads.

Equality

There is an argument that people chose to live in villages because of the tranquillity and quality of life and thus not having public transport or superfast broadband is a small price to pay. This point of view almost suggests that to live in the country or to move to the country means you do not want to be part of the modern world. In an equitable world where people pay the same taxes, council taxes, charges for utilities as everyone else they should enjoy the same benefits, moreover as actual council tax bills will be greater in rural areas because of increased property values they are actually subsidising those that are receiving council supported superfast broadband.

Future

Out of scope

Should government not maintain its commitment for all homes in the UK to have superfast broadband ultimately rural communities will increasingly become weekend domatories where only the rich can dip in at weekends for their country fix before returning to the modern world to pay for it.

Regards,



Section 40



Department
for Culture
Media & Sport

BroadbandUSOConsultation Mailbox
<broadbandusoconsultation@culture.gov.uk>

LAIS 1389

1 message

Section 40

18 April 2016 at 14:52

To: broadbandusoconsultation@culture.gov.uk

Corpusty and Saxthorpe Parish Council wish to make the following comments

1. The Parish Council do not have concerns about the consultation.
- 2 The Parish Council feel that the broadband speed should be specified in legislation. This could probably be secondary legislation.
- 3 The Parish Council feel that the Government should have a continuing role in USO and not leave this just up to Ofcom.

Best Wishes

Section 40

S40



Broadband USO Consultation

1 message

Section 40

17 April 2016 at 16:54

To: broadbandusoconsultation@culture.gov.uk

Sir

My wife and I operate a small farm and associated self-catering cottage in central Aberdeenshire. We are just 5 miles from a Superfast Broadband-enabled exchange and just over 2 miles from a Superfast broadband street cabinet yet our broadband speed is less than 1Mb.

Good broadband speed is essential to our business for two reasons: (1) Government Departments are increasingly encouraging and expecting that we submit agricultural information and applications online – yet the size and complexity of this form of communication is forever increasing without regard to those of us with poor data transfer rates. (2) Most of our tourist customers for the holiday cottage now expect broadband access – at speeds that they are used to almost everywhere else they go – and are disappointed with the poor and intermittent access that is all we can offer. We therefore feel that our business is at best made more difficult and at worst adversely affected by poor broadband service. A speed of 5 – 10Mb would transform our situation significantly.

The prospect of a Broadband USO is encouraging but some attempt to specify a minimum speed and quality I believe would be essential. I appreciate that location and ever developing technology makes specifying an absolute minimum speed difficult – but perhaps defining it as a fixed proportion (say 10%) of the average urban service might be possible?

Yours faithfully

Section 40



Response to New Broadband Universal Service Obligation Consultation

1 message

Tunstall Parish Council [REDACTED] S40
To: broadbandusoconsultation@culture.gov.uk

9 April 2016 at 17:05

Please see below the comments of Tunstall Parish Council on your above consultation:

Q1: Do you have any concerns about the approach that has been set out here?

The approach seems entirely sound but, given the time lag between legislation and actual deployment, steps should be taken to accelerate the delivery of broadband as an enabling social and business service.

Q2: We do not propose to specify speed in primary legislation. Should speed be specified in primary or secondary legislation?

No view, provided there is a minimum speed set (10Mbps seems realistic) as a legal obligation.

Q3: In terms of giving the Secretary of State a power to direct Ofcom to review the USO, should Government have a continuing role in the USO, or should this be a matter for Ofcom?

While Ofcom may be given operational responsibility for delivery of broadband strategy, Government should continue to set strategic direction and enact appropriate legislation to ensure that the 'digital divide' is closed more rapidly and remains closed.

Kind regards,

[REDACTED]

Section 40



Broadband USO Consultation

1 message

Section 40

31 March 2016 at 16:27

To: broadbandusoconsultation@culture.gov.uk

I am responding to this consultation as a Parish Councillor in a ward where all residents are affected by poor broadband, as someone who works from home in a rural area and whose work is affected by poor broadband, and also as a private individual who is affected by poor broadband.

Q1: Do you have any concerns about the approach that has been set out here?

Yes. My concerns are as follows:

Time taken to provide services

The consultation document sets out a plan for services to be made available on request, rather than rolled out in anticipation of possible demand. This approach seems reasonable in principle, but no time limit is specified. If a consumer or group of consumers makes a request for broadband provision under the USO, there should be a time limit within which the provider must connect the service.

Penalties for non-compliance

Individuals, businesses and communities should be able to seek compensation from providers who fail to meet their obligations under the USO, including breaching the time limit for connecting services.

Q2:

We do not propose to specify speed in primary legislation. Should speed be specified in primary or secondary legislation?

The speed required should be specified by secondary legislation, but the requirement to specify a reasonable speed applicable to the USO should be set down in primary legislation.

Speed requirements are constantly changing, and primary legislation is too slow to change. Primary legislation should state that a speed requirement will be specified by secondary legislation, and that the required speed will be subject to regular reviews. Given the pace of change, it seems reasonable to expect that the minimum speed requirement is updated every 2 years.

Q3:

In terms of giving the Secretary of State a power to direct Ofcom to review the USO, should Government have a continuing role in the USO, or should this be a matter for Ofcom?

Government should continue to be involved. Future developments in technology may make further Government funding necessary if UK infrastructure is to keep pace with international broadband standards.

Section 40

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Broadband Consultation response .

1 message

Section 40

19 April 2016 at 20:00

To: broadbandusoconsultation@culture.gov.uk

This is the response to the Broadband Consultation from Bircham Parish Council

This is a village in North West Norfolk with a higher than average number of residents who are of a professional class and often work from home or would like to.

They certainly need an urgent response to an increase in Broadband speed than their current average of 2 mbs.

We have been campaigning and seeking a higher Broadband speed for the last 18 months with little success.

I am afraid they have not restricted themselves to the questions posed.

Below is the response of the Parish Councillors

1. We welcome this consultation.
2. The Government's statement that "a complex set of interrelated factors needs to be considered" can only be regarded as Whitehall speak for it will cost too much and we will delay.
3. The Government must accept its responsibility to provide an infrastructure in this country that enables all citizens to conduct their affairs consistent with the times and with current and future business and social mores. This means, inter-alia, that adequate broadband must be universally available. Time should be of the essence and is more important than personal vanity projects such as HS2. A speed of 10Mbs would be acceptable as a "starter for 10" with more to follow.
4. This must therefore be Government owned and set in primary legislation. This strategic need is not a matter for OFCOM. If a USO means that competition cannot immediately settle market prices then the Government must stump up subsidies. These should not be restricted, in rural areas, to wealthy land owners for so called conservation initiatives or through the EU CAP. Rural communities need Broadband because the Government have allowed us to lose bus, post office, bank etc services and add penalising tax on energy and fuel. The Government have a duty to counter-act these events with an effective Broadband service. Furthermore, with the lack of investment by the Government, people in rural communities progressively require Broadband to start small businesses and to work from home. Effective communications infrastructure must now be a priority.
5. Finally, if a Governmental body wishes to compose an Impact Study, it should study the impact of a lack of effective Broadband on an ageing population which has an ever increasing need to communicate electronically to manage their lives; without the means and training to do so.

Section 40

Regards

Section 40



Broadband in MONKTON

1 message

Section 40

30 March 2016 at 16:03

To: broadbandusoconsultation@culture.gov.uk

Hello,

If the requirements for a minimum broadband speed go ahead, then could it please apply to all Premises, and not areas. In our village, half can get BT infinity, the other half can't . But BT are allowed to say that our village has access to fast broadband, and BT say the other half will have to wait years, ?

Section 40

MONKTON parish council.



Comment on your consultation document

1 message

Section 40

13 April 2016 at 18:35

To: broadbandusoconsultation@culture.gov.uk

Dear Sirs

I am a residential client of BT however my broadband service with some business.

We are located in a rural area Kent about 50 miles from central London.

Our service is a copper wire service which has had regular failures over the last five years.

When the service is working the best broadband speed we can receive is 0.9 Mbps download with about 0.20 Mbps upload which is unacceptable in a technological age for business or personal use.

We recall being advised that all customers would receive 2 Mbps by 2015 and subsequently 10 Mbps by 2020.

I believe it is of paramount importance for the government to legally force improvement to these services by providers without further procrastination and not leave it up to providers who will only provide services where they regard that it is viable.

Furthermore clients with poor service pay the same fees as those with a good service which is inequitable.

I understand that there is technology available to resolve these issues in rural areas and if the government is actually serious about regenerating rural areas and relieving pressure on housing in urban areas it is essential that action is taken in this regards in days or months, not years for we as a nation are falling behind most developed and some undeveloped countries in this matter.

On one final point. In the same way that insurance premiums are intended to spread risk, clients with poor service due to location should not be asked to pay more for a reasonable service that those who already receive a reasonable service.

Yours faithfully

Section 40



Response

1 message

Section 40

15 April 2016 at 21:43

To: broadbandusoconsultation@culture.gov.uk

The consultation is far too limited. I've no problem with the 10MPS universal speed but there is nothing about connection continuity which in case of the BT system is an absolute disgrace. I can get c 30Mbps+ in S40 via BT. The issue is the continuity of service which is diabolical in wind and rain. BT will look at my connection but charge me c £100 if they can't find a fault. However as there are problems all over the area (the local station have the same problem their staff tell me), and a glance at BT national forums suggest this is a very common problem, this suggests there is a systemic infrastructure weakness which BT will not address. I note that virgin are even starting to use this in their promotional material.

Section 40



A New Broadband Universal Service Obligation Consultation

1 message

Section 40

6 April 2016 at 09:43

To: "broadbandusoconsultation@culture.gov.uk" <broadbandusoconsultation@culture.gov.uk>

Q1: Do you have any concerns about the approach that has been set out here?

Q2: We do not propose to specify speed in primary legislation. Should speed be specified in primary or secondary legislation?

Q3: In terms of giving the Secretary of State a power to direct Ofcom to review the USO, should Government have a continuing role in the USO, or should this be a matter for Ofcom?

Responses:

- 1) No. The outline specified seems to bring the issue of rural broadband into the mainstream.
- 2) Speed should not be specified in primary legislation. In a constantly evolving industry, to specify a lower speed limit may work in the short term but over a longer period could become a hindrance for further improvements. Secondary legislation may be a better place to specify speed limits as they are easier to amend/adjust.
- 3) In the short term, yes I believe the Government should have a role. If anything, to ensure targets are being met. Over time, the powers could revert back to Ofcom exclusively.

Regards

Section 40

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My comments!

1 message

Section 40

9 April 2016 at 11:39

To: broadbandusoconsultation@culture.gov.uk

Being in an area that is **unlikely** to be part of the 95% Superfast Broadband Program in 2017 and having put up with poor provision for such a long time I feel frustrated and angry. Considering how important it is to everyone to have equal provision - now technology has taken over every aspect of our lives - I believe provision should be the same everywhere. I also believe speed should definitely be included in Primary legislation and Government should continue to have a role in the USO by reviewing OFCOM.



Department
for Culture
Media & Sport

BroadbandUSOConsultation Mailbox
<broadbandusoconsultation@culture.gov.uk>

s40 **Moorend Road, Mellor** Section 40

1 message

Section 40

10 April 2016 at 16:35

To: broadbandusoconsultation@culture.gov.uk

Good afternoon

Our current broadband internet speed is 3.3 and just about provides a useable service. But way below other parts of Stockport. I am unable to run a business from home as the service is too slow to download files. All the telephone wires are overhead and if there are any issues with these we lose the ability to contact by phone, fax, email or mobile (the mobile signal is also very poor). Last year the phone cables were struck by lightning and the whole road was off line for a week.

Regards

Section 40

Sent from my iPad



Department
for Culture
Media & Sport

BroadbandUSOConsultation Mailbox
<broadbandusoconsultation@culture.gov.uk>

Need for Rural Broadband.

1 message

Section 40

7 April 2016 at 13:49

To: "broadbandusoconsultation@culture.gov.uk" <broadbandusoconsultation@culture.gov.uk>

Dear Sir/Madam,

My family live in a rural part of south Devon and simply we need a broad band option....which is broad band!! The highest we have ever recorded is 0.9Mbytes download and typically 0.2Mbytes.

With so much of our daily lives now requiring connection the government need to act to help rural areas get a level of service somewhere close to towns and cities.

Best regards

Section 40



Consultation re Broadband

1 message

Section 40

12 April 2016 at 15:13

To: "broadbandusoconsultation@culture.gov.uk" <broadbandusoconsultation@culture.gov.uk>

Dear Sirs

I give below the responses from Great Bealings Parish Council to the current consultation document:

Q1: Do you have any concerns about the approach that has been set out here?

The approach has merit but by dealing with the problem through a tightening of planning requirements, the obligation will take a long time to filter down. By using planning as a delivery mechanism, the issue of existing premises - largely rural - with very poor speeds, as in our parish, is not addressed. There is no evidence as yet to support the success or otherwise of the scheme to offer enhancement to those properties with current very slow speeds below 2 mps.

Q2: We do not propose to specify speed in primary legislation. Should speed be specified in primary or secondary legislation?

Secondary legislation should certainly specify the minimum acceptable speed both for existing premises and for new builds.

Q3: In terms of giving the Secretary of State a power to direct Ofcom to review the USO, should Government have a continuing role in the USO, or should this be a matter for Ofcom?

This is a very complex issue on which local councils may not be best placed to opine. The question that needs to be answered is how the scheme will actually work and who will police it. If Government needs to remain involved to be able to deliver on its promise then an overview of OFCOM's role would probably be helpful, specifically to ensure that if a party is required to deliver an alternative solution where speeds below 2 MPS are still being experienced, that party has the ability to deliver such enhancement, is accredited by OFCOM as a provider of such a service, is required to do so in a reasonable space of time, and will charge at a reasonable rate for the enhanced service.

Yours faithfully

S40



Rural broadband speed: Lytchett Matravers (Dorset)

1 message

Section 40

14 April 2016 at 22:48

To: "broadbandusoconsultation@culture.gov.uk" <broadbandusoconsultation@culture.gov.uk>

Cc: "michael.tomlinson.mp@parliament.uk" <michael.tomlinson.mp@parliament.uk>

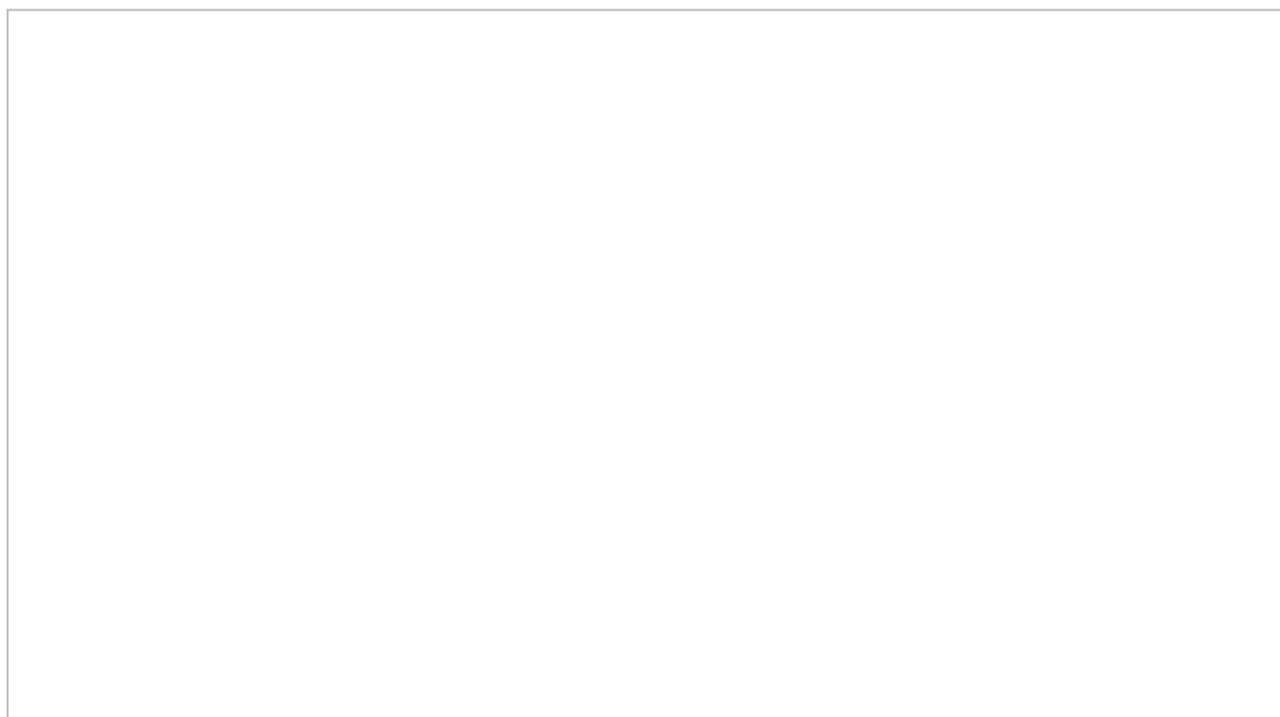
Dear Mr Vaisey

I am responding to the consultation on the provision of fast broadband across the country.

We live in Lytchett Matravers, a smallish village in the Purbeck area albeit only about five miles from the Poole in Dorset.

My husband and I have recently invested in having a new computer built to our own specifications. The computer specialist who built it for us however remarked that, when we are both using the Internet, the speed is effectively no faster than a non-broadband connection and that the new machine will never be able to function to its full capacity until this issue is addressed.

I attach a screenshot of my recent broadband speed test – as you can see the download speed is so slow it could not even complete the test without timing out (I repeated the test three times, each with the same result). A mobile application reveals the speed to be 2.27mB/sec for downloads and 0.39mB/sec for uploads.



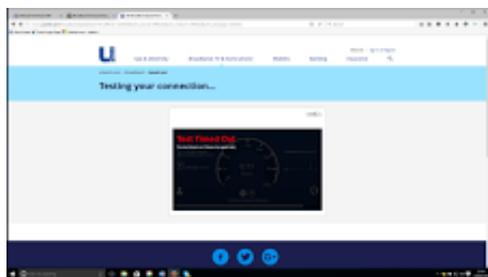
We a retired couple who don't watch videos or play games on-line, but would simply like to be able to use the

Internet as effectively as possible. We really look forward to the day when we, too, will have the fast-speed provision that has been promised to the whole of the country.

Yours sincerely

Section 40

Sent from [Mail](#) for Windows 10



39BC8A54272A4A8FBFCE5C2E15B3B2F3.png
57K



broadband Universal Service Obligation (USO)

1 message

Section 40

17 April 2016 at 09:29

To: broadbandusoconsultation@culture.gov.uk

Hi

Reference the consultation for USO for broadband.

10Mbps is simply not enough - if it were enough, then why to ALL ISPs around the world invest so much in delivering and promoting faster speeds?

If we are to have a Universal Service Obligation for broadband - which we absolutely should - then we need to set realistic but nonetheless ambitious targets to that people have fair and equal access to the on-line world in which we all live, irrespective of where they are.

So - a USO for 100Mbps symmetrical at the point at which it is consumed is my recommendation.

This is the ONLY way that UKplc will really benefit from the productivity and social benefits from the World Wide Web.

Cheers

Section 40



Department
for Culture
Media & Sport

BroadbandUSOConsultation Mailbox
<broadbandusoconsultation@culture.gov.uk>

LAIS1389 Broadband Norfolk ALC

1 message

Section 40

14 April 2016 at 10:43

To: broadbandusoconsultation@culture.gov.uk

The "USO of 10Mbps or higher" should specify that this is a minimum speed for a prescribed percentage of time (and as near 100% as practicable). This needs to take into account time of day and the contention of many users accessing the same broadband feed simultaneously.

Regards,

Section 40

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Response to Broadband Consultation

1 message

Section 40

24 March 2016 at 20:58

To: broadbandusoconsultation@culture.gov.uk

I was pleased to read of the latest consultation on the matter of the latest rural and outlying broadband proposals.

I have the following twenty comments all of which need to be implemented as a minimum:

General

1. These are the latest in a string of previously vague government promises on this urgent matter. Few targets have been met. Those should be the last of the targets that are missed.
2. Broadband should now be second in priority across the entire country only to the availability of water, the other utilities and sewerage.
3. Clearly any new initiative should be concentrated on 4G services – and better. Only where a technical problem suggests otherwise should less than 4G be accepted.
4. A new broadband Universal Service Obligation is to be welcomed. However mechanisms to monitor the progress of this and to prosecute failure are faulted/absent at present and must be included.
5. The proposed simplistic '*demand-led*' approach (p10 para 2) is wholly unacceptable and shows a lack of thought. The idea that some may not wish/require an upgrade might have value in the early stages of this programme but (guess what?) people die or move on and plans whereby immediate recovery of access to any such omitted dwelling must be included.
6. Time and time again the UK has discovered that small businesses are the backbone of new developments and of the economy generally. This roll out should be planned on the possibility of the UK leaving the UK and not the other way round.
6. The ambition for a '*world-class digital connectivity at ultrafast speeds*' is laudable but it is unacceptable that far eastern countries currently have better broadband speeds than we. This must be considered in any target.
7. Priorities regarding targets for the implementation of better connexions need to be set out, agreed and more importantly - policed.

Priorities

8. First of these priorities is to ensure that all towns and cities in the UK above some number of residents should be connected quickly. This should be to all such residential properties without exception. I would suggest the trigger should be for towns and villages that have more than 2000 inhabitants – including babies. No use of the electoral role should be permitted in this.
9. Second of these priorities should be for any business related activities anywhere in the UK – including substantiated use of independent business need and home working as an employee.
10. Third should be to provide linkage to all coastal and estuary settlements not covered by the above and to all premises not covered in the above.
11. Fourth should be inland linkage along all A roads of the UK – regardless of habitation.
12. Fifth should be inland linkage along all B roads in the same manner.
13. Finally there should be linkage to all of the UK regardless of terrain and local

features. This by 2020.

14. These services should be additionally connected to and accessible by, all house phones across the UK.

Principles

15. In all of the above there should be no installation that might subsequently prevent later improvement, expansion or speed increase.

16. The report states that *“Poor rural availability has a particular impact on Scotland, Wales and Northern Ireland which are more rural than the UK as a whole.”* That does not properly reflect the fact that these areas are not just rural but more mountainous. That is a much more serious problem than simple rurality and it is worrying that the government has not apparently recognised that.

17. Paid-for ultrafast services should be available at reasonable and reducing, prices in all areas of the UK.

18. If the EU's strange need for *‘USOs to be technology neutral’* brings restrictions to the reasonable availability of service to anyone (and by that is meant ‘to any single person anywhere in the UK’) then a derogation of this requirement should be sought – or implemented regardless - as a matter of governmental urgency.

29. The implementation of the current proposals MUST at all times bring benefits along with the above to people on low incomes who have difficulty affording a telephony service, customers with disabilities who need particular services, and customers in rural areas for whom the cost of service might otherwise be prohibitively expensive.

20. It is unacceptable for this programme to be judged at ANY level purely on the basis of provision to a percentage of inhabitants or businesses. Progress must be published against the above criteria on a three monthly basis.

Section 40



Department
for Culture
Media & Sport

BroadbandUSOConsultation Mailbox
<broadbandusoconsultation@culture.gov.uk>

High Speed Broadband - Wimborne

1 message

Section 40

14 April 2016 at 21:32

To: broadbandusoconsultation@culture.gov.uk

To Whom it may concern.

I work from home mostly, conducting Skype's and FaceTime around the world for my nano-tech and bio-tech businesses and it frustrates me and my clients when everything freezes and we have to revert to telephone!

This is debilitating as with so many different cultures they appreciate "face to face" contact!

The embarrassing point is that it is always "our end" where the problem emanates!

Please help us to get into the 21st Century!

Kind regards,

Section 40

Sent from my iPhone



Broadband USO Consultation

1 message

Section 40

14 April 2016 at 13:19

To: "broadbandusoconsultation@culture.gov.uk" <broadbandusoconsultation@culture.gov.uk>

Dear Sirs

My concerns regarding the providing of superfast internet to rural areas is made up of 2 parts:-

1. My wife runs a small business from home.

Our ISP is BT and in order to get a "reasonably reliable" broadband connection we have no choice but to pay extra for BT Business Broadband although this also supplies a static IP address which, for whatever reason, no other ISP is able to provide.

And because we rely on "old fashioned" telephone wires to deliver the internet we are also at the mercy of the weather as evidenced in one of the recent storms which resulted in us being without broadband for about 5 weeks - apparently tree problems and they couldn't just be pruned and the wires replaced, oh no, most certainly not, not allowed to do such things; we were told that special planning was needed, and then traffic management consent from the council, not our fault blah blah blah

As such, in order to retain an internet service (of sorts) I had to purchase a 4G dongle from Currys which at least allowed me to send/receive emails, but getting on line to pay bills etc was hit and miss - however, to be fair to BT, because I pay for BT Business Broadband they did refund me the dongle cost, but no refund of the Broadband charges for the period as "it wasn't their fault and the telephone line (albeit BT) is residential".

2. As we all know, if you want to watch any sporting event these days you need to subscribe to pay tv, so we have Sky tv at home with satellite dish.

Again, there is no choice as the download speed of the broadband is not good or reliable enough for streaming films or television so if we wanted BT tv or Virgin tv, it's tough luck, we can't have either.

My point is, however, Sky probably know this and, to some extent, have us over the proverbial barrel whereas I have friends who have access to cable or fibre who, having spoken to Sky and threatened to leave because of the competition, have been offered "deals" to stay !

Accordingly, it would appear that those us who live out in the sticks and who like watching Premiership football, Champions League, other sport, or even a good choice of films, until we get decent fast broadband, have absolutely no such choice but to sign up to Sky and quite probably will end up paying more for it (by dish) than someone who gets Sky by superfast fibre or cable !

So, one ends up paying more for a lesser spec product ?

Somehow that doesn't sound quite right, does it ??

Hope this contribution helps in some way.

Yours faithfully



Broadband USO Consultation

1 message

Section 40

30 March 2016 at 22:28

To: broadbandusoconsultation@culture.gov.uk

Cc: Calum Kerr MP <calum.kerr.mp@parliament.uk>,

Section 40

I welcome the consultation and the attempts to address the issue of broadband connectivity for ALL.

It has become an assumption that we all have access to broadband, any interaction with government (including this consultation!) is done digitally, all public services require email and broadband connection. This completely overlooks the fact that a significant number of people are not able to access workable broadband.

I run a small business - I am a Flower Farmer and make and sell natural dyed silk ribbon though my website www.millpondflowerfarm.co.uk

The business has grown significantly over the past 4 years but is significantly limited by my inability to efficiently use e-commerce options, or even upload photos to my website in a straightforward way. I use social media extensively (and very effectively) to promote my business but it is a real struggle and takes an extraordinary amount of time which is totally unsustainable. For example, I try to co-host some sessions of #britishflower hour on Twitter, but this is extremely difficult as the connection usually drops off or is lost.

Despite many hours of trying, phone calls and the involvement of Calum Kerr MP, I have not been able to affect any improvement in broadband speed, which is 1mbps or less and drops off tens of times each day. BT Openreach has stated it has no intention of upgrading the copper wire that serves our small hamlet or connecting the Superfast Broadband that is already connected to the exchange. We will not be helped by the current situation in any way. My neighbours have tried mobile wi-fi without success. Although we are rural, we are only yards from a major road and a few miles by road from Berwick upon Tweed.

We will not be able to have any improvement in broadband connectivity without the introduction of mandatory speeds (I would suggest starting at 10mbps) and a legal requirement to ensure that all households and businesses can receive it. Please ensure that this is not negotiable - it will not happen unless it is legislated that 100% of people must be connected and the speeds that they must receive as a minimum.

The mandatory level of connectivity must increase as the technology changes. We are currently poorly served because it is seen to be OK if 90% of households have a service. This is not acceptable and will make rural communities unsustainable. We need to be able to use the best technology available, for it to be adaptable and support our businesses and lives efficiently.

Please ensure what comes from this consultation is designed to see us into at least the next 50-100 years and doesn't leave us continuing to struggle with equipment and infrastructure that was developed a century ago. Thank you.

Section 40



Promises!

1 message

Section 40

7 April 2016 at 10:47

To: "broadbandusoconsultation@culture.gov.uk" <broadbandusoconsultation@culture.gov.uk>

I am a resident of Claxton and am continually frustrated by very low Download speed for broadband. My provider is BT. I have tested the download speed two minutes ago and it is 2.24Mbps. Very often at busy times it is much lower and the service keeps breaking down. It is pathetic that in this rural area which is only 8 miles from Norwich that the service should be so unacceptably slow and that we shall have to wait for 4 years for the promised improvement. An immediate improvement would be greatly appreciated.

Section 40

Sent from [Mail](#) for Windows 10

USO CONSULTATION

3 messages

Section 40

3 April 2016 at 11:30

To: broadbandusoconsultation@culture.gov.uk

My comments are as follows:

Q1: Do you have any concerns about the approach that has been set out here?

From trying to understand the detail of how Openreach under the BDUK/local authority programme intend to provide (some extent of) 'Superfast' broadband access in my rural exchange area, which is covered exclusively by Exchange Only lines, I fear that statistics for coverage in such areas is based on "premises passed" and bears limited relationship to "premises which can be connected without infrastructure upgrade (specifically re-routing of copper connections between premises and the new DSLAM/PCP cabinet)". This view is based on conversations with Superfast Staffordshire since - as an individual - I am unable to speak with Openreach.

Q2: We do not propose to specify speed in primary legislation. Should speed be specified in primary or secondary legislation?

It should be specified where it can be readily updated as needs and the technology evolve. Whichever is adopted, it needs to be a minimum speed at all times; the current 'up to' speeds are grossly misleading. However, as is the case currently in my exchange area, ISP's may not be able to address constraints where all exchange equipment is Openreach.

Q3: In terms of giving the Secretary of State a power to direct Ofcom to review the USO, should Government have a continuing role in the USO, or should this be a matter for Ofcom?

I would expect DCMS to retain the power to require OfCom to update the USO threshold.

My extensive investigations on behalf of myself and the local community into what the BDUK Superfast Broadband Programme will provide in my exchange area reveals a closed loop preventing any local knowledge (e.g. topographical, nature of individual properties) being input. BDUK in effect delegate to (in this case) Staffordshire County Council. Superfast Staffordshire have referred all responsibility for deciding where the fibre roll out will go and which premises might be able to be connected to 'Superfast' broadband to Openreach, as being "a purely technical decision" and Openreach do not attempt to seek any local involvement but point to BDUK. Further, I do not see any detailed scrutiny of the distinction between a BDUK/local authority funded area and the Openreach "commercial roll out". Certainly there are many new DSLAM cabinets being commissioned under the BDUK project which have distinctly urban addresses.

It is glaringly obvious that the existing local infrastructure (underground cables, overhead wires, location of Distribution Poles) grew "like Topsy" and bears little (if any) relationship to today's requirements. I have yet to establish the extent of changes Openreach will make when the single new PCP/DSLAM cabinet (which was erected recently) is put into service and residents are able to request an ISP to provide a 'Superfast' broadband service.



Broadband USO

1 message

Section 40

11 April 2016 at 17:02

To: broadbandusoconsultation@culture.gov.uk

Time for some joined-up thinking! With all the emphasis on new homes, how can it be that people moving into new developments are experiencing poor broadband performance, even in areas where FTC (fibre to cabinet) already exists? Planning approval for all new developments should be conditional upon the provision of a broadband connection at least meeting the USO requirements. Many people would now regard this as even more essential than a gas supply, especially if they run their own business, and if so your plan for a USO of 10Mbps is not exactly ground-breaking! It seems that housing developers only need to provide a phone line, so planning regulations need to change, and fast!

I would suggest your USO should actually be about 25Mbps and subject to upward movement. We have been ridiculously slow to invest in necessary infrastructure in this country, with Government wringing its hands and blaming the service providers.

These comments are provided as a concerned individual living in a rural community with FTC but no fibre to homes, and hence very variable performance.

Section 40

**The Universal Service Obligation and Rural Broadband as viewed from**

S40

S40

1 message

Section 40

28 March 2016 at 11:59

To: broadbandusoconsultation@culture.gov.uk

I welcome the opportunity to contribute to this consultation on broadband.

I live in North East Hampshire in a village comprising 262 dwellings in a very basic and rural countryside setting. The Village is Winchfield, and I live in the hamlet of Winchfield Hurst which is part of Greater Winchfield. We are 'served' by the BT telephone exchange at Hartley Wintney, which means we are at the end of a six kilometre copper wire. Our average line speeds vary between 700 kb/sec to 1.1 megabit, depending on the time of day. I have been in regular contact with Hampshire County Council in Winchester and can confirm that for the past 10 years we have been officially designated as a 'Not Spot' for broadband.

In the early days of broadband the lack of line speed was a nuisance, and we watched as Openreach enabled all the population centres of Hampshire to enjoy superfast broadband whilst the rural areas were disregarded as not commercially viable. This in itself is insignificant until as time passes it becomes clear that without broadband one is at an increasing and quite serious disadvantage in a modern digital world. Quite apart from being unable to use the BBC iPlayer and all the other manifestations of similar services, we are expected to provide on-line responses to Government both National and Local, yet without the fundamental facility that this demands. Banks in rural villages are closing faster than pubs, yet attempts to use the on-line alternative banking are thwarted by being constantly timed-out as though we are incompetent.

I have attempted on many occasions to suggest to B.T. Openreach that our village is geographically much closer to the expanding town of Fleet, which enjoys fibre optic high speed broadband. I have had to urge Hampshire County Council to make the suggestion to Openreach since they refuse to engage with end users as a matter of policy. In the last response from HCC I was offered a sum of money to fund a satellite dish to enable me to access satellite broadband. I explained to them that I already have a 98cm steerable satellite dish through which I watch television, because 12 years ago when we moved to Winchfield there was no terrestrial television signal. Their offer was to fund the hardware, not the unacceptably high subscription to a satellite provider, who incidentally could not provide an acceptable upload speed.

So when I read in your consultation document that "everyone has access to 2mB/sec basic broadband" I wonder where that information has come from. If I could get broadband at 2mB/sec I would not be bothering to write this email.

It is clear that the BT/Openreach monopoly has devoured all the rural broadband funds in order to spread their fibre network to densely populated urban areas where the commercial returns are most compelling. It is regrettable that the terms upon which the original rural broadband funding was made available to County Councils was not more expressly worded so as to ensure that rural areas were not deliberately overlooked as not viable.

We are being told that within the next eighteen months the BT exchange at Hartley Wintney will be converted to fibre optic. However we are also being told that the outlying villages which it serves are unlikely to benefit because Openreach cannot justify the cost of replacing the copper wire against the potential revenue. This is where central Government must step in to enforce and ensure that the Universal Service Obligation overrides commercial viability in the provision of what has become unquestionably an essential service in the 21st century.

Yours faithfully

Section 40



Broadband speeds.

1 message

Section 40

24 March 2016 at 20:13

To: broadbandusoconsultation@culture.gov.uk

Sir/Madam.

Regarding the above and all that has been written and discussed so far by various expert bodies.

My issue is as follows. I live on an estate to the east of Leeds in the town of Garforth. My estate was built in the late 1960s when copper was at a high price. Consequently all telephone connections are of Aluminium, terrible stuff for broadband. I realise I am not alone in this situation so the question is as follows. Is there a program to get rid of the Aluminium and replace the underground network with copper. I currently enjoy speeds of about 8 meg on a good day. I see that the minimum speed should be 10 meg by 2020 or we can claim compensation, believe that when I see it.

So, I ask the question a second time. Is there a program to replace the Aluminium underground network with copper?

I also appreciate that 8 meg to a lot of people would be great.

I look forward to a reply.

Section 40

BroadbandUSOConsultation Mailbox
<broadbandusoconsultation@culture.gov.uk>

Broadband USO Consultation

1 message

Section 40

16 April 2016 at 22:00

To: broadbandusoconsultation@culture.gov.uk

I am making this response as an individual with no connection to any group or organisation.

I live in an area which is rural, but by no means remote. We are within walking distance of a mainline station; our telephone exchange has been converted to fibre and offers BT Infinity; and an office block in our road has private Fibre to the Premises. However we are about 2 km from the nearest Cabinet, and therefore are unable to benefit from fast broadband.

1. I do have concerns about the approach set out. It does not meet the promise set out in the Ministerial Statement of 7 November 2015 which said "Access to fast broadband to be put on a similar footing as other basic services giving everyone a legal right to request a 10Mbps connection by end of this Parliament".

I feel sure that it was the Prime Minister's intention that such a request would be met, at reasonable cost, or it would have been an empty statement.

2. There may be good reasons for not specifying speed in primary legislation, but if it is to have any substance there should be coincident secondary legislation setting at least 10 Mbps as the starting level. This could be increased later as appropriate. To have no speed, or a derisory speed such as 2Mbps, set at the start would be a waste of time. Furthermore this must be an actual delivered speed not the "up to" speed currently used so misleadingly by all the providers.

3. Government should have a continuing role in the USO. I want my MP to have some influence; and interposing a wholly independent third party would weaken the process.

I should be grateful if you would keep my address and, particularly, my e-mail address confidential.

Section 40



Department
for Culture
Media & Sport

BroadbandUSOConsultation Mailbox
<broadbandusoconsultation@culture.gov.uk>

Superfast Cymru

1 message

Section 40

28 March 2016 at 20:30

To: "broadbandusoconsultation@culture.gov.uk" <broadbandusoconsultation@culture.gov.uk>

As you can't or won't deliver Fibre to LL16 then perhaps you could just deliver ordinary reliable bog standard 10Mps broadband.

Section 40

This email has been sent from a virus-free computer protected by Avast.

www.avast.com



Broadband Universal Service Obligation (USO)

1 message

Section 40

26 March 2016 at 15:32

To: broadbandusoconsultation@culture.gov.uk

Cc: Section 40

In response to your consultation request please find my responses.

Questions

Q1: Do you have any concerns about the approach that has been set out here?

I support the general approach in defining a minimum standard for broadband connectivity.

Q2: We do not propose to specify speed in primary legislation. Should speed be specified in primary or secondary legislation?

I would think that defining the specific technical standard should not be defined by primary legislation. The implications and options of the standard will evolve both technically and economically in the future and an efficient method to update them must be incorporated.

One option that could be considered would be to set the minimum standard to be a high percentage of the average delivered performance from the economic sector, from a few years earlier, thus moving the standard with time to the standard achieved in the economic market. If the economic broad band sector delivered ten MB download performance on average in a given year the target for a few year hence would be eighty percent of that.

Q3: In terms of giving the Secretary of State a power to direct Ofcom to review the USO, should Government have a continuing role in the USO, or should this be a matter for Ofcom?

If a specific standard is defined for USO, that standard could be automatically reviewed periodically - the period of that can be set in the legislation, maybe every three years, and a regulator would be perceived as more independent and better able to do that review than central government.

Questions not covered in the consultation that come to mind include:

- a) what is the expected and acceptable cost of a USO
- b) is this a devolved matter or would a UK standard be better.
- c) updating the USO regarding telephony service.
- d) the obligation/support to the immobile where connectivity has increased significance
- e) is there a place for telecoms providers to subsidise public libraries / schools or alternative central facilities in areas when role out isn't one hundred percent delivered. Potential means to drive the economic role out of service.

I am responding to the consultation as an individual member of the public.

Regards.

Section 40



Better broadband in UK cities

1 message

Section 40

26 March 2016 at 09:48

To: broadbandusoconsultation@culture.gov.uk

Hi

I completely agree with the 10mbps. I live in central Bristol and get 4mbps down and 0.5mbps with no fibre BB available. There is no plan to address the UK's residential urban not spots at the moment, so I'm hoping this will help.

Openreach completed their commercial roll out in 2011 - my estate was built in the intervening period. It is one of many new build areas in Bristol that are blighted by lack of fibre. Openreach's only response is that we should club together for a fibre cabinet, despite another fibre cabinet being within 5 metres. They have not even looked at the economics of 250 young families and young professionals and their likely take up for fibre broadband. They have no incentive to upgrade the cabinet as they are getting line rental anyway and so the USO requirement should help.

Virgin Media also face complications with private roads and management companies, another area that needs to be looked at if the UK is to address its problems of fibre coverage.

Anyway, the sooner the better for the 10mbps USO and please don't water it down. Close the loop holes that enable Openreach to sweat their copper assets and take 49p in the £1 in profit for every line rental - clearly they need a statutory obligation to invest in fibre.

Yours faithfully

Section 40

**response from**

S40

1 message

Section 40

16 April 2016 at 07:27

To: "broadbandusoconsultation@culture.gov.uk" <broadbandusoconsultation@culture.gov.uk>

Q1. My concern with the approach laid out is that the infrastructure needed to deliver access, that is the Public Library network, has been reduced dramatically in the last few years, so the USO will have little traction on it's own and will only make inequalities worse as it will be stronger players in the market who are able to use the USO to obtain access in their home. The government has failed to define or maintain it's responsibility to deliver a comprehensive and efficient service under the Public Libraries and Museums Act, so their is no supporting infrastructure to in effect make access happen for people who need a socially connecting, community based place to be active with us, entrepreneurial and doing all the things we need to do like pay our bills.

Q2. I do not know, but I do know secondary legislation can prevent full scrutiny by Parliament so I think this is important, therefore, primary legislation would be the preferred way and I do think a speed should be specified and necessary framework which helps educate people technically about what factors affect speed and whose responsibility each is to deliver - most I am sure will require more than one thing to happen - we need to have this better public understanding and change our society for the better so that infrastructure development is fair and transparent.

Q3. The government should maintain a role. Emotionally, the government must care enough about it's citizens, and actually want to provide a dignified and realistic framework for citizenship to be achieved by all - if necessary limiting the individual personal wealth of their families and themselves to do this - if you don't want this in your heart, it won't happen - we will end up carrying on with passing the buck to regulators - it is the job of government to provide a framework through which all can achieve citizenship. Only someone with an incorrect understanding of the multiple shapers of human behaviour would see this - so yes, definitely the government should keep the reins in this vital network for all our future

Section 40



Broadband Survey 2016

1 message

Section 40

24 March 2016 at 15:23

To: broadbandusoconsultation@culture.gov.uk

Dear Sir,

I would respond as below to the three questions set out in the consultation paper:

BROADBAND SURVEY 24th MARCH, 2016

Questions Q1: Do you have any concerns about the approach that has been set out here?

Yes – it refers to the population and not the geographical area. The % game is a very long way from 95% coverage as claimed. This is down to when the licences were issued (a very large sum) which allowed the companies to target the population and not the whole. This is an issue raised again & again but is being ignored.

Q2: We do not propose to specify speed in primary legislation. Should speed be specified in primary or secondary legislation?

A guarantee should be made as uploading such as RPA & Inland Revenue forms is as important as downloading.

Q3: In terms of giving the Secretary of State a power to direct Ofcom to review the USO, should Government have a continuing role in the USO, or should this be a matter for Ofcom?

Is Ofcom not a Government set up watch dog?

Yours faithfully,

Section 40

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S40



Broadband Consultation

1 message

Section 40

11 April 2016 at 21:01

To: broadbandusoconsultation@culture.gov.uk

To whom it may concern my responses to the questions below based on a rural user with current speeds of less than 1 meg

Q1: Do you have any concerns about the approach that has been set out here? **No clearly the current process is not working despite previous promises for fixed or mobile service.**

Q2: We do not propose to specify speed in primary legislation. Should speed be specified in primary or secondary legislation? **The minimum speed acceptable must be specified**

Q3: In terms of giving the Secretary of State a power to direct Ofcom to review the USO, should Government have a continuing role in the USO, or should this be a matter for Ofcom? **Ofcom have failed to make this happen and current service levels provided by Open Reach are wholly unacceptable in providing a maintained and usable service. Therefore the government must direct the provision.**

Kind Regards

S40



Department
for Culture
Media & Sport

BroadbandUSOConsultation Mailbox
<broadbandusoconsultation@culture.gov.uk>

Fwd: FW: Broadband USO Consultation

1 message

Section 40

15 April 2016 at 15:10

To: BroadbandUSOConsultation Mailbox <broadbandusoconsultation@culture.gov.uk>



Section 40

----- Forwarded message -----

From: Section 40
Date: 15 April 2016 at 15:04
Subject: FW: Broadband USO Consultation
To: Section 40

Good afternoon,

I have tried several times to submit a response to the consultation but constantly get a failed delivery receipt.

Below is the responses if you would ensure these are put forward.

In response to the above consultation, herewith below responses to the questions posed:

Q1:

Do you have any concerns about the approach that has been set out here?

The approach appears reasonable taking into account the variable factors affecting delivery of broadband. Setting a USO should force additional investment for infrastructure in particular to ensure rural areas are not left behind.

Q2:

We do not propose to specify speed in primary legislation. Should speed be specified in primary or secondary legislation?

A minimum speed should be specified in secondary legislation making it easier to reflect any changes in response to ongoing development of technology and market/personal requirements.

Q3:

In terms of giving the Secretary of State a power to direct Ofcom to review the USO, should Government have a continuing role in the USO, or should this be a matter for Ofcom?

It would seem reasonable to delegate the role to Ofcom, representing consumers and able to take into account market developments. In order to give Ofcom credibility to their role penalties must be available for them to apply in the event of failure to comply.



My Broadband speed

1 message

Section 40

28 March 2016 at 18:28

To: broadbandusoconsultation@culture.gov.uk

I live in an area that has what they say should be 2.4mbps download. However, I have never got anywhere near that speed and just now did a test that showed 0.9 mbps download and 0.3 mbps upload. So I cannot participate in any of the media download offers (even a 45 minute program download from sky catchup takes most of the night to do). I search on my postcode and it tells me that my area is under consultation (and in fact has been for many months now) but this just seems to be a holding phrase for 'not a lot is happening but at least it keeps you quiet with some hope'. I am not completely rural but in a small to middling village that is spread out, but which perhaps has an older population who do not generate internet traffic that might put some urgency on BT to upgrade. I think even if it is upgraded I live some distance from the cabinet and may not see much or any speed increase unless they fibre to my road.

I see that the wording of the USO is 'This will give people the right to request an affordable broadband connection, at a minimum speed, from a designated provider, up to a reasonable cost threshold.' I am suspicious that the reasonable cost threshold will be far more than the 'cheap' offers I see that are available to already fibre'd households and put anyone off from 'demanding' this minimum requirement. Why should I have to pay anymore than everyone else who already has the fast and super-fast fibre installed. I believe the USO wording should say 'This will give people the right to request an affordable broadband connection, at a minimum speed, from a designated provider, at the same cost as any other customer of that provider.' Given that line rental is the same irrespective of where you live, then so should the broadband cost. It should be an average cost that is spread across all customers not a scaled one because some live in more inaccessible areas. If this means that the general cost rises by 50p per month for everyone, then I think that is fair (and I would support this even if I lived in an urban area). Unless the public pay a little more, then infrastructure projects (eg the railways are modernising on the back of increased fares for all), such as super-fast rollouts will always favour the cheapest and easiest installations giving rise to 2 and even 3 tier broadband and dividing the ability of the whole population to enjoy, use and work with the technology and all it can bring.

I hope my comments may be useful.



A New Broadband Universal Service Obligation Consultation

1 message

Rockland Parish Clerk <rocklandparishclerk@gmail.com>
To: broadbandusoconsultation@culture.gov.uk

14 April 2016 at 21:53

I am writing on behalf of Rockland St Mary with Hellington Parish Council.

Our local Norfolk Association of Local Councils have forwarded to me the consultation document in respect of the above. At the Parish Council Meeting on the 11th April 2016 it was agreed that Councillors would like to make the following comments on the three questions being asked:-

- a) Does *legal right to request* ensure a legal obligation to deliver and is it dependent on numbers or a percentage of fixed dwellings /businesses ?
- b) b) Might failure to specify minimum speed in primary legislation lead to the provision of speeds that are still substandard compared to those in cities but providers saying they are nevertheless an improvement on existing speeds ?
- c) Leaving it to Ofcom to review USOs risks long delays/gaps in checking that connection services are fit for purpose and the future. Legislation should include what 'regularly ' means in timescales.

W I look forward to your response.

Section 40

c)



Broadband USO Consultation

1 message

Section 40

18 April 2016 at 00:29

To: broadbandusoconsultation@culture.gov.uk

(a) Do you have any concerns about the approach set out in the consultation document?

The consultation is essentially about administrative procedures, without clear objectives or technical solutions. It therefore lacks vision and credibility.

The provision of 10Mbps will be an improvement for some, but for how long will it be adequate? Surely the objective should be to provide fibre to the premises, rather than prop up BT's outdated copper cables which were intended for telephones in the early 20th Century, have been poorly maintained in many cases, and are wholly inadequate to deliver broadband service for the 21st Century.

The target of 10Mbps download speed is too limited an objective. Has any consideration been given to upload speeds and latency? Small businesses and people working at home often have to upload large files, including maps and graphics. There are concerns in rural areas that people will be offered ineffective and expensive satellite solutions as an 'easy fix'. This is already being done by Connecting Devon and Somerset. Is the approach driven by BT's monopoly power and its interest in prolonging the life and revenue streams of its obsolete copper infrastructure?

The Government should commission an independent audit of the data about broadband services quoted here and elsewhere. DCNS, BDUK, Open Reach, agencies like Connecting Devon and Somerset and ISPs have all been guilty of quoting misleading data about broadband coverage on their web sites, often based on postcodes. Accurate data about broadband coverage is essential for business location decisions and housing choice.

I am a parish councillor for Burrington Parish in North Somerset which has been missed out entirely from Phase 1 of the BDUK programme by Connecting Devon and Somerset and there will not be a Phase 2 programme in action until 2017. A recent survey in the parish with a 28% response revealed an average download speed of 2.93 Mbps, with only 6% of respondents reporting download speeds of 5 Mbps or more; and 28% of respondents reporting download speeds lower than 2 Mbps. Information published by Connecting Devon and Somerset, DCMS, BDUK, Open Reach and ISPs (mostly at postcode level) fails to reflect these facts. We are concerned that future programmes will also fail to recognise the problems of this parish.

How will the USO help? If there are technical solutions for 10 Mbps, isn't it likely that they will also often deliver better download speeds (and upload speeds). The failure of this consultation to address the real issues: performance standards and technical solutions – as opposed to bureaucratic procedures – offers little confidence that Government is really addressing the issues set out in the Ministerial preamble and Section 1 of the consultation. You are planning for a USO that will not be implemented for some years on the basis of what Ofcom says is acceptable in 2016.

(b) It is not currently proposed to specify speed in primary legislation. Should speed be specified in primary or secondary legislation?

If the speed is left to secondary legislation then the objectives of the USO must be very clear and explicit in the primary legislation: i.e. the range of uses that should be achievable by those depending on the UCO for their livelihoods. There also needs to be a clear and explicit means of monitoring performance, which probably means that speeds and other performance measures are necessary in the primary legislation or it will be meaningless; a set of aspirations or words that cannot be monitored.

(c) Should Government, via the Secretary of State, have a continuing role in the USO or should this be a matter for OFCOM?

Accountability for delivery of the UCO is essential and requires Ministerial responsibility that should not be delegated to an unaccountable quango.

I also attach and support a more detailed technical response which has been prepared by Graham Long, Chairman of B4RDS (Broadband for Rural Devon & Somerset), a lobby group with members across the two counties and representing the interests of rural residents, communities and businesses in Devon & Somerset.

Regards,

Section 40

 **DCMS USO Consultation _B4RDS Response.doc**
258K



broadbandusoconsultation

1 message

Section 40

2 April 2016 at 11:33

To: "broadbandusoconsultation@culture.gov.uk" <broadbandusoconsultation@culture.gov.uk>

As local councillor and resident of High Peak I welcome the consultation.

Still large areas of the Peak District with inadequate broadband. We have been promised superfast broadband from Digital Derbyshire. This has not been achieved with some locations receiving less reliable service since getting "Suprfast". Digital Derbyshire has been a great disappointment to many who feel that money has been wasted on the project.

Many small businesses in the area with requirements for broadband which is "assumed" by government and authorities/organisations to be superfast throughout the UK are severely disadvantaged..

The statement that BT will have the "majority of rural areas" serviced by 2020 is not acceptable. What is the "majority" – those outside " the majority" it could be argued have a greater need than the urban areas where alternatives (mobile signal) are already available. By connecting the most difficult area first would have made the rest of the country easily connected and it would have stimulated the economy in areas where it is currently stagnant due to poor connectivity.

We look forward to positive progress before 2020 and a ban on the term "majority" which is an easy cop out for BT et al.

Section 40



USO Consultation

1 message

Section 40

18 April 2016 at 16:40

To: broadbandusoconsultation@culture.gov.uk

This message is sent to respond to the consultation on the future USO.

The views expressed in this message are my own and are given as a customer and end user of broadband services in the UK. I am an individual.

I would start with the statement that BDUK on a technical and strategic basis makes sense, the desire to go straight to full FTTP is of course desirable but not practical for many reasons, we shall not dwell upon that in this message.

It must be recalled that the existing PSTN network in the UK has evolved over many decades and had never been envisaged as the data network it has become, to make amends for decisions made by the former GPO, now BT Group and legislation imposed by the UK Government, mainly via OFCOM, that legislation has to be looked at critically now to decide if that is providing the motivation to produce the end result desired by this consultation to provide a UK wide USO for Broadband and an aspiration to achieve large scale access to ultrafast speeds to the UK. The goal should be 90% access to ultrafast in Market 1 locations within 10 years of the first USO comes into being.

On Pg. 15 of the consultation, it states the Minister is asking OFCOM to provide design aims/goal of the USO by the end of 2016, followed by a 2nd consultation, there goes 2017, so the secondary legislation would be in place by 2018. And how long for OFCOM to define what will become the specification of the USO? They are sure to announce their own consultation, so is this a 2yr process too, so the USO will not become defined by OFCOM until 2020. And only then will the consumer will be able to start to request a USO capable connection. If so, by that time, the current 10Mb USO as proposed is not considered sufficient and a more aggressive requirement should be mandated, which helps the country towards an ultrafast enabled future.

Should there be a truly universal USO? Although it would complicate the legislation, Yes and No, Yes there will a universal USO, but No it will not apply to the whole country, there should be two geographic categories. The category would be based on distance from nearest property and from nearest cabinet (an exchange, or other high speed data access point), for example if property is less than 3km from a cabinet or less than 1km from a property which already has a USO connection, then it shall be in the Normal USO category, otherwise it is in the Basic USO category.

For the Normal USO category. Should there be a minimum speed *and* latency definition? There should. A value of 30Mb should be the minimum required download speed to exclude use of ADSL2+ to build an entirely VDSL (or better) network to simplify ANFP planning. Latency to any UK Internet Exchange Point (IXP) shall be less than 100ms, with a target or normally being less than 50ms. Latency is a real problem, more and more business is conducted globally, by use of VOIP and Web based conference calls, latency makes it hard to have conversations as people talk over each other. For the Normal USO the upload speed should be 5Mb or better, to cope primarily with sending large files, online back up systems and HD Web conferencing, which a business will need to carry out its essential business activities.

The Basic USO category, should only include those living in the remotest of locations, the

Basic USO should provide a minimum download speed of 15Mb and an upload speed of 2Mb, latency to any UK IXP shall not be more than 300ms. If a person has located themselves 10 miles from anywhere and 6000ft up a mountain, communicating with the world is likely not their priority, satellite is their only option.

How will the USO or future OFCOM legislation make it possible to compete with BTO in Market 1 locations? There is competition elsewhere in the country. These Market 1 locations are the majority of the rural and sparsely populated locations, this consultation claims these are the areas which it is trying to assist the most, the USO and future OFCOM legislation should be shown to support that statement.

It is not obvious that the telcos who compete with BTO in non Market 1 locations, typically urban locations, cities and larger towns, have any interest outside of the exchange areas where they have deployed and installed broadband infrastructure to date. With that in mind. Market 1 locations, where BT are the only provider of fibre based broadband are the areas with least competition, which also makes them the simplest for radical overhaul because there is no 3rd party LLU equipment installed by other ISP's. Therefore this should be taken as a chance to make the largest changes to OFCOM regulations in these locations, for example, relax the need to provide a copper circuit, where no ducts exist more fibre via poles should be used to avoid road closures and earthworks.

What should happen in non Market 1 locations? There should be no further BDUK funds, public money, EU grants or any kind of subsidy for broadband internet provision, made to properties which are not connected to a Market 1 exchange. The incumbent telco shall be required to meet or exceed the Normal USO requirements at their own cost. This will normally be those small groups of houses within larger towns which have been missed by the commercial roll out by that telco. With an exception as follows. If a property is not connected to a Market 1 exchange, and it fails to meet the criteria for being in the Normal USO category, it will be able to claim a subsidy for the cost of the upgrade. This is to catch those small villages and hamlets which are on the periphery of a large town, that have been missed out by both commercial and BDUK rollouts of FTTC within the large town.

It should also be looked at as to how to motivate the forward planning to support future developments in technology so the country does not get into the same situation in the future. This should happen through the Building Control and Planning process. The Building Control and Planning regulations shall require all new build sites (green or brown field) to make provisions for cabinets, joint boxes and ducting as required for all properties to include FTTP, no subsidy shall be made available for this, it shall be factored into the building costs. Also any property redevelopment of 3 or 4 buildings, or any existing property split into 3 or more apartments shall be equipped ready for FTTP, a subsidy may be provided for this for a developer who builds no more than 3 properties a year to a maximum of 8 apartments.

About MNO solutions. Are 4G and 5G networks being deployed or being designed by the well established MNO's the answer to any part of this problem? Could an MNO reliably meet the Normal USO requirements? If TV viewing habits move to streaming based, whether motivated by UK.gov and OFCOM policy or just through consumer desire, are the MNO and TV content producers building the systems that requires? If not, OFCOM should be sceptical of the networks deployed by an MNO. It is not to say 4G and 5G technology is inherently unsuitable for meeting the Normal USO, but an MNO has to design and configure the network for the kind of usage, which it may well not be doing today.

The far better solution for sparsely populated areas is Fixed Wireless Access (FWA), which will be those most in need of the USO. How to make FWA an option vs an MNO. MNO should prove they have packages designed/specified for domestic use.

FTTP is seen by many as the ultimate solution. It of course far exceeds the USO requirements. Will CityFibre, Gigaclear and Hyperoptic help serve small pockets of 8 or so houses which are in need of the USO to keep them from falling further behind the kind of broadband speeds found in urban areas? It seems unlikely they would. They have targeted

large villages in areas BDUK has failed to provide a sensible solution.

Quote from the USO Consultation document:

"The various interventions that Government has made to date, and the substantial commercial investment that has been made, have resulted in a fundamental shift in the extent of broadband coverage in the UK. Without further intervention however there will still be significant numbers of homes and businesses whose access to high-speed broadband will lag behind the majority.

One-off interventions do not allow for speed increases and changes in consumer expectations over time, and so a further roll-out programme similar in design to those already undertaken by Government would not address the problem in a sustainable way in the long term.

We believe that, for those premises that will not have been reached by commercial investment or by the Government's interventions by the end of the current planned programmes, the time has come for a demand-led approach. Given the high costs of providing broadband access to premises in remote areas it is right that this is done on request, rather than rolling it out and waiting to see if people in those areas want to be connected.

We know from the various interventions that the Government has made to date that it is unlikely that everyone will want to be connected, even if that option is made available to them, and so we do not believe that an additional broadband roll-out programme at this time is proportionate or would represent value for money."

The reading of the paragraphs quoted above suggest the following. This seems to suggest that either there is no Phase 3 to BDUK or just that Phase 3 will be run very differently? The arguments given that a demand-led approach will be used in what I assume we are still calling Phase 3 are simple and clear. BDUK Phase 1 and 2 were led by Local Councils, so for Phase 3 is the council leading the demand generation or putting customers and suppliers in touch with each other?

The USO is also demand-led, stated on Pg. 12, so does that still allow providers to sell and market non-USO capable services. Does that make sense? Only if other rules about Building Regulation are implemented does this make sense so that newer buildings are already FTTP ready. What happens when the 1st person in a group of houses gets a USO line, will they foot the large bill and then nearby properties will not pay so much?

Need clarification that at a property, if BT meets the the telephony USO, a different provider may meet the broadband USO. Is it required that a provider of broadband USO must also meet the telephony USO? Assume the answer is no, if a consumer wanted a phone line, they would have asked for it, no point in burdening a supplier with the telephony USO too, this is adequately provided by BT.

It is also inevitable there will be a cap on the amount to be spent on a property for it to gain a USO connection. OFCOM should provide a review mechanism whereby if it is obvious that the cap has been exceeded due to poor planning of network infrastructure, the cap shall not apply and the telco shall provide a USO connection at their expense within 12 months of the USO connection being requested.

The answer to the questions:

Q1: Do you have any concerns about the approach that has been set out here?

As described above there should be a Normal and Basic USO defined, it is not reasonable for

the remotest locations to receive subsidised provision of internet services.

The purpose of Phase 3 should focus entirely on Market 1 locations as these are the locations most in need of innovative solutions to the provision of internet services. If Phase 3 will be demand led, how will the demand be measured and the funds allocated? Because BDUK Phase 1 and Phase 2 have been managed by Local Councils, the assumption is that Phase 3 will also be managed by Local Councils. This is of great concern as it seems some Local Councils have been much more proactive during BDUK Phase 1 and 2, giving guidance to BTO (thereby deciding where the public funds are spent) and engaging with alternate suppliers of internet services where BTO would not provide internet services under BDUK. Some have let BTO plan the FTTC roll out with little or no guidance with Council staff allocated to managing BDUK on a part-time basis. Are Local Councils like that best placed to manage Phase 3?

It is mentioned that a Phase 3 would be demand led. The criteria for that needs to be thought through. If 10 properties in a village of 20 ask for this, versus 10 properties in a town of 10000, which one is seen to have generate the 'larger demand'. How will be the people with the demand be matched with a supplier? Phase 3 needs to be a much more transparent scheme, people will for sure want to understand why Village1 received funds vs nearby Village2.

Outside of the Market 1 locations, we find mostly urban and city locations, there is competition and infrastructure to support the USO. We have seen new entrants into these areas from Gigaclear, etc whilst BDUK Phase 1 was ongoing, indicating the needs of these locations will be met.

Q2: We do not propose to specify speed in primary legislation. Should speed be specified in primary or secondary legislation?

The specification of the USO should happen in Primary Legislation, the UK Government should be held accountable for the state of the internet service provision until 99% of the locations eligible for the Normal USO is achieved and 100% looks likely to be achieved without relying on satellite.

Q3: In terms of giving the Secretary of State a power to direct Ofcom to review the USO, should Government have a continuing role in the USO, or should this be a matter for Ofcom?

See answer to Q2. The primary legislation shall require that the USO is reviewed at 5 year intervals for the next 20 years.

S40



Broadband USO Consultation

1 message

Section 40

23 March 2016 at 19:50

To: broadbandusoconsultation@culture.gov.uk

Dear Broadband USO Consultation,

I am glad that the government agrees that access to the internet at a reasonable speed is fundamental to people in the course of their daily lives. I would like to make three points:

1. The 10 Mbps USO must apply to both upload and download speeds.

For people to be able to contribute as well as consume content (eg. at work: sending technical documents for a quote, photos of a recently-completed job or product demonstration videos, at home: sending family photos to a relative, backing up family videos to a cloud storage service) a minimum 10 Mbps upload speed is required at the very least.

Businesses with upload speeds slower than 10 Mbps, even if they are not in the content or data management businesses, are clearly at a material disadvantage to their competitors.

2. As for the figure that 'By June 2015, 83 per cent of premises were able to access superfast broadband' (24Mbps as defined by Ofcom), I should note that the house next door to us was commissioned for 'superfast' broadband some years ago and predicted at worst (by BT) to be able to get 40 Mbps/6.5 Mbps (download/upload).

This obviously wasn't the case as houses either side are predicted to get 5.8 Mbps/0.8 Mbps (download/upload). Actual speeds are quite a bit lower - about 1-2Mbps/0.2-0.4 Mbps. I should note that the setting is not rural, and that the error has not been corrected - the house is still predicted at worst, 40 Mbps/6.5 Mbps. Needless to say, if the connections were FTTH (as others nations are deploying), slow line speeds would not be an issue.

3. I would also just note that I understand that Ofcom have defined 'ultrafast' as speeds of 300 Mbps or higher, not 'download speeds of 100Mbps or higher' as quoted in the consultation.

Thank you.

Kind regards,

Section 40



Poor internet speeds

1 message

Section 40

10 April 2016 at 15:52

To: broadbandusoconsultation@culture.gov.uk

I am a resident of Mellor, Stockport S40

The broadband speed in this area is consistently poor, causing interruptions to internet communications on a daily basis. This causes considerable inconvenience to both administrative and financial transactions well as the enjoyment of viewing online programmes and films.

I would like residents in this area to have the benefit of the best possible internet speeds.



Department
for Culture
Media & Sport

BroadbandUSOConsultation Mailbox
<broadbandusoconsultation@culture.gov.uk>

Consultation

1 message

S40

17 April 2016 at 13:29

To: broadbandusoconsultation@culture.gov.uk

These speeds are far too low if the uk is compete internationally

Section 40

Sent from my iPad



Stoneleigh & Ashow Parish Council - Broadband Consultation

1 message

Section 40

14 April 2016 at 21:47

To: broadbandusoconsultation@culture.gov.uk

Questions Q1: Do you have any concerns about the approach that has been set out here?

A USO should definately exist. Based on experience of dealing with the monopolistic Openreach they would do little or nothing without external legally binding pressure.

Openreach seem to have slowed their fibre roll out in Warwickshire. How many DSLAM (fibre) cabinets have been installed in the last 12 months compared to the previous?

Q2: We do not propose to specify speed in primary legislation. Should speed be specified in primary or secondary legislation?

Yes. 10Mb/s is a useful but technically low target (Virgin are talking about over 450Mb/s whilst the fastest BT circuits are currently 80Mb/s) the target should have a rolling 3 to 5 year adjustment upwards with each adjustment doubling over the next 10 years.

Q3: In terms of giving the Secretary of State a power to direct Ofcom to review the USO, should Government have a continuing role in the USO, or should this be a matter for Ofcom?

The government should have a role. Ofcom seem toothless (perhaps because of the weakness of the Telecommunications Act and the lack of service obligation it places on Openreach)

Slow Broadband in rural Hampshire

1 message

Section 40

18 April 2016 at 11:39

To: broadbandusoconsultation@culture.gov.uk

Sir or madam,

I run one of the many small businesses that suffer from slow Broadband.

It's not as if we are out in the wilds – but are merely the product of a market-forces, with the national telecoms supplier (BT) running a privatised monopoly!

Having no competition in this area, (all lines are owned by BT/Openreach - who deliberately slow down this provision via third party suppliers), BT are happy to continue wringing cash from the old rope that comprises our pathetic broadband infrastructure.

If the government (and Ofcom) cannot provide decent Broadband to the remainder of the population in this day and age – where even government services are web-based - we should be entitled to fully subsidised alternatives - such as satellite Broadband. Perhaps BT should be forced to provide the subsidy – after all they have taken public funds to provide Broadband – but haven't done so!!!

I object strongly to being over-charged, and under-serviced merely for living and working south of Andover!

It's not good enough and needs to be addressed IMMEDIATELY!

In utter frustration,

S40



www.peakelectrics.co.uk Tel: 01264 861484

Peak Technical Ltd High Croft Chilbolton Stockbridge Hants SO20 6BA



Department
for Culture
Media & Sport

BroadbandUSOConsultation Mailbox
<broadbandusoconsultation@culture.gov.uk>

Broadband Speeds

1 message

S40

11 April 2016 at 14:47

To: broadbandusoconsultation@culture.gov.uk

Dear Sirs,

We live at Strines, High Peak, S40 where we also run a small property development company - Langcross Ltd.

We experience the most appalling broadband speed of approx 1 mbps and even that is not consistent, the strength varies and is occasionally non existent !

We have contacted BT several times about the problem but are told that as it is a rural area there is little hope of it ever improving as the signal comes down a line based three miles away and the longer the run the weaker the signal !

Any suggestions for improving this frustrating situation would be most gratefully received,

Yours,

S40



Broadband USO Consultation

1 message

Section 40

5 April 2016 at 08:34

To: broadbandusoconsultation@culture.gov.uk
Cc: annemarie.morris.mp@parliament.uk

Dear Sirs

I refer to the above consultation.

I am afraid that, put simply, the proposed USO is meaningless twaddle and a distraction from the real issues.

First, a physics lesson. Despite BT's propaganda for its G-fast system, copper wires can never provide unlimited broadband speeds. Copper is not a perfect conductor, nor is the insulation a perfect insulator. The skin effect i.e. the fact that the electromagnetic waves only penetrate the conductor to a certain degree also inhibits the copper's ability to transmit signals without noise. Fibre also suffers signal loss due to Rayleigh scattering etc but the effects are only relevant over much greater distances. BT has claimed high speeds for its G-FAST system but only over distances as short as 35m or 100m. In our relatively large village, we have just two, soon to be enabled, fibre cabinets - some of the copper cable runs will be much longer. We are NOT an isolated rural community but we will still face issues with the limitations of copper (and in some cases aluminium) cables, some of which are very old.

Secondly, you appear to have failed to understand the real significance to communities such as ours. We already have "Superfast" broadband in the process of being installed and will not benefit from a USO of say 10 Mbps. However, 10Mbps or even the likely 40/2Mbps we are likely to be able to get, on a sunny day without rain in the cable joints, is nowhere near enough for modern business. To put things in context, my phone (not my computer) requires an operating system download in excess of a 1gb which can take 25 minutes or more to download on a connection which would comply with the proposed USO. Like many people, we have 4 such devices which require separate updating. That is just to be able to use the phone. My son composes music for film and works with uncompressed video files - 60 seconds (that's seconds, not minutes) can be in excess of 10Gb. On the 2Mbps upload speed we get with "Superfast" that could take 10 hours (that's hours, not minutes) to upload. If you want places like our village to play a part in the "digital economy" and not just be a place where elderly people can browse the internet, you will have to do much better than 10mbps.

Thirdly, the USO appears to proceed on the basis that private ownership of the network is a given. It's clear that this is simple nonsense. None of the players in the market, particularly the monopoly provider BT Openreach, has any interest in providing a service to our village. They wish to cherry pick and sell content - largely the rights to football and US produced films. The USO will be set at such a level that they will have even less incentive to provide anything more than what is a basic service to villages and other 'remote' areas. It's said that the "road to hell is paved with good intentions", unless we start digging up streets and laying fibre cables, the proposed USO will merely condemn us to a "digital hell" where our villages become places to die rather than places to work.

I am afraid that the answers to your questions are, therefore, as follows:

Q1: Do you have any concerns about the approach that has been set out here?

Yes, for the reasons given above the proposed USO is inadequate and will fail to achieve its aims. It is simply meaningless in today's world.

Q2: We do not propose to specify speed in primary legislation. Should speed be specified in primary or secondary legislation?

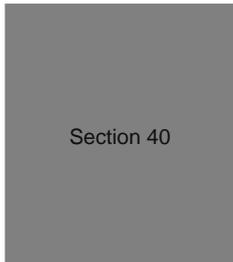
Without an approach using proven, future-proofed technology, (i.e. FTTH) it does not matter what speed is specified or where. Legislation cannot change the laws of physics - at least this was the case the last time I checked.

Q3: In terms of giving the Secretary of State a power to direct Ofcom to review the USO, should Government have a continuing role in the USO, or should this be a matter for Ofcom?

Again, for the reasons given above, discussion of this is meaningless.

Thank you for giving me the chance to provide input to this consultation.

Yours sincerely





High speed broadband - Harewood Ward (Wherwell)

1 message

Section 40

14 April 2016 at 15:48

To: "broadbandusoconsultation@culture.gov.uk" <broadbandusoconsultation@culture.gov.uk>

Dear Sirs

I am hugely disappointed to find that the Test Valley villages including Wherwell have been excluded from the Broadband Universal Service Obligation. We run a business from our home, as well as work from home 1-2 days a week rather than commute to London 5 days a week. The slow, and sometimes non-existent, broadband is a challenge for us and as more and more activities become part of the digital world the lack of a functioning broadband is a barrier to participating in all that the new technologies bring.

Please can you reconsider your decision and include these thriving villages in the plan for high speed broadband.

Regards

Section 40



Response to consultation of 23 March 2016

1 message

S40

10 April 2016 at 18:47

To: broadbandusoconsultation@culture.gov.uk

I am responding as an individual (residential homeowner)

Q1 Concerns about approach - The proposed timescale is way too slow - we desperately need better broadband to function both at work and in our home lives. I've been to some pretty remote areas in France and USA, and the speed there is greater than that we have at home, and we are only 13 miles from the centre of Manchester. Please speed it up!

Q2 If secondary legislation is quicker to change, then put the speed in secondary legislation so we can update more quickly.

Q3 Government should continue to have a role in USO.

Section 40



reply to consultation - Broadband Universal Service Obligation

1 message

Section 40

18 April 2016 at 09:38

To: "broadbandusoconsultation@culture.gov.uk" <broadbandusoconsultation@culture.gov.uk>

Scirum Ltd is a small start-up business providing business support services to other small businesses and organisations such as industry associations. Much of the support we deliver to our clients is related to digital marketing and communications and a good broadband line is therefore critical. In addition, our current location does not provide good mobile signal coverage, thus making us reliant on telephone landlines. The ability to use VOIP would create huge benefits to our business. Unfortunately our broadband speed currently does not allow us to use this service. Scirum is located in a village high street, only 4 miles from the nearest town (Andover, Hampshire).

To answer your specific questions in your consultation, please see our answers below:

Q1: Do you have any concerns about the approach that has been set out here?

As a business we would welcome a USO. Despite being located in the centre of a village high street we have been told that we would not be included in the 95% Super Fast Broadband roll-out plans. We moved to this location specifically because it was not outside a village and we assumed that a village centre would be able to provide us with the basic amenities, including adequate Internet connections. We would therefore welcome a minimum broadband speed that could support a small digital marketing business with access to VOIP facilities.

There is a difference between individual and business need, and the requirements for small and large organisations. These should be taken into account and may therefore need different minimum speed requirements.

Q2: We do not propose to specify speed in primary legislation. Should speed be specified in primary or secondary legislation?

Although a specific speed in legislation would be helpful to some extent and to ensure that there is a set minimum at this time we believe that there should be enough flexibility for this minimum speed to be increased with the changes in technologies.

Q3: In terms of giving the Secretary of State a power to direct Ofcom to review the USO, should Government have a continuing role in the USO, or should this be a matter for Ofcom?

We feel that this should be the remit of Ofcom. Government should set out its expectations in legislation and then require Ofcom to regulate and ensure delivery. Ofcom should also be given the remit to adjust minimum

speeds upwards as and when technology advances. Government still retains an assurance role to make sure that Ofcom appropriately carries out its role and that the industry delivers adequate services to both individuals and businesses to secure our future economic prosperity.

Yours,

S40

SCIRUM
LIMITED

Helping small businesses thrive

S40

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Broadband USO Consultation

1 message

Section 40

16 April 2016 at 14:09

To: "broadbandusoconsultation@culture.gov.uk" <broadbandusoconsultation@culture.gov.uk>

Sent from [Mail](#) for Windows 10

Dear Sir/Madam,

I am would like to express my strong support for the proposals outlined in the Broadband USO Consultation. We live in Dundry which is a village just outside the city of Bristol. We are informed that we are too close to Bristol to benefit from the rural broadband initiative. BT have been postponing the upgrade of our box every year due to stating to our MP that it is simply not commercially viable. We are penalised for this situation by having a slow internet connection and we seem to be part of a small percentage of people stuck in this gap.

My understanding of these proposals is that this will address our urgent need to solve our internet speed issues. We currently feel very disadvantaged and are hoping for further government support. We would be delighted to have internet connection increase even to 10mb as this will be significantly faster than the internet speeds we are currently getting.

Thank you

Kind Regards

Section 40



Broadband USO Consultation

2 messages

Section 40

18 April 2016 at 18:51

To: broadbandusoconsultation@culture.gov.uk

Market Weston Parish Council supports any initiative that facilitates a Universal Service Obligation of no less than 10Mbps broadband speed to every household. To make the service available on request seems like a sensible option as long as it's availability is clearly advertised, including information being sent directly to Parish Councils. The application process should be simple and transparent with a clear timeline. We feel that a minimum 10Mbps broadband speed being specified in the primary legislation is favorable but this should not mean it cannot be re-visited at secondary legislation.

We hope you find these comments helpful and would be happy to engage further on this consultation if you feel it is appropriate.

Section 40

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BroadbandUSOConsultation Mailbox <broadbandusoconsultation@culture.gov.uk>

19 April 2016 at 07:20

To: Section 40

Your message

To: BroadbandUSOConsultation Mailbox
Subject: Broadband USO Consultation
Sent: 4/18/16, 6:51:08 PM GMT+1

was read on 4/19/16, 7:20:59 AM GMT+1



Department
for Culture
Media & Sport

BroadbandUSOConsultation Mailbox
<broadbandusoconsultation@culture.gov.uk>

Poor broadband speed

1 message

Section 40

12 April 2016 at 09:58

To: "broadbandusoconsultation@culture.gov.uk" <broadbandusoconsultation@culture.gov.uk>

My postcode is S40

I do all my paperwork from home and often loose connection at vital times.

Also when work men came to fit a smart meter for the gas supply they couldn't due to poor signal strength.

S40

Sent from my iPad



Department
for Culture
Media & Sport

BroadbandUSOConsultation Mailbox
<broadbandusoconsultation@culture.gov.uk>

Broadband Universal Service Obligation Consultation

1 message

HOLLINRAKE, Kevin <kevin.hollinrake.mp@parliament.uk>

17 April 2016 at 13:30

To: "broadbandusoconsultation@culture.gov.uk" <broadbandusoconsultation@culture.gov.uk>

Cc: [REDACTED] S40

I believe that the USO should be for Next Generation Access of at least 30Mbit with 100% delivery to all residential and business premises by 2020. This could be achieved by modifying the procurement process to include a requirement that the successful bidder would deliver to 100% of the premises using other technologies, such as point-to-point wireless, 4G/5G and satellite connections. This could be managed and marketed by the lead contractor but facilitated by working with 3rd parties with expertise in the various technologies.

Satellite, with its inherent issues around latency, should only be used in the last 1% of hard to reach premises. I believe that this approach would remove uncertainty for providers and deliver a level of service that will be sufficient for the majority of businesses and residents in the short and medium term.

Kind regards

Kevin Hollinrake MP
Member of Parliament, Thirsk & Malton Constituency
House of Commons
London
SW1A 0AA
01347 666880



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Department
for Culture
Media & Sport

BroadbandUSOConsultation Mailbox
<broadbandusoconsultation@culture.gov.uk>

Responses

Section 40

4 April 2016 at 12:17

To: broadbandusoconsultation@culture.gov.uk

Cc: Section 40

Q1

Broadly in agreement

Q2

Yes speeds should be specified

Q3

Ofcom AND government should be involved and monitor. New housing developments sit in another department and it can be ages before BB is available.

Kind regards

Section 40



New Broadband Universal Service Obligation Consultation

1 message

Section 40

14 April 2016 at 13:15

To: broadbandusoconsultation@culture.gov.uk

Dear Sir/Madam

Following is the response of Marlingford and Colton Parish Council to the above consultation. Our answers to the three questions asked are:

- Question 1 – We have no concerns about the approach to this matter.

- Question 2 – Speed should be specified in secondary legislation.

- Question 3 – Government should have a continuing role in the USO. On no account should this be left to Ofcom

Regards

Section 40



Virus-free. www.avast.com



USO consultation

1 message

Section 40

16 April 2016 at 09:03

To: broadbandusoconsultation@culture.gov.uk

Dear Sir/Madam,

To the questions posed:

1. I think the approach outlined is sound.
2. I believe primary legislation SHOULD specify a minimum download speed. We live in a small hamlet and our speeds are shockingly poor, despite the local exchange in Lenham being enabled for superfast broadband. BT say there are no current plans to link us to the new exchange, which would almost certainly give us a 10MPS speed according to OpenFast engineers. Yesterday it was 1.1 MPS, at Christmas a mere 246 KPS and as low as 140 KPS in February, slower than dial-up speed. Without a minimum speed, I suspect we will again be left out of general improvements.
3. I believe government should retain a presence until the operators have delivered on their statutory requirements.

I am an individual.

Yours faithfully,

Section 40

Sent from my iPad



High Speed Broadband or rather lack of it

1 message

Section 40

9 April 2016 at 13:28

To: broadbandusoconsultation@culture.gov.uk

Sir,

We live in a small village in Hampshire (Wherwell S40) hardly in barren waste lands and yet, in spite of many promises, we not only do not have high speed broadband but for many hours a day we do not even have ordinary broadband at all.

We pay the standard charges for the, seldom existent, Service and in spite of constant complaints nothing is done to improve it.

To add insult to injury our next door neighbour, fifty yards away, has High Speed Broadband but we are told there is 'no room for us' and unlikely to be for another two years.

This is unfair and unacceptable,

Yrs faithfully,

Section 40

Sent from my iPad



Department
for Culture
Media & Sport

BroadbandUSOConsultation Mailbox
<broadbandusoconsultation@culture.gov.uk>

superfast broadband a reality?

1 message

S40

24 March 2016 at 19:39

To: "broadbandusoconsultation@culture.gov.uk" <broadbandusoconsultation@culture.gov.uk>

S40

Dear Sirs,

Department of Culture, Media & Sport.

I have read your report, your statement and your goal for 2020 that most of the people in the UK would have access to superfast broadband. I am pleased with your statement, of course! But now the reality at this moment in this rural part of the UK where we live:

broadband: around 0.6Mbps till 1 Mbps.

mobile telephone: no reception for around a mile

Your Department offers now a discounted satellite connection. In reality it means that my Sky contribution per month will go from L17 broadband (unlimited) and L 17.40 line rental (total 34.40) up to L 85,- for the same usage in Gb. To me, personally, it is nice to offer all citizens in the UK superfast broadband but is every citizen willing to pay that much extra per month? Me? Sorry, I cannot afford it.....

Kind Regards,

S40



broadband speeds

1 message

S40

31 March 2016 at 12:13

To: broadbandusoconsultation@culture.gov.uk

We pay around £40.50 per month to BT for a phone & broadband service. We don't make calls very often but need internet. The average down load speed is 0.73Mb/s and the average upload speed is 0.39 Mb/s. We can not down load videos etc and is very slow just to download basic things like photos etc. Our neighbour has phoned BT and they say they can't do anything about the speed and will not be up grading the speed as we are too far from the exchange. Our address is [REDACTED] S40

S40

Hope this is a help to let you know that living 8 miles from the town centre of Berwick-upon-Tweed and being between the cities of Newcastle-upon-Tyne and Edinburgh that this is the state of broadband availability.
Kind Regards



Department
for Culture
Media & Sport

BroadbandUSOConsultation Mailbox
<broadbandusoconsultation@culture.gov.uk>

Promises!

1 message

S40

7 April 2016 at 10:47

To: "broadbandusoconsultation@culture.gov.uk" <broadbandusoconsultation@culture.gov.uk>

I am a resident of Claxton and am continually frustrated by very low Download speed for broadband. My provider is BT. I have tested the download speed two minutes ago and it is 2.24Mbps. Very often at busy times it is much lower and the service keeps breaking down. It is pathetic that in this rural area which is only 8 miles from Norwich that the service should be so unacceptably slow and that we shall have to wait for 4 years for the promised improvement. An immediate improvement would be greatly appreciated.

S40

Sent from [Mail](#) for Windows 10

Response to

A NEW BROADBAND UNIVERSAL SERVICE OBLIGATION CONSULTATION

I am replying as an individual living in a rural, mainly farming community less than 10 miles from a significant town, so we do not consider ourselves remote. Many of my comments echo those of my neighbours who know nothing of this consultation, and who would not respond anyway, believing that their views would be ignored.

Question 1

a) BDUK's progress summary is not correct. We cannot access broadband at 2Mbps because we live in a listed building and cannot put up a satellite dish with correct sky visibility. Constraints of hills, trees, land ownership and distance from house make a ground mount impossible too. Quite apart from that, the cost even for 2Mbps when added to phone land-line (we have no mobile signal at all) is too high, the data limits too low and congestion is already an issue with existing satellite customers whom I know. Having to make complicated choices for hardware from competing firms for an uncertain and (hopefully) short-term service may also contribute to the poor take-up of the "2Mbps promise" by qualifying residents locally. BDUK were told of such potential problems long before December 2015.

b) The suggestion that the USO connection should be "demand-led" is unclear. Does it mean that potential users will have to identify themselves beforehand in order for the infrastructure to be put in place? Cumbria County Council surveys have reported a lack of interest for improved broadband in some rural areas, but that is not surprising as it is difficult to know that a survey is taking place if you have little or no internet connection. My neighbours are farmers so need to have computer access for that, but otherwise will be too busy to attempt to use such an awful "service" (I may have to restart my hub 10 times a day, have to ask continually for engineers to reset my line which keeps on fading to nothing, and I might have to wait 30 minute just to speak to someone at BT, and promised visits and phone calls don't happen.)

c) You briefly mention the sort of services and advantages that broadband can provide, but do not go far enough - some Government services are not just digital-by-default but are ONLY digital (such as the transfer of personal tax allowance between husband and wife.) Furthermore, you do not point out the effect of poor broadband on the housing market. As well as depressing prices it will mean that rural communities will be deprived of those who need average broadband at a reasonable price, for example, families with children, and the countryside will become even more of a second-home desert. Many rural residents accept that they cannot receive mains water (one of your so-called "essential" services) and have a septic tank, use oil instead of gas, and rely only their own transport. But communication has been available by post and land-line phone, with equality in cost if not in reliability. In the last 10 years the communication goal-posts have been moved beyond recognition, both regarding landline broadband and mobile phone, and will continue to do so, but we have stood still. Surely we are owed parity in this at least, and be financed from the public purse from which we take less in other ways. We should not have to raise thousands of pounds to lay miles of fibre and negotiate wayleaves (and how many such projects have failed!) nor be left to make private arrangements with planning authorities and individual satellite or microwave providers, nor be forced to take up options where, once installed, there is no competition nor future-proofing. As government already requires us to have it, we should not have to pay more to use it.

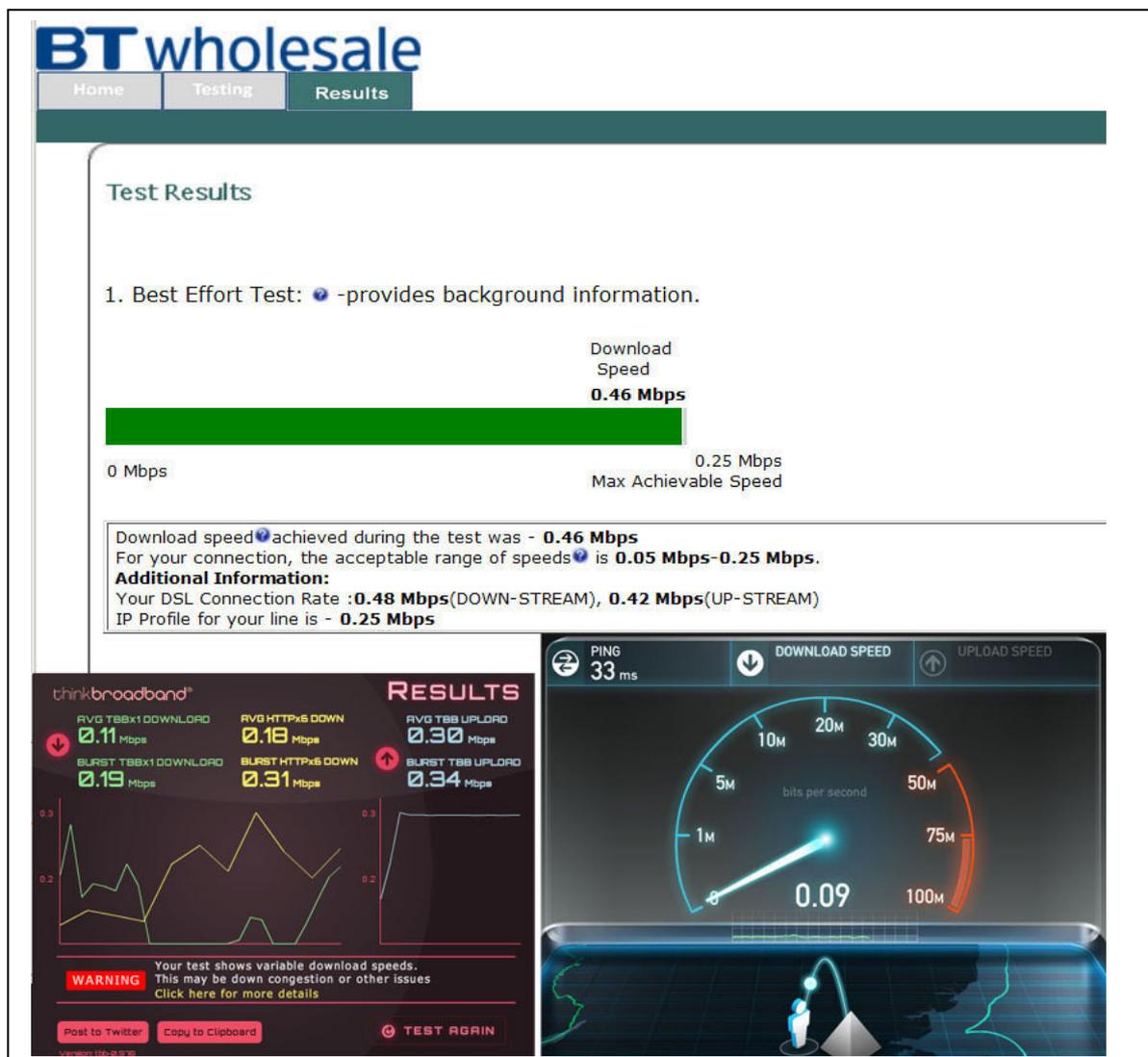
Question 2

The important factors with speed are that

a) There should be a STATUTORY MINIMUM LEVEL OF ACTUAL DOWNLOAD SPEED either as an actual speed or as a percentage of the advertised Connection speed. The "DSL connection rate" on my line is usually reported to be nearly 0.5Mbps whilst my speed can be so low that I cannot get any speed test to load. BT always say that this is due to congestion and is beyond their control. I regard it as a failure to provide a service fit for use.

The previous USO on phone-lines was 28Kbps but our actual dial-up speed only achieved a small fraction of that. When challenged, BT acknowledged this but claimed to be within the law as the phone-line was capable of carrying this speed, even if it never did.

Note that my BT wholesale broadband test results are often very wrong and even contradictory, as shown below, and should not be relied on as a measuring device.



4th April 2016

b) The speed guaranteed by the USO must continually be linked to the average speed in the country because that is what many websites will continually rewrite for. Before we could get our minimal broadband, even some Government agency, local Government and other "official" sites had become completely unuseable for us on dial-up.

c) For my husband and myself, upload speed is also an issue. Working off-line we create extensive websites (unpaid and unfunded), which are extensively used, including by official bodies. We need to send large files sometimes and would like to be able to update the websites ourselves.

Question 3 This depends on the will and ability of Ofcom or the Government to really understand the issue and act decisively. I am unable to say which is more competent to do this.



Broadband in the rural community

1 message

S40

9 April 2016 at 22:20

To: "broadbandusoconsultation@culture.gov.uk" <broadbandusoconsultation@culture.gov.uk>

As a resident in the Parish of Combe Fields, a Parish near Coventry in the County of Warwickshire some 1.5 miles from junction 2 of the M6 I would like to respond to the consultation on broadband in the rural community.

The consultation questions are:

Questions Q1: Do you have any concerns about the approach that has been set out here?

Q2: We do not propose to specify speed in primary legislation. Should speed be specified in primary or secondary legislation?

Q3: In terms of giving the Secretary of State a power to direct Ofcom to review the USO, should Government have a continuing role in the USO, or should this be a matter for Ofcom?

Q1: I believe that anything which ensures rural communities get equal opportunity for access to broadband is a good step. Internet access is becoming a mandatory service that households require to access modern services, such as streaming catch up TV and social media, but more important is the necessity to support flexible working. As a resident living in a BT 'white area' with no prospect of receiving broadband >10Mb area I am currently unable to work from home, as the majority of my colleagues do, due to the low speed of internet access available to me – I cannot remote access the company servers to allow me to perform the required tasks.

As a small rural parish we are not large enough to demand broadband provision, but nearly 50% of residents are self-employed and work from home under great difficulties.

We have investigated other means of broadband supply but they are either unavailable in our rural setting or prohibitively expensive - the current rollout plans for broadband show our community as being in the 1% who will not receive any benefit from this, even though we are only just outside Coventry.

Q2: based on the paper I do not believe the minimum speed should be set in primary legislation as this may prevent the set level from being updated as technology inevitably develops.

Q3: I am not clear of the benefit of government or Ofcom having a role in the USO, so cannot comment on this question.

Thank you for your consideration.

S40



12 April 2016

The Rt Hon Ed Vaizey MP
Minister for Culture and the Digital Economy
DCMS
100 Parliament Street
London
SW1A 2BQ

Dear Mr Vaizey

Universal Service Obligation – Broadband

COSLA has welcomed the previous pledge from the UK Government that no one, or area: rural or urban, in the UK will be left behind in the rollout of superfast broadband. It is our support for this commitment and its deployment which provides the basis for our response to the current Broadband Universal Service Obligation (USO) Consultation.

Fast broadband connectivity is now seen as a key service, essential not only for busy families, but also for businesses and the services we all need across the UK. For many, upload speeds are as important as download speeds. Such users, especially SMEs, are increasingly frustrated by a much lower level of upload speed.

We welcome your suggestion that there will be autonomy over the solutions to be used to reach the hardest to reach areas. In future, when you exercise power to direct Ofcom, which is our preferred way forward, we hope you will be prepared to involve political representatives from all those areas covered by the USO. Given the importance of digital connectivity to many remote communities across Scotland, this for me cannot be a process left solely to a regulator. The Secretary of State must retain a power of direction.

Given the success of Community Broadband Scotland (CBS) and the myriad of technology solutions proposed by communities, we would welcome funding being made available for Scotland to deliver solutions most relevant to local circumstances, as we must find ways to deliver faster broadband to all of Britain by the end of the decade. In Scotland, this would build on the significant recent co-investment by DCMS, COSLA member councils and the Scottish Government, utilising EU Funds to deliver a significant stepchange in superfast broadband provision through Broadband UK. It was clear from Leaders that we need to encourage new entrants, open access and get final clarity from BT Group as to the extent of their network.

Certainly, with forthcoming regulatory and technological changes as well as fibre being taken closer to the home, potentially leading to new models of competition, it will be important to consider the role in USO delivery of 4G and subsequently 5G mobile and broadband coverage. COSLA Leaders are concerned that the market dominance of certain operators could reduce the opportunity for community-led innovation such as CBS to deliver relevant parts of the USO in a locally flexible manner without clear open access requirements.

WHEN CALLING PLEASE ASK FOR:

COSLA would request a national minimum tolerable, flexible and regularly reviewed standard for broadband. This must prevent future changes in service delivery (such as switching off the copper phone lines and relying exclusively on fibre or mobile broadband), causing real problems for our digitally remote communities. Not to mention presenting resilience issues for the provision of emergency service transmissions in remote areas, if a 4G successor to the “airwave” system does not provide full and reliable backhauled coverage across the UK.

Such a minimum standard should not only cover broadband but also mobile internet given the increased reliance on mobile devices to access both public and commercial services. Albeit we recognise the clear relationship between the roll-out of fibre broadband providing the necessary digital data backhaul to allow high capacity 4G, and in future 5G, broadband to be deployed into digitally remote areas as a substitute to fibre to the cabinet or premise. Again Leaders were keen to ensure Ofcom encourages the unused spectrum to be opened up to new entrants to encourage competition in digitally remote areas.

COSLA Leaders believe that further funding should reflect the cost of providing a minimum level of outcomes and a minimum tolerable threshold for broadband, reflecting the costs of implementing such infrastructure the length and breadth of the UK. It should not be allocated on a pure population basis. Funding needs to take account of geography in the allocations.

In the context of the ongoing BBC Charter Review, we still require clarity on the continued top-slicing of the licence fee for digital infrastructure beyond 2017 to continue to fund the roll-out of superfast broadband. COSLA members have outlined a desire for equity and fairness and that this top-slicing (or substitute funding) continue into the future until all licence fee payers have been provided with the minimum tolerable and future-proofed standard of broadband. It is firmly the view of COSLA members that the digital inclusion roll-out started at the wrong place- ie those closest to the market - when instead it should have focussed on the most remote. By so doing, rather than significantly narrowing the digital divide and I stimulated marginally commercial areas, with successful; tenderers using up valuable subsidies that could have addressed the needs of digitally remote areas first and issues such as long lines in particular where the provision of a tolerable level of broadband will be challenging.

COSLA would request that further social inclusion obligations on the private sector be included in the conditions of future rounds of public policy and funding initiatives including the USO proposals. Minimum standards of broadband are also necessary in terms of local economic development, for businesses, particularly start-ups, who may operate from home and need a minimum standard of a range of telecommunications, broadband and mobile coverage. The funding of the USO should be developed in a manner that enables fair and equitable contributions to be sought from a range of stakeholders that benefit from broadband infrastructure, and not continually resourced from further public sector contributions.

COSLA Leaders note Ofcom’s recent suggestion that the bare minimum for broadband speed for household was 10Mbps. Many member councils have examples where they have constituents who are struggling to get beyond dial-up speeds or basic broadband speeds of 2 Mbps still. They are concerned that the policy focus might shift to other digital issues before we provide an equitable and fair minimum standard of access to all communities. Certainly Leaders would rather focus on continuing to narrow in absolute and relative terms the digital divide. Therefore, specifying a minimum speed in primary legislation may be sub-optimal and instead it might be more beneficial to create a regulatory framework that encourages continued narrowing of the divide in a sustainable and flexible manner.

As part of your Review of the BBC Charter and emerging proposals for superfast and ultrafast broadband, we seek your support for the continued rollout of appropriate levels of broadband funding within Scotland. Leaders would also welcome clarification on the source of funding, if not to be top sliced from the licence fee, to not only get a “safety net” service but superfast access for as many communities as possible within Scotland.

COSLA has previously lobbied that funding distribution must take account of other factors that influence the cost of delivering services to more remote communities. COSLA is concerned of the potential for a growing digital divide and social exclusion from digital services if further targeted action is not progressed. For example, given the growing provision of BBC services via digital means e.g. BBC Three, the lack of acceptable bandwidth in digitally remote communities could stop certain parts of the population from equal access to all BBC services and other future public services. This could lead to a two-tier system of service for certain communities despite paying the same universal licence fee. Therefore a highly specified USO is relevant for a minimum, but continuously improving, standard of digital cohesion across the United Kingdom in regard to a number of public services.

Leaders have previously supported Ofcom's view that competition alone will not provide widespread availability of digital connectivity, and that there will be a continuing requirement for public interventions in terms of funding, policy and regulatory frameworks and we look forward to the opportunity to comment upon the detail of the legislation later this year.

Leaders have previously observed, as you do in the consultation foreword, that excluding significant numbers from the benefits of a digital society could have a significant impact on skills development, the ability to consume public services and local economic development. Accordingly, we seek further innovative social inclusion obligations on the private sector be included in the conditions of future rounds of public policy and funding initiatives.

I would welcome the opportunity for a political discussion with you with regard to the issues for Scotland in the implementation of a USO across the UK, prior to the finalisation of any legislation later this year.

Kind Regards





Department
for Culture
Media & Sport

BroadbandUSOConsultation Mailbox
<broadbandusoconsultation@culture.gov.uk>

Broadband Universal Service Obligation -

S40

1 message

S40

12 April 2016 at 14:41

To: "broadbandusoconsultation@culture.gov.uk" <broadbandusoconsultation@culture.gov.uk>

Hi,

Strines is in need of significant improvements in Broadband speeds. Currently speeds range from 0.7mb to 2.5mb which is not acceptable in the world we live in today.

This has an impact on my wife and myself being able to work successfully from home and also the wider community.

I would ask that something is done with this sooner than 2020.

Regards

S40

Procurement Manager

AB WORLD FOODS

S40

 www.abworldfoods.com

Broadband USO Consultation
Digital Economy Unit
Department for Culture, Media & Sport
100 Parliament Street
London
SW1A 2BQ

Sent by email: broadbandusoconsultation@culture.gov.uk

13 April 2016

To whom it may concern

A new broadband universal service obligation consultation

The Countryside Alliance works for everyone who loves the countryside and the rural way of life. Our aim is to protect and promote life in the countryside and to help it thrive. With over 100,000 members we are the only rural organisation working across such a broad range of issues.

The Countryside Alliance welcomes this opportunity to respond to the Department for Culture Media & Sport (DCMS) consultation on a proposal for a broadband universal service obligation (USO). The Countryside Alliance believes that high speed broadband is an essential service alongside water, electricity and gas; but is nowhere near as available in rural areas as it is in urban areas. We welcome that DCMS acknowledge this issue in the consultation document. This view is also shared by Ofcom and highlighted in their *Connected Nations Report* published in December 2015.

Continued poor connectivity in rural areas represents a huge missed opportunity for economic development and these gaps and weaknesses need to be addressed as a priority. Nearly half of all premises (1.5 million premises) in rural areas across the UK are still receiving speeds of less than 10Mbit/s and one in five rural premises are unable to receive speeds higher than 5Mbit/s.

The Alliance has previously welcomed the Ofcom proposal to open BT's ducts and telegraph poles to its rivals and the review of BT Openreach to ensure a better service for customers and businesses. This opening up of access to infrastructure will enable greater competition which will help drive the delivery of superfast broadband across the UK. As the latest Ofcom report notes "competition can deliver significant consumer benefits by driving innovation and take-up of new technology, improving service quality, delivering affordable prices and reducing the country's reliance on Openreach."

The Countryside Alliance recognises that a competitive market is important but we must bridge the gap where the market has failed.

Question 1: Do you have any concerns about the approach that has been set out?

The DCMS consultation on the USO is a welcome step forward on bridging the digital divide where there has been market failure in delivering broadband to all parts of the UK. The BDUK project has gone some way to correcting this market failure but has failed to deliver in some of the more remote parts of the country. Delivering better coverage to the final 5% is a complex and critical task and needs careful planning and consultation with industry and communities.

We support the proposal for enabling legislation giving the Secretary of State power to introduce a broadband USO and for Ofcom to undertake a detailed analysis to inform how a USO could work.

Industry

We recognise that the industry has concerns about a USO and how it could act as a disincentive for investment in future technology roll out. However this should not be a barrier to the Government and Ofcom undertaking work to investigate the feasibility of a USO and all the benefits it would bring.

It is important that the Government views a USO as one of a range of options to deliver broadband to the last 5%. More could still be done to drive private investment in digital infrastructure and it is important that this work continues. Any USO would need to be commercially viable for operators and ensure that any impact on competition is limited.

Technology

When considering what a USO may look like and how it will be delivered we recognise that USOs must be technology neutral. This is important because given the geography and population densities of different areas of the UK it is clear that there will be locations where the length of the line to individual premises will mean that delivery of even 10Mbit/s is difficult, if not impossible, through fibre cables. Distances between exchanges and premises reflect the lower population densities and disparate nature of dwellings in rural areas.

Even where superfast speeds are available in rural areas they tend to be slower than in urban areas due to the dispersion of premises and the distance of premises from cabinets with a Fibre to the Cabinet (FTTC) solution. Alternative technologies such as satellite and wireless deployments could ultimately form part of the solutions in delivering high speed broadband in rural areas and therefore should be discussed as part of the delivery of the USO.

Question 2: We do not propose to specify speed in primary legislation. Should speed be specified in primary or secondary legislation?

The Countryside Alliance recognises that primary legislation might not be the appropriate place to specify a minimum speed but we do feel it must be specified in secondary legislation. As advancements in technology continue apace it means that expectation levels continue to rise, so it is important that any USO has the flexibility to be upgraded over time as technology and demand evolve.

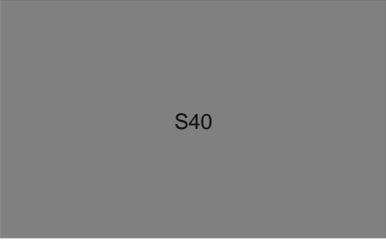
The Government needs to consider how the USO is going to be delivered and allocate resources to ensure that a minimum of 10Mbit/s can be accessed in all premises across the UK, which will be future proofed to respond to advancements in technology. If a minimum speed becomes a reality then it must be ensured that telecoms operators are able to operate and build on the investment they have already made.

Question 3: In terms of giving the Secretary of State a power to direct Ofcom to review the USO, should Government have a continuing role in the USO, or should this be a matter for Ofcom?

The Alliance believes that consumers should be at the heart of decisions made regarding a USO and we would support the Government having a continuing role in the USO to ensure households and businesses are represented.

If the Countryside Alliance can be of further assistance or you require any clarification of the points raised, please do not hesitate in contacting me.

Yours sincerely



S40



Department
for Culture
Media & Sport

BroadbandUSOConsultation Mailbox
<broadbandusoconsultation@culture.gov.uk>

Internet access

1 message

S40

14 April 2016 at 06:21

To: broadbandusoconsultation@culture.gov.uk

Hi, I'm very interested in the affordable internet access , as I'm having to use my parents at the moment . if someone could get in touch with the forward my details are

S40

Thank you



Northamptonshire County Council

Broadband USO Consultation
Digital Economy Unit
DCMS
100 Parliament Street
London
SW1A 2BQ

S40

Our ref:
Your ref:
Date: 14 April 2016

By E-mail

Dear Sir/Madam

GOVERNMENT CONSULTATION ON A NEW BROADBAND UNIVERSAL SERVICE OBLIGATION

I am pleased to enclose a consultation response from Northamptonshire County Council to the above consultation.

Yours faithfully

S40

Development Infrastructure and Funding Service
Directorate for Place Commissioning
County Hall
Northampton NN1 1DN
[w. www.northamptonshire.gov.uk](http://www.northamptonshire.gov.uk)
[w. www.superfastnorthamptonshire.net](http://www.superfastnorthamptonshire.net)

S40



Northamptonshire
County Council



Northamptonshire County Council

RESPONSE TO GOVERNMENT'S CONSULTATION ON A NEW BROADBAND UNIVERSAL SERVICE OBLIGATION (PUBLISHED 23 MARCH 2016)

1. Do you have any concerns about the approach that has been set out?

The authority has concerns over the demand led approach for applying the USO at a premise level. This 'ad hoc' approach to signing up new customers brings into question the value for money (VfM) argument for many technologies such as wireless and fibre (backhaul, FTTC and FTTP). Without any feel for likely scale of any further demand, a sub-optimum solution could be deployed which may not have been the case if planning up front to make the solution available to serve neighbouring premises / clusters or in some cases where whole communities are still affected by sub 10Mbps line speeds. A demand registration system like Virgin Media's 'Cable my Street' along with targeted demand stimulation measures (by the obligated telecoms provider?) could enable a demand led but more efficient approach to plan for and deliver better and more viable solutions. This would mean that solutions may take longer to come forward but could be better for it.

Scale provides clear return on investment for the alt nets especially where government/public assistance is not provided. An example is Gigaclear who follow a demand led approach with a 30% sign up requirement from premises before any capital investment is made.

Section 3 refers to designated Universal Service provider(s) being obliged to provide a connection 'up to a reasonable cost threshold'. That suggests that the demand led approach at premise level may not ultimately be available universally, unless satellite (which does not seem to be popular given take up under current Satellite Voucher schemes) is the backstop position.

What happens to those who cannot secure a solution within a reasonable cost threshold – would excess charges apply to the customer in a demand led scenario – this would disproportionately disadvantage the first customer to order.

It is also not clear how the premise level demand led approach would provide for remote single premises in rural areas unless relying on satellite whereas a more proactive and planned approach potentially could see a network of single premises provided for in a different way.

The proposed ad hoc demand approach addresses demand at a current point in time (2016). It does not factor in any allowance for increased demand. Families and businesses move home and change business premises as their needs change. Businesses are unlikely to move into

properties where a fast broadband connection is not available and the potential solution uncertain and moreso by 2020 with another 4 years evolution of the digital economy.

The issue of funding is also a consideration for the USO. Public funding is suggested as being part of the 'three way' funding proposal. This funding would need to be provided by Government. It is also not clear at what level Government see the obligation being managed – there could be benefits to accessing local knowledge gained through the current Superfast Britain programmes within local councils. However, the County Council would not wish to take on additional responsibilities without sufficient resources and funding, particularly as the latter would be an unknown in a demand led approach where solutions could vary considerably in terms of cost – in such a scenario the public funding commitment would need to be the responsibility of Government and if managed locally should enable local bodies to fully recover their costs from Government e.g. claims or other process.

If public funding is involved, Government would need to take responsibility for negotiating a notified scheme with the Commission to ensure a consistent approach nationally.

Given these are likely to be the hardest to reach areas it is also not clear which technologies would be suitable for this demand led approach, certainly from the incumbent (notwithstanding the the USO would need to be technology neutral). The introduction of Fibre to the Remote Node (FTTRN) from BT for example caters for the relatively low numbers expected but does raise concerns regarding value for money in respect to power and civils requirements for low numbers of premises. Some of the alt nets may potentially have more vfm and bespoke solutions for the final x% USOs but may lack the resource and financial viability, particularly on a premise level demand based system – we understand some may not be keen to take up public funding due to State Aid complexities and red tape (whilst presumably if Government designate the Universal Service Provider or providers then that ability to meet the obligation will have been assessed as part of that designation process). Also some alt nets are having ongoing issues regarding PIA and the level of (prohibitive) costs this puts on some more smaller scale, remote deployments.

It could be argued that the only technology that is truly capable of providing an ad hoc demand led approach based around single orders in areas where there is no underlying infrastructure in place, is satellite. This technology is not a future proofed solution and evidence from the current USC scheme launched by BDUK shows very little interest and take up of the service, notwithstanding that there is a market. Further detailed consultation with the telecoms market on current and future products is a must if a demand led approach is agreed.

Finally, the County Council would question whether a USO at 10Mbps is pitched at the right level given the obligation is not due to come in until the year 2020 and the digital world will have continued to evolve and innovate in the meantime. Recognition of the importance of a USO in itself by Government is welcomed.

2. Should speed be included in primary or secondary legislation?

The authority believes this will not be the final change to the USO therefore allowing flexibility to change the requirements by applying speed in the secondary legislation would be the best approach going forward.

3. Should government have an on going role in the USO, or should it be left to OFCOM?

The authority believes that OFCOM should be the regulator and be responsible for review of the obligation, however Government should also have an ongoing role, not least in terms of public funding, policy and political responsibility. The role of BDUK in the current national programmes had been valuable in benchmarking, assurance including vfm and intelligence to ensure that telecoms delivery suppliers are monitored more effectively and that experience and learning is shared for better outcomes.

The USO approach outlined does not cater for new developments where the County Council proposes that a more future proofed 'ultrafast' service should be made a standard requirement. Government has a key policy role here with about 150,000 homes built each year. The USO should not be an opt out for developers to ignore opportunities for ultrafast solutions which Government has a key role to bring about through Planning legislation / policy requirements.

Contacts:

WT/TH

11 April 2016

broadbandusoconsultation@culture.gov.uk

Norfolk County Council's response to the Department Culture, Media and Sport –A NEW BROADBAND UNIVERSAL SERVICE OBLIGATION CONSULTATION. This response is restricted to the specific questions asked within this consultation concerning primary legislation. The authority intends responding to the next more detailed consultation concerning secondary legislation.

The response reflects feedback that the authority has received concerning broadband provision over recent years from both Norfolk residents and businesses.

Q1:**Do you have any concerns about the approach that has been set out here?**

Norfolk County Council agrees with an approach which deals with detail within secondary legislation. As well as speed, key issues within secondary legislation should include:

- Although defining a maximum customer contribution to one-off installation costs is useful, the level of the total cap is critical and could still mean that a connection is not available to everyone who wants one. Cases have occurred in Norfolk where the current telephony USO installation cap of £3,400 has been insufficient to cover the cost of a landline installation and therefore there are residents who have not been able to afford a phone line. Technologies that avoid the need for a fixed line should mitigate this risk, however customers may need information to dispel some existing negative perceptions of some types of broadband technology.
- Monthly usage costs are also key. Customers will expect to be able to access a service which is broadly comparable in cost terms as a similar service delivered using fixed line infrastructure.
- Fixed line services offer customers a choice of Internet Service Provider. Consideration is needed about whether such choice will be available for USO services.

Norfolk County Council believes a demand led process is appropriate based on:

- Potentially high costs to implement a solution for every property, whether or not the infrastructure is then used.

- The difficulty in dealing with new builds if a one-off implementation process is used.
- The likely long timescales for implementation if a solution was procured for all properties. A demand led approach should be more responsive to individual customers.

The following issues associated with a demand led approach should be addressed within secondary legislation:

- For a demand led approach to be effective, it will require a straightforward process for people to request a connection.
- Provider(s) having sufficient capacity to deal with the initial potential peak in demand. This could cause real frustration if the lead time for installations is too long. Service levels may be needed to ensure that people can access a connection within a sensible timescale, whilst being realistic about provider(s) capacity to deliver.

Q2:

We do not propose to specify speed in primary legislation. Should speed be specified in primary or secondary legislation?

Norfolk County Council agrees that speed should be specified in secondary legislation which is more easily amended because:

- What is considered a reasonable minimum broadband speed will change overtime.
- It will allow changes to be incorporated that result from the European Union, specifically the EU Universal Service Directive.

Q3:

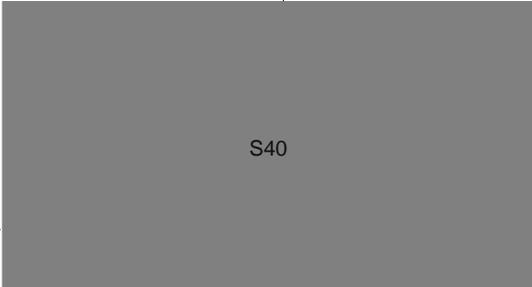
In terms of giving the Secretary of State a power to direct Ofcom to review the USO, should Government have a continuing role in the USO, or should this be a matter for Ofcom?

Norfolk County Council believes the Government should have an ongoing role in the USO, although delivery should be overseen by Ofcom, because:

- There are interdependencies associated with the delivery of broadband infrastructure involving other areas of Government policy, for instance planning and highways.
- Further public subsidy funding sources may be available, for instance from further Gain-Share rebates that will have wider implications for instance State Aid.
- As the telecommunication environment evolves, irrespective of technical neutrality, the providers capable of delivering the USO may change.

- Broadband is of such strategic importance that decisions in setting acceptable minimum levels of speed should be based on direction from Government that reflects wider public opinion.

Yours sincerely



S40

Consultation over proposals for access to broadband in remote locations

Q1. Do you have any concerns about the approach that has been set out here?

Our main concern about the approach that has been set out in the consultation document is the actual time it is likely to take before all areas are served by broadband at an acceptable speed.

Whilst we are fully supportive of the intentions, we are concerned that in reality it could be 2020 or later before many UK residents and businesses are adequately served. We are also concerned that the industry is not properly structured to deliver a service that matches the speed at which technology is advancing.

Whilst we are also supportive of a demand led approach at an affordable price we are concerned that by definition those in more remote areas will have low levels of demand. We also worry that those areas with the lowest level of demand are likely to be at the bottom of the list. This may not be a fair solution if demand for just one customer is from a remote rural property where access to high speed broadband is likely to have more significant life changing opportunities/improvements than demand from 100 customers within an urban area and who are likely to have alternative local access to an adequate speed of service than their own property – i.e. shared services in local libraries, Wi-Fi hotspots etc.

We are also concerned what is deemed “affordable” and what actual cost exposure there could be to potential customers where the cost of providing an adequate speed of service is significantly above whatever threshold is set by the USO.

As the consultation points out adequate broadband should be seen as a right of every fixed property, we feel that in the same way that Royal Mail is required to serve the remotest areas of the UK as part of their blanket service, BT Openreach should only be able to retain their effective monopoly on the proviso they view the services to the entire UK as a whole rather than cherry picking the more financially lucrative areas and waiting on Government to step in and subsidise everywhere else – which appears to be happening now.

Q2. We do not propose to specify speed in primary legislation. Should speed be specified in primary or secondary legislation?

If, as the proposal states, secondary legislation can be revised more easily and is therefore a more appropriate means to specify minimum levels of service, then we are happy speed of service is contained here rather than in primary legislation.

We do though feel that the primary legislation should include provisions to ensure any speed specified keeps pace with technological advances within the industry and is fit for purpose in terms of user needs.

More specifically, we note that in 2003 broadband services were typically delivered up to 512Kbps whereas today speeds of up to 200Mbps are available to residential customers, and up to 300Mbps for business customers – this is compared with a current commitment to ensure universal availability of speeds of just 2Mbps . As a consequence, we feel it is imperative any specified speeds react quickly enough to meet the changing needs of users and furthermore network providers are required to actually meet these minimum speeds rather than just treat them as an aspiration or marketing statement

Q3. In terms of giving the Secretary of State power to direct Ofcom to the review the USO, should Government have a continuing role in the USO, or should this be a matter for Ofcom?

Whilst we are happy for Ofcom to review the USO we feel Government should have a continuing role to ensure Ofcom are adequately responding the changing user requirements and any reviews are undertaken timely to ensure the USO remains fit for purpose.

ICBAN response to DCMS Broadband USO Consultation, 14 April 2016

Thank you for the opportunity to respond to the Broadband USO consultation. Irish Central Border Area Network Ltd. (ICBAN) has been charged by its three local authority members in Northern Ireland to begin seeking answers and solutions to the gaps in service left by an over reliance on a fibre to the cabinet solution (FTTC) deployed and subsidised in Northern Ireland. We are a local authority development organisation which works in the cross-border areas of Northern Ireland and Ireland. The three local authorities member Councils from Northern Ireland area: Armagh City, Banbridge and Craigavon Borough Council; Fermanagh and Omagh District Council; and Mid-Ulster District Council, which are located on the border with the Republic of Ireland.

Located in the border Region of Northern Ireland / Ireland the area has a very low population density, so a FTTC without the effective ability to order extensions to the service is limiting.

Summary

ICBAN has outlined a more comprehensive alternative, building upon the good work that has occurred in the last four years by BDUK while working to extract the most from the very large remaining funds available and the potential to extend further what is now a heavily subsidised data transport infrastructure owned by BT. There has been greater transparency achieved on costs and related issues, and it would be vital that this must now be built upon.

The proposal outlines that BDUK states there are a 1m lines that need to be covered by USO. A full cost reconciliation of the BDUK/LA programme would reveal sufficient funding to support the wide scale use of FTTdp (Fibre to the distribution point or manifold) to most of these locations, supporting as few as 5 premises per location. This seems too big and obvious a factor to fail to reference in this proposal.

Q1: Do you have any concerns about the approach that has been set out here?

1.1 The stated approach is politically pragmatic, but falls short in outlining what seems to be possible.

1.2 The political aspiration and the sentiment of 10 Mbps 'speed' at the edge of the network is understood. It is a reasonable way for those without technical knowledge to consider that 2Mbps may not be enough and thus more is needed. However the aspiration of 10 Mbps is not nationally ambitious enough and this should not be lost from the consideration. However, converting a sentiment into a piece of legislation is highly problematic.

1.3 The USO for the telephone service was defined well after the engineers had finished defining and building a network to support a 'telephone' service. Legislators took something that was relatively stable and wrote law around an engineering specification and a set of features that could be described in detail.

1.4 Using the telephone network to deliver access to the internet is not governed by any regulation or definitions, a contributing factor to a nomenclature unrelated to how the service actually works. The underlying access component used for the telephone service is a Metal Path Facility, which is defined in a manner that supports a telephone service and which does not guarantee the metal path will support the higher frequencies used by Broadband. These are distance (signal attenuation) and quality issues.

1.5 Access to the internet, using the best effort principles of IP networking and a mix of mediums to support a flow of data in the form of encoded zeros and ones (bits) continues to be a work in progress. It can be shown that the capacity issue for connectivity is but one of the challenges facing internet based services as we understand them today. The security of transactions, naming and addressing functions, scalability, even the software languages used in some key network elements, are in significant flux and will

continue to be so. Yet none of these developments which will have a profound impact on the user experience, can be considered as part of the intended USO. The latter cannot be contained in a USO because the internet is a networks of networks and this includes the users own home network.

1.6 Thus the notion of creating a USO for the access component of a national data transport service, that we call 'Broadband', is highly problematic. The term 'Broadband' refers to a frequency range allocated in a copper access network and used to establish an electromagnetic path upon which the data we wish to have transferred is encoded. It would be easy to state the USO incorrectly in the form of some 'nominal' access speed, when what is in fact required is the right to order an access product which is capable of using all the potential connectivity made possible, even if we are not ready to exploit it all.

1.7 Even the term 'speed' is problematic. The speed of light is constant so the USO when defined cannot use 'speed', it will need to describe 'throughput' and avoid populist terms.

1.8 The proposed approach by DCMS could be enhanced at several levels to take advantage of the substantial groundwork done by BDUK. Particular attention should be paid to what are FTTP Hamlets, where it is cheaper to offer FTTP than it is to fund an FTTC solution.

1.9 The current approach is lacking any link to the original goal of being best in Europe, as opposed to being marginally better than the larger economies.

1.10 More detail could be outlined on what a Broadband service actually is. As implied but not described, the USO is a product which will enable access to what it is a best effort data transport service. The capacity available from such a core network is measured in Terabits per second, while the access networks can support Gigabit throughputs. Thus some effort should be made to begin to define what a national data transport service looks like, how it works, and how best to licence such an operator. Writing a USO in a way that such a facility can be accessed anywhere where the minimum throughput can be measured at 10Mbps is problematic and might be better served by focusing on what product needs to be ordered in order to achieve such an outcome.

1.11 There is no attempt to link the approach with a reconciliation of the £1.7bn of subsidies contracted by BDUK, particularly reporting underspends, clawback, and the payment by BT of its capital contribution. If BDUK Phase 1 and Phase 2 is little more than 25,000 cabinets and circa 40,000 FTTP connections, costing no more than £1bn in subsidies, then the management of the remaining public monies and BT capital contribution will have a profound impact on the quality of the service delivered in the final 5% and the gaps that exist in every town and area of Northern Ireland. The approach to subsidise BT was a decision to extend the access to be BT's core optical fibre network, which has sufficient capacity to support 10Tbps while some 3Tbps is currently lit. BDUK has funded new handover points, aggregation nodes, fibre spines to cabinets and these can be extended further, and this was and remains a condition of the state aid measure SA33671. While the state aid measure has lapsed for new public subsidy, the conditions of the measure are there to be applied for at least the next 4 years. This aspect should be fully referenced and its significance explained in progressing a design for the USO.

1.12 There is no mention of the provision of fibre on demand, including fibre to the distribution node (or manifold) and fibre to the node (mini-DSLAM) as possible contributors to meeting the USO. These products were described in outline form in the BDUK requirements of 2012 and their role in helping to establish the USO should at least be referenced.

1.13 While technical neutrality is referenced, no mention is made that different technologies have different service levels. So called technology-neutrality is only upheld if published service parameters ignore the key differentiating properties of delay, jitter and packet loss during congested periods of the different technological options. Yet these cannot be ignored if a USO utilising a codified data transport service is to be set in a manner needed to support critical services.

1.14 DCMS continue to use BT's publicity on costs without stating BDUK's experience in delivering the FTTC elements at costs significantly under BT's estimates and before any examination has been done on the presence of BT's capital contribution in the BDUK programme. It should not be acceptable to use the 2008/9 BSG costs of £29bn for a FTTP transition when the unit costs for urban areas are being quoted at less than £300 a premise to connect. Even rural areas are managing to receive FTTP connections at less than a £1,000.

1.15 ICBAN recommends that the 2012 DCMS Vision and Strategy for Broadband is updated to include any changes in Government thinking. The 10Mbps line access speed could, in a simple way, be met with a satellite service. But the satellite industry will admit that satellite is designed as an in-fill solution where others services cannot reach. The delay characteristics and cost of peak hour capacity means while playing a valuable role in the nations data transport fabric, it is not a panacea. Should the quality of the USO therefore be sacrificed by seeking a lowest common denominator which has not been designed to have national capacity?

1.16 Similarly, fixed wireless solutions have different service level parameters and by their nature need more reconfiguring and capacity as customer volumes are added. Should the USO be bound by the limitations of fixed wireless services?

1.17 There is a '95% coverage obligation by nation' contained in the licence condition attached to 02's licence. 4G is an IP based data transport service and thus the 4G coverage obligation and the intended USO should be aligned or interworked in some way.

1.18 While stating the need for a USO is easy, defining it in suitable terms and how it is to be met is another matter.

1.19 ICBAN is suggesting that any USO needs to reference the full potential of the BDUK investment of £1.7bn in BT's network. Particular reference should be made to the clauses that support the extension of the service and right of individuals to seek extensions of the service. If examined DCMS could not at least reference the full expectations of the BDUK Framework requirements and the consequences of the state aid measure being enforced. The proposal as it stands ignores the possibilities arising from the <£1bn subsidy spent so far. The remaining funds plus clawback, the BT capital and the recovered proxy costs from the early contracts, can have an even more significant impact on shaping the delivery of a meaningful USO. The proposal as it stands ignores this potential and misses the opportunity to report on some real achievements by Government, which includes the potential to go much further and deeper.

1.20 This would suggest, just as the USO for telephony can be reduced to a conditional right to order a telephone line defined in the form of a metal path facility, 'Broadband' could be defined as a right to order a medium (Wireless or fibre) capable of supporting the desired throughput. In this context limiting the USO to 10Mbps makes little sense.

1.21 Just passing the USO to Ofcom is probably not the answer, as Ofcom is principally a competition authority. Ofcom has a variety of roles, which need to be balanced.

1.22 Some definitions and guidelines are needed as to what services are expected to work and when. The latter needs to be the function of a licence of a 'data transport network provider'. Such an approach would be new and would need to be subject to peer review and public consultation. The USC of 2Mbps arose from the need to provide sufficient resources for one home worker (within a household) to be able to work from home. This definition would exclude a family of teenagers video streaming sites of their choice.

1.23 Clarity is required on the 10 Mbps referenced? How has this been calculated? Is it 5 home workers per premise pursuing work related activity, or it a more generous allowance for a household to do as it pleases? What happens if its 20 workers in an architectural practice in rural Northern Ireland? Is that now 20 times 10 Mbps for that location?

1.24 Perhaps we cannot define what the 10Mbps is for and how it was derived and thus we should not be bound by the limitation this implies.

1.25 Does this adequately consider the potential of various other technologies, including the options for FTTP in several forms? Are we realistically considering the future and our competitiveness in a digitally connected world?

1.26 ICBAN believe the capacity to order a direct fibre access service must feature for those who cannot get a 10Mbps service from the interim FTTC solution. The USO cannot be bound by any limit to access from heavily subsidised infrastructure – this has the capacity to be stretched even further.

1.27 In brief the proposed approach is not comprehensive enough, given the investments the Government has made and the very great potential to extract a great deal more from the existing BDUK initiative.

Q2: We do not propose to specify speed in primary legislation. Should speed be specified in primary or secondary legislation?

2.1 Access 'speed' be it described in 'superfast' or 'ultrafast' terms cannot adequately be used in any legislation of any sort. Legislation should firstly define broadband as a data transport capability and make clear that operators should be licensed for this purpose. This appears to be a necessary step and a pre-condition to describing the medium to access this resource.

2.2 It needs to refer to investment Government has made in extending BT wholesale data transport facility, including the number of components added, handover points, aggregation nodes, splitting locations, cabinets. It should report on the monies remaining to further extend this facility using the clauses of the BDUK contract and the conditions of the state aid measure supporting that investment.

2.3 The legislation could refer to this minimum throughput figure but also refer to customer's right to order and pay for a direct fibre access connection should they wish.

2.4 Why would the Government make available £1.7bn of taxpayers money unless the contracts permitted the network to be extended? Why would a proposal on the USO ignore the detail of what the Government has paid for and the conditions under which that investment was allowed?

2.5 Perhaps the legislation would make explicit reference to customers not being bound by the properties of the existing Metal Path Facility supporting telephony, when a superior medium with a lower term cost is available. Perhaps the legislation could make specific reference to customers not being denied access to this potential. Expediency and short terms interests should not prevent this potential to be fully exploited.

2.6 In this context therefore the legislation should be defined by the properties of the best available medium and not around the convenience of what a dominant supplier might wish to provide.

2.7 ICBAN suggests the legislation could be used to instruct Ofcom to make provision to define and licence a wholesale data transport provider(s).

2.8 The legislation should also seek to support provision of the best medium. This would include the provision of fibre access product, and a customer's conditional right to order such a product.

2.9 The Legislation could grant Ofcom some discretion as to how and when such measures come into force, including the nature of the conditional right to order such a service.

2.10 The same legislation could also clarify and limit the use of commercial confidentiality, to ward against any withholding of basic project data on costs and coverage.

Q3: In terms of giving the Secretary of State a power to direct Ofcom to review the USO, should Government have a continuing role in the USO, or should this be a matter for Ofcom?

3.1 The Government must own the ambition and the policy to fulfil that ambition and not just pass a USO to Ofcom to define and enforce without instructions.

3.2 There is a fundamental issue with the information being used to inform public policy on this matter. The investment data for next generation access must be independently verified. BT claimed investment typically includes 10 years of future operational costs. BT bid data supporting requests for state aid was found by the NAO, BDUK and several Parliamentary Select Committees as unreliable. The latter has been a significant factor in the calls for BT to be broken up.

3.3 The Government should have the courage to enforce the BDUK requirements and the lapsed state aid measure as a contribution to realising the USO. This would build upon the work of local authorities where future proof connectivity is being included in their planning guidelines. The USO can build upon this practice and include support for a future proof product that can at least be ordered.

3.4 Ofcom's strategic review supporting dark fibre provision and orchestrating improved access to BT's duct and poles can increase competition. Ofcom can also use its powers to amend operators licences to capture, if needed, the requirement to codify a 'data transport service', its properties and any need for a minimum standard. Through government and Ofcom working together, this means a USO can be written to overcome any considerations to over rely upon a cheap interim solution, by establishing for customers the right to replace their telephone lines with an access line capable of much greater throughputs with a lower long term cost. Ofcom can use its powers to define what is a new market and then promote access to foster more competition. The Government should set the policy, and Ofcom then help determine the pace at which that policy is applied and enforced.

3.5 Ofcom on its own is unlikely to be able to bring to pass the requirement and ambition Parliament is seeking on behalf of the electorate. It needs to be a joint effort to counter the commercial considerations which limit the provision for rural Broadband.

Thank you again for the opportunity to reply to this consultation.

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15 April 2016

Department for Culture, Media and Sport
A new broadband Universal Service Obligation (USO) consultation

Response from Gordon and Westruther Community Council.

Introduction

Gordon and Westruther Community Council (GWCC) represents a rural community located in the Berwickshire, Roxburgh and Selkirk parliamentary constituency. The area is served by two telephone exchanges in the villages of Gordon and Westruther, neither of which is yet fibre enabled under the current BDUK programme.

GWCC agrees with the Minister that broadband connectivity has become an essential service alongside water and electricity. Indeed the service is critical to the sustainability of rural communities such as ours. With this in mind GWCC conducted a demand survey of all 500 homes and businesses in September/October last year. The objectives of the survey were to identify the current level of service and demand for superfast broadband, particularly in locations unlikely to benefit from the ultimate delivery of fibre to the two exchanges. The findings of the survey have informed our response to the USO consultation.

Q1 – Do you have any concerns about the approach that has been set out here?

GWCC supports the Government's proposal to implement the USO within the term of the current parliament. Indeed GWCC would urge the Government to bring forward primary legislation at the earliest possible opportunity.

Whilst the document dated 23 March 2016 setting out the background to the consultation exercise is comprehensive GWCC would take issue with some of the statements regarding progress to date.

- ⤴ “All homes and businesses can now access basic broadband at speeds of 2 Mbps”. Not true – our survey showed that 16% of respondents were getting download speeds below 2Mbps, the lowest being 0.16Mbps.
- ⤴ As a result, GWCC has no confidence in the the claim that Phase 1 will deliver at least 24Mbps to 90% of UK homes and businesses by early 2016 increasing to 95% under Phase 2. The decay in a superfast broadband signal transmitted down the copper wire from the exchange is such that subscribers more than 1km from the exchange will see little improvement. This is a significant challenge in a community in which most homes and businesses are well dispersed but not particularly remote.

The Scottish Government has established Community Broadband Scotland (CBS) to support the provision of community based broadband services for harder to reach subscribers. On the basis of GWCC experience to date CBS is overly bureaucratic and too heavily dependent on voluntary effort from residents – “pensioners up poles”. As such GWCC feels CBS is not fit for purpose.

Q2 – We do not propose to specify speed in primary legislation. Should speed be specified in primary or secondary legislation?

GWCC is of the opinion that minimum download speeds should be specified in the legislation, preferably in the primary legislation giving the commercial providers of the technology as much notice as possible.

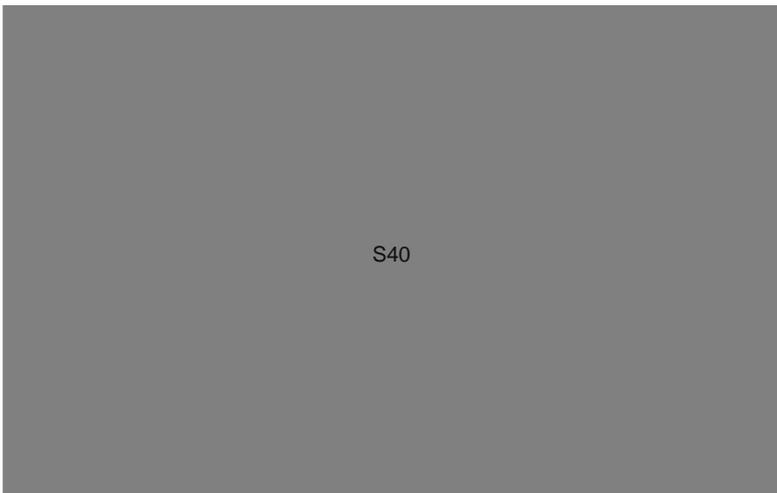
The stated aim of the Phase 2 BDUK programme is to deliver a minimum 24Mbps to 95% of homes and businesses by December 2017. GWCC would find it hard to understand why a lower minimum should be proscribed. On the basis that services are already being designed to function at 24Mbps or above the suggestion that harder to reach subscribers would be happy with something less is blatantly selling them short.

Nowhere in the USO consultation briefing paper is there any reference to upload speeds but for businesses this can be an important issue. 32% of the respondents to our survey are either running a business or working from home. Within the foreseeable future this importance will be extended to other two way communication such as health and social care for the disabled, elderly and those who could be discharged from hospital earlier to convalesce. GWCC would urge the Government to adopt a synchronous broadband service as the default option.

Q3 – In terms of giving the Secretary of State a power to direct Ofcom to review the USO. Should Government have a continuing role in the USO, or should this be a matter for Ofcom?

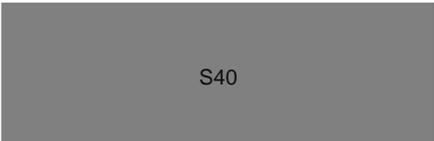
GWCC has no strong view on this matter. GWCC understands that Ofcom already has the legal duty to ensure “the UK has a wide range of electronic communications services, *including high-speed services such as broadband*”.

Assuming that Ofcom is provided with the resources to do this effectively GWCC would be happy with Ofcom having the responsibility for oversight of the USO.



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For any communication involving this submission please contact:



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A New Broadband Universal Service Obligation

Department for Culture, Media and Sport (DCMS) Consultation

Date: [15 April 2016]

Introduction

1. The CLA represents 33,000 members across England and Wales, whether they be farmers, landowners or rural businesses. All of our members have a direct interest in the provision of broadband to all rural areas and in particular to the provision of a broadband Universal Service Obligation (USO). We recognise that the availability of a broadband connection to rural business as well as rural communities is essential in both increasing economic productivity and increasing social inclusion.
2. The consultation is vitally important as it sets out the Government's intended direction in putting in place a workable and viable Universal Service Obligation. This response sets out the views of the CLA as well as answering the three questions raised by the consultation.

Background

3. The CLA recognised the importance of broadband and the internet to rural areas as far back as 2002 and we were the first national rural organisation to call for a Universal Service Obligation in order to establish universal coverage. One of the most significant issues that remains as relevant today as it did 14 years ago is the disparity between rural and urban areas in the provision of broadband. Unfortunately, it is still the case that rural areas lag well behind urban areas meaning that rural businesses and communities continue to suffer from a lack of competitiveness and social exclusion. We believe that the provision of a USO will go a significant way in redressing this imbalance.

The principles of a broadband USO

4. In any consideration as to how a broadband USO would work, the CLA believes that the following 10 principles need to be considered:
 - (i) The availability of broadband for all is in the public interest and everyone has a legal right to digital equality. A USO should not discriminate and the provision of broadband extends to the economic interests of the State;
 - (ii) The funding of a USO should be targeted, reasonable, equitable and efficient. Funding options could include direct support from the Government, an industry levy or a contribution from all broadband users at the point of connection;
 - (iii) The USO should apply at the level of the infrastructure provider and not the Internet Service Provider (ISP);

- (iv) The USO should be set at an initial benchmark speed of 10Mbps and be able to evolve according to technological developments. It should be at a regulated price and the costs to the consumer have to be “true and reasonable”. However, this should not prevent an infrastructure provider from receiving certain fiscal benefits (such as a reduction in VAT) by providing a regulated service at a regulated price;
- (v) Given that different technologies, such as fibre optic and wireless, can now achieve the 10Mbps benchmark, there should not be a monopoly infrastructure provider;
- (vi) A safety net should be built into the provisions of a USO in order to prevent market failure;
- (vii) It should be the responsibility of the end user (the consumer) to request the application of a USO;
- (viii) The USO must provide a service that reflects both business and societal needs and should be technology neutral;
- (ix) Any USO mechanism must avoid market distortion;
- (x) A proportionate level of compensation should be established in the event of an infrastructure provider failing to meet its obligations under the USO to the consumer.

The importance of the right benchmark

5. Over the years that the CLA has been campaigning for universal broadband coverage, the issue of a benchmark speed has evolved. In 2005, the CLA believed that a benchmark of 2Mbps would be sufficient for the vast majority of businesses. As technology has changed and advances made, however, we have recognised the need for the benchmark to evolve. As such, although we fully support the present benchmark of 10Mbps, we believe that this will change and increase in the future.

Alternative technologies

6. As we have stated above, the CLA does not believe that there should be a monopoly infrastructure provider tasked with the delivery of a USO. This means that the USO should not be applied through one technology only. The development of alternative technologies, such as satellite and wireless, means that the benchmark speed can be achieved through the application of different technologies in particular circumstances. For example, given that the USO should apply to the whole of the United Kingdom, we recognise that superfast broadband through fibre is highly unlikely to reach certain areas of the rural population, particularly those in the most remote. However, other technologies, in this instance satellite, can play a significant part in reaching such areas and as such, the USO should apply to satellite providers so that those with satellite connections are able to benefit. If the USO is to mean what it says, that is, universal coverage, everyone who wishes to benefit should be permitted to do so, irrespective of the technology being used.

CLA response to the questions put by DCMS

1. Do you have any concerns about the approach that has been set out here ?

7. We can see the logic of the approach proposed by DCMS. We also acknowledge that putting together a broadband USO that is effective, workable and equitable will be a complex process given the different technologies that are available as well as the speed of development in the broadband industry.
8. We wish to stress that it is important that primary legislation states very clearly the legal right of a consumer to the USO. In short, the Prime Minister's pledge to implement the USO from 2020 must be enshrined in law. The legal process, as outlined, would seem to be sensible and we would not foresee opposition to this from rural groups or rural businesses.

2. We do not propose to specify speed in primary legislation. Should speed be specified in primary or secondary legislation ?

9. Although we understand the rationale behind not proposing a benchmark speed limit in primary legislation, as set out in the consultation, we would urge DCMS to reconsider this approach. We would argue that the 10Mbps benchmark should in fact be included in both primary and secondary legislation as reinforcing the Government's ambition to act on the USO by providing legal certainty. Unless there are technical and legal reasons why the speed should not be specified in primary legislation there does not appear to be a convincing argument to exclude such a statement. The CLA suggests that the minimum speed of 10 Mbps is written into primary legislation and that this legislation includes a further clause which would allow the Secretary of State power to bring forward via regulation any changes to the minimum speed and the date upon which it is to be delivered through secondary legislation. This would provide clarity and certainty to consumers of what they can expect.
10. In addition, we believe that putting in the benchmark speed into primary legislation reinforces the Government's commitment to universal broadband access as stated so clearly in the consultation. We are not suggesting that this should be a detailed analysis as to the need for the USO: rather, the core principle that would further underline the Government's policy direction.

3. In terms of giving the Secretary of State a power to direct Ofcom to review the USO, should government have a continuing role in the USO or should this be a matter for Ofcom ?

11. The CLA believes that it is vital that the Secretary of State is permitted to allow Ofcom to review the USO as there is little doubt it will change over time. As we state above, we agree that Ofcom as the telecommunications regulator, should have the responsibility to design and implement the USO.

12. With regard to the future role of the Government we are of the view that it would be sensible for this to be maintained in as flexible a manner as possible through allowing it to assist Ofcom. Whilst we do not want to see rigid government intervention into the activities of Ofcom, we do believe that it would be sensible for Government to be able to monitor how Ofcom reviews and develops the broadband USO in the future as well as being able to provide the necessary political will.

For further information please contact:

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**Paper by ViaSat to Support the Universal Service Obligation (USO) Consultation
High Capacity Satellite (HCS) Broadband**

EXECUTIVE SUMMARY

The USO is the latest, and welcomed, commitment to improve the delivery of broadband services to the nation, focused on premises and business. Progress in improving UK broadband has been good but even after the full current programme completes by end 2017, around 1M households will not be able to access services of 10 Mbps+. Thus far the UK Government approach to ensuring that everyone has access to broadband has been to support and invest in deployment of Fibre to the Cabinet (FTTC), since at Superfast speeds FTTC is cost effective in a CAPEX sense for a substantial majority of households.

Attention is now shifting to those households and businesses where CAPEX costs for FTTC range from painfully high to prohibitive, and there is recognition that other technologies for these cases must be re-examined as part of defining a USO requirement. The satellite industry has been engaging with UK Government, in part through the UK Space Innovation and Growth Strategy (IGS) ¹, on the issues. Headlines include:

- High capacity satellite (HCS) technology has dramatically changed the performance, cost, and number of subscribers that can be served compared to traditional satellites.
- HCS technology in use today is particularly well suited to meet the needs of the underserved last 5-10% of the UK population. In the US, unsubsidised HCS broadband competes with terrestrial alternatives today and serves nearly 2M households.
- HCS technology is in a phase of rapid improvement, and next generation technologies will eclipse expectations based on traditional views of satellite capability.
- Satellite broadband can deliver services at 24 Mbps now and service providers will offer 50-100 Mbps by 2016/17² with second-generation HCS satellites. Third generation HCS will be available everywhere in the UK in 2020 delivering 100 Mbps speeds. The manufacturing contract for this satellite has already been signed.
- Fibre is not cost effective for all – but satellite can be and offers wider national utility for critical national infrastructure, and fixed and mobile emergency and security services.
- The space industry, telecommunications companies and media companies together could deliver significant services to the UK Government and population.
- The underserved are not confined to rural areas, there are more underserved in urban areas. USO policy should take this into account.
- Speed is a key factor but capacity (volume) is equally important to users. Networks that can scale are critical to successful delivery.
- The HCS technology and business model is economically viable without subsidy, but where other technologies are subsidised the market becomes skewed. This needs mitigation to ensure consumers have choice and the Governments intent is met.

¹ Paper to Support the UK Innovation and Growth Strategy for 2014-2030 in Satellite Broadband.

² EutelSat's Tooway service in Europe offers speeds up to 22 Mbps and ViaSat's Exede service in the US recently began selling plans that deliver more than 25 Mbps, both using first generation HCS. Higher speeds are technically achievable but uneconomical until the next generation of HCS.

About ViaSat:

ViaSat, Inc, as a global broadband services and technology company, ensures consumers, businesses, governments and military personnel have affordable broadband access with terrestrial equivalent performance - anywhere - whether on the ground or in-flight. The Company's innovations in designing high-capacity satellites and secure ground infrastructure and terminal technologies coupled with its international network of managed Wi-Fi hotspots enable ViaSat to deliver a best available network that extends the reach and accessibility of broadband internet service. ViaSat is active in the UK conversation on how to serve the broadband needs of the population and UK interests abroad. This includes plans to deliver high-speed internet to consumers, enterprises, and mobility applications as well as engagements in major defence programmes. ViaSat is active in the UK Space trade association as well as other technical and policy-oriented groups. ViaSat has recently entered into a Joint Venture with Eutelsat to expand the reach of HCS broadband throughout the UK and Europe.

MAIN REPORT**Section 1 – MARKET AND BUSINESS CONTEXT**

1.1 The first generation of High Capacity Ka band satellites launched in the United States (ViaSat-1) and Europe (KaSat) demonstrate that commercially viable broadband service yielding performance substantially better than ADSL is possible without government subsidy, and that these satellites can reach everyone under the satellite footprint at a CAPEX per household superior to terrestrial alternatives in a percentage of households, that might be as much as 25% to 50%. These first generation satellites provide as much as 140 Gbps of total capacity and can serve a million households.

1.2 HCS satellites already under manufacturing contract will provide over a Tbps of capacity that can be deployed with far higher geographic flexibility and concentration of capacity than first generation satellites, including a ViaSat-3 satellite that will serve Europe and the UK. Scheduled to be in service in late 2020, this European ViaSat-3 satellite will provide speeds of 100 Mbps to residential terminals costing around £150-300³ while providing volumes of 50-100 GByte/month, with enterprise services of 1 Gbps.

1.3 This capability creates the possibility to address a large percentage of the UK's underserved in a cost effective manner. To cater for market uncertainty and developments, these satellites have the ability to deploy capacity where it is needed and provides the best return on investment, which could be anywhere across Europe or Africa. One issue for satellite service providers in the UK has been the uneven playing field, where satellite can only be used with subsidy in some areas. The dominance of terrestrial providers (marketing power, local influence and significant direct government funding) has meant that the underserved and local government are not necessarily aware of, or understand, other options to deliver broadband (the BDUK pilots are seeking to address some of this). Whilst satellite is ubiquitous and once launched can rapidly deliver broadband services – the time it takes for an installer to turn up and fix an antenna to a premise or to be self installed in a couple of hours – the decision to build, launch and

³ Designs and cost models are under review.

operate a satellite can be significant (in the region of £3-600M CAPEX) and hence unless markets are apparent and stable there is risk. Innovation is mitigating this through the flexible coverage and capacity but Government also has a role in mitigating this risk by encouraging and supporting investment for the benefit of consumers and the national interest. The USO initiative provides a potential mechanism to address this and, due to the nature of satellite, these decisions are of a national rather than local level.

1.4 The presumption that the underserved are primarily a rural phenomenon is felt to be inaccurate, and the use of subsidies to confine satellite to rural service distorts the market. Geographic location is not the determining factor in whether a household is underserved. Rather, being underserved is a function of the capital cost of reaching a particular household. The percentage of rural inhabitants who are underserved is indeed higher than for urban inhabitants, but experience suggests that the number of underserved is actually much greater in urban/suburban areas. To avoid ineffective use of funds, a USO plan employing subsidies should consider whether terrestrial CAPEX per household is less than that of satellite and not be based purely on geography.

1.5 Experience in the US shows that population density is the best high-level measure of where there will be large numbers of underserved. For example, 8 years ago the WildBlue-1 spotbeam satellite serving the US with capacity distributed uniformly in geography sold out its beams serving areas of highest population density first, despite a very modest level of service. ViaSat-1 was designed with this result in mind and used smaller beams to serve only the most populous parts of the US. After launch in 2011, it too filled its beams in the most populous areas first. Meanwhile, 9 years after launch, the beams on WildBlue-1 serving the most rural areas are still not sold out. Because of the recognition that the underserved are mostly near or in urban areas, the ViaSat-2 satellite launching next year over North America has been designed to concentrate capacity on populous areas to a substantially greater extent than ViaSat-1.

1.6 This learning experience can now be brought to the UK, where there is no reason to expect a completely different dynamic. All the same terrestrial technology solutions are being brought to bear in both countries with similar CAPEX cost constraints, and while housing patterns are not identical between the US and UK, they are not so different that one should expect a complete reversal of the underserved distribution. It is logical to assume that the percentage of underserved households is higher in rural areas, and data verifies this. But the *number* of underserved households is this percentage times the number of households, and since there are far more households in and around cities, the *number* of underserved is in fact much higher in the most populous regions.

1.7 HCS technology coming to the UK in 2020 will make it possible to meet a USO that's as good as service enjoyed by most urban dwellers and is available everywhere in the UK. Whilst HCS do not require subsidy to be viable, the availability of subsidies or non-financial support (such as spectrum and real estate) can encourage the prioritisation of capacity, working on wider government initiatives and the speedier build and launch of additional satellites to serve more consumers, mobility services, enterprise and government services.

Section 2 - TECHNOLOGY AND DEVELOPMENTS OVERVIEW

2.1 HCS are able to provide unparalleled levels of capacity through spectrum re-use across many narrowly focused spot beams. Ka band HCS are primarily designed to provide residential broadband services but also deliver far wider utility. These systems require deployment of mass market satellite terminals to millions of users and the provision of through-life subscriber management and help desk services in the same way that terrestrial ISPs operate. From the subscriber perspective, satellite broadband service is indistinguishable from terrestrial service.

2.2 ViaSat's satellite broadband service in the US (branded Exede™, and serving over 700,000 users), and Eutelsat's Tooway™ service in Europe (over 180,000 users), offer peak speeds greater than 20 Mbps. Since the launch of those satellites, ViaSat technology has also been chosen for the satellite portion of Australia's National Broadband Network and will deliver a standard broadband service at 60 Mbps. ViaSat-1 at 140 Gbps launched in late 2011 to serve the most populous parts of the US is today the highest capacity satellite in the world, equivalent to over 100 traditional satellites at the time of launch.

2.3 ViaSat-2 launches in 2017 to serve North America and the North Atlantic and will have over twice the capacity and seven times the geographic coverage of ViaSat-1. ViaSat has just announced a constellation of three ViaSat-3 satellites providing near global coverage, with each satellite providing over 1000 Gbps of capacity (1 Tbps). These satellites have the ability to concentrate capacity geographically and the ViaSat-3 satellite serving the European hemisphere will be able to deliver far more capacity to the UK than all satellites currently serving the UK combined, with residential broadband speeds of 100 Mbps or more, and with service plans having no volume limits.

2.4 Satellite today can meet "superfast" definitions and although it does take some time to build and launch a satellite, when it is placed in service a satellite offers immediate access for all customers and users in the footprint – which terrestrial technologies clearly do not since they require a separate build-out effort for each household (for FTTH) or small grouping of households (for FTTC and Hybrid Fibre Coax).

2.5 Some opponents of satellite broadband choose to target the 250msec latency resulting from the earth-to-satellite signal path as a significant cause for concern, pointing at the poor "ping time" performance. But ping time isn't a direct measurement of the latency performance experienced by the user, and in fact, HCS page load times compare very favourably with fibre. It is also noteworthy that in both 2013 and 2014, the US Federal Communications Commission (the FCC) found ViaSat to be the "no 1 internet service provider for delivery on promise". The FCC study measured actual service performance for thousands of subscribers for four delivery technologies – DSL, cable, fibre and satellite – and evaluated services from 14 of the US's largest broadband providers.

2.6 In conclusion, HCS satellites can be used to meet a very high USO bar, and the UK should consider this in determining USO requirements.

Response to “A NEW BROADBAND UNIVERSAL SERVICE OBLIGATION CONSULTATION”

Response as: [REDACTED] S40 / company (GreySky Consulting Ltd).

Q1: Do you have any concerns about the approach that has been set out here?

The key factors of the proposed approach appear to be:

- a) that it will cover a footprint of approximately 1,000,000 premises throughout the UK;
- b) that it will be demand led; and
- c) that it will support recipients to obtain “functional internet access” (over 10Mbps).

These factors lead to a number of concerns:

a) Coverage footprint

One impact of Government funding interventions is to hold back other initiatives until it is clear what funding will be available from the new source. The impact of the USO development will be to hold back the deployment of superfast broadband developments, particularly in remote rural areas until it is clear how the funding and delivery will impact on the proposed project delivery. This will be for two reasons:

- i. Will the USO mean that more funding will be available to the project area?
- ii. Will the USO fund another operator to effectively “over-build” the project delivery area, and so undermine the business case?

It is possible already to establish projects capable of providing a “local broadband USO”. GreySky Consulting has considered the possibility of achieving this for East and Mid Lothian Councils. It is possible to provide a “blanket” fixed wireless coverage for an area relatively cheaply. This would mean that the majority of properties in the area would be able to connect to fixed wireless broadband services (capable of 30Mbps or faster). Some properties, however, would be in “shadows” and would need “in-fill” wireless coverage – requiring additional infrastructure expense. A fund could be established to cover these additional connection charges – and applied on a demand basis. This provides an efficient and cost effective solution to ensure that “anyone who wants superfast broadband can get it” – which is the basic aim of the USO.

One impact of the development of the USO could be to hold back the availability of this additional fund – meaning that properties in the “shadow” areas that could be connected at quite modest additional cost will have their connections delayed until the USO fund is available to achieve this same result.

However, if it was thought that the USO funding would be used to fund a different operator to build infrastructure to reach the properties in the “shadow” areas – and hence then be able to access other properties within the project delivery area, it would undermine the whole business case for the project deployment.

REQUIREMENT

It is important that a USO implementation must be **complementary** to other project deliveries. The USO must (as far as possible) enhance the delivery of other superfast broadband projects – not provide an alternative that would undermine other delivery initiatives.

b) Demand led

Many properties in the “last few %” will be remote and require significant infrastructure investment to serve them with superfast broadband. There is clearly no point in funding infrastructure to reach locations where there is no demand.

However, this position can be expected to change over time – for example if a property is sold and the new owners want broadband. The presence of the USO to provide additional funding to reach the more remote locations could act to support other projects to deliver a greater reach of “blanket” fixed wireless (or similar supporting technical infrastructure). This would allow more properties to come within the reach of the USO funding – and not require funding even beyond the USO contribution.

REQUIREMENT

GreySky experience of delivering superfast broadband in remote rural locations supports the proposal for a demand led approach. This supports our requirement for a *strategic* delivery, where funding is not wasted delivering service to areas where there is no demand, but supports the ability to deliver service at a later date, should demand develop (which it will over time).

c) Functional internet access

The proposal to use the USO to deliver “functional internet access” at a minimum of 10Mbps is where we have greatest concern.

It is accepted that the proposal is based on research findings, but the basis of the actual research and validity for a USO specification is not entirely clear. GreySky recently undertook a brief review of bandwidth requirements for small businesses. This found significant variations in requirements – and effectively what the definition of “functional internet access” might be. It is clear that this also applies to the different requirements of different households.

This difference is partly caused by the different technical requirements of different applications. The GreySky review separated this into three different categories:

- real-time applications, such as internet telephony, video telephony, etc;
- rapid-response applications, such as browsing, online banking, e-commerce, etc; and
- high-bandwidth applications, such as email, file transfer, etc.

Different businesses, and different households, have different balances of their requirements for bandwidth in these categories. Some are not achievable over satellite, others are only poorly served by FTTC over long lines. 10Mbps may be more than sufficient for some businesses and households, but entirely inadequate for others.

In 2003, the provision of 2Mbps as a minimum seemed entirely satisfactory (if challenging). The development of the BBC iPlayer and the YouView box made this figure redundant – 3Mbps was an absolute minimum. Over time, 10Mbps will similarly be overtaken – and is already inadequate for many users.

There are two important aspects to this issue:

- i. when can the USO be accessed?
- ii. what can the USO be used to fund?

It is clearly necessary to have a simple threshold at which the USO can be accessed. If a business or household is already able to access 100Mbps ultrafast broadband, they should not be able to access public money to fund a second connection. At present, 10Mbps seems an appropriate trigger point to access USO funding.

However, it is important to note that this will change over time. It can be expected that 10Mbps will become an inadequate bandwidth requirement for many users. It is also possible to envisage future services that will have other technical requirements that define “functional internet access” – such as latency, for example.

Once the trigger threshold for accessing USO funding is reached, there is a separate issue of what it can be used to fund. There seems little point in funding a business or household currently using a reliable 8Mbps broadband connection to obtain a 10Mbps connection – they would see no functional improvement in their internet access.

There also seems little point in funding new infrastructure that cannot (now or in the future) support superfast, and preferably ultrafast broadband services.

REQUIREMENT

It appears that it is necessary to stipulate a threshold at which the USO can be accessed. 10Mbps bandwidth seems an appropriate simple measure. Exactly how this is to be defined and measures may need further work.

The service that is then funded by the USO must be *flexible* – ensuring that the infrastructure funded is capable of supporting future service delivery (superfast or ultrafast), while meeting the current user’s requirement for “functional internet access” that provides a functional improvement over the service currently available.

Q2: We do not propose to specify speed in primary legislation. Should speed be specified in primary or secondary legislation?

The technical definition of “functional internet access” can be expected to change over time as the internet is used to support an ever greater range of services and applications.

Speed should certainly not be specified in primary legislation.

The difference between secondary legislation and regulatory implementation is not clear to me. It appears to me that one of these presents the appropriate level for the technical definition of “functional internet access”.

Q3: In terms of giving the Secretary of State a power to direct Ofcom to review the USO, should Government have a continued role in the USO, or should this be a matter for Ofcom?

I do not have sufficient awareness of the practical differences that these options would present to make an informed comment.



15th April 2016

CWU Response to Department for Culture Media and Sport (DCMS) consultation on a new broadband universal service obligation

Introduction

The Communication Workers Union (CWU) has nearly 60,000 members in the telecommunications industry working in around twenty companies including BT, Telefonica UK, Virgin Media, Sky and TalkTalk. We are a major stakeholder in the digital communications industry and we bring an important perspective as the largest representative body for workers in the sector.

The CWU welcomes the Government's proposal for a new broadband universal service obligation (USO) for the UK. We have consistently called for a statutory broadband USO given the importance of high speed internet access for economic and social participation, and we believe this proposal is long overdue.

As the consultation paper highlights, there are still too many households suffering from poor connectivity.¹ Other countries have introduced a broadband USO and the UK must do the same if we are to keep pace with our international competitors, delivering world class communications infrastructure for the nation and ensuring that no one is left the wrong side of a digital divide.

Questions

1. Do you have any concerns about the approach that has been set out here?

The CWU is concerned that the proposal for a demand led approach, where a broadband connection is provided on request rather than automatically, is unlikely to be the most effective solution to achieve maximum digital inclusion in the short to medium term. Furthermore, economies of scale mean that it is generally more cost effective to roll out broadband access to a number of premises in one area simultaneously, rather than delivering one individual connection.

We believe that a commitment to invest upfront in rolling out a 10Mbit/s broadband connection to all homes and businesses across the UK, including those who have not actively requested it, would be more cost efficient and more beneficial to the UK economy

¹ A new broadband universal service obligation consultation, DCMS, 23 March 2016, accessed at: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/510148/Broadband_Universal_Service_Obligation.pdf

over the long term. It would drive greater take-up and usage of broadband services at an earlier stage, raising levels of digital inclusion and acting as an engine for job creation and economic growth.

It is clear that the benefits of good quality universal broadband justify the investment needed to make it a reality. One widely quoted source estimates that enabling everyone in the UK to go online as part of a broad digitisation strategy would add another £63 billion to the economy². Improved connectivity is also expected to bring a net increase in jobs, improve social cohesion and reduce carbon emissions.³

A large scale upfront investment in universal digital infrastructure would also help to address concerns about the historic underfunding and relatively poor quality of the UK's infrastructure compared with our global competitors⁴; and the need recently highlighted by the OECD for the UK to further develop its long-term infrastructure strategy⁵. The CWU believes that this strategy must include a greater commitment to public funding to help extend modern digital networks to those areas not served by the market unaided.

The Government should also do more to encourage the take-up of broadband services. This would increase digital inclusion and it would help to justify the costs of a major communications investment programme, significantly boosting its commercial viability. There are around 7.2 million adults without an internet connection at home⁶ and the Government's £3 million investment in its Digital Strategy Action 15⁷ is only a fraction of the estimated £875 million needed to ensure the whole population has basic digital skills by 2020.⁸ We believe the Government should run a high profile e-literacy campaign promoting the benefits of getting online and addressing the UK's online skills deficit, thus helping millions more people to participate in the digital economy and society.

2. We do not propose to specify speed in primary legislation. Should speed be specified in primary or secondary legislation?

We agree that it would be preferable not to specify a minimum speed, quality or other detailed criteria in primary legislation given the rapid developments in service capabilities.

² This is for everyone, the case for universal digitisation, Booz & Company, 2012, http://www.strategyand.pwc.com/media/file/Strategyand_This-Is-for-Everyone.pdf

³ UK Broadband impact study, November 2013, SQW, p.5 accessed at: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/257006/UK_Broadband_Impact_Study_-_Impact_Report_-_Nov_2013_-_Final.pdf

⁴ Securing our economy, the case for infrastructure, May 2013, Centre for Economic and Business Research for the CECA, p.11, accessed at: http://www.ceca.co.uk/media/103459/ceca_cebr_report_-_securing_our_economy_the_case_for_infrastructure_-_may_2013.pdf

⁵ OECD Economic Surveys, UK, February 2015, p.11

⁶ Media Literacy, Understanding Digital Capabilities follow-up, September 2013 and March 2014, BBC/Ipsos MediaCT, http://www.bbc.co.uk/learning/overview/assets/digital_capabilities_2014.pdf

⁷ Action 15: Collaborate with partners across public, private and voluntary sectors to help people go online, Cabinet Office, updated January 2015, <https://www.gov.uk/government/publications/government-digital-strategy-action-15/action-15-collaborate-with-partners-across-public-private-and-voluntary-sectors-to-help-people-go-online>

⁸ 'Technology Manifesto', Policy Exchange, London, 4th June 2014, <http://www.policyexchange.org.uk/images/publications/technology%20manifesto.pdf>

Secondary legislation is a more appropriate means to specify the minimum level of service given it can be revised more easily.

We believe it is right that the Government should look to raise the minimum speed over time and as networks improve, so that those who rely on the USO do not fall behind as demand for faster connections grows. We also think it is important for the Government to work towards introducing a minimum upload speed under the USO in response to the increase in upstream data traffic driven by the growth in online file sharing.

3. In terms of giving the secretary of state a power to direct Ofcom to review the USO, should Government have a continuing role in the USO, or should this be a matter for Ofcom?

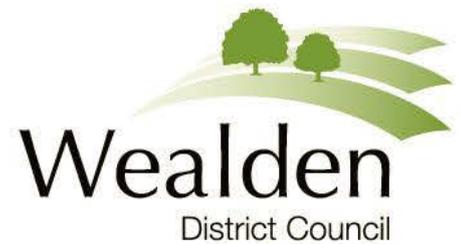
We believe it would be appropriate for the Secretary of State to have the power to require Ofcom to review the USO to ensure that it continues to reflect connectivity speeds. However, the Secretary of State should remain engaged with the review and should have the final decision on what speeds should be specified in legislation.



S40

15th April 2016

OUR REF: LDT/USO Consultation 2016
ASK FOR: S40
DATE: 15th April 2016
YOUR REF: Broadband Universal Service Obligation



Broadband USO Consultation
Digital Economy Unit
Department for Culture, Media &
Sport
100 Parliament Street
London
SW1A 2BQ

Policy and Community Services

Dear Sirs,

Response from Wealden District Council on the Government's proposed approach to introducing a new Broadband Universal Service Obligation (USO):

In answer to the specific questions raised by the consultation document;

1. Do you have any concerns about the approach that has been set out here?

We have no concerns about the approach that has been set out in the document.

2. We do not propose to specify speed in primary legislation. Should speed be specified in primary or secondary legislation?

We agree that minimum speed requirements should be set out in secondary legislation.

3. In terms of giving the Secretary of State a power to direct Ofcom to review the USO, should Government have a continuing role in the USO, or should this be a matter for Ofcom?

In line with Devolution plans, this Council feels that the power and responsibility for monitoring and reviewing the USO should be handed to Ofcom.

Additionally, we are pleased to note the Government's commitment to address rural isolation, specifically the recognition that "Improved connectivity will be of particular benefit to rural areas where broadband offers a means to access services, work, shop and communicate without the need for travel. Broadband connectivity also boosts rural economic growth and efficiency; businesses in rural areas make a substantial contribution to the national economy, with predominantly rural areas providing almost 20 per cent of England's employment opportunities. Ensuring that rural communities and businesses can enjoy the benefits of faster broadband in the same way as their urban counterparts is critical to balancing the economy and levelling the economic playing field for

Department for Culture, Media and Sport
A new broadband Universal Service Obligation (USO) consultation

Response from Gavinton, Fogo & Polwarth Community Council.

Introduction

Gavinton, Fogo & Polwarth Community Council (GFPC) represents a rural community located in the Berwickshire, Roxburgh and Selkirk parliamentary constituency. The area is served by a telephone exchange and two cabinets in Duns, which have been fibre enabled under the current BDUK programme. There is also a fixed wireless broadband network serving a small number of mostly rural properties.

GFPC agrees with the Minister that broadband connectivity has become an essential service alongside water and electricity. Indeed the service is critical to the sustainability of rural communities such as ours. With this in mind GFPC conducted a demand survey of all 300 homes and businesses in September/October last year. The objectives of the survey were to identify the current level of service and demand for superfast broadband, particularly in locations unlikely to benefit from the ultimate delivery of fibre within the area. The findings of the survey have informed our response to the USO consultation.

Q1 – Do you have any concerns about the approach that has been set out here?

GFPC supports the Government's proposal to implement the USO within the term of the current parliament. Indeed GFPC would urge the Government to bring forward primary legislation at the earliest possible opportunity.

Whilst the document dated 23 March 2016 setting out the background to the consultation exercise is comprehensive, GFPC would take issue with some of the statements regarding progress to date.

- ⤴ “All homes and businesses can now access basic broadband at speeds of 2 Mbps”. Not true – our survey showed that 39% of respondents were getting download speeds below 2Mbps, the lowest being 0.13Mbps.
- ⤴ As a result, GFPC has no confidence in the claim that Phase 1 will deliver at least 24Mbps to 90% of UK homes and businesses by early 2016 increasing to 95% under Phase 2. The decay in a superfast broadband signal transmitted down the copper wire from the exchange is such that subscribers more than 1km from the exchange will see little improvement. This is a significant challenge in a community in which many homes and businesses are dispersed but not particularly remote.

The Scottish Government has established Community Broadband Scotland (CBS) to support the provision of community based broadband services for harder to reach subscribers. On the basis of GFPC experience to date CBS is overly bureaucratic and too heavily dependent on voluntary effort from residents – “pensioners up poles”. As such GFPC feels CBS is not fit for purpose.

Q2 – We do not propose to specify speed in primary legislation. Should speed be specified in primary or secondary legislation?

GFPC is of the opinion that minimum download speeds should be specified in the legislation, preferably in the primary legislation giving the commercial providers of the technology as much notice as possible.

The stated aim of the Phase 2 BDUK programme is to deliver a minimum 24Mbps to 95% of homes and businesses by December 2017. GFPCC would find it hard to understand why a lower minimum should be proscribed. On the basis that services are already being designed to function at 24Mbps or above, the suggestion that harder to reach subscribers would be happy with something less is blatantly selling them short.

Nowhere in the USO consultation briefing paper is there any reference to upload speeds but for businesses this can be an important issue. Within the foreseeable future this importance will be extended to other two way communication such as health and social care for the disabled, elderly and those who could be discharged from hospital earlier to convalesce. GFPCC would urge the Government to adopt a synchronous broadband service as the default option.

Q3 – In terms of giving the Secretary of State a power to direct Ofcom to review the USO. Should Government have a continuing role in the USO, or should this be a matter for Ofcom?

GFPCC has no strong view on this matter. GFPCC understands that Ofcom already has the legal duty to ensure “the UK has a wide range of electronic communications services, *including high-speed services such as broadband*”.

Assuming that Ofcom is provided with the resources to do this effectively GFPCC would be happy with Ofcom having the responsibility for oversight of the USO.

S40

For any communication involving this submission please contact:

S40

Response from Moorsweb Community Broadband (“Moorsweb”) to the DCMS consultation of 23 March 2016: A New Broadband Universal Service Obligation

About Moorsweb

Moorsweb is a community based, not-for-profit, wireless internet service provider serving 300 sqkms of the sparsely populated North York Moors. Most of our service area would be defined as 'hardest-to-reach'. We have approx 226 subscribers and a high percentage take-up for our services.

We commenced operations in 2006 and have significant experience of the issues involved in providing broadband to the 'hardest-to-reach'. Our service options are at speeds of 5Mbps, 12Mbps and 30Mbps. We anticipate qualifying as an NGA provider, as defined by BDUK, throughout our area.

Overall Comment

We fully support the introduction of a Universal Service Obligation (“USO”) for broadband services for all the reasons set out in the Rationale section of the consultation document. We believe that our own service has made an enormous contribution to life in the Moors. It allows farmers to make online returns to DEFRA, it allows tourist businesses to communicate with customers and meet guests' inevitable expectation of internet access, it allows many other businesses to exist and thrive and, probably most important of all, it allows families to live and children to grow up with all the advantages of top quality internet access.

We accept that, for the most difficult to reach, providing internet access can be costly and that adopting a demand-led approach is appropriate to minimise immediate costs.

We believe that 10Mbps is an appropriate starting point for the USO. It does provide a quality internet experience and it is well within the bounds of current technology. 12Mbps is our most popular service for active internet users.

We support a technology neutral approach but would make the point that, at the current state of technology, wireless provision is likely to be, and remain for some time, the most effective solution in the vast majority of rural situations. This has an impact on the significance of a speed threshold. Once a wireless connection is achieved, through a line-of-sight link, the sensitivity of the costs to the initial speed adopted, or the costs of upgrades to higher speeds, are both relatively low.

Response to specific questions

Question 1: Do you have any concerns about the approach....?

Our principal concern is that Ofcom is being asked to come up with a detailed analysis of key factors and it seems that only after a later design stage will there be a consultation process.

Whilst, no doubt, there will be some 'consultation' in the fact finding process, it is important that this is not restricted to the big players and 'usual suspects'. The issues of the 'hardest-to-reach' are non-generic. They are specific to particular areas and will be generally found by discussing with the smaller providers in those areas who have had to deal with the local issues.

We would also make the point that the position of the smaller providers needs to be considered in the design of points such as who bears the primary responsibility for meeting the USO and who bears the costs. Interestingly, in many cases, the costs of providing wireless service to the 'unprovided' in our area would be beyond Moorsweb's ability to subsidise but still below the 'per premises passed' subsidy in BT phase 2 contracts.

Question 2: Should speed be specified in primary or secondary legislation?

We see no reason to specify speed in primary legislation. As is well understood, speed demands will change over time and the USO speed should be dealt with in a manner that is most easily varied in the light of changes in experience, needs and technology.

Question3: Should Government have a continuing role in the USO, or should this be a matter for Ofcom?

This seems to be a more detailed question on what constitutes effective governmental machinery. One would hope that the terms of reference of Ofcom would ensure that the USO was kept under regular review. Nevertheless, the ability of the Secretary of State to 'nudge' Ofcom should be easy to include in the legislation and might be useful if the Government saw a wider issue to be addressed, e.g, a particular need for further rural stimulus.

S40

16 April 2016



Department
for Culture
Media & Sport

BroadbandUSOConsultation Mailbox
<broadbandusoconsultation@culture.gov.uk>

roadband Universal Service Obligation

1 message

S40

17 April 2016 at 09:44

To: broadbandusoconsultation@culture.gov.uk

Dear Mr Vaizey,

You have received a response to your consultation from S40 Broadband for Rural Devon & Somerset (www.b4rds.org) which I support. S40 response takes into account all members of this group of which I am one. Please read and digest the facts.

S40

Response by B4RDS (Broadband for Rural Devon & Somerset) to the DCMS Consultation on:

“A New Broadband Universal Service Obligation”

April 16, 2016

This response has been prepared by [REDACTED] S40 [REDACTED] B4RDS (Broadband for Rural Devon & Somerset), a lobby group with members across the two counties and representing the interests of rural residents, communities and businesses in Devon & Somerset.

Contact details:



This response is in three parts, as requested in the Consultation Document:

- (a) Concerns about the approach set out in the consultation document – Page 1
- (b) It is not currently proposed to specify speed in primary legislation. Should speed be specified in primary or secondary legislation? – Page 6
- (c) Should Government, via the Secretary of State, have a continuing role in the USO or should this be a matter for OFCOM? – Page 7

(a) Concerns about the approach set out in the consultation document.

B4RDS members and rural residents across the UK have major concerns with what is being proposed in the consultation document.

Our concerns are the same as the concerns we have had with the UK Government “superfast” broadband programme since its inception – namely a lack on **ambition, foresight and commitment** to provide the necessary digital infrastructure that ours, our children’s and our grandchildren’s future will depend upon.

The current state aided BDUK programmes, Phase 1, 2 and the various voucher based schemes are the UK’s response to the EU’s Digital Agenda for Europe. Despite having a reputation for “gold plating” EU legislation, DCMS and BDUK have in this case enacted the minimum that the UK can get away with whilst meeting the EU edict. This started at BDUK’s inception, when the UE called for a 30Mbps service to be implemented by 2015. Not only was that target missed, but, DCMS/BDUK negotiated a 20% reduction in the 2015 target with Brussels to 24Mbps, believed to be at BT’s insistence, because of BT’s historic lack of investment in the Openreach infrastructure since privatisation and the fear that BT could not deliver the required bandwidth to provide all UK landlines with 30Mbps broadband download speeds.

At the same time, and as required by the EU, BDUK devolved negotiation and management of Phase 1 contracts to County Councils who have previously had no experience of contracting and managing telecoms networks. The EU State Aid umbrella agreement mandated a contracting procedure which all but guaranteed that the vast majority of contracts would go to BT and allowed BT to deliver the lowered 24Mbps target via copper to properties, terminating fibre cables in street cabinets. BT much preferred this approach because it maximises Openreach's profit margin whilst reducing bandwidth demand. The fact that all the copper will need to be replaced sooner rather than later was it seems never understood by DCMS/BDUK. Similarly, the fact that while this copper dependant FTTC approach may provide adequate speeds for properties in dense urban areas less than 1.2Kms from a DSLAM street cabinet, the fact that it is a completely inadequate deployment approach in rural areas has it seems never been a concern of the program.

No matter what DCMS/BDUK may assume, broadband is a pull market and not a push market. I.e. The need for bandwidth is driven by consumer and business needs to connect to the trade routes of the 21st Century. Whilst the profit motives of individual network companies, like the de facto owner of the UK telecoms infrastructure, BT, means that they will never want to provide a universal broadband service, rural residents and businesses will still need access to those "trade routes" and the EU and the UK Government have both accepted that the state has an important role to play in making that happen via state aid and goal setting.



Trade Routes of the 21st Century: Current Undersea Fibre Communications Cables which carry all of the worlds Internet traffic. (NB. Today, only in exceptional cases does internet data traffic travel via satellite because signal latency via satellite slows internet traffic more than is acceptable)

To date, broadband state aid amounts to £1.7B, most of which has gone to BT through Phase 1 and now some Phase 2 contracts, but to those looking at the situation from rural shire parishes, state aid delivers less than the minimum required and the current 2Mbps USO and the proposed 2020, 10Mbps USO are just that - less than the minimum required.

In his evidence to the CMS Select Committee, Prof Dieter Helm outlined the need for a flat “utility levy” to be charged by all broadband service providers for all broadband connections, urban and rural, in the same way as water, electricity and gas utilities charge a monthly fee on top of usage charges. Adding this levy to the government subsidy is the only way to ensure that ALL rural properties get connected to the same level of broadband service that is currently enjoyed by those living in towns and cities.

The current failure of Government to implement such a scheme re-enforces the current disparity between urban and rural broadband and is fundamental to BT’s preferred FTTC deployment methodology. FTTC ensures that rural residents and businesses will always get an inferior service compared to their urban neighbours simply because distances between properties in rural areas are always greater than the distance between properties in urban areas. The fact that this is happening by design with FTTC as the BDUK/BT preferred deployment methodology, means that a conscious decision has been taken to disadvantage rural versus urban residents and businesses – in short it is **digital rural apartheid**.

How can this be corrected by a USO?

Rather than plucking numbers out of the air, that are a few Mbps above what most people seem to be able to operate at today, as the DCMS discussion document does, it is important to first understand the (pull) drivers that determine current need and will determine future broadband requirements:

In 1968, Gordon Moore, one of the founders of Intel, postulated that “computer power” would double every two years. Moore defined Computer Power to be an amalgam of all the parameters that determine the speed and efficiency of computers – memory size, processor speed, bus speed, I/O speed, etc. Moore’s law has been followed for the last 48 years and industry watchers speculate that the growth in computer power will follow Moore’s Law for at least another 10 or more years.

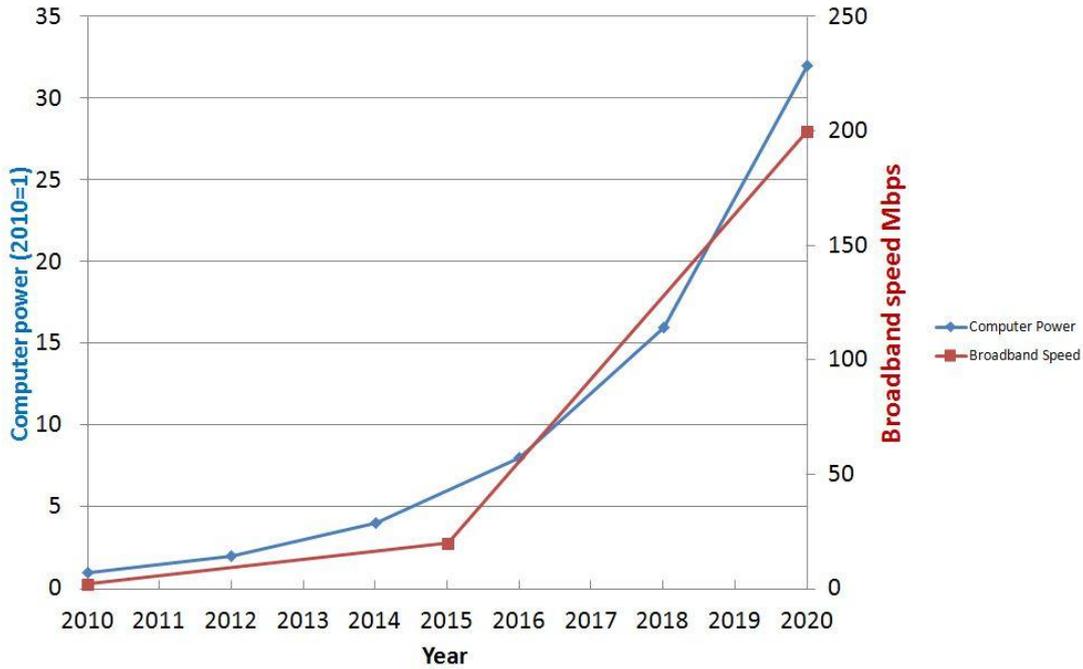
The best way to appreciate Moore’s law is to go into PC World two years after you bought your last PC or laptop. You will find that you can buy a PC or laptop with the same specification for half the price you paid two years ago, or what you are more likely to do, is buy a PC or laptop with twice the performance for the same price you bought one two years ago!

PC’s and laptops did not exist when Moore made his prediction. Neither did the Internet, but for the last ten years, it is Moore’s Law that has been driving the demand for internet bandwidth. It is therefore highly likely that there is another law, which Moore’s Law drives and sits alongside Moore’s Law, driving the demand for internet access and thus broadband bandwidth.

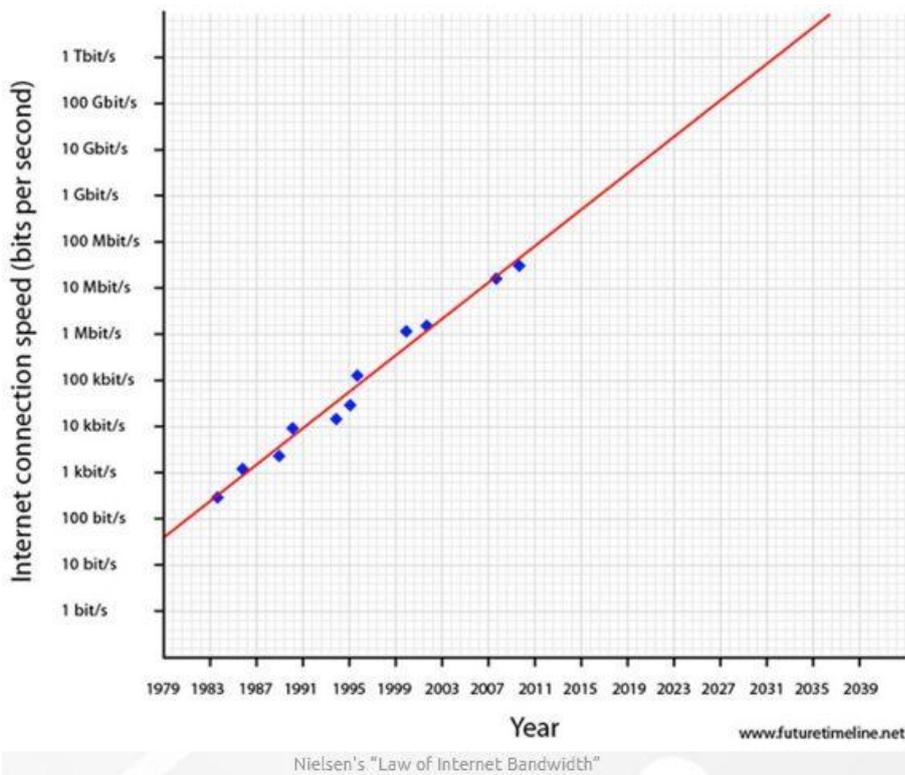
Looking back over the last five years, most users would have been very happy with a broadband speed of 20Mbps in 2015. This is close to the original DCMS/BDUK goal of 24Mbps in 2015, although it would have been only two thirds of the EU Digital Agenda for Europe goal of 30Mbps in 2015. Looking further back, 2Mbps would have been adequate for most users in 2010 and I still have advertising emails from BT marketing a broadband speed of 512Kbps in 2006 and offering what BT called “ultrafast” broadband at 1Mbps!

Taking 2Mbps in 2010 and 20Mbps in 2015 as data points provides an empirical broadband bandwidth curve which increases by one order of magnitude every 5 years. When plotted with Moore’s Law the two curves match surprisingly closely and would seem to predict acceptable broadband speeds for 2020 and beyond:

Moore's Law drives Broadband Speed



In the USA, Jakob Nielsen, a Danish IT consultant plotted the internet speeds he found during his travels between 1998 and 2013 and concluded that internet speed needs to increase by 50% every year.



Nielsen's graph predicts bandwidth demand to be over 1000Mbps in 2020 whilst the graph based on an order of magnitude growth in bandwidth demand every 5 years predicts the need for 200Mbps in

2020. Whether 200Mbps or 1000Mbps will be an adequate broadband speed in 2020 remains to be seen, but both of these are well in excess of the 10Mbps USO discussed in the DCMS paper, the 8.1Mbps (surprisingly precise) suggested for 2025 or the pitifully low 2Mbps USC of today.

As a rural broadband user suffering a 2 to 2.5Mbps connection at present, I can tell you why 2, 8.1 and 10 Mbps will be inadequate in 2020: 2Mbps may have been adequate in 2010, but if you think back to those times, websites were a lot simpler, text based and with relatively few links. Today, website designers are told that everyone has 24Mbps and they probably live in cities where such speeds are common, so in order to attract customers, websites are now loaded with video, graphics, audio and links which all take time to download. Operating at a broadband speed of 2Mbps for the last 5 years, I have noticed a clear increase in the time it takes webpages to load, despite having upgraded my computer during this period.

It is also the case now that banks, insurance companies, HMRC and DCMS itself, specify web based and online as the only way you are expected to interact with these organisations and as their websites get "jazzier" (which is great for those with 24Mbps), for 2Mbps users, the experience is like being back in dial-up days!.....rural users on slow connections are being discriminated against - **Rural digital apartheid!**

Moore's law will continue to drive broadband bandwidth: A recent report states that the average UK home already has 8.5 internet connected devices. Six weeks ago, a university team demonstrated the first Quantum Computing Chip. In the same way that Gordon Moore could not have articulated the Internet or the WiFi tablet in 1968, so we cannot clearly envisage what the "Internet of Things" or Quantum Computing will do to data traffic in 2025/2030. In the same way as the Victorians laid the rail tracks and developed international ocean trade routes that today's economy depends on, so must we set the foundations for the information revolution of the next decade that only light waveguides (fibre cable) will be able to deliver.

2Mbps or 10Mbps broadband users will be further excluded as applications become more and more network dependent: Cloud computing is still in its infancy, but will demand more and more bandwidth as it becomes ever more common. Application and system software updates now have to be done online, as CD options for obtaining updates are removed. At 2Mbps, Windows downloads can exceed 12 hours (if your broadband line remains up for that time and you are not forced to restart the download from the beginning). GP's are experimenting with consultations via Skype. Farmers are being required to claim the Single Farm payment on line. I could cite many more examples.

A USO must not simply define speed. It is also essential that Symmetry and Latency be mandated.

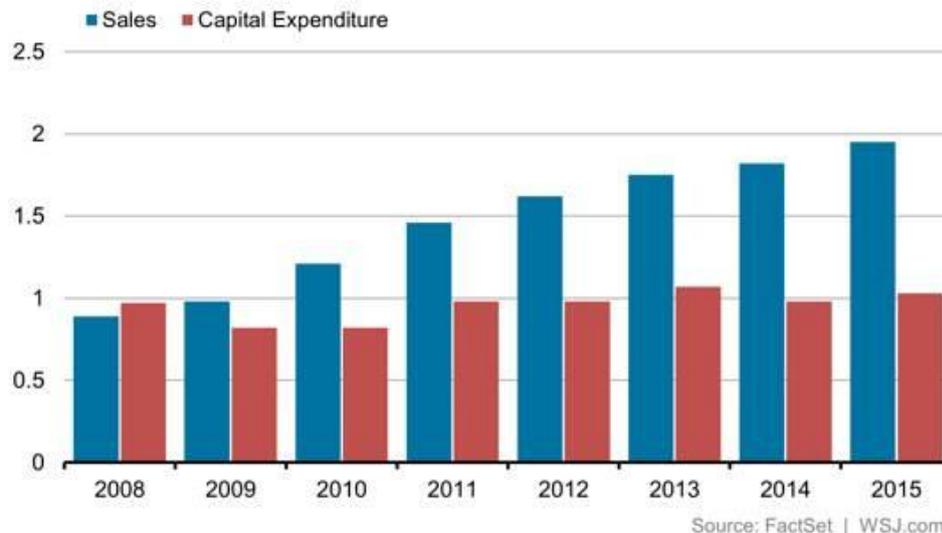
Your keyboard is a QWERTY keyboard because typewriter manufacturers, 100 years ago, found that typewriter keys would not jam if the keyboard layout placed keys that are frequently pressed one after the other, are placed far apart on the keyboard, thereby slowing the typist down!. This is a legacy that all keyboard manufacturers have institutionalised ever since, despite other layouts being more efficient for typists and the QWERTY layout being completely irrelevant for electronic keyboards.

In the same way, today's ADSL protocol has perpetuated asymmetric data transfer with upload speed being approximately 10% of download speed because in the early days of "teletype" current loop terminals, it was assumed that all uploads would be manually typed data at ~50 words/minute. Again this is completely irrelevant for modern software applications where client and server

programmes, working simultaneously with multiple users, can optimise resources between them by uploading and downloading large quantities of data and programme files in both directions. All broadband connections need to be symmetric in order that the user experience is optimised. Asymmetric ADSL is however liked by BT because of the totally artificial limit that it puts on upload speeds thereby reducing BT's bandwidth utilisation and enabling them to continue to "sweat" their copper assets and avoid increasing their investment in the Openreach network for the last 8 years:

Fixed Costs

Openreach's sales and capital expenditure for fiscal years to March, in pounds billion



Latency must also be mandated in any USO specification because speed and symmetry are not the only determinants of broadband usability. Latency, the time that a bit takes to do the round trip between client and server, determines the responsiveness of a user application operating over the internet. For an ADSL or VDSL connection using copper and/or fibre, ping latency will be between 10 and 50 milliseconds, too fast to affect most user applications. Fixed wireless broadband connections will have a higher ping latency and satellite broadband connections will be much higher.

Satellite latency is determined by the distance to the satellite and is often of the order of 1200 milliseconds. Recently launched near earth orbit satellites can deliver 600 to 900 milliseconds latency, but this will still make interactive applications like VoiP and Skype almost unusable.

Fixed wireless latency can be variable since it is often determined by modem error correcting algorithms which accommodate for interference caused by rain, fog, mist or trees. Experience indicates that to use interactive applications latency should be below 200 milliseconds and preferably below 50 milliseconds.

(b) It is not currently proposed to specify speed in primary legislation. Should speed be specified in primary or secondary legislation?

The consultation paper says that the Secretary of State would introduce primary legislation "to provide for functional internet access for today's needs". **To do this will ensure failure.** This is because tomorrow's needs are what the legislation should ensure is delivered, not just today's needs (which are currently not being delivered anyway). The above graphs show that the need is increasing exponentially with time, so targeting on today's needs (as the current state aided

programme has) will ensure that future needs are not delivered. Primary legislation must ensure that a series of USO's are met for **speed, symmetry and latency** – say at 5 year intervals:

Year	USO Download speed	USO Symmetry	USO Ping Latency
2015	2Mbps	Unspecified	Unspecified
2020	100Mbps	Upload speed >50% Download speed	<200 milliseconds
2025	1000Mbps (1Gbps)	Symmetrical	<100 milliseconds
2030	10Gbps	Symmetrical	<50 milliseconds

Relying on secondary legislation to enact what is delivered by a USO would seem to reduce the urgency of getting a useable broadband service to everyone in the UK and therefore a clear definition of the USO goals/targets should be built into primary legislation.

Secondary legislation would be more appropriate for legislating how some of these targets may be delivered rather than the targets themselves. For instance, the latency targets suggested above would rule out satellite as a broadband delivery vehicle from 2020. This is already being discussed in the USA by the Federal Communications Commission who are currently considering banning satellite companies from describing their product as “satellite broadband”. Such services would continue to be delivered but they would be described as “satellite communications”, delivering streaming services such as Netflix and other on-demand services, but the latency USO would prevent satellite companies from suggesting they can deliver interactive broadband services that the laws of physics prohibit.

BDUK often state that the state aided BDUK programme is technology agnostic. That remains the case should a USO specifying Symmetry and Latency along with Speed be adopted. As stated, satellite broadband could not deliver the 2020, <200milliseconds latency suggested above. Similarly the suggested 2020, 100Mbps minimum download speed could not be delivered by copper. In this way, a USO which specifies all three parameters will focus all providers towards providing light wave guide (fibre optic) broadband services. (NB: BT's suggestion that copper G.Fast technology can compete with fibre is valid only over distances of ten's of metres and requires investment equal to or greater than installing fibre over the same distance. To suggest that G.Fast can compete with fibre over greater distances is disingenuous.)

(c) Should Government, via the Secretary of State, have a continuing role in the USO or should this be a matter for OFCOM

It is essential that the Secretary of State maintains a continuing role in the USO as the elected representative of UK taxpayers, particularly since it is recognised that state aid is appropriate in rural areas where market competition has failed. The legislature must therefore understand the needs of the electorate and the Secretary of State as the representative of the people has the responsibility to enact legislation (primary and secondary) to ensure that those needs are met.

OFCOM has a role to play in monitoring the industry that delivers the needs of the electorate via licensing and audits of the activities of providers. It is also appropriate that the Secretary of State consult with OFCOM on legislation and the monitoring of the performance of the industry in compliance with legislation, but OFCOM is an unelected Quango and must not have responsibility for determining USO goals/targets. If DCMS did take this retrograde step, OFCOM would be at the mercy of lobbying from the industry and that would ensure maximum profits for the telecoms companies and reduced services to the electorate. - A legacy that BT, the monopoly owner of the UK's telecoms infrastructure, has left us with today.

Response to “A NEW BROADBAND UNIVERSAL SERVICE OBLIGATION CONSULTATION”

Response as: [REDACTED] S40 / company (Lothian Broadband Networks Limited).

Q1: Do you have any concerns about the approach that has been set out here?

Yes. We have to assume that proposals to implement a USO would include additional public funding in order to make this possible. Were this to imply a continuation and extension of the funding mechanisms currently in place in Scotland, then concerns are raised. Even in the present circumstances we have concerns.

Lothian Broadband Networks Limited (LBNL) has the capability now to deliver Superfast broadband via fixed wireless to most of the areas of East Lothian as well as to Midlothian and beyond that currently are poorly served. We have wireless masts in strategic locations that have line of sight over approximately 1,000 square kilometres. This includes, for example, most of the "white" areas in East Lothian under consideration for funding through Community Broadband Scotland, in conjunction with the Local Authority. This process is slow and opaque.

Because of our potential commercial interest in these areas, the publicly funded initiative could founder due to State Aid regulations. Were a different approach to be taken, i.e. one that released funds to the business or householder to deploy as a "voucher", this would allow companies such as LBNL to act immediately to connect premises as demand dictated. The BDUK analysis of the voucher scheme was positive. A "voucher" scheme would be the ideal mechanism, not only for delivery of what remains of the Step Change programme, but for the delivery of a USO.

Such an approach would not only create and stimulate competition (there are other companies in this same space) but would ensure that the roll-out was demand led. Critically, it would guarantee that the potential broadband network infrastructure was ubiquitous, so that premises that did not connect now would always have the option to do so in the future. It could be administered locally at low cost and be delivered in immediate terms, rather than nationally with a lengthy, complex, costly administration, tendering and procurement process, a process that would always be open to legal challenge from companies with commercial plans for delivery to the areas in question.

A "voucher" scheme is the only mechanism that ensures healthy commercial competition and is not open to legal challenge on the grounds of disadvantage, while at the same time funding the viability and financial risk gaps that prevent companies like ourselves from solving the problem "overnight".

In the absence of a scheme that delivers immediate access to funds without the fetters of State Aid (a "voucher" scheme can do this) the consequence of other forms of Government intervention can only result in significant delay and a threat to the viability of the national ambition to become a "Superfast" nation.

Our concern, too, is that 10Mbps is woefully inadequate for a future-looking country to pat itself on the back about. This target is merely an acknowledgement that we are still stuck with our copper network. Unless we look to other vehicles of delivery (only fibre and wireless can better this target), then the UK will always play catch-up.

Q2: We do not propose to specify speed in primary legislation. Should speed be specified in primary or secondary legislation?

Speed is only one of a range of criteria that are critical. Latency is another. Contention rates are another. The traffic to target servers is another. The "speed" of the connection at the other end is another... and so on.

All broadband packages are currently sold with an "up to" qualification. It is simply not possible for the average "user" to measure speed accurately. However, they do notice when their service is "slow". Legislation cannot be effective in setting levels in this respect.

Rather, these are questions for the industry to resolve and for the consumer to demand.

Q3: In terms of giving the Secretary of State a power to direct Ofcom to review the USO, should Government have a continued role in the USO, or should this be a matter for Ofcom?

This is too complex a question to be determined as things currently stand. Clearly, government has a role to play in setting national targets, in providing essential funding, etc. Much depends on how a USO is defined. I have suggested that speed alone is not adequate in this regard. Until these and other questions are resolved, it is difficult to see where Ofcom have a role at all, other than in an advisory capacity to government. Once clear, measurable criteria are agreed and in place, then Ofcom are the obvious candidate, following the enactment of appropriate legislation to empower them in this regard.

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18 April 2016

Broadband USO Consultation
Digital Economy Unit
Department for Culture, media and Sport
100 Parliament Street
London
SW1A 2BQ

To whom it may concern,

A New Broadband Universal Service Obligation

Three welcomes the opportunity to comment on the Government's proposed approach to introducing a new broadband Universal Service Obligation (USO). Three's response consists of three parts and a short conclusion. These are: 1) general comments setting out Three's view on the considerations that must underpin the Government's thinking as it brings forward detailed proposals for the introduction of a broadband USO; 2) answers to the specific questions put by DCMS in the consultation; and, 3) Three's thinking as to how a USO for broadband should be financed. This follows Three's initial views to the DCMS Call for Inputs on a broadband USO, submitted in January 2016.

1. General Comments

UK consumers increasingly expect to be able to access the internet wherever they are, and for their connection to be of sufficient quality to stream video and use other data-intensive applications and services. In this context, it is unsurprising that the extent and quality of connectivity has become an important political issue, particularly in more rural and remote areas. These concerns have become amplified through the growing devolution of policy to the UK nations where, because of geography and population density, concerns around coverage as well as digital disadvantage and isolation are more acute than across the English landmass.

The Government's proposal for a broadband USO is intended to address this, and Government is right to consider interventions to extend fixed coverage in hard to reach areas. However, it is also important that reforms committed to as part of previous interventions in mobile are implemented to ensure high quality mobile coverage across the UK landmass.

In December 2014, all UK MNOs agreed to support the Government's objective of improving mobile coverage and decreasing partial not spots in the UK. To that end, MNOs agreed to deliver 90% geographic voice coverage throughout the UK by 31 December 2017. This

commitment was given effect through a variation of the MNOs' spectrum licences issued by Ofcom. Against that background, Government must fully realise the **reforms agreed to as part of the 90% coverage agreement, specifically to the Electronic Communications Code (ECC) and the planning regime for mobile in England.**

Although the idea of a broadband USO may appear superficially simple, implementation will be complicated and costly, reflecting both the complex structure of the UK communications sector and the challenging topography of those areas which currently have limited or no connectivity. There is good reason why infrastructure has not already been rolled out to such hard-to-reach areas on a commercial basis; challenging topography means that rollout is very expensive and low population density gives limited scope to recoup investment. This has been recognised by Government in the consultation.

Specifically, Three is pleased that the Government has chosen to bring forward proposals for a fixed broadband USO. This is the right decision. Three also agrees it is right that this broadband USO should be demand led and at the request of consumers. However Three notes that, as delivering a fixed speed of 10mbps to premises will only be possible through fixed infrastructure, BT is likely to be the only fixed provider with the reach to deliver such a requirement. This has the potential to significantly distort competition in the mobile transmission market and across the communications market as a whole.

There are two key elements to this:

- 1) the increasingly converged nature of the UK communication market, particularly the emergence of bundled, quadplay services, means that any such public policy intervention - even solely into the fixed market - has the potential to distort competition across multiple markets.
- 2) the ability of MNOs to deliver coverage has always been tightly bound to fixed providers and the availability of good quality, high capacity transmission, which is necessary to connect our mast sites back to our core network. It is widely recognised, including by Ofcom, that there are systemic issues in the transmission market. Specifically, there is a choice of two or more transmission providers in only 20% of UK postcodes and that choice is largely concentrated in urban areas.¹ This means that in many areas BT Openreach is a monopoly supplier. Moreover, the Mobile Infrastructure Project (MIP), highlighted the lack of appropriate and affordable transmission in many rural and remote areas. It is therefore critical that the implementation of the USO does not further advantage BT's position at the expense of other providers of mobile transmission.

The founding principle of any implementation must be that the broadband USO will not distort competition in the market.

¹ Ofcom, *Business Connectivity Market Review Statement*, 2014

2. Answers to specific questions

Q1: Do you have any concerns about the approach that has been set out here?

Three believes that the approach proposed by Government is sensible, provided it is taken forward with effective consideration of the concerns set out above. It is the view of Three that the Government's intention of introducing a new enabling power in primary legislation, which will give the Secretary of State an explicit power to introduce a broadband USO to provide for the functional internet access considered appropriate for today's needs, is a proportionate and sensible first step.

Three notes that if Government's ambitions for a broadband USO are to be realised then it must ensure that the regulation required for Ofcom to implement the Order has a clear basis in primary legislation. This will ensure a smoother, more expeditious process and reduce the risk of legal challenge.

Q2: We do not propose to specify Speed in primary legislation. Should Speed be specified in primary or secondary legislation?

Three believes that it would be inappropriate for the Government to specify speed in primary legislation as it would add unnecessary detail and complication to the face of the legislation. It would also likely act as a brake on future revisions to the legislation and could ultimately mean a *de minimus* and blunt implementation.

Setting out ambitions in relation to speed in secondary legislation will offer greater freedom and adaptability going forward. We believe it is also appropriate that Government's proposals to set the scope, including specific requirements and guidance for the design of a fixed broadband USO, should be in secondary legislation.

However, it is important that any specificity in relation to the USO should be at the highest level possible in order to avoid the unintended consequences caused by incorporating too much detail on the face of legislation. It is also imperative that Government consults widely with the whole industry on the detail of the legislation, given the potential for the design of a broadband USO to fundamentally distort competition in core areas of the communications market, and in particular, the provision of mobile services.

Q3: In terms of giving the Secretary of State a Power to direct Ofcom to review the USO, should Government have a continuing role in the USO, or should this be a matter for Ofcom?

Three believes it is appropriate for Government to have an ongoing role in the review of a broadband USO, but not any decision making powers in this regard. This is appropriate given the potential for the delivery of a broadband USO and any future revisions to distort competition and fundamentally alter key aspects of the communications market. This is particularly important in relation to mobile given the current state of the transmission market and the importance of transmission to the delivery of mobile services

It is vital that any such changes to a broadband USO are made by Ofcom and not determined by political drivers. This is important given the potential for a USO to fundamentally impact and distort levels of competition in the UK communications market, especially regarding the availability of transmission. Any such revisions must be made through a process of dispassionate assessment of the market and expert input. Three believes that it can only be for Ofcom, as the technical expert with clear duties set down in statute with regard to consumers and competition to make such decisions. This must be done through engagement with the industry and through the same consultation process and engagement that applies to other Ofcom decisions, taking account of competition concerns and also what is technically and economically viable.

3. Funding a USO

As the Government has recognised, extending connectivity to hard-to-reach areas through a fixed broadband USO will be challenging and costly. The topography of such areas, alongside low population density as well as the cost to operators of accessing vital services such as transmission and electricity, means that any solution will likely be expensive. Even consumers living in those communities without any connectivity are unlikely to be willing – or able – to meet the necessary infrastructure costs without significant additional funding being made available.

There are a number of options open to Government that would not distort competition or represent an unjustifiable and ultimately anti-competitive capital outflow from one part of the industry to another. Government could consider introducing a levy on all communication customers to meet these costs. However, it is unlikely that the majority of consumers who are satisfied with their internet coverage and speed would support such a levy and there would also be a question as to which customers would be liable.

Even if Government were able to fully fund a broadband USO from public finances, such an approach would also risk distorting competition. A significant transfer of funds to a single-fixed provider – in all likelihood BT – would disadvantage the other players in the communications market. Additionally, as was the case with the BDUK fund, this model would not incentivise the chosen provider to realise maximum efficiencies while delivering the USO. This is likely to create poor consumer outcomes, as well as being an inefficient use of Government's funds.

Three believes that one means of potentially delivering the funding of a broadband USO without distorting the market could be through placing a **regulatory obligation on Openreach to invest a proportion of its profits back into delivering a broadband USO**, similar to the investment models of both Network Rail and Transport for London. This model would support efficient delivery, create a sustainable long-term funding model, and deliver transparency for consumers. There is merit in Government exploring this model as a potential solution – however, detailed economic analysis would of course be needed to establish whether this is a viable option.

4. Conclusion

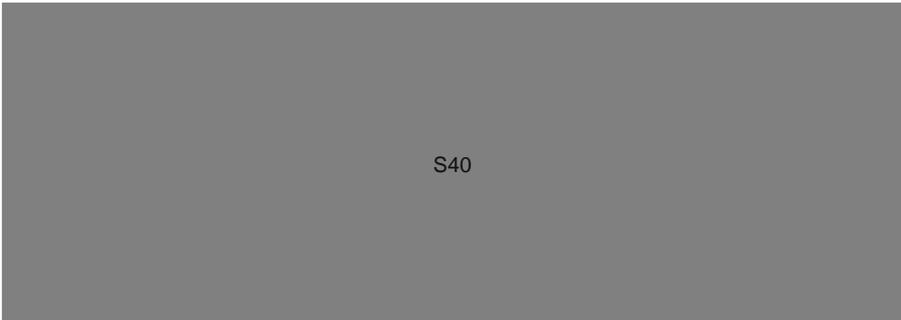
Connectivity has rightly become an important political issue and it is appropriate for Government to consider interventions to extend fixed coverage in hard to reach areas, and especially in those areas where it will never be possible to deliver connectivity effectively on a commercial basis. The proposals put forward by Government as an approach to introducing a USO are sensible. However, at all stages Government must be careful to guard against distorting competition.

In addition, in the mobile arena, Government must ensure that it delivers reforms of the ECC and planning reform in England, to make certain that Communication Providers can meet growing consumer demand, as well as to support the Government's digital ambitions.

Ultimately, implementing a broadband USO will only be the right solution if it is done on a basis that improves competition across market segments and helps deal with long standing competitive bottlenecks in the wholesale infrastructure market.

If it is helpful, we would be more than happy to discuss any aspect of this submission in person.

Yours sincerely



S40



Derry City & Strabane
District Council
Comhairle
Chathair Dhoire &
Cheantar an tSrátha Báin
Derry Cíttie & Stràbane
Deistrick Cooncil

A New Broadband Universal Service Obligation Consultation

Response by S40 Derry City and Strabane District Council

Derry City and Strabane District Council is one of the eleven new Districts in Northern Ireland. It encompasses an area of 1,342 square kilometres and is home to a population of 147,720 people, 8.16% of Northern Ireland's population. The district uniquely combines a regional city with a large and widely dispersed rural area.

The population of the Rural Area of the Derry City and Strabane District Council comprises of some 57,252 people. This represents approximately 30 per cent of the total population of the Council area.

Mission Statement: Derry City and Strabane District Council will “Deliver improved social, economic and environmental outcomes for everyone.”

Q1: Do you have any concerns about the approach that has been set out here?

Derry City and Strabane District Council welcome the proposal to implement the new broadband Universal Service Obligation (USO) ensuring that the Government and Ofcom will work towards delivering on the right for every UK citizen to access broadband.

As part of its Community Planning development, Derry City and Strabane District Council has recently undertaken an extensive consultation exercise throughout the entire Council area, meeting with residents and businesses to identify what their key priorities of need and desires are for the future development and enhancement of the Council area.

Throughout the process, one of the key issues that has emerged is availability of reliable, high-speed broadband/mobile connectivity in rural areas. It is wholly accepted by Council that connectivity is key to the economic development of the Derry City and Strabane District Council area. While Council recognises that the Electronic Communications Code and Telecommunications policy is a reserved matter with responsibility primarily resting with Westminster and controlled centrally by the Department of Culture, Media and Sport (DCMS), it is crucial that Local Councils

continue to explore innovative solutions to deliver high-quality connectivity in areas of clearly identified need particularly the rural areas.

To date Derry City and Strabane District Council has actively supported a number of these government interventions. The Super Connected City Programme by Derry City and Strabane District Council resulted in 24 rural businesses availing of vouchers up to £3,000. The Majority of these businesses chose a satellite solution. This programme closed in December 2015.

Derry City and Strabane District Council welcome Phase 2 of the Superfast Broadband Rollout Programme (SRP2) which is a joint investment of £17m by DETI and DCMS delivered through Broadband Delivery UK and BT. Between February 2015 and Dec 2017 work is planned in different towns and counties.

The Mobile Infrastructure Programme (MIP) was introduced in 2013 by the Department of Culture, Media and Sport (DCMS) to the value of £150m. The main purpose of the MIP project was to provide mobile phone coverage to “Not Spot” areas across Northern Ireland, that is, areas with no coverage by any of the mobile network operators, usually because it is not deemed economically viable by the mobile operators. This programme completion date was March 2016. A number of locations were identified across the Derry City and Strabane District Council area, however only one Telecommunications Mast was installed at Park. This programme did not roll out as intended due to difficulties with the sites needing both planning permission and lease agreements with landowners in addition to having a viable power supply, vehicle access to the site and a confirmed connection back to the Mobile Network Operators' networks within the available timeframe.

Derry City and Strabane District Council welcome the new Satellite Broadband Scheme being rolled by DETI that will allow homes and businesses to get a subsidised broadband connection if they are currently unable to obtain a broadband services of at least 2mbps. The scheme will cover most or all of the cost of installation and commissioning of the satellite broadband service. The scheme is open until the end of 2017. One of the issues from this scheme is the costs to the end user in rural locations for the quality of data service obtained in comparison to other higher speeds in other areas.

Derry City and Strabane District Council are also working closely with the Derry & Strabane Rural Partnership to roll out the Rural Development Programme across the Derry and Strabane rural areas and have proposed an allocation of £230,000 for the Rural Broadband measure of the Interim Rural Strategy. The aim is to Improve rural broadband provision solutions for communities in hard to reach and “not spot” areas in order to provide reliable connectivity and speed particularly in isolated and terrain compromised areas with cabinet distance issues and improve the knowledge and skills of those involved in the potential development of community based broadband schemes. The strategy will support at least 1 operation for investments in broadband infrastructure and access to broadband, including e-government services.

Derry City and Strabane District Council would also be keen to work with DETI and DCMS to develop of develop a Pilot Community Broadband Scheme. This scheme

would involve an access network based on road infrastructure and would be fully compliant with Digital Action for Europe (DAE), with the potential for initial packages for users starting at 100 megabits per second. This programme would allow for significant community participation.

Q2: We do not propose to specify speed in primary legislation. Should speed be specified in primary or secondary legislation?

Derry City and Strabane District Council would recommend that speed is specified in primary legislation as part of the Universal Service Obligation (USO) and that a clearly identified timeframe is also established outlining that the broadband USO speed will increase to ensure that those homes and businesses who have this basic service don't continue to be at a digital disadvantage, particularly rural areas as urban town and cities move towards ultrafast broadband speeds and services.

Ofcom is recommending that 10Mbit/s is the speed needed given a typical household's use of digital services. Derry City and Strabane District Council would agree that this should be the absolute minimum speed and will undoubtedly require much investment and speed enhancement to reach this proposed USO level.

Derry City and Strabane District Council recognise that the implementation of the USO will prove challenging due to the gaps in existing infrastructure and geographical region involved. However as mentioned in the response to Question one, access to high quality fixed and mobile internet services is vital to our increasingly online social and economic lifestyles.

Over the last 10 years there has been a vast transformation of communication tools however many home owners and small businesses have not benefitted for example introduction of increased data speeds and smart phones.

Derry City and Strabane Council recognise that Digital participation is essential for social and economic cohesion and impacts on all age groups as we move more and more to online service delivery for example, e- health, farm business, completion of homework assignments, funding applications/grand aid forms and social interaction through facebook, twitter etc and therefore is working towards ensuring accessibility for all in both urban and rural areas.

Q3: In terms of giving the Secretary of State a power to direct Ofcom to review the USO, should Government have a continuing role in the USO, or should this be a matter for Ofcom?

Derry City and Strabane District Council would recommend that Government should have a continued role in the USO with continued support from Ofcom.

At present Ofcom is required to submit a report to the Secretary of State every 3 years. Derry City and Strabane District Council would recommend that this time scale be reduced in the initial rollout of the USO to an annual basis as telecommunications and technology is developing at an incredibly fast pace and Ofcom's regulatory powers need to be explored to ensure that the UK is getting the most benefit from these new global technologies. Also three years can be a very long time to wait for businesses that require enhanced speeds and data exchange.

Northern Ireland has benefitted from a range of intervention programmes led by Department of Enterprise, Trade and Investment (DETI) with funding sourced from the EU, UK Government and NI Executive with Ofcom providing information on data on current service availability. Ofcom have the powers to work with the providers to ensure fair competition and to implement regulation guaranteeing that every possible effort is made to ensure that all homes and business owners are provided with broadband at a sufficient speed to meet modern consumer needs.

Derry City and Strabane District Council would make the recommendation that Councils are consulted much more closely in relation to planned government intervention initiatives particularly now that they have been given new planning powers and also to ensure that these interventions are rolled out.

Residents and businesses are becoming much more dependent on digital communication services. In order to operate as a business, access public services Derry City and Strabane District Council similarly to other business organisations are encouraging small businesses to use online services to avail of a range of business support services including procurement and digital communication.

Derry City and Strabane District Council would reiterate Ofcom's strategic objective that the starting point for any future communications strategy must be to ensure that everyone shares in the benefits of a modern digital society. (Making Communications work for everyone 25 Feb 2016)

18th April 2016

Dear Sir or Madam,

I am writing in response to the Government's public consultation relating to introducing a new broadband Universal Service Obligation (USO). The Skills and Growth Company are responding on behalf of Cheshire East Borough Council.

The Skills and Growth Company is pleased to see that progress is being made with a USO offering. We identified a need for intervention in broadband in 2011 and has been working, along with support from Broadband Delivery UK (BDUK), at improving the provision of broadband within Cheshire, Halton and Warrington since. Through this work we have considerable evidence of demand for ever faster broadband services, with the current minimum 2Mbps service clearly falling short of expectations for our residents and businesses. Our experiences also reflect your views that there is benefit in a demand-led approach. While demand has been strong within our project, exceeding 30%, there are some areas where the investment has not resulted in the anticipated level of demand and the investment would have had better directed elsewhere.

Our responses to the questions set out in the public consultation follow.

Q1. Do you have any concerns about the approach that has been set out here?

Our view is that it would be better for a USO should set a minimum speed that is in excess of the immediate demand. Nielsen's law states that broadband speeds will increase 50% each year and a current requirement for 10Mbps will increase to 15Mbps by 2017. It would be better ahead of the demand curve and put in place an environment that supports growth. Also with this scale of increase year on year, it is imperative that an adequate process for reviewing the USO is clarified in the legislation.

The document is also not clear as to the part mobile broadband plays in meeting a USO.

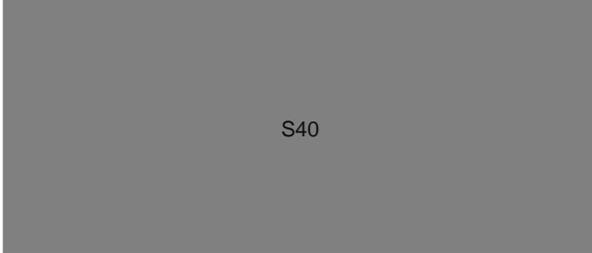
Q2. We do not propose to specify speed in primary legislation. Should speed be specified in primary or secondary legislation?

Clearly there are benefits in terms of flexibility of specifying speed in secondary legislation. As already stated, speed requirements will change regularly and it is important that legislation can be updated quickly and efficiently to reflect new requirements.

Q3. In terms of giving the Secretary of State a power to direct Ofcom to review the USO, should Government have a continuing role in the USO, or should this be a matter for Ofcom?

Our view is that it would be beneficial for the responsibility to review the USO to be passed to Ofcom.

Yours faithfully,



S40



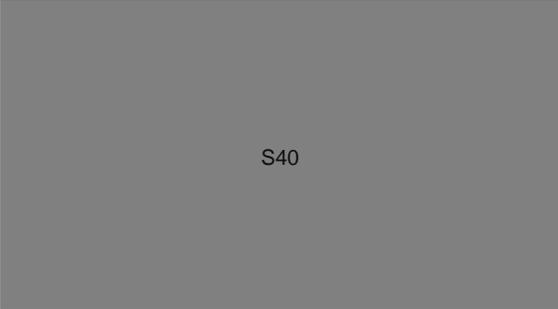
“A New Broadband Universal Service Obligation”

We recommend that the legislation explicitly states which organisation is responsible for funding superfast broadband to those premises not served by the landline/fibre network.

In most cases rural & remote premises can be served by laying more fibre, microwave links or 4G coverage but these will incur higher initial and running costs. The USO should specify who pays for the additional costs so that rural and remote premises pay no more than premises on the landline/fibre network.

Q2. The speed needs to be specified somewhere in the legislation (download speed, upload speed and ping latency). Specifying the speed in the secondary legislation is acceptable if it makes it easier to periodically change it as technology improves.

Q3. The Government should have a continuing role in the USO.



S40

Broadband for Rural Kernow is a community action and lobby group formed in December 2015. Our aims and objectives are-

1. To assist residents and businesses in rural areas of Cornwall to obtain faster and more reliable broadband at reasonable cost.
2. To promote the roll-out of fibre or other types of fast broadband in rural areas of Cornwall.



Ordnance Survey

RESPONSE TO DCMS CONSULTATION ON BROADBAND UNIVERSAL SERVICE OBLIGATION

APRIL 2016

Responsibility for this document

S40 is responsible for the content of this document.

Change history

Version	Date	Summary of change
1.0	April 2016	First issue

Approval for issue

S40

Trademarks

Ordnance Survey and the OS Symbol are registered trademarks of Ordnance Survey, the national mapping authority of Great Britain.

INTRODUCTION

Ordnance Survey (OS) is Britain's mapping agency, responsible for creating and updating the definitive mapping and geographic information database of England, Scotland and Wales. We provide services, both in Great Britain and internationally, to governments and commercial organisations based on our knowledge, skills and understanding of location data and geography. Established in 1791, Ordnance Survey is today a government-owned company reporting to the Department of Business Innovation and Skills (BIS) and the Shareholder Executive.

Our core business is focused on the collection, creation, maintenance, management and supply of geographic information to meet the needs of all aspects of national infrastructure. In this regard we are heavily relied upon by all utility providers – energy, water and communication infrastructure companies – as well as port, airport and railway operators and the public sector in delivering against regulatory and policy objectives¹.

OS data is available to over 4,000 public sector organisations, including DCMS, free at the point of use under the terms of the Public Sector Mapping Agreement². Additionally, OS expertise has been used to provide tools and services to assist in the delivery of a number of Government policies. Examples of these include:

- ResilienceDirect³: an online tool bringing together disparate data to provide a common operating picture for first responders at times of civil emergency, most recently for the Cumbria floods in December 2015.
- Assisted Areas platform⁴: an online consultation portal to facilitate the Department of Business, Innovation and Skills Assisted Areas Review and help companies establish whether sites across the UK are located within an Assisted Area in order to assist investment planning decisions.
- Land Use Change Statistics⁵: a data analysis service developed by OS from geospatial data to provide a consistent national picture of the implementation of national planning policies, including new builds and housing density.

CONSULTATION RESPONSE

Summary

The Consultation sets out 3 questions:

1. Do people have any concerns about the approach that is set out in the Consultation?
2. Should speed be specified in primary legislation?

¹ For example, see this interactive map of the National Infrastructure Plan:

<http://demos.ordnancesurvey.co.uk/public/demos/infrastructure/index.html>

² <http://www.ordnancesurvey.co.uk/business-and-government/public-sector/mapping-agreements/public-sector-mapping-agreement.html>

³ <https://www.ordnancesurvey.co.uk/business-and-government/case-studies/resilience-direct.html>

⁴ <http://www.ukassistedareamap.com/>

⁵ <https://www.gov.uk/government/statistics/land-use-change-statistics-2014-to-2015>

3. Should government have a continuing role in the USO or should this be a matter for Ofcom?

Our responses to these questions can be summarised as:

1. 'Some minor ones, but we can help with them';
2. 'No', and
3. 'Ultimately, yes'.

The remainder of our response explains in more detail how we came to these conclusions.

We recognise the critical role that broadband networks play in our social and economic lives and moreover their importance in ensuring our safety and security. We note, for example, that connectivity for the Emergency Services will soon be supplied over a commercial network. We are told that this will start in 2016 in some regions.

We support the update of the Universal Service Obligation (USO) to make it fit for purpose for the broadband age. As we enter the run-up period to the switch-off of the old public switched telephone (PSTN) networks⁶, this is an appropriate time to focus on availability and coverage from the newer generation of infrastructure, which will not be line-powered. Resilience and security must be considered as well in light of this change.

Response to Question 1

We support the rationale underpinning this consultation, and in particular the observation that *'without further intervention however there will still be significant numbers of homes and businesses whose access to high-speed broadband will lag behind the majority'* (conduc Section 2, paragraph 5).

We perceive that there are 3 questions that need to be addressed:

- Do we know where the locations are that need to be reached? Only then can we assess the cost of reaching them and assess what the options are.
- How can we reduce costs yet still deliver, in full, the benefits that connectivity brings with it?
- Who pays and how is the money optimally spent?

We have world-class skills in spatial analytics that we believe can help to deliver better outcomes in these areas, and can help to reduce the cost to whoever picks up the final bill.

The consultation document also states (Section 2, paragraph 6): *'We believe that, for those premises that will not have been reached by commercial investment or by the Government's interventions by the end of the current planned programmes, the time has come for a demand-led approach'*. We understand the logic of providing broadband in remote areas on request, and therefore to minimise the extent of intervention. However, we see a potential problem when a USO-based request is made caused by uncertainty and debate over the possible methods of provision, which will in turn drive

⁶ see Ofcom Annual Plan 2016/7 at 2.11

costs upwards. For example, satellite broadband is not substitutable for fibre in terms of latency or capacity, and active networks may prove less resilient in floods or other extreme weather events than passive technology solutions. What trade-offs are we willing to make, and are there any legal implications of so doing?

We therefore see merit in the creation of enhanced mapping tools capable of predicting more accurately coverage and quality on both fixed and mobile networks. OS already does this to some degree as we are responsible for the mapping of much of the UK's critical national infrastructure. We have already responded on this theme to Ofcom's original Consultation on its 2016/17 Annual Plan, and our comments are referenced in its revised Annual Plan⁷. As we move towards a 5G environment, the absolute requirement for highly granular mapping to be able to utilise higher frequencies optimally is becoming more widely understood.

The statutory duty to provide network data to Ofcom already exists. If this data were available in a consistent specification we have no doubt that we could add value to it to help both Ofcom and others understand more clearly 'what is where'. There is substantial potential value in a unified understanding of what broadband-related assets exist and where, instead of having to wade through multiple datasets that fail to provide a respected and accurate 'single view of the truth'.

We therefore have some concerns that a demand-led approach might still lead to situations where it appears to be too expensive to serve a location in an optimal way. However, better coverage mapping of what-is-where would enable a better assessment of the possible options, and perhaps even lead to competition as operators become aware of what other infrastructure is available that could alter their costs to serve a site. The UK has a coverage problem until the point where service is truly universal, and mapping can help to fix this. A single, neutrally-held and reliably-maintained map of all fixed and mobile telco assets, ideally in the context of other infrastructure assets, would help the Government's aim to promote digital inclusion as quickly as possible to the benefit of the whole economy, not to mention helping to serve locations as cost-effectively as possible. The primary legislation to do this already exists.

The smart meter implementation programme is an example of where a demand-led approach has resulted in a great deal of confusion amongst consumers and additional cost amongst service providers. For the latter, competing standards and roll-out methodologies have created confused messaging to the market, resulting in much duplication and uncertainty around returns on investment. All of this has added to the cost, for which the ultimately the consumer has to pay.

For the broadband USO, we suggest that the Government's role should involve (a) establishing a single view of the truth for existing network infrastructure, referenced to mapping data already in use by the industry and (b) facilitating the use of standardised tools to assess this data. We believe that this will reduce barriers to entry for new market participants, introduce the potential to simplify the messaging to consumers that a demand-led approach requires, and moreover increase the speed of deployment.

⁷ <http://www.ofcom.org.uk/about/annual-reports-and-plans/annual-plans/annual-plan-201617/> - see Information Provision section, page 27

Response to Question 2

We support the proposal not to specify speed in primary legislation. The original Universal Service Order, defined by Directive 2002/22/EC (on universal service and users' rights relating to electronic communications networks and services), was focused on the provision of a service at 28.8 kbps. At the time the DTI delegated most of the duties under the Directive to Ofcom via the Universal Service Order. This includes the duty to ensure only 'functional internet access' of universal service⁸ (generally recognised at the time to be 28.8kbps). The Directive also made it clear that this duty made no reference to geographical location, specified quality levels or affordability. Looking back, it is clear that having a particular speed originally in mind has failed to withstand the test of time.

We favour the thoughtful comments made in 2014 by Nick White of INTUG (International Telecoms User Group) that '*broadband availability should not be judged simply on the basis of peak downstream speed, but by other measures including upstream speed... and other quality measures, such as contention ratio, latency, phase jitter, reliability and mean time to repair*'. Our view is that primary legislation therefore needs to be framed in such a way as to capture all these considerations but in a way that does not refer to speed. This way the UK would be mandating not just a functioning broadband infrastructure, but a world-beating infrastructure that is resilient, reliable, and dependable, and moreover capable of attracting more investment and talent to our shores.

We make no comments regarding the 10Mbps (presumably download?) speed beyond observing that it already seems rather low. If BDUK and BT are already deploying 24Mbps-capable solutions, perhaps this might be a better target and definition for 'functional Internet access'. However we have no strong views on this – clearly, speeds that seemed adequate only recently are now regarded as unacceptably low. We suggest that the new USO needs to indicate some statement about the need for functional symmetric Internet access in order to make any regulations more future-proof⁹. Again, we have no strong views on this.

We would welcome the opportunity to help with the optimal siting of infrastructure to assist the construction of a more resilient broadband service.

Response to Question 3

We do see a continuing role for Ofcom to be directed by Government. The proliferation of information within our society is a vitally important matter.

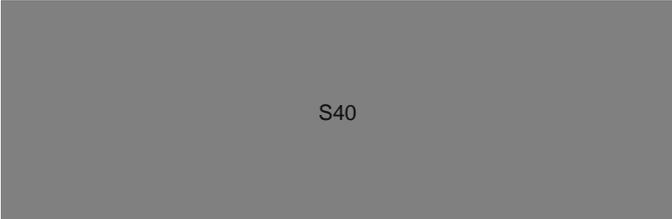
Conclusion

As part of our public task as the National Mapping Agency of Great Britain, we provide advice, support and solutions to the Government on all aspects of survey, mapping, geospatial information

⁸ <http://eur-lex.europa.eu/legal-content/EN/TXT/HTML/>, Chapter 2, Article 4

⁹ According to recent Broadband Stakeholder Group statistics, 50% of small businesses already need 1Mbps upload speeds with high quality of service levels: <http://www.ispreview.co.uk/index.php/2015/09/uk-smes-to-see-median-broadband-speed-demand-of-just-8-1mbps-by-2025.html>.

and analysis. We are ready to assist Ofcom, DCMS, and others to help ensure that any new broadband USO can be deployed as fast as possible, at the lowest cost possible, to the maximum numbers of users possible.



S40

*Championing
excellence and diversity
in broadcasting*

Founded in 1983 by Jocelyn Hay CBE

**The Old Rectory Business Centre
Springhead Road, Northfleet
Kent, DA11 8HN**

S40

**RESPONSE BY THE VOICE OF THE LISTENER & VIEWER (VLV)
TO THE DEPARTMENT FOR CULTURE, MEDIA AND SPORT CONSULTATION
ON
A NEW BROADBAND UNIVERSAL SERVICE OBLIGATION**

RESPONSE BY THE VOICE OF THE LISTENER & VIEWER (VLV) TO THE DEPARTMENT FOR CULTURE, MEDIA AND SPORT CONSULTATION ON A NEW BROADBAND UNIVERSAL SERVICE OBLIGATION

INFORMATION ABOUT THE VLV

Voice of the Listener & Viewer Limited (VLV) represents the citizen and consumer interests in broadcasting and speaks for listeners and viewers on the full range of broadcasting issues. It uses its independent expertise to champion quality and diversity in public service broadcasting, to respond to consultations, to produce policy briefings and to conduct research. VLV has no political, commercial or sectarian affiliations and is concerned with the issues, structures, institutions and regulations that underpin the British broadcasting system. VLV supports the principles of public service in broadcasting. It is a charitable company limited by guarantee (registered in England No 4407712 - Charity No 1152136).

INTRODUCTION

VLV welcomes the opportunity to respond to the Government's consultation on its proposed approach to introducing a new broadband Universal Service Obligation (USO).

VLV's primary concern is that public service broadcasting content should be available universally to the UK population. Therefore, we make this submission on understanding that until superfast broadband delivery is guaranteed for every home in the UK and considered robust enough to be able to provide content to the whole population simultaneously, it should remain a priority for Government to ensure that the technology and spectrum required to provide content on free to air television and radio platforms should be guaranteed.

We note that despite the support of public funding, *there are still pockets of the country where decent connectivity is an aspiration rather than a reality.*

We welcome the announcement of the Government's intention to put broadband on a more equal footing to other essential services such as electricity and water, providing citizens with the legal right to a connection at a minimum speed no matter where they live or work.

However, we oppose the proposal that this right should be limited to being able to 'request' a service. This places no obligation on a service provider to actually provide the service and therefore somewhat undermines the credibility of the approach as laid out in the consultation document.

We are also concerned that the wording in the consultation document and the proposals is too vague, meaning that the USO might result in few if any guarantees for citizens, despite its apparently admirable intentions. It is our view that phrases such as "reasonable cost threshold" and "affordable" should be made more specific.

Taking into account these caveats, VLV supports the ambition to clarify in primary legislation the Government's powers to implement a broadband USO.

VLV supports the proposal for primary legislation which would provide the Secretary of State an explicit power to introduce a broadband USO to ensure the provision of functional internet access considered appropriate for today's needs, as long as this was subject to prior approval by the House of Commons.

VLV would consider secondary legislation appropriate setting out the scope of the USO which Ofcom will then be responsible for implementing, provided that such legislation includes provision for public consultation on any proposed revision. Such consultation should include the opportunity for full debate of proposed secondary legislation in the House of Lords.

Question 1: Do you have any concerns about the approach that has been set out here?

VLV is concerned that the approach set out in these proposals is over-reliant on a demand-led model. A demand-led approach puts the burden on citizens. It gives no guarantee of them being able to receive the services which the USO aims to provide. We believe that the burden of the responsibility to provide a universal service should lie with the suppliers rather than the consumers.

With reference to broadcast content, public service broadcasters have always supplied services on a 'supplier-led' basis. We believe that the provision of online services by public service broadcasters should not be demand-led, but should be designed to meet the democratic, social, cultural and national needs of the UK public in a universal manner.

Question 2: We do not propose to specify speed in primary legislation. Should speed be specified in primary or secondary legislation?

It is our view that a minimum speed of "at least 10Mbps per household" should be specified in primary legislation but could be modified upwards in secondary legislation. However, the primary legislation should require the Secretary of State to consult publicly on any proposed amendments to secondary legislation.

Question 3: In terms of giving the Secretary of State a power to direct Ofcom to review the USO, should Government have a continuing role in the USO, or should this be a matter for Ofcom?

We would support the additional measure proposed in primary legislation which would provide the Secretary of State with a power to require Ofcom to review the USO, as appropriate, to ensure that in future people and businesses that rely on the USO do not fall behind as demand for faster broadband connection grows.

We consider that the Government should have a continuing role in USO rather than this being a matter solely for Ofcom to decide upon.

Written evidence from EEF – the manufacturers' organisation to the Department for Culture, Media and Sport on

A New Broadband Universal Service Obligation

April 2016

About EEF

1. EEF, the manufacturers' organisation, is the representative voice of UK manufacturing, with offices in London, Brussels, every English region and Wales. Collectively we represent 20,000 companies of all sizes, from start-ups to multinationals, across engineering, manufacturing, technology and the wider industrial sector. We directly represent over 5,000 businesses who are members of EEF.
2. Everything we do – from providing essential business support and training to championing manufacturing in the UK and the EU – is designed to help British manufacturers compete, innovate and grow.
3. In this submission we set out our response to the Government's proposals for a new broadband Universal Service Obligation (USO). Our evidence in this response is based primarily on our 2015 Digital Connectivity Survey¹ and interviews conducted since then as part of a wider piece of work on the transformation of industry towards the 4th industrial revolution.

Summary

4. EEF agrees with the government that a Universal Service Obligation (USO) is needed. High speed internet access is not only a business need, but is seen as a right. The government should go further in setting out a separate business USO in primary legislation (as distinct to households) and include within that business USO an upload and download speed requirement to be set out in secondary legislation.
5. EEF also agrees that Ofcom, as the established regulator, should review the minimum speed of a future business USO. The government should set out in primary legislation a minimum time period for review of that USO and a maximum time period by which it would pass secondary legislation to enact any recommended changes to the USO.

The importance of digital infrastructure to modern manufacturing

6. British industry has a fundamental role to play in building a better-balanced and more robust economy of increased levels of productivity, investment and trade in every part of the UK.
 - a. Manufacturers are more than twice as likely to be exporters as other sectors of the economy
 - b. Manufacturers' investment in R&D is six times higher than their output share of the economy and their investment in machinery is three times higher than their output share of the economy
 - c. In the post-war period manufacturing productivity, as measured by output hour, has increased almost twice as fast as in the whole economy
7. Previous surveys have shown the public want government to back industry with six in ten (62%) saying that a stronger manufacturing sector will give the country more economic security and it is the sector consumers most want to see grow (48% compared to the next closest sectors: services 15% and construction 15%)².

¹ An overview of the survey results is available from our 4th industrial revolution hub at www.eef.org.uk/fourthindustrial

² YouGov poll for EEF, September 2014

8. Manufacturing in Britain is undergoing a transformation to the 4th industrial revolution which will see greater integration of physical production with digital technologies that will fundamentally change the sector in the future. This change will be happening more rapidly than previous developments with 80% of manufacturers saying the 4th industrial revolution will be a business reality by 2025.³
9. Digital infrastructure therefore underpins modern manufacturing both now and in the future and the UK needs to stay one step ahead to capture the benefits of this transformation. 91% of manufacturers agree that a high-speed internet connection is as important to business as electricity or water and it is the infrastructure network rated by manufacturers as the 2nd highest priority for investment⁴.
10. Given the transformation to the 4th industrial revolution outlined above, EEF believes the government's USO needs to be constantly monitored to ensure the minimum speed meets the requirements of industry and businesses. Our position on the consultation questions is set out below.

Comments on the Government's approach

11. EEF agrees with the government that a USO is needed. This position is backed by industry with 86% of manufacturers say that every business should have a right to a high speed internet connection.
12. Manufacturers need more affordable broadband, faster installation and better communication from providers along with more reliable and resilient connections. A USO goes some way in addressing elements of these requirements by establishing a legal basis for engaging with internet providers.
13. EEF believes the government should go further in setting out a USO that covers both download and upload speeds. For businesses, the ability to send data at the same speed as receiving is crucial, particularly as more and more services move to cloud based solutions – 53% of manufacturers already need to access cloud services every day – a figure that will only increase as supply chains integrate digitally.
14. Given the rapid changes required in digital infrastructure requirements over the next five years, EEF believes that there is a case for a separate USO for businesses which could incorporate the need for different upload and download speed requirements when compared to domestic broadband packages.
15. A separate USO would also go some way to address the feedback we've received that the rollout of faster broadband packages has prioritised households over businesses as the latter, needing high speed internet as a basic requirement of being able to function, are more likely to invest in more expensive options such as leased lines.
16. While in the short term internet service providers may reap the financial benefits of prioritising households over businesses, in the long-term the UK economy will suffer as businesses unable to afford such expensive packages are left out in the cold – missing out on the productivity benefits and supply chain integration that better communication can offer.
17. Additionally, an approach that prioritises households over businesses also undermines the UK as a place to invest in 4th industrial revolution technology. The current situation already sees manufacturers efforts to keep up with the pace of change, through greater levels of investment in coming years, being undermined by digital infrastructure:
 - a. Just over 50% of manufacturers say their current internet connection is not adequate for their expected needs over the next five years (only 35% said it was)

³ For more information on this transformation see: www.eef.org.uk/fourthindustrial

⁴ EEF 2014 Business Environment Survey

- b. 36% of companies disagree that, compared to other EU countries, the UK is at the forefront of internet connectivity – 19% agree that we are
 - c. 44% say their internet connection costs have become more expensive in the past two years due to the need to upgrade to leased lines, install backup lines, and superfast upgrades.
18. Given that 62% of firms plan to invest more in internet connected capital equipment in the next five years as part of the 4th industrial revolution, the government should do all it can to make sure that this investment takes place in the UK by delivering competitive digital infrastructure for businesses.

Designation of speed in legislation

19. EEF agrees that the USO speed should be set out in secondary legislation. As we've outlined in previous sections, the future requirements of industry around digital infrastructure will be a fast moving one. It would be onerous to require primary legislation for future changes to the designated USO speeds (both upload and download).
20. EEF believes that the primary legislation should go further in providing confidence by setting out that the USO, both upload and download speed, can only be increased in the future.

The continuing role of Government post-USO

21. EEF agrees that Ofcom, as the established regulator, should review whether or not a set USO is fit for purpose. We believe that the government should however go further in setting out a minimum review period of 2 years for a business USO. This would fit with the fast moving requirements around speeds in this space and ensure the UK stays one step ahead.
22. The government should also go further in setting out in primary legislation the maximum amount of time it will give itself before secondary legislation passed to update any new USO recommendation from Ofcom.

For further information contact



Broadband USO Consultation
Digital Economy Unit
Department for Culture, Media & Sport
100 Parliament Street
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Head Office
Inveralmond House
200 Dunkeld Road
Perth
PH1 3AQ

18 April 2016

Dear Digital Economy Team

Consultation on a new broadband Universal Service Obligation

SSE is a large UK energy company and also provides retail communications products. We agree that broadband is coming to be seen as an essential service for modern life, on a par with electricity and water; and we support the Government in its intention to develop the framework for a new broadband Universal Service Obligation (USO).

SSE has advocated the development of industry governance processes within the retail 'mass market' parts of the communications industry, in order to support the smooth working of market processes for the benefit of consumers. Such processes are being developed in the water industry for the opening on the non household retail market and have been in place in energy retail markets since the establishment of competition in these. On the basis that electronic communications services such as broadband are now as essential as energy and water, SSE firmly believes that a degree of formalised and transparent coordination between different communication providers in order to support good outcomes in customer facing processes is essential for the protection and confidence of consumers in interacting with this technically complex market.

We expect that the detailed design of the proposed broadband USO scheme could also draw on elements of transparent industry governance in order to support principles such as ensuring a least cost, technology neutral approach; providing good value for money; and avoiding market distortion. We note that Ofcom is already consulting on the design of the USO scheme and will provide views to that call for inputs.

With respect to the specific questions in this consultation, our responses to these are set out below.

Response to consultation questions

Q1: Do you have any concerns about the approach that has been set out here?

SSE agrees with the proposed framework of an enabling power in primary legislation for the Secretary of State to introduce a broadband USO with secondary legislation used to set out specific requirements, which Ofcom would then be responsible for implementing.

Q2: We do not propose to specify speed in primary legislation. Should speed be specified in primary or secondary legislation?

We agree that it would not be appropriate to set out specific parameters such as speed in primary legislation. This, together with any other technical parameter that is considered important to define the quality of broadband provided, should be set out in secondary legislation.

Q3: In terms of giving the Secretary of State a power to direct Ofcom to review the USO, should Government have a continuing role in the USO, or should this be a matter for Ofcom?

We consider that Ofcom is probably best placed, through its monitoring and research activities, to judge when the time is right to review the required characteristics of a broadband service provided through the USO. However, we consider that Government should also retain some oversight of when it is appropriate to review the USO, perhaps by formally approving proposals from Ofcom on the matter.

I hope this response is helpful as the Government develops its plans for the legislative framework for the broadband USO.

Yours faithfully

18 April 2016

Broadband USO Consultation
Digital Economy Unit Department for Culture, Media & Sport
100 Parliament Street, London SW1A 2BQ
United Kingdom
broadbandusoconsultation@culture.gov.uk

Re: Comments in Response to Broadband Universal Service Obligation

Dear Sir or Madam:

EchoStar Mobile Limited, EchoStar Bermuda Limited, EchoStar IOM Satellite Limited, and Hughes Network Systems Limited (collectively, EchoStar), provide these comments in response to the above referenced Department for Culture, Media and Sport (DCMS) consultation. As the world's largest satellite internet service provider, EchoStar has a very strong interest in this proceeding.¹ EchoStar appreciates the opportunity to provide comments in this important proceeding. EchoStar urges DCMS to adopt a broadband universal service approach that ensures that UK consumers, wherever they live, have access to reliable, cost-effective broadband services. As discussed herein, by adopting an approach whereby satellite broadband is an important part of the United Kingdom's universal service obligation (USO) policy, DCMS can ensure that all UK consumers can have access to quality broadband services on a cost-effective basis.

Q1: Do you have any concerns about the approach that has been set out here?

EchoStar generally supports DCMS' proposal on enabling a broadband USO regime that is technology-neutral and enables attributes of broadband to be flexible and technology neutral. By not adopting strict definitions of what constitutes broadband, the legislation will enable the United Kingdom to adopt an approach for achieving universal broadband services in a manner that enables the use of the best technologies at the most affordable rates. For example, while in more urban areas, a fiber-based USO broadband solution may be cost-effective especially where there is existing infrastructure, in more rural and remote portions of the United Kingdom, such solutions are likely to be cost-prohibitive. In these areas, many countries, such as Australia, are looking to technologies such as satellite to bring the required broadband services to consumers. For that reason, any solution for broadband USO must be flexible to take into account important considerations such as cost and infrastructure availability.

Q2: We do not propose to specify speed in primary legislation. Should speed be specified in primary or secondary legislation?

As discussed above, we fully support that the primary legislation not include broadband speeds. This is for several reasons, including the fact that technology changes quickly and legislation that identifies specific speeds

¹ Today EchoStar, through its Hughes subsidiary, operates 2 North American broadband satellites offering service to approximately 1 million consumers. Hughes expects this number of consumers to increase dramatically with the launch later this year of its EchoStar XIX broadband satellite which will offer consumers of up to 25/3 Mbps. Hughes is launching its HughesNet consumer satellite broadband service later this year in Brazil and plans to begin offering satellite broadband services throughout Latin America in 2018.

could be outdated very quickly. In addition, depending on the speed chosen, it could result in limiting the technologies that could be used for broadband services, hence limiting consumer choice. Accordingly, EchoStar urges DCMS not to choose an arbitrary speed in the primary legislation for USO broadband.

Having USO broadband being defined solely based on speed could result in a situation where other technologies, that have other positive attributes, such as low-cost, low latency or high reliability, could be forestalled because of not meeting the arbitrarily defined speed threshold. This includes potentially satellite services which offer the ability to provide coverage throughout the United Kingdom. Accordingly, imposing speed requirements could prevent the provision of certain services, denying significant consumer benefits.

Q3: In terms of giving the Secretary of State a power to direct Ofcom to review the USO, should Government have a continuing role in the USO, or should this be a matter for Ofcom?

EchoStar recommends that while day to day administration of the USO can be handled by Ofcom, issues such as broad policy and funding are best handled by the Secretary of State. USO is larger than just a regulatory issue and includes many other areas, such as adoption. Accordingly, while day to day administration properly rests with Ofcom as the communications industry regulator, broader issues, such as USO funding mechanisms and the like are best handled by the Secretary of State.

To this end, EchoStar urges DCMS to also carefully examine and implement a USO funding mechanism which will best incent service providers to participate in the USO mandate. Today, such funding is generally available on a subscriber basis; EchoStar recommends a change in this regime. Instead, DCMS should consider a funding mechanism which would result in a grant of monies to a service provider in exchange for a commitment of the operator to serve a specified number of consumers. By enabling a second type of USO funding mechanism, DCMS could incent additional service providers to participate in this very important program.

Conclusion

EchoStar applauds DCMS for initiating such a far-reaching and important consultation. It is critical that the United Kingdom ensure that all UK citizens have important broadband services. EchoStar urges that whatever approach is adopted, it be technology neutral and enable the use of the technology that makes the most sense to utilize to achieve the United Kingdom's goal of providing cost-effective broadband services to UK consumers. Accordingly, any solution that DMS selects should include broadband satellite. In addition, it is critical that the funding mechanism adopted by DCMS afford the appropriate incentives for operators to participate.

EchoStar looks forward to the opportunity to discuss these comments further in the near future.

Sincerely,



S40

broadbandusoconsultation@culture.gov.uk

SUBMITTED ONLINE



18 April 2016

Mr Edvaizey,

A NEW BROADBAND UNIVERSAL SERVICE OBLIGATION CONSULTATION

Ensuring that everyone in Scotland can access high quality digital connectivity is a central component of the Scottish Government's policy agenda. A digitally connected Scotland underpins the Scottish Government's core commitment to create opportunities for all to flourish, through increasing sustainable and inclusive economic growth.

The Scottish Government is jointly investing with the UK Government and our partners in the Digital Scotland Superfast Broadband programme, which will extend fibre broadband access to at least 95% of premises in Scotland by the end of 2017. We are determined to go further and have indicated that, if re-elected in May, we will put in place plans to deliver 100% superfast coverage across Scotland during the next Parliament.

Alongside these immediate coverage priorities, we are taking a longer term strategic view of Scotland's digital infrastructure requirements. We want to break the cycle where the parts of Scotland that need good quality connectivity the most are often the last to receive it. We are, therefore, working with Scottish Futures Trust to better understand the extent, and limitations, of Scotland's underlying digital infrastructure and develop options to enhance it.

The Universal Service Obligation (USO) for broadband can play an important role as a safety net, ensuring that the hardest to reach areas are not excluded from digital roll-out. Equally, if designed correctly, it can also contribute to our longer term agenda, enhancing underlying fibre infrastructure in those parts of the UK where there is a gap in commercial supply.

It is vital that the USO is regarded from the outset as a mechanism for improving the UK's digital infrastructure. If it was to focus solely on a demand-led approach, without any investment in underlying fibre infrastructure, it would, in my view, limit the connectivity options of people in rural areas to such an extent that there would be a risk of the USO entrenching a two-speed Britain. We must guard against this and fully exploit the

COSLA has previously lobbied that funding distribution must take account of other factors that influence the cost of delivering services to more remote communities. COSLA is concerned of the potential for a growing digital divide and social exclusion from digital services if further targeted action is not progressed. For example, given the growing provision of BBC services via digital means e.g. BBC Three, the lack of acceptable bandwidth in digitally remote communities could stop certain parts of the population from equal access to all BBC services and other future public services. This could lead to a two-tier system of service for certain communities despite paying the same universal licence fee. Therefore a highly specified USO is relevant for a minimum, but continuously improving, standard of digital cohesion across the United Kingdom in regard to a number of public services.

Leaders have previously supported Ofcom's view that competition alone will not provide widespread availability of digital connectivity, and that there will be a continuing requirement for public interventions in terms of funding, policy and regulatory frameworks and we look forward to the opportunity to comment upon the detail of the legislation later this year.

Leaders have previously observed, as you do in the consultation foreword, that excluding significant numbers from the benefits of a digital society could have a significant impact on skills development, the ability to consume public services and local economic development. Accordingly, we seek further innovative social inclusion obligations on the private sector be included in the conditions of future rounds of public policy and funding initiatives.

I would welcome the opportunity for a political discussion with you with regard to the issues for Scotland in the implementation of a USO across the UK, prior to the finalisation of any legislation later this year.

Kind Regards



opportunity that the USO provides to create digital infrastructure that is capable of supporting 10Mbps initially, but is sufficiently dynamic and future-proofed to keep pace as technology and service capabilities grow in future.

The drive to push superfast broadband coverage in Scotland beyond the 95% that will be delivered by current programmes is clear. If this can be achieved prior to the USO being fully implemented, it will be important that Scotland, or any other nation or region that has intervened, is not seen as having been disadvantaged by taking early action and is seen to benefit from the USO. This will be important in ensuring that there is no perceived disincentive to invest in the meantime.

Ofcom has a key role in the coming months – to assess options and add more definition to the USO proposal. The Scottish Government is keen to build on the relationship that we, and Scottish Futures Trust, have developed with the regulator over the past 18 months and assist them throughout this work to ensure that we jointly design a USO that works effectively right across the UK. A working group, involving the devolved administrations, would be a way of ensuring shared strategic oversight as the scoping work develops.

Answers to the three questions set out in the consultation document are attached. My team would be happy to discuss these further in the weeks ahead.

I request that DCMS does not publish the Scottish Government's response until after the 2016 Scottish Parliament election.



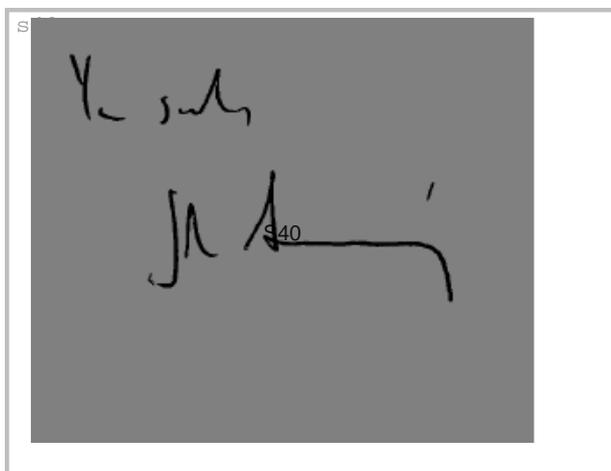
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A handwritten signature in black ink on a grey background. The signature appears to be 'John Swinney' with a stylized flourish at the end. There is a small 'S' in the top left corner of the signature area and a '940' near the end of the signature.

SG RESPONSE TO CONSULTATION QUESTIONS

Q1: Do you have any concerns about the approach that has been set out here?

The Scottish Government is generally supportive of the proposal set out in the consultation document. However, we do have a number of concerns around the demand-led approach envisaged in the paper.

The paper sets out the UK Government's view that, "given the high costs of providing broadband access to premises in remote areas, it is right that this is done on request, rather than rolling it out and waiting to see if people in those areas want to be connected". In my view, our aim should be to ensure that no part of the UK is disadvantaged by a lack of digital connectivity.

The paper rightly notes that a USO must be technology neutral. However, the reality is that a purely demand-led USO, if not accompanied by investment in underlying infrastructure, would likely lead to satellite broadband being the only technology solution available for many. Satellite broadband technologies will continue to evolve and undoubtedly have a place in the overall technology mix. However, to rely upon satellite as the sole solution for large parts of rural Britain would be a mistake; setting in stone a divide between the digital haves (who can choose from a range of technologies) and have nots (who only have one choice).

We should regard the USO as an opportunity to ensure that every part of the UK has an underlying fibre infrastructure that supports a range of technologies capable of delivering a 10Mbps service initially; but also one that is dynamic and future-proofed, keeping pace as technology and service capabilities grow in future.

Using the USO as a mechanism to establish a suitable backbone – enhancing or developing new backhaul connections or creating fibre hubs or Points of Presence – would enable a genuinely demand-led USO to be developed, with people able to choose between a range of technologies (fibre, fibre/copper, fixed wireless, 4G mobile as well as satellite) and suppliers.

As outlined earlier in this letter, we remain keen to push superfast broadband access in Scotland even further than our existing Digital Scotland programme. We are developing plans for a second phase of broadband investment and, if re-elected, aim to deliver comprehensive superfast coverage across Scotland in the course of the next Scottish Parliament. The USO should be designed to ensure that, if this goal is achieved prior to the USO being in place, Scotland is not disadvantaged as a result of taking early action and still benefits from it. There are a number of options that should be explored by Ofcom in the months ahead, including the potential for a clawback or reinvestment mechanism to ensure that there is no disincentive for public bodies or commercial suppliers in making infrastructure investment in the meantime.

It is appropriate that Ofcom leads the analysis that will inform the overall design of the USO. It will be important, in light of the points raised above, that the devolved administrations have appropriate input to this work. This will ensure that Ofcom understands emerging infrastructure plans across the UK and serve as a useful sounding board as their thinking evolves. The infrastructure mapping tool that Scottish Government has developed in conjunction with Scottish Futures Trust (SFT) may also be helpful to Ofcom in building a picture of connectivity in Scotland.

Equally, in light of the issues outlined above, it is unlikely that a homogenous UK- wide approach to delivering the USO will be fit for purpose. It is, therefore, essential that Ofcom engages fully with the devolved administrations to ensure the design meets the needs of consumers across the UK. To this end, we propose that a working group be established, involving Ofcom, UK Government and the devolved administrations. This would be a forum for testing some of the emerging thinking around USO development, while ensuring that Ofcom is aware of any emerging infrastructure initiatives emerging from Scotland. The work that we are taking forward in conjunction with SFT is particularly relevant; and I hope that we can both play a key role in shaping the USO design. SG/SFT is currently involved in similar working groups around the Emergency Services Mobile Communications Programme and wider digital infrastructure co-ordination.

Q2: We do not propose to specify speed in primary legislation. Should speed be specified in primary or secondary legislation?

The Scottish Government believes that the USO should be dynamic in nature, and not constrained by having speeds or other detailed criteria specified in primary legislation. It may be that these factors need not be specified in secondary legislation either, as long as there are clear metrics / benchmarks that give a clear indication of how they will evolve over time.

Our expectation is that the USO will not be defined purely on the basis of a headline download speed; but will be flexible enough to keep pace with consumer usage. We would expect Ofcom to consider a number of factors, including upload speeds, contention, latency, affordability and overall quality of service. Ultimately, a quality of experience mechanism may need to be developed to ensure that the USO meets overarching user requirements and expectations.

Q3: In terms of giving the Secretary of State a power to direct Ofcom to review the USO, should Government have a continuing role in the USO, or should this be a matter for Ofcom?

SG believes that Government should have a continuing directional role in the USO in both the context of strategic oversight and review capability, with appropriate input from the devolved administrations. As outlined above, we believe that this input should include a formal role in the design of the USO.

The overarching principle should be that the USO is a mechanism for ensuring that no part of the UK is disadvantaged by lack of digital infrastructure; and that the infrastructure enables people across the country to have a genuine choice in how universal service is delivered to them.

Dundry Parish Council

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Broadband USO Consultation
Digital Economy Unit
Department for Culture, Media & Sport
100
Parliament Street, London
SW1A 2BQ

Dundry, 18/04/2016

Broadband USO Consultation Response

Dear Sirs,

Dundry Parish Council has discussed your proposal at its most recent monthly meeting and asked me to send you the following response:

1. Our Situation

Dundry is a small village and parish of just over 300 households and a few businesses, located 1.5 miles south of Bristol. We have been affected by poor Internet speed for a long time. A recent survey showed that our average download speed is just 1.7 Mbps and a majority of the 70 respondents is very unhappy with this situation.

Unfortunately, we cannot benefit from the Government's Rural Broadband Initiative since our area was claimed by BT Openreach for their commercial rollout. However, BT Openreach has promised us year after year that we will be updated "within the next 12 months" but nothing has ever happened.

Most recently, they informed us that we could speed up the process by raising £38,000 in Gap Funding to install one fibre cabinet (which would only serve part of our parish, not every household). Raising this money would not give us any ownership or benefit other than just the ability to "jump the queue". We feel their suggestion is rather unreasonable, especially given our proximity to a major city which is very well connected throughout.

2. Your Proposal

We believe your suggested Universal Service Obligation will address exactly problems such as ours and welcome your initiative.

With regards to your questions:

Q1: Do you have any concerns about the approach that has been set out here?

We are not in a position to comment on wider implications, but our experience has shown that it is not sufficient to rely on commercial providers alone and that some sort of government intervention is necessary to make sure everyone in the country has decent access to the Internet - not just people living in inner city areas that can be easily covered commercially.

Important comments:

When you say you want to “give people the right to request an affordable broadband connection, at a minimum speed, from a designated provider, up to a reasonable cost threshold”, you must define what you classify as “affordable” and “reasonable”, as otherwise commercial providers will interpret these terms in their favour (see Openreach offer to us).

It should also go without saying that an “obligation” must be underpinned by possible sanctions and consumers' rights to compensation in case a provider falls short of the service standard expected of them.

Q2: We do not propose to specify speed in primary legislation. Should speed be specified in primary or secondary legislation?

You state quite rightly that it is perhaps not sensible to put a fixed speed into legislation since technology and consumer expectations advance so quickly that any given Mbps rate will be outdated very soon.

Instead, it may be sensible to measure the required minimum speed against a **“basket” of common online activities** which must be reviewed annually. For instance, it should be possible for every household to watch content on the BBC iPlayer (which we cannot) or to download a certain amount of data within a given time (currently, 1GB takes about 90 minutes in Dundry, which may have been acceptable a few years ago, but it is no longer now). Another measure could be how many such services can be used concurrently without noticeable slowdown.

Q3: In terms of giving the Secretary of State a power to direct Ofcom to review the USO, should Government have a continuing role in the USO, or should this be a matter for Ofcom?

Since broadband is now effectively considered a basic utility - such as water and electricity - the government should reserve the right to intervene as a last resort.

Yours sincerely,

ICBAN response to DCMS Broadband USO Consultation, 14 April 2016

Thank you for the opportunity to respond to the Broadband USO consultation. Irish Central Border Area Network Ltd. (ICBAN) has been charged by its three local authority members in Northern Ireland to begin seeking answers and solutions to the gaps in service left by an over reliance on a fibre to the cabinet solution (FTTC) deployed and subsidised in Northern Ireland. We are a local authority development organisation which works in the cross-border areas of Northern Ireland and Ireland. The three local authorities member Councils from Northern Ireland area: Armagh City, Banbridge and Craigavon Borough Council; Fermanagh and Omagh District Council; and Mid-Ulster District Council, which are located on the border with the Republic of Ireland.

Located in the border Region of Northern Ireland / Ireland the area has a very low population density, so a FTTC without the effective ability to order extensions to the service is limiting.

Summary

ICBAN has outlined a more comprehensive alternative, building upon the good work that has occurred in the last four years by BDUK while working to extract the most from the very large remaining funds available and the potential to extend further what is now a heavily subsidised data transport infrastructure owned by BT. There has been greater transparency achieved on costs and related issues, and it would be vital that this must now be built upon.

The proposal outlines that BDUK states there are a 1m lines that need to be covered by USO. A full cost reconciliation of the BDUK/LA programme would reveal sufficient funding to support the wide scale use of FTTdp (Fibre to the distribution point or manifold) to most of these locations, supporting as few as 5 premises per location. This seems too big and obvious a factor to fail to reference in this proposal.

Q1: Do you have any concerns about the approach that has been set out here?

1.1 The stated approach is politically pragmatic, but falls short in outlining what seems to be possible.

1.2 The political aspiration and the sentiment of 10 Mbps 'speed' at the edge of the network is understood. It is a reasonable way for those without technical knowledge to consider that 2Mbps may not be enough and thus more is needed. However the aspiration of 10 Mbps is not nationally ambitious enough and this should not be lost from the consideration. However, converting a sentiment into a piece of legislation is highly problematic.

1.3 The USO for the telephone service was defined well after the engineers had finished defining and building a network to support a 'telephone' service. Legislators took something that was relatively stable and wrote law around an engineering specification and a set of features that could be described in detail.

1.4 Using the telephone network to deliver access to the internet is not governed by any regulation or definitions, a contributing factor to a nomenclature unrelated to how the service actually works. The underlying access component used for the telephone service is a Metal Path Facility, which is defined in a manner that supports a telephone service and which does not guarantee the metal path will support the higher frequencies used by Broadband. These are distance (signal attenuation) and quality issues.

1.5 Access to the internet, using the best effort principles of IP networking and a mix of mediums to support a flow of data in the form of encoded zeros and ones (bits) continues to be a work in progress. It can be shown that the capacity issue for connectivity is but one of the challenges facing internet based services as we understand them today. The security of transactions, naming and addressing functions, scalability, even the software languages used in some key network elements, are in significant flux and will continue to be so.

Yet none of these developments which will have a profound impact on the user experience, can be considered as part of the intended USO. The latter cannot be contained in a USO because the internet is a networks of networks and this includes the users own home network.

1.6 Thus the notion of creating a USO for the access component of a national data transport service, that we call 'Broadband', is highly problematic. The term 'Broadband' refers to a frequency range allocated in a copper access network and used to establish an electromagnetic path upon which the data we wish to have transferred is encoded. It would be easy to state the USO incorrectly in the form of some 'nominal' access speed, when what is in fact required is the right to order an access product which is capable of using all the potential connectivity made possible, even if we are not ready to exploit it all.

1.7 Even the term 'speed' is problematic. The speed of light is constant so the USO when defined cannot use 'speed', it will need to describe 'throughput' and avoid populist terms.

1.8 The proposed approach by DCMS could be enhanced at several levels to take advantage of the substantial groundwork done by BDUK. Particular attention should be paid to what are FTTP Hamlets, where it is cheaper to offer FTTP than it is to fund an FTTC solution.

1.9 The current approach is lacking any link to the original goal of being best in Europe, as opposed to being marginally better than the larger economies.

1.10 More detail could be outlined on what a Broadband service actually is. As implied but not described, the USO is a product which will enable access to what it is a best effort data transport service. The capacity available from such a core network is measured in Terabits per second, while the access networks can support Gigabit throughputs. Thus some effort should be made to begin to define what a national data transport service looks like, how it works, and how best to licence such an operator. Writing a USO in a way that such a facility can be accessed anywhere where the minimum throughput can be measured at 10Mbps is problematic and might be better served by focusing on what product needs to be ordered in order to achieve such an outcome.

1.11 There is no attempt to link the approach with a reconciliation of the £1.7bn of subsidies contracted by BDUK, particularly reporting underspends, clawback, and the payment by BT of its capital contribution. If BDUK Phase 1 and Phase 2 is little more than 25,000 cabinets and circa 40,000 FTTP connections, costing no more than £1bn in subsidies, then the management of the remaining public monies and BT capital contribution will have a profound impact on the quality of the service delivered in the final 5% and the gaps that exist in every town and area of Northern Ireland. The approach to subsidise BT was a decision to extend the access to be BT's core optical fibre network, which has sufficient capacity to support 10Tbps while some 3Tbps is currently lit. BDUK has funded new handover points, aggregation nodes, fibre spines to cabinets and these can be extended further, and this was and remains a condition of the state aid measure SA33671. While the state aid measure has lapsed for new public subsidy, the conditions of the measure are there to be applied for at least the next 4 years. This aspect should be fully referenced and its significance explained in progressing a design for the USO.

1.12 There is no mention of the provision of fibre on demand, including fibre to the distribution node (or manifold) and fibre to the node (mini-DSLAM) as possible contributors to meeting the USO. These products were described in outline form in the BDUK requirements of 2012 and their role in helping to establish the USO should at least be referenced.

1.13 While technical neutrality is referenced, no mention is made that different technologies have different service levels. So called technology-neutrality is only upheld if published service parameters ignore the key differentiating properties of delay, jitter and packet loss during congested periods of the different technological options. Yet these cannot be ignored if a USO utilising a codified data transport service is to be set in a manner needed to support critical services.

1.14 DCMS continue to use BT's publicity on costs without stating BDUK's experience in delivering the FTTC elements at costs significantly under BT's estimates and before any examination has been done on the presence of BT's capital contribution in the BDUK programme. It should not be acceptable to use the 2008/9 BSG costs of £29bn for a FTTP transition when the unit costs for urban areas are being quoted at less than £300 a premise to connect. Even rural areas are managing to receive FTTP connections at less than a £1,000.

1.15 ICBAN recommends that the 2012 DCMS Vision and Strategy for Broadband is updated to include any changes in Government thinking. The 10Mbps line access speed could, in a simple way, be met with a satellite service. But the satellite industry will admit that satellite is designed as an in-fill solution where others services cannot reach. The delay characteristics and cost of peak hour capacity means while playing a valuable role in the nations data transport fabric, it is not a panacea. Should the quality of the USO therefore be sacrificed by seeking a lowest common denominator which has not been designed to have national capacity?

1.16 Similarly, fixed wireless solutions have different service level parameters and by their nature need more reconfiguring and capacity as customer volumes are added. Should the USO be bound by the limitations of fixed wireless services?

1.17 There is a '95% coverage obligation by nation' contained in the licence condition attached to 02's licence. 4G is an IP based data transport service and thus the 4G coverage obligation and the intended USO should be aligned or interworked in some way.

1.18 While stating the need for a USO is easy, defining it in suitable terms and how it is to be met is another matter.

1.19 ICBAN is suggesting that any USO needs to reference the full potential of the BDUK investment of £1.7bn in BT's network. Particular reference should be made to the clauses that support the extension of the service and right of individuals to seek extensions of the service. If examined DCMS could not at least reference the full expectations of the BDUK Framework requirements and the consequences of the state aid measure being enforced. The proposal as it stands ignores the possibilities arising from the <£1bn subsidy spent so far. The remaining funds plus clawback, the BT capital and the recovered proxy costs from the early contracts, can have an even more significant impact on shaping the delivery of a meaningful USO. The proposal as it stands ignores this potential and misses the opportunity to report on some real achievements by Government, which includes the potential to go much further and deeper.

1.20 This would suggest, just as the USO for telephony can be reduced to a conditional right to order a telephone line defined in the form of a metal path facility, 'Broadband' could be defined as a right to order a medium (Wireless or fibre) capable of supporting the desired throughput. In this context limiting the USO to 10Mbps makes little sense.

1.21 Just passing the USO to Ofcom is probably not the answer, as Ofcom is principally a competition authority. Ofcom has a variety of roles, which need to be balanced.

1.22 Some definitions and guidelines are needed as to what services are expected to work and when. The latter needs to be the function of a licence of a 'data transport network provider'. Such an approach would be new and would need to be subject to peer review and public consultation. The USC of 2Mbps arose from the need to provide sufficient resources for one home worker (within a household) to be able to work from home. This definition would exclude a family of teenagers video streaming sites of their choice.

1.23 Clarity is required on the 10 Mbps referenced? How has this been calculated? Is it 5 home workers per premise pursuing work related activity, or it a more generous allowance for a household to do as it pleases? What happens if its 20 workers in an architectural practice in rural Northern Ireland? Is that now 20 times 10 Mbps for that location?

1.24 Perhaps we cannot define what the 10Mbps is for and how it was derived and thus we should not be bound by the limitation this implies.

1.25 Does this adequately consider the potential of various other technologies, including the options for FTTP in several forms? Are we realistically considering the future and our competitiveness in a digitally connected world?

1.26 ICBAN believe the capacity to order a direct fibre access service must feature for those who cannot get a 10Mbps service from the interim FTTC solution. The USO cannot be bound by any limit to access from heavily subsidised infrastructure – this has the capacity to be stretched even further.

1.27 In brief the proposed approach is not comprehensive enough, given the investments the Government has made and the very great potential to extract a great deal more from the existing BDUK initiative.

Q2: We do not propose to specify speed in primary legislation. Should speed be specified in primary or secondary legislation?

2.1 Access 'speed' be it described in 'superfast' or 'ultrafast' terms cannot adequately be used in any legislation of any sort. Legislation should firstly define broadband as a data transport capability and make clear that operators should be licensed for this purpose. This appears to be a necessary step and a pre-condition to describing the medium to access this resource.

2.2 It needs to refer to investment Government has made in extending BT wholesale data transport facility, including the number of components added, handover points, aggregation nodes, splitting locations, cabinets. It should report on the monies remaining to further extend this facility using the clauses of the BDUK contract and the conditions of the state aid measure supporting that investment.

2.3 The legislation could refer to this minimum throughput figure but also refer to customer's right to order and pay for a direct fibre access connection should they wish.

2.4 Why would the Government make available £1.7bn of taxpayers money unless the contracts permitted the network to be extended? Why would a proposal on the USO ignore the detail of what the Government has paid for and the conditions under which that investment was allowed?

2.5 Perhaps the legislation would make explicit reference to customers not being bound by the properties of the existing Metal Path Facility supporting telephony, when a superior medium with a lower term cost is available. Perhaps the legislation could make specific reference to customers not being denied access to this potential. Expediency and short terms interests should not prevent this potential to be fully exploited.

2.6 In this context therefore the legislation should be defined by the properties of the best available medium and not around the convenience of what a dominant supplier might wish to provide.

2.7 ICBAN suggests the legislation could be used to instruct Ofcom to make provision to define and licence a wholesale data transport provider(s).

2.8 The legislation should also seek to support provision of the best medium. This would include the provision of fibre access product, and a customer's conditional right to order such a product.

2.9 The Legislation could grant Ofcom some discretion as to how and when such measures come into force, including the nature of the conditional right to order such a service.

2.10 The same legislation could also clarify and limit the use of commercial confidentiality, to ward against any withholding of basic project data on costs and coverage.

Q3: In terms of giving the Secretary of State a power to direct Ofcom to review the USO, should Government have a continuing role in the USO, or should this be a matter for Ofcom?

3.1 The Government must own the ambition and the policy to fulfil that ambition and not just pass a USO to Ofcom to define and enforce without instructions.

3.2 There is a fundamental issue with the information being used to inform public policy on this matter. The investment data for next generation access must be independently verified. BT claimed investment typically includes 10 years of future operational costs. BT bid data supporting requests for state aid was found by the NAO, BDUK and several Parliamentary Select Committees as unreliable. The latter has been a significant factor in the calls for BT to be broken up.

3.3 The Government should have the courage to enforce the BDUK requirements and the lapsed state aid measure as a contribution to realising the USO. This would build upon the work of local authorities where future proof connectivity is being included in their planning guidelines. The USO can build upon this practice and include support for a future proof product that can at least be ordered.

3.4 Ofcom's strategic review supporting dark fibre provision and orchestrating improved access to BT's duct and poles can increase competition. Ofcom can also use its powers to amend operators licences to capture, if needed, the requirement to codify a 'data transport service', its properties and any need for a minimum standard. Through government and Ofcom working together, this means a USO can be written to overcome any considerations to over rely upon a cheap interim solution, by establishing for customers the right to replace their telephone lines with an access line capable of much greater throughputs with a lower long term cost. Ofcom can use its powers to define what is a new market and then promote access to foster more competition. The Government should set the policy, and Ofcom then help determine the pace at which that policy is applied and enforced.

3.5 Ofcom on its own is unlikely to be able to bring to pass the requirement and ambition Parliament is seeking on behalf of the electorate. It needs to be a joint effort to counter the commercial considerations which limit the provision for rural Broadband.

Thank you again for the opportunity to reply to this consultation.

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15 April 2016

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Fermanagh & Omagh
District Council
Comhairle Ceantair
Fhear Manach agus na hÓmaí

Your Ref

Our Ref

Date 18 April 2016

Being dealt with by

Email

S40

The Hon Ed Vaizey MP
Minister of State for Culture and the Digital Economy
Broadband USO Consultation
Digital Economy Unit
Department for Culture, Media & Sport
100 Parliament Street, London
SW1A 2BQ

Dear Mr Vaizey

BROADBAND USO CONSULTATION

I am writing to you on behalf of Fermanagh and Omagh District Council regarding the Broadband USO Consultation.

You will be aware from previous correspondence to your Department that the Council is extremely concerned at the inadequate broadband provision across our Council district. The Council would therefore urge Government to make a formal commitment, together with the necessary investment, to ensure the whole of the Fermanagh and Omagh Council area will have access to reliable, high quality broadband with appropriate upload and download speeds.

Fermanagh and Omagh District Council is a member of the Irish Central Broadband Area Network (ICBAN) and the general views of the Council are reflected in ICBAN's response to the USO Consultation.

Yours sincerely

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Avanti Communications Group input to the Department of Culture, Media and Sport – “A NEW BROADBAND UNIVERSAL SERVICE OBLIGATION CONSULTATION”

1. This response to the Department of Culture, Media and Sport (DCMS) – “A New Broadband Universal Service Obligation Consultation” is submitted on behalf of Avanti Communications Group plc.

2. About Avanti Communications:

- 2.1. Avanti Communications Group plc (Avanti) is a UK headquartered and listed satellite operator (AIM AVN:LSE). Avanti connects people wherever they are – in their homes, businesses, in government and on mobiles. Through Avanti’s HYLAS satellite fleet and more than 150 partners in 118 countries delivering a level of quality and flexibility that the most demanding telecoms customers in the world seek.
- 2.2. Avanti is the first mover in high throughput satellite data communications in EMEA. The Group has to date invested more than US\$1.2 billion in a network that incorporates satellites, ground stations, datacentres and an international fibre ring.
- 2.3. The Group has three geostationary satellites in orbit and a further two fully funded geostationary satellites under construction.
- 2.4. Avanti are playing a significant role in helping governments across Europe, the Middle East and Africa reach their universal service provision plans. For example, Avanti has enabled the provision of 100% fast broadband coverage in Tanzania¹.

¹ <http://www.herald.co.zw/tanzania-gets-100pc-broadband-connectivity/>



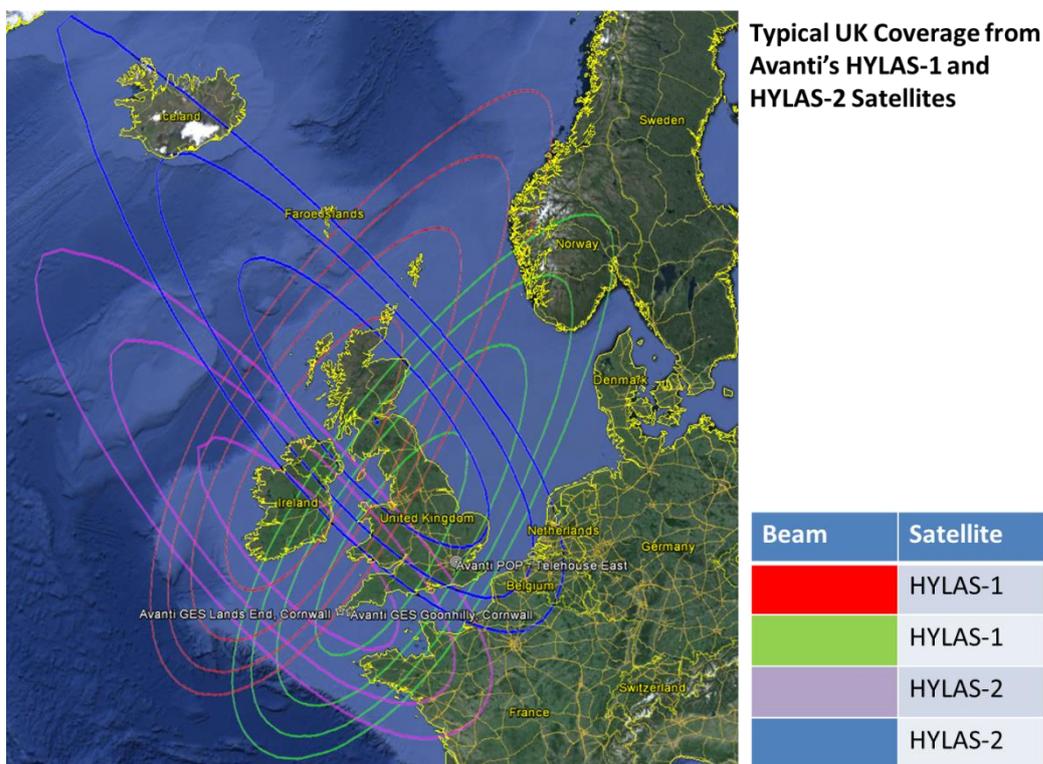
- 2.5. Avanti Communications was awarded The Queen's Award for Enterprise, the UK's highest accolade for business success, in recognition of outstanding achievement in delivering growth in exports in April 2015.
- 2.6. For more information on Avanti please see: www.avantiplc.com

3. Introduction:

- 3.1. Avanti believes that to date very little has been done to support those citizens and businesses that generally, though not exclusively, are based in rural or remote areas in obtaining the broadband services that they need to create growth and employment. The Federation of Small Businesses stated in 2015², that only 16% of its members had access to broadband - with 14% of small companies referencing this lack of reliable broadband as the key barrier to their growth. This is despite the very significant amount (over £930m) of public money that has been made available to support the roll-out of 'super-fast-broadband' by fibre.
- 3.2. BDUK and DCMS estimate that even after this massive intervention at the end of 2017 more than 1 million UK premises still will not be able to access speeds of 10 Mbps or higher. We assume that BDUK have based this figure on access via fibre or other terrestrial means since Avanti's satellite services are already providing 100% geographic coverage of the UK.
- 3.3. Following years of investment in broadband infrastructure, many parts of the UK are still to fully take up the benefit from good coverage, speed and price packages for broadband delivery. Satellite delivered broadband has a significant role to play in providing broadband services that will help the UK meet its Universal Service Obligation (USO) and not just in the last 5% (circa 1 million households).

² <http://www.fsb.org.uk/docs/default-source/fsb-org-uk/frontpage/assets/fsb0723-infrastructure-broadband-web-3.pdf>

- 3.4. Avanti Communications and other UK and European Satellite Operators such as Eutelsat (Fr), Inmarsat (UK) and SES (Lux) amongst others have already made significant (multiple billion dollar) investments to provide wholesale and retail satellite delivered broadband services to the UK either directly or through networks of distribution partners. Avanti alone has to date invested more than US\$ 1.2 billion in its network that incorporates satellites, ground stations, datacentres and an international fibre ring.
- 3.5. This satellite coverage is ubiquitous and reaches almost every premise across the UK.



- 3.6. Ka-band satellite systems, such as those operated by Avanti Communications, can today provide these businesses and citizens with ubiquitous viable, high quality, reliable and affordable broadband solutions. Avanti has been providing these services since the launch of our first satellite HYLAS-1 in 2010, a capability that was enhanced with the launch of our second satellite HYLAS-2 in 2012. Avanti and its delivery partners can provide today via its HYLAS-1 and HYLAS-2 satellite systems Ka-band broadband services to rural consumers and SMEs. Services have various headline download speeds ranging from 2 Mbps to 10 Mbps upwards and data allowance options from 5 GB to 100+ GB per month. These services cater for all type of users from light users requiring access for emails and web browsing to heavy users who will use the service for streaming and the download of data heavy files.

- 3.7. It is our belief that the focus paid by government departments and policy since 2010 on headline speeds and superfast broadband has effectively crowded out those technologies that can readily address the broadband needs of the UK's under and unserved citizens. Whilst close to 100% of the BDUK budget has been spent on developing the principal incumbent's core network, virtually nothing has been spent in rural and remote areas. Consumers have been constantly told that they will be disadvantaged without fibre, which dissuades them from committing to those technologies that can solve their problems today. Technology neutrality appears to have been abandoned, and huge expenditure in a wall of PR and marketing efforts has made it virtually impossible for players providing alternatives to fibre technology to be heard. SMEs simply don't have the budget to compete with these massive media campaigns.
- 3.8. We firmly believe that DCMS should focus more on providing the right quality of experience to consumers at a price they are willing to pay, than delivering superfast services that, in rural areas, fewer want or can afford. DCMS should consider how future policy and the regulatory environment can enable each alternative technology to the incumbent fibre network to be included and to play to their relative strengths, in order to connect everyone in the UK.
- 3.9. The speed of the USO should be based relative to the reality of market supply conditions of broadband services to the worst case areas in the UK at the time of setting the limit. For example, it would not be appropriate to baseline the USO on the speed of say fibre connectivity if these services were not currently available in the areas with the least connectivity. The USO should be baselined on the speed of the technologies that can reliably supply these regions at the time of the review. The reality is that for the majority of these remote and rural locations today is that technology is satellite delivered broadband.
- 3.10. Whilst satellite delivered broadband can deliver peak download services of over 20 Mbps, a key role it can play is in fully enabling a Universal Service Obligation service at a more sensible 5 to 10 Mbps to the unconnected, maximising the numbers addressable with the available capacity.
- 3.11. In consideration of 3.9 and 3.10 above, Avanti therefore recommends that the USO should today be set at a speed of between 5 to 10 Mbps.

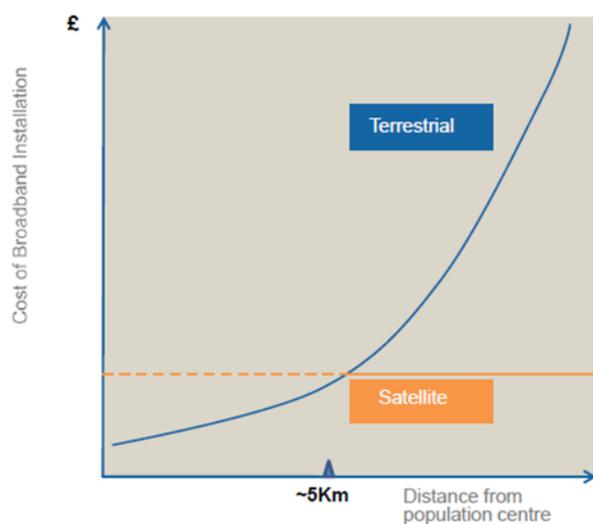


- 3.12. Avanti Communications believes that instead of focussing on extending superfast broadband to hard-to-reach premises, that the government's target should be the introduction of a Universal Service Obligation of 5 to 10 Mbps to 100% of households in the UK and that this is both achievable and should be the baseline requirement.
- 3.13. BT Chief Executive Gavin Patterson described a new universal minimum broadband speed of 5 to 10Mbps as enough for everyone in the UK to enjoy modern day internet services, such as high definition TV streaming and cloud computing and delivering like high definition video popular internet services³.
- 3.14. Ofcom supports this view and the Ofcom Digital Communications Review Statement provided evidence that in 2016 the digital needs of a typical household can be met with download speeds of 10Mbps.
- 3.15. One of the key challenges to the greater uptake of satellite (and other alternative technology solutions) is simply awareness. Current UK programmes have utilised massive advertising budgets to stimulate market interest in fibre broadband solutions. However, little or no, budget has been centrally allocated to promoting the awareness and deployment of alternative technologies such as satellite delivered broadband and therefore the average citizen/consumer's awareness that solutions other than fibre exist is extremely low.
- 3.16. Avanti's own research in the Broadband Delivery UK (BDUK) Market Testing Pilot (MTP) area has shown that over 89% of eligible homeowners were not aware that satellite delivered broadband was an option available to them. It would greatly help increase awareness and uptake of satellite broadband if the Government and Ofcom were to promote (1) the availability of, and (2) the benefits of alternative technologies to fibre broadband connectivity for rural and underserved communities in the same way that they have previously promoted the 'superfast broadband; and the 'connected cities digital voucher schemes'.
- 3.17. In conclusion, we believe that the government's target of a Universal Service Obligation of 5 to 10 Mbps to virtually 100% of households is achievable and should be the baseline requirement.

³ <http://home.bt.com/tech-gadgets/tech-news/bt-ceo-gavin-patterson-delivers-vision-for-britains-digital-future-11364005965808>

4. The Economics of Satellite Broadband

- 4.1. Unlike terrestrial networks, the cost of delivering satellite broadband is the same to any location and is not dependent on distance.
- 4.2. Distance is not a barrier to download speed – the same satellite broadband packages are available to every end user.
- 4.3. There are already over 1 million Ka-band satellite broadband end users in the USA and tens of thousands of users across Europe.



5. Consultation Questions and Response:

Q1: Do you have any concerns about the approach that has been set out here?

- 5.1. Avanti are concerned that DCMS and/or Ofcom must be seen to set the speed of the USO speed relative to the reality of market supply conditions of broadband services to the worst case areas in the UK at the time of setting the limit.
- 5.2. It would not be appropriate to baseline the USO on the speed of say fibre connectivity if these services are not currently reliable and widely available in the areas with the least connectivity.
- 5.3. The USO should therefore be baselined on the speed of the technologies that can reliably supply these worst-case regions at the time of the review. That is for the majority of remote and rural locations today that technology is satellite delivered broadband.
- 5.4. Whilst satellite delivered broadband can deliver download services of over 20 Mbps the greatest role it can play is in fully enabling a Universal Service Obligation service at 5 to 10 Mbps to the unconnected.
- 5.5. Avanti respectfully therefore suggests that the USO should today be set at a speed of 5 to 10 Mbps.

Q2: We do not propose to specify speed in primary legislation. Should speed be specified in primary or secondary legislation?

- 5.6. Avanti has no express view as to whether or not the USO should be set in primary or secondary legislation

Q3: In terms of giving the Secretary of State a power to direct Ofcom to review the USO, should Government have a continuing role in the USO, or should this be a matter for Ofcom?

- 5.7. Avanti has no express view as to whether or not the Secretary of State should be given the power to direct Ofcom to review the USO, or should Government have a continuing role in the USO, or should this be a matter for Ofcom.



Contact:

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Avanti Communications Group plc

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EC4V 6EB

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Broadband USO Consultation
Digital Economy Unit
100 Parliament Street
London
SW1A 2BQ

Our ref: DCML1V1.0

Your ref:

18 April 2016

Dear Sirs

Broadband USO Consultation

FarrPoint is a consultancy providing independent advice on IT infrastructure and connectivity across the UK. We have been extremely active in the broadband market providing project and technical support to local bodies procuring next generation services, to DCMS for VfM reviews, and latterly to many communities across the country as they tackle the 5%+ issue.

We welcome this first step in the consultation on a Broadband Universal Service Obligation (USO) and believe it is an important element in the delivery of broadband to all citizens. We also recognise the many factors that need to be carefully considered in the design of any such scheme and that there is a balance to be achieved with what can be expected from commercial market delivery.

Turning to the questions, our specific responses are as follows:

Q1: Do you have any concerns about the approach that has been set out here?

Response: We have no immediate concerns around the approach other than to encourage a timely process with minimum delay given the importance of access to broadband services.

Q2: We do not propose to specify speed in primary legislation. Should speed be specified in primary or secondary legislation?



Response: We agree that secondary legislation would seem to be the more appropriate given the dynamic nature of connectivity demands, capabilities, and global development in this area. We would also suggest a mechanism is put in place for regular reviews of any speeds specified and that some link to the average rate achieved through commercial means across the UK is retained within primary legislation. We would also like to see some additional broadband performance measures in place rather than just a download speed. Upload speed is becoming increasingly important and metrics such as latency, jitter and packet loss make an appreciable difference to a service being useable or not.

Q3: In terms of giving the Secretary of State a power to direct Ofcom to review the USO, should Government have a continuing role in the USO, or should this be a matter for Ofcom?

Response: We believe Government should have a continuing role in setting the policy for USO and responding to potential changes in the USD and economic and social demands which increasingly rely on broadband connectivity. Ofcom retains the role of implementing Government policy.

We hope that this response is useful and appreciate the opportunity this consultation provides for registering our input. We look forward to participating in further consultation in the future.

Yours sincerely

Broadband Stakeholder Group Response
A New Broadband Universal Service Obligation Consultation



April 2016

Broadband Stakeholder Group

A New Broadband Universal Service Obligation Consultation Response

April 2016

The Broadband Stakeholder Group (BSG) is the UK Government's leading advisory group on broadband. It provides a neutral forum for organisations across the converging broadband value-chain to discuss and resolve key policy, regulatory and commercial issues, with the ultimate aim of helping to create a strong and competitive UK knowledge economy.

Executive Summary

The BSG welcomes this opportunity to respond to the Department for Culture, Media and Sport's consultation on a Broadband Universal Service Obligation (USO). The BSG strongly supports a goal of universally available good quality broadband access, at a price that allows everyone to connect to the internet and access the range of services enabled by digital connectivity. This is why we were one of the largest proponents of the Universal Service Commitment (USC) which we were pleased to see become reality at the end of last year.

In considering a USO, it is essential that Government is clear on the objective that it is seeking to bring about and retains an open mind as to whether a USO is the best or sole mechanism to achieve good quality broadband access in the UK. Any intervention creates the potential for unintended consequences and distortions to the market. A USO for broadband on the current scale being considered, risks being so complicated and onerous that it could result in fewer people being online. One way that this could occur is that the cost of a USO for a large number of premises is borne directly by 'industry'. This would be passed onto current users. Whilst the cost per individual may appear to be small it could have an impact on those users who are price-sensitive, leading to fewer people being online as consequence. Indeed 21% of those who do not have a home broadband connection already cite cost as one of the reasons¹ for not doing so.

In approaching how best to achieve the goal of universally available good quality broadband access (accessible at competitive prices), we believe that Government must concentrate on removing barriers so that commercial investments become viable and ensure that current BDUK schemes bring about the

¹ Ofcom, [Communications Market Report 2015](#)

greatest expansion of superfast broadband coverage possible. It should also seriously consider whether some form of Government subsidy is required to serve those premises which will not be passed even if barriers are removed and BDUK funds maximised. Once these avenues have been exhausted then we believe that there may be an argument to make for a USO that acts as a safety net for those premises which are in areas where it is extremely difficult and costly to deploy infrastructure. This is consistent with the principle of the Universal Service Directive, which is designed to provide a minimum ‘floor’, rather than be a mechanism to deliver more advanced services that risk more significant market disruption. A USO in this instance would then serve to empower consumers who are in areas of explicit market failure.

Q1: Do you have any concerns about the approach that has been set out here?

Although the BSG welcomes and shares the Government commitment to digital inclusion we are concerned that the proposed approach of addressing limited connectivity via legislation to introduce a USO is not the best way to deliver this commitment. Failure of the market to deliver in the remaining areas is an economic issue, therefore Government should seek to address the economic issues preventing deployment in these areas. Legislative change to introduce a right to receive a service “on demand” is not, in the opinion of the BSG, the best way of doing so.

To be clear, the BSG supports the Government’s underlying objective of universally available good quality broadband at accessible prices. It is hard to overestimate the importance of digital infrastructure and the applications that are delivered over them as they play a disruptive yet transformative role. The digital networks – fixed and wireless – that form this infrastructure not only deliver broadcast, entertainment, communications and emergency services, they are now increasingly important in the provision of healthcare, the stability of the energy sector, efficiency and safety in the transport, construction and manufacturing sectors, with new business models leading to new applications in new sectors.

Presently, the benefits gained from being connected for the citizen are largely additional to what can be accomplished in the non-digital, or paper, world. However, with the increasing digitalisation of Government services, the expansion of telecare and health, and even the possibility of additional charging for non-digital consumers, basic digital connectivity will shortly become a necessity. SMEs with high levels of digital maturity are more likely to have strong growth aspirations – indeed it is believed

that SMEs could unlock an additional £18.8bn of incremental revenue growth by optimising their use of the internet².

Ensuring that citizens and businesses have access – both in terms of network connectivity and ability to pay – to the internet, and the necessary digital skills to exploit that access to the full, is an important and complex problem for Government and policy makers. These issues are of course closely intertwined and should be regarded as being equally important, but clearly the first step is in ensuring that the underlying connectivity is available.

In seeking to ensure that everyone has access to a sufficient level of good quality broadband connection and in order to increase the number of people who use the internet, we must address a number of questions. These are grouped around what level of connectivity is needed for citizens and businesses to engage with the Government and be an active citizen and consumer. Indeed, this goes to the heart of what a what universal good quality broadband ‘floor’ should be – as discussed below speed may only be one part of this. Secondly, we have to consider what the current and planned future network deployments (both commercial and publicly funded) will do to provide that connectivity – and how to maximise this investment. We then need to consider whether to and how best to fill potential not-spots in a way that minimises the affects to competition and investment of any intervention.

The BSG appreciates that many of these questions requires detailed consultation with consumer and businesses groups as well as industry. Whilst we welcome Ofcom’s proposed role, and look forward to engaging with them on these issues, we hope that they also consider whether a USO is the best mechanism for delivering a good level of connectivity which increases the number of people who use the internet.

We support the Government’s aim to introduce a “sustainable” means of delivering its objectives and note that the Universal Service Directive requires Member States to minimise market distortion if they choose to introduce a broadband USO. Any definition of sustainability should explicitly include financial sustainability and the imperative of avoiding uncapped financial liabilities.

Q2: We do not propose to specify speed in primary legislation. Should speed be specified in primary or secondary legislation?

² Booz&Co, [The case for universal digitalisation](#).

We agree that USO characteristics, if they are required, should not be specified in primary legislation. Speed is clearly one of the factors in achieving good quality of experience for the end-user, and is likely to be the dominant factor. However, it is not the sole factor. Clearly there is a balance to be struck in ensuring that any legislation is not overly prescriptive the Government must ensure that it analyses other quality metrics. Further, download speed is just one part of the story, upload is also important. This is the case for application that may have wider societal and public benefits such as two-way video calling and telecare/medicine applications and for small businesses, as demonstrated in our demand bandwidth study³.

If deployed, a broadband USO must remain a safety net. Clearly though the connection to allow someone to be an active citizen and consumer is likely to evolve over time. Secondary legislation therefore seems to be the best vehicle to do so although there is a balance to be struck in allowing for the USO's evolution and certainty for any Universal Service Provider(s). In order to ensure that the USO remains sustainable and continues to minimise market distortion as it evolves, Government should consult with industry before changing the USO characteristics (such as the minimum speed). It is also important to consider that such evolution could impact the solutions that are needed as some current solutions may not be viable if requirements evolve.

Q3: In terms of giving the Secretary of State a power to direct Ofcom to review the USO, should Government have a continuing role in the USO, or should this be a matter for Ofcom?

There needs to be careful consideration of allowing the USO to evolve over time and providing certainty to industry and any Universal Service Provider(s). It is right that Ofcom are also analysing this issue and it is too early to state whether a minimum review period is preferable or not.

For further information please contact:

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³ For evidence that 50% of small businesses already require more than 1Mbit/s upload see BSG, [Small Businesses' Connectivity Requirements Study](#)

The Hon Ed Vaizey MP
Minister of State for Culture and the Digital
Economy

Your ref:

Our ref: CBC USO

Date: 12.04.16

RE Broadband Universal Services Obligation consultation

Dear Ed

Thank you for the opportunity to respond to the consultation on proposals for a new Broadband Universal Service Obligation. The Council considers that availability of high speed broadband connectivity is a key priority, and has adopted a Local broadband Plan with the aim of enabling all premises to receive superfast services by 2020. The Council will have invested over £3million, and secured millions more in match funding to extend superfast broadband infrastructure. Through the Broadband Delivery UK 1 and 2 projects we expect to be well in advanced of 96.5% coverage by 2018/19, and are continuing to seek additional investment and innovative delivery methods to reach our aim. The Council is also supporting the national subsidised satellite broadband scheme to ensure all premises have access to a basic broadband service of at least 2 Megabits Per Second (Mbps)

With regard to the specific questions raised in the consultation:

Q1: Do you have any concerns about the approach that has been set out here?

The premise of the setting a USO is supported in principle, recognising both the benefits access to high speed broadband can have for residents and business and the complexity and increasing costs of providing services to the most hard to reach premises. However, there is very limited detail in the consultation and it will be the details and implementation of any obligation that will be key. The consultation sets out various potential mechanisms for funding and delivering the obligation. Of particular concern would be any additional requirement on Local Government resources to meet the funding requirements of the USO, given the significant investments Councils have already made. Furthermore, given the significant potential costs of address those premises which are most isolated and distant from IT infrastructure, the on demand principle is understood, but the caps on private/ public and individual contributions will be a key factor.

There is also likely to be a need for a range of potential service providers and technologies utilised to achieve even the minimum of 10 Mbps. Further detail on the role that satellite broadband can play in this would be welcome, given the existing subsidised satellite service and potential speeds such services can offer.

Likewise, the Council has and will continue to put in place policies to require new developments (subject to viability) to put in place necessary infrastructure to enable superfast broadband access. The principle of an on demand request for service is understandable, given the legislative requirements, but care must be given to ensure that new areas of poor connectivity are not created, and in so doing so put greater demands on limited public resources. While recent consultations on building regulations and telecommunication providers to speed up delivery and maximise coverage are welcome, there could potential be more done to require new developments to have necessary high speed infrastructure planned for up front. The universal service obligation should be considered in tandem with such efforts to minimise the need to implement the obligation.

Q2: We do not propose to specify speed in primary legislation. Should speed be specified in primary or secondary legislation?

The speed of 10 Mbps, while recognising the findings of Ofcom on current speed demands, will need to be regularly reviewed in terms of meeting minimum requirements to access internet services and deliver business needs. Currently while 10 Mbps may be a minimum acceptable speed, this will continue to change rapidly and the rate of change is only likely to increase. The UK must continue to ensure it is competitive on an international scale in terms of broadband access and speeds. Given this, it is considered that speeds should be stated in secondary legislation, given the need for regular review.

Q3: In terms of giving the Secretary of State a power to direct Ofcom to review the USO, should Government have a continuing role in the USO, or should this be a matter for Ofcom?

The exact nature of the USO will impact on the need for the Government to have a continuing role. It is considered that from a technology and minimum speed requirement perspective Ofcom is considered to be best placed to review the USO, given their existing regulatory role. However, depending on the funding mechanism to deliver the USO it is likely that there will need to be continued Government overview, particularly given the potential alignment with current Broadband Delivery UK projects. Likewise, the Government and its partners actions on tackling digital exclusion should also be considered alongside the USO to ensure residents and businesses are able to benefit from enhanced internet speeds and availability. This would also suggest a need for Government's continued engagement to ensure a holistic approach to broadband provision.

We look forward to reviewing further details of the USO as they emerge.

Yours sincerely

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By email: enquiries@culture.gov.uk

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Date: 18th April 2016

Dear Sir/Madam

Re: A New Broadband Universal Service Obligation

I am writing on behalf of the project team leading the transformation of broadband service delivery for Kent.

Kent County Council has a long-standing interest in improving the County's broadband connectivity. This work has brought better broadband to over 120,000 homes and businesses in areas of market failure (i.e. outside the scope of the upgrade programmes funded by broadband infrastructure operators). BT has been contracted to deliver our second Broadband Delivery UK broadband upgrade, which should bring superfast broadband to 95% of homes and businesses by the end of December 2017 and 95.7% by September 2018. We have also supported a number of community projects to deliver better broadband to hard-to-reach areas and are currently working with BDUK to deliver the national satellite scheme.

Given the lack of substantive detail in the consultation, it is premature and not possible for Kent to provide a fuller response at this stage. However, given the consultation, we

wanted to highlight the following issues which will hopefully be helpful in developing future proposals for further consultation:-

1. Reliability: as well as setting a minimum standard for speed, further consideration should be given to the reliability and quality of connection. As citizens and businesses become increasingly dependent on the internet for daily transactions, it is important that there are clear minimum requirements around fixing of service faults/down-time etc so that residents and businesses are not left without broadband access for long periods of time. There a particular need to ensure that SMEs who cannot afford lease-line infrastructure are not seriously impacted by broadband outages.
2. Funding the Universal Service Obligation: we note that Ofcom has been commissioned to undertake a technical analysis, which will help inform the design of the USO and that the Government will be undertaking a second consultation covering the detail, design and proposed implementation of the USO. At this stage, we are supportive of the proposal for a demand-led approach, subject to further detail being made available on the proposed financing arrangements and the process around connection costs per premise being sufficiently transparent, and open to scrutiny. The above notwithstanding, the question of funding is central to the effectiveness and success of any proposal. It is important for any proposals to recognise the scarcity of resources within local government and not presume an undeliverable role for the local authority.
3. Visibility of 4G rollout: there is a need to ensure alignment of the delivery of the USO with the commercial roll out of 4G mobile broadband coverage, especially around opportunities for sharing backhaul. There is a particular need for mobile network operators to share clear definitions of their commercial plans across postcode areas with Councils and other key stakeholders. At present, there is no 4G equivalent of the broadband postcode checkers regarding future deployment – i.e. how their 4G licencing geographical coverage obligations will be delivered locally. This information needs to be in the public domain so that future consumer access to services, and potential opportunities to share infrastructure costs, can be assessed.

4. Enforcement: It is important to understand how this obligation will be managed and careful thought be given as to whom any right to a service can be enforced against. We would be interested to hear in future proposals how this might be managed.

We look forward to receiving more detail and being able to engage further in your future and fuller consultations.

Yours faithfully

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LAMMERMUIR COMMUNITY COUNCIL BERWICKSHIRE

A RESPONSE TO THE CONSULTATION ON A NEW BROADBAND UNIVERSAL SERVICE OBLIGATION

April 2016

This is a consultation response from the Lammermuir Community Council who represent a remote rural community in Berwickshire, Scottish Borders. Whilst some of our residents live in three small settlements, over half live in scattered dwellings, often several miles away from the nearest telephone exchange. Current broadband is exceptionally poor and does not meet the suggested existing service levels cited in the consultation document.

We suffer from very poor and patchy internet access. We also have an accurate and up to date picture of it, having concluded a survey of every property in the area in March 2016. The response rate was high; though there are less than 150 properties connected to our exchange we received responses from 130 households.

All but one stated that they didn't feel that current levels would meet their future needs and a large majority felt provision currently was inadequate. We have evidence that families are choosing to leave the area as Broadband doesn't meet their needs, whilst others are unable to live in the area full time as the service is inadequate. In remote rural areas such as ours the inadequacy of broadband is a major issue as we are already remote from many services. The situation is exacerbated by lack of digital radio coverage, sporadic TV reception and minimal mobile coverage.

We are currently engaged with a group of 10 Community Councils to survey our residents' experiences and explore solutions in an area where less than 0.5MBS is common.

We have a number of concerns with the current approach and the situation described in the consultation document:

The situation described in the consultation document on pages 5-6 appears fanciful and paints an over-optimistic view of existing coverage. Large areas are yet to receive the planned broadband BDUK upgrade that the report states should cover 90% of UK by early 2016. The assertion that "all homes and businesses can now access basic broadband at speeds of 2MBS" is fundamentally wrong – our own community shows that a significant proportion cannot yet aspire to 1MBS.

All of our engagement with professionals, consultants and ISPs reinforces our growing understanding that even when high speed does make it to an exchange the benefits for many are inadequate as the service degrades so quickly with distance as superfast makes its way along miles of rural copper. There appears to be a grave danger that postcodes will be classed as having superfast broadband where for many households the experience remains inadequate.

Deficiencies in the current arrangements for servicing hard to reach communities.

We are currently investigating the prospect of joining with some adjacent small communities to create our own community-based solution. It is already clear that the BT roll-out will not enhance the experience of most of our residents. It appears ridiculous that it is those smallest, fragile and most-difficult to reach communities that are currently being required to effectively self-serve (and to a degree self-fund) A well-predicted gap in service that was agreed between Ministers and service providers. That wouldn't be acceptable for running water or electrical power so why is it for broadband?

It is not only fundamentally unjust that those left behind from the current round of broadband should have to deliver their own solution, but it is also profoundly inefficient. It is likely to lead to gaps in coverage, additional expense and if there is a mosaic of small ISPs it seems likely coverage will be patchy and they are unlikely to have long-term financial robustness. Following the Community Broadband Scotland model those same small communities also have to directly fund a minimum of 11% of the cost having already funded the existing roll-out through their general taxation. They would also have no access to competitive ISPs once the service was delivered.

Any USO should be structured so there are no financial disincentives for those in hard to reach areas to request their service. That includes installation charges but ongoing monthly charges should be reasonable if there are no alternative competitive.

We believe that there should be legislation to create a Universal Service Obligation and that should be delivered promptly.

The obligation should be easy to access and enforceable. The USO should also be affordable and not unnecessarily limited by data caps or higher than normal installation costs.

Whilst speed being defined in the secondary legislation is more practical and flexible, a minimum speed should be included in the primary legislation to create a suitable backstop figure which cannot later be avoided.

10 MBS is insufficiently-ambitious a speed for such a backstop. It should be significantly higher and, very importantly, should not just focus on an eye-catching high download speed but should have a robust upload speed to allow full engagement with broadband. Significant upload speeds should be specified, ideally upload and download would be near symmetrical to allow for active use (working from home, running a business) rather than as a passive downloader of content.

Legislation should provide for regular “upwards-only” reviews of broadband speeds with a Routemap to how and when we will surpass superfast and get to ultrafast speed. The medium term level of ambition should be set at these levels.

The aspiration should be that we are delivering a world-leading infrastructure and service not lagging behind our neighbours and competitors. Considering the involvements of Britons in the creation of telephony, radio, TV and, not least, the internet these seems entirely reasonable!

Ministers should retain the obligation for the delivery of the USO. It is a political commitment and they should be tested against that. Ofcom may have a valid role in assessing how well the expectations have been met and interrogating delivery statistics in an independent way, but it is for Ministers to deliver.

We share the tone of the ambition in the Ministerial Foreword. That should not be diluted in bringing forward a universal service obligation for broadband that is swiftly-delivered, ambitious, effective and affordable.

In doing so Ministers should take how the existing roll out is actually delivering services on the ground in remote and rural areas. It seems likely that existing service levels are weaker than the consultation paper suggests. We have house-by-house data that shows its current aspirations are not met.

Whatever form the USO takes it should be structured to take the emphasis off of communities becoming ISPs and filling the gap that current policies have left them with and make it an easy-to-enforce obligation.

Ministers' ambition for a digital economy require significantly more aspiration than a mere 10MPS. Whilst that might be generally adequate now, content makers will continue to create richer content (how much of a newspaper website is now video?) based on general speeds, so rural areas will remain at a disadvantage if the target is not set higher.

We are happy to engage further with the process and provide more detailed evidence if requested.

*Response from OneWeb to
DCMS's Consultation on
Broadband Universal Service Obligation*

ABOUT ONEWEB

OneWeb (the trade name of Network Access Associates Ltd) is a communications company building a global network aimed at providing broadband access to the Internet no matter where people live, work or play.

From 2020, OneWeb will offer “urban quality” direct-to-premises broadband connections to areas with limited or non-existent coverage, and will also be able to deliver services to communities through shared earth stations combined with a local terrestrial delivery network. Hence, this provides the benefits of Internet – including e-learning, e-medicine and e-government – to people no matter how remote their location, in partnership with land-based broadband and cellular service providers.

Furthermore, OneWeb will also provide cellular backhaul connectivity, the means by which cell towers communicate back to the mobile provider’s switching centre, anywhere in the country including in underserved or hard to reach areas. This will allow the extension of the national cellular networks anywhere the mobile network operators choose.

The OneWeb system will also provide broadband connectivity to other markets, such as emergency services, public protection and disaster relief (PPDR), and business-to-business platforms on land, maritime and aircraft platforms.

OneWeb communication services, provided by a constellation of low Earth orbiting satellites, will eventually be able to reach all businesses and consumers globally – regardless of geographical challenges – at speeds that can reach 50Mbps and with round trip latencies (i.e. the delay of packet delivery and the intended responses) of the order of 50ms.

OneWeb’s mission is supported by a range of committed partners in both the space and telecom industry, including Intelsat, Airbus, Hughes Network Systems, Virgin Galactic, Qualcomm, Bharti and Grupo Salinas.

INTRODUCTION

OneWeb wishes to thank the Department for Culture Media and Sport (DCMS) for the opportunity to provide its views in writing on this inquiry and affirms the willingness to cooperate further with the Department as it seeks to deliver its commitment to universal broadband access through a new USO.

Connection to the digital world is crucial for the success of individual communities and the British economy, and OneWeb believes that the provision of broadband is fast becoming a necessity for citizens, in a similar way to other basic utilities, to allow people to participate meaningfully in society. OneWeb agrees that there is a particular problem in the UK with hard to reach areas, whose lack of access to broadband is hindering the UK's productivity and growth.

A UNIVERSAL SERVICE OBLIGATION (USO): RESPONSE FROM ONEWEB

In principle, OneWeb supports the provision of a new universal service obligation (USO) for broadband, as a demonstration of its commitment to place broadband on a similar footing as other basic services, giving everyone the right to access broadband at a given quality of service. Such quality of service may also require the adoption of other parameters such as latency, capacity and availability, at an affordable price.

This being said, OneWeb recommends that when assessing the practicalities of legislating for a USO the government should ensure that it does not fall victim to unintended consequences which may risk enhancing the digital divide even further, specifically through the overly optimistic adoption of minimum speed requirements and targets which cannot be ensured in rural and remote areas of the UK.

RESPONSE TO CONSULTATION QUESTIONS:

Q1: Do you have any concerns about the approach that has been set out here?

OneWeb supports the government's intervention to ensure quality broadband services to its citizens. However, we question if this should be done through a universal service obligation (USO), as there are inherent infrastructural connectivity issues across the geographies and the large population of the UK, especially in rural and remote areas.

Many communities and businesses in rural areas of the UK have poor connectivity, but the government needs to be careful on not imposing unrealistic targets which may exacerbate the digital divide even further.

Figure 9 of Ofcom's Connected Nations Report 2015 shows that in 2015 4% Urban and 48% Rural premises are unable to receive 10Mbps speed, thus it is questionable that with fixed fibre deployment a USO can be effectively implemented at these locations. The percentages can be further reduced, but the cost required in terrestrial infrastructure can become prohibitive, thus leaving the UK in a different reality.

Furthermore, in the same report, Ofcom proposes a minimum speed of 10Mbps based on some “typical” applications households will require (see Figure 17 at page 27). However, relying on simplistic “typical” modelling, and not on an appropriate distribution of the population’s needs, may not allow for an appropriate USO figure of broadband speed. While every home in the UK should ideally get the same quality of service, the geographical reality is different, and imposing a USO across the board is going to be difficult to implement by industry and enforce by the government.

In order to limit the impact of such impairments and exacerbating the digital divide even further, when considering imposing a broadband USO a possible solution could be to differentiate the minimum speed based on geography, at least for the time being. For example, at urban premises a USO of 10 Mbps (or even higher, such as 30 Mbps as suggested by the Commission’s Digital Agenda for Europe) could be imposed since urban areas have such capability and at reasonable cost for consumers. However, at rural premises - with limited connectivity - and remote premises - with no connectivity - a minimum speed through a USO should either not be imposed, or should be more modest (for example 4 Mbps), i.e. enough to provide the basic connectivity to households, or we risk to exacerbate the digital divide even further.

Furthermore, OneWeb believes that imposing a USO based solely on speed all across the UK territory would not represent the basic needs of citizens, and could in fact aggravate further the digital divide.

The government’s role should be to ensure that areas and people receive a good communication service everywhere in the UK. Satellite infrastructure can provide 100% coverage in the rural and remote areas of the UK, but it is not through a “minimum speed” based USO that a service and quality can be assured. The government could implement a USO that offers a basic quality of service, that would need to be defined, but which considers more than just speed, but includes other measures such as latency, capacity (in terms of GB per month), price and availability.

If the government believes that it is necessary to impose a USO, then OneWeb suggests that it should not impose stringent speed requirements for rural and remote areas of the UK, where communities are in need even of the basic communication means, and other measures, such as latency, capacity and availability, should also be included to ensure that quality of broadband services is assured.

Q2: We do not propose to specify speed in primary legislation. Should speed be specified in primary or secondary legislation?

OneWeb recognises the government’s need to impose a USO for broadband speed, as it provides for economic growth to the nations, as well as many other benefits to citizens and consumers. However, the government should be careful in legislating such minimum broadband speeds under a USO, and some concerns were highlighted in the above response to Question 1. Another issue is linked to technology evolution thus rendering minimum speeds enshrined in legislation obsolete within a few years of adoption.

Based on comments made above in Question 1, broadband quality is not based on speed only, but also on latency, capacity and availability of the broadband service. We suggest that the government also considers these additional factors.

Q3: In terms of giving the Secretary of State a power to direct Ofcom to review the USO, should Government have a continuing role in the USO, or should this be a matter for Ofcom?

OneWeb believes that Ofcom, as an independent regulator, is better suited to analyse, study and recommend government on matters related to USO for broadband, as it is directly involved with such matters at the European, industrial and stakeholder level. In particular because it has a principal duty to further the interests of citizens and consumers, and thus to make sure that the right services and quality are provided.

The government role instead should be to support industry with the appropriate financial and legislative means that would allow to deploy systems and networks that meet the requirements that are set by Ofcom. Also, for rural and remote areas, government should ensure that (1) broadband network operators (which also includes satellite operators) are provided with the means to implement networks that provide the minimum required speed, latency, capacity and availability, that delivers the quality of service necessary for the applications citizens utilise and (2) authorities in such communities are made aware of the technologies available, such as satellite, to bridge the digital divide. Satellite systems like OneWeb will be able to provide 100% coverage of the rural and remote areas of the UK at the required quality of service that includes high speed, low latency, high capacity and high availability.

CONCLUSION

OneWeb greatly appreciates the opportunity to participate in this consultation. OneWeb is committed to working with government to ensure that aspirations for comprehensive digital inclusion are achieved.

A USO is a desired step forward, in helping to achieve this aim, and ensuring that access to broadband is achievable to every community in the UK, regardless of where they live. This being said, the government would be wise to ensure that their approach to legislating for a USO reduces any unintended consequences for consumers, helps industry to achieve the needed quality of service and does not exacerbate the digital divide even further, for example through the adoption of minimum speed obligations which may be high to be achieved in rural and remote areas of the UK.

OneWeb is ready and willing to assist the UK government in ensuring that no one is left behind in the digital age, especially for communities in the rural and remote areas.



BT Plc

BT Response to the government consultation on “A
NEW BROADBAND UNIVERSAL SERVICE OBLIGATION”

BT Response to the government consultation on a broadband USO

1. Executive summary

BT is fully supportive of the Government's ambition to deliver universal accessibility to modern broadband with speeds of 10Mbps to every premise in the UK. However, BT does not consider that a Broadband USO enacted through new Primary Legislation is a necessary, pragmatic or effective means of delivering this ambition.

The proposals to introduce new primary legislation as a means of delivering an objective of universal broadband raise a number of questions about the legal status of existing national legislation implementing the Universal Service Directive. To comply with its obligations under the Treaty on the Functioning of the EU, the UK must already have implemented legislation which gives effect to the requirements in the Directive in full. BT therefore believes that the existing legislative framework already allows all these requirements and limitations to be met, and as such there is no need for new legislation. Indeed since the UK must already have implemented legislation which gives effect to the requirements in the Universal Services Directive, going beyond the requirements in the Universal Service Directive involves a material risk of acting contrary to its purpose and intent and, therefore, unlawfully.

We believe however that there is a commercial approach that is more effective for the universal provision of broadband, if regulation were not an obstacle. Regardless, even if the government is intent on imposing a USO, we do not believe that enacting new primary legislation is necessary or warranted.

BT delivered the first generation of broadband to nearly 100% of UK premises and we are delivering the Government's previous universal service commitment of 2Mb/s to over 99% of premises with government support in the BDUK scheme. And we have been instrumental in ensuring that 90% of UK premises can already access a superfast broadband service today and we are on track to achieve 95% coverage.

We endorse the view that end-customers will want faster speeds in the modern world. BT wants to fulfil its customers' needs – that is what we are here for. In September last year we made clear that BT stands ready to deliver a universal effective broadband service in our network areas across the whole of the UK, provided that we have the regulatory and policy support we need to make this commercially viable.

As a result, we have commented both on the specific consultation questions on the proposed USO enabling legislation, and also on why we consider a Broadband USO to be overly complex, cumbersome and indeed the wrong approach to deliver the Government's objective of universal broadband availability. Much of the detail of this complexity however is the subject of the parallel Ofcom "Call for Inputs" issued on 8th April and so we will address these points in detail to Ofcom. The complexity of possible answers to these issues that are to be looked at by Ofcom cast significant doubt on the whole viability of a Broadband USO as envisaged by the proposed primary legislation.

2. General Issues to be considered before implementing a USO for broadband

The need for and effective approach to delivering universal broadband

BT fully recognises the benefits that can accrue to individuals, businesses and the wider economy and society as a result of effective access to broadband services. This is why we have committed significant amounts of our own money to investments that have delivered superfast networks across the majority of the UK, worked with government to extend these benefits out to 90% of the UK today and continue to push towards the aim of 95% coverage of the UK by 2017. And we do not want or intend to stop there. We are committed to pushing superfast availability as far as possible beyond 95%, have investment plans to make ultrafast services available to 10Million homes by 2020, and the majority of the UK within 10 years and also committed to ensuring the benefits of a good broadband service is available to everyone as long as the regulatory and policy environment permits us to make these sensible investments.

As a result BT is fully supportive of the need for a universally available broadband service, and we also recognise that end users need to know that they will receive the services and not be left behind as other parts of the UK see the benefits of connectivity and the digital economy i.e. we support the concept of “certainty” implicit in the USO approach, however offering services to all via an “on demand” basis is contrary to efficient network deployment, the economics of which depend heavily on shared cost components and scale deployments across as wide a part of the customer base as possible with only very limited use of on demand or bespoke deployments. A scheme based on committed coverage to defined areas over time with only the very last few/most remote areas being subject to “on demand” coverage is likely to be the most cost effective for network design and build independent of funding source. The existing 2Mbs Universal Service Commitment has already delivered a similar concept and certainty of availability across the UK through a combination of private investment to deliver as far as possible, Joint public/private funded infrastructure deployment to take the standard services beyond the scope of commercial build and then a focussed “on demand” scheme for the final tiny fraction of the UK who are not immediately able to access a fixed solution.

The model of predominantly commercial deployment, supported if necessary with focussed government investment to assist with the wholesale access economics of building out infrastructure with an on demand approach for the final fraction has proven very successful to date in the UK in delivering real benefit and should not be ruled out.

Changing the existing USO is the wrong approach

A legal and procedural change to the meaning of the current USO to require 10Mbps broadband ignores the significant differences between a USO primarily designed for a voice service with the addition of internet access capability and the current proposal which is primarily intended for a broadband service. The consultation seeks to instigate the legal power to change to the USO definition when the consequences of such a change are only just starting to be considered in a separate Ofcom review. BT considers that without consideration of what the consequences of the proposed change to the USO would be, a legal change would lead to huge uncertainty in the market. Such uncertainty would potentially impact investment decisions and infrastructure build for many years, to the detriment of the UK economy. Similar conclusions have been reached elsewhere in the EU, most recently in Denmark where the regulator has concluded that there is a significant risk for a possible competition distortion through introducing a USO obligation for broadband; that such an obligation would also involve significant costs that would have to be covered by the industry (i.e.

through a universal fund); and that this would be a significant financial burden for all broadband providers which would be passed on to the end users. The alternative approach of a range of policy initiatives to stimulate the market actors to establish broadband connections commercially to the worst covered areas has been preferred.

[A clear position on the purpose and intent of Universal broadband is needed.](#)

While virtually all market participants, including BT, are likely to agree that a universal broadband service is beneficial to the UK, the extent of the benefits achievable by each player, the service definition (speed, performance etc.) needed to deliver those benefits now and into the future, as well as the cost/economics of delivering the capability will vary significantly. It is therefore vital that, in seeking to make any intervention in this market the Government is clear on what the purpose and intent of the universal broadband service it wishes to promote actually is, so that realistic assessments of the costs and benefits of delivering the relevant capability and thus where any burdens should most realistically fall can be made. We understand that this is one of the roles of the Ofcom consultation, and we will input to this, but that process is at a very early stage currently.

[An alternative commercial approach could deliver the objective of universal coverage](#)

BT has already stated that we stand ready to deliver a universal broadband capability that will deliver good broadband to every home and business location in the UK. A service that would enable people to participate in the digital economy including access to video services such as i-player and you tube etc. However to make the investment needed to deliver this capability beyond the reach of the existing and planned superfast fibre deployments we would need support from the regulator and government in terms of relevant regulatory changes and certainty over the investment environment. Other commercial players have also demonstrated their willingness to invest in rural areas if the conditions and economics are right for their business model. A commercial approach with the right regulatory changes could therefore ensure that market forces and competitive benefits could extend broadband services as envisaged by the government under the proposed USO but without the need for primary legislation, deep into the remote parts of rural UK funded directly by the industry.

BT also recognises that certainty of build out and availability of these services is a key requirement and a key potential advantage of a USO approach, however such certainty of deployment and availability could also be delivered via commercial means as part of an agreement between government and industry in relation to regulatory and investment environment changes. The details of potential changes required, and coverage commitments that could be delivered are areas where BT would welcome further discussion with government.

[3. BT responses to specific consultation questions](#)

[“Q1:Do you have any concerns about the approach that has been set out here?”](#)

BT has serious concerns that a formal Universal Service Obligation would not be an appropriate, effective or timely way to achieve the important objective of universal broadband availability for the UK – more regulation is not the solution to a problem created by regulation, and new primary legislation is the wrong approach.

The proposal to introduce new primary legislation as a means of delivering universal broadband raises a number of questions about the legal status of existing national legislation implementing the Universal Service Directive.

Universal Service is a field occupied by the European Union. The requirements and limitations of Universal Service are set down in the Universal Service Directive. The United Kingdom has no

discretion to vary the Universal Service objectives the Directive sets out to achieve. To comply with its obligations under the Treaty on the Functioning of the EU, the UK must already have implemented legislation which gives effect to the requirements in the Directive in full. For instance, Member States must ensure the availability to all end-users of fixed access to a network providing data communications at *“data rates that are sufficient to permit functional Internet access”*; the provision of functional Internet access must take into account *“prevailing technologies used by the majority of subscribers”*; and the concept of universal service should evolve to *“reflect advances in technology, market development and ... user demand”*. It is presumably an agreed matter for the UK government that the requirements and limitations of the Universal Services Directive have been properly implemented in their entirety.

BT therefore believes that the existing legislative framework already allows all these requirements and limitations to be met, and as such there is no need for new legislation. Indeed, to go further than the existing implementing legislation is in direct contradiction to official Government policy which prohibits the “gold plating” of EU Directives, i.e. enacting more national legislation than is necessary for implementation. The Government guideline which specifically requires all departments to ensure they only introduce the minimum national regulation necessary to comply with EU obligations came into force in April 2013. The then Business Minister, Michael Fallon, said in April 2013 that “gold plating” had been effectively ended and that he would block all national legislative proposals which did not meet the minimum necessary criterion.

Moreover, a well-established principle of the electronic communications regulatory framework is that there should be self-restraint in regulation. Going beyond the requirements in the Universal Service Directive involves a material risk of acting contrary to its purpose and intent and, therefore, unlawfully.

The other possibility is that the UK has so far failed to comply with the Treaty and the passing of new primary legislation is recognition of this. In any event, the UK should justify its proposal for new primary legislation and explain how that is consistent with UK policy on gold-plating, the UK’s obligations under the Universal Service Directive as well as how the UK has complied with the Directive to the present date

At a time when all parties are calling for additional investment in UK broadband infrastructure in order to ensure that the UK economy continues to benefit from the full range of services that a connected digital economy can bring, introducing further uncertainty to the policy environment around the scale scope and obligation of a USO is unlikely to encourage such investment. Investment requires certainty of the future regulatory and policy environment in the UK and BT considers that broadband investment generally, and specifically investment into the final 5% of the UK can best be achieved via appropriate regulatory and policy action to deliver certainty to investors and encourage and enable commercial deployments of high speed broadband into the final 5%. A formal legally binding USO, particularly one where the detail of what is to be required from the legislation is undefined and potentially subject to regular change is unlikely to deliver such certainty.

[“Q2: We do not propose to specify speed in primary legislation. Should speed be specified in primary or secondary legislation?”](#)

BT does not consider it appropriate for legislation, either primary or secondary, to specify a minimum speed for broadband. However if legislation is to be utilised for this purpose then it is important that any changes to the requirement are subject to full and considered consultation with the industry and Ofcom, along with an effective assessment of the benefits and costs of any future changes. As a result, although BT supports the proposal of not imposing a speed requirement in

Primary legislation, any speed requirement in secondary legislation would need to be subject to consultation and cost benefit assessment both in its initial value and any subsequent changes.

“Q3: In terms of giving the Secretary of State a power to direct Ofcom to review the USO, should Government have a continuing role in the USO, or should this be a matter for Ofcom?”

Ofcom, as the independent sector regulator for the communications industry, in the UK is the relevant and competent body to assess the need for any review of a USO should a formal USO prove necessary. BT does not consider it necessary to enshrine in primary legislation an ability for the Government to direct Ofcom to review the USO. If the objectives of the universal service are clearly articulated e.g. social inclusion, access to public services etc. (although we highlight that such objectives are not articulated in this consultation or planned to be addressed by the proposed primary legislation) then Ofcom and the industry through consultation will remain best placed to assess the need for any future change to take account of future developments.

18 April 2016

Broadband USO Consultation
Digital Economy Unit
Departure for Culture, Media and Sport
100 Parliament Street
London
SW1A 2BQ

By e-mail broadbandusoconsultation@culture.gov.uk



Dear Sirs,

A NEW BROADBAND UNIVERSAL SERVICE OBLIGATION CONSULTATION

Business Exmoor (BE) is a Community Interest Company established in August 2014 to represent the interests of businesses based on or adjacent to the Exmoor National Park. It currently has 50 members ranging from sole traders to major employers with 65 employees. BE communicates with and consults its members via regular meetings and the provision of communications and connectivity is regularly discussed and is a key concern.

A number of BE's members still receive a service of sub 1Mbps and are located too far away from the cabinets that have been fibre enabled to derive any uplift in speeds. Coupled with no 3G or 4G mobile coverage (and no mobile coverage at all in some locations) this is a very significant brake on economic activity within the BE geographic area.

A copy of BE's position statement on the delivery of superfast broadband to Exmoor is enclosed for information. The principles set out in that underpin and should be read alongside our comments below.

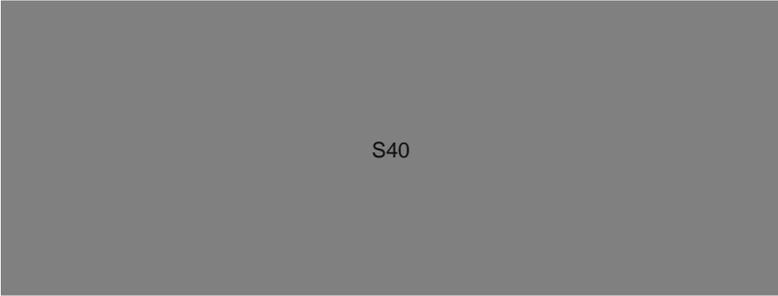
- 1 BE supports the introduction of a broadband universal service obligation and the approach that is being suggested in the consultation. BE would comment that it is essential to ensure that a universal minimal service requirement should not become the maximum available service option by default and that broadband provision in the BE geographical area (as in other deeply rural areas) must make provision for business users who need faster speeds and greater capacity.
- 2 BE believes that internet connection speed should be specified in primary or secondary legislation and that provision should be made for the minimal universal service level to be reviewed and updated – in consultation with relevant stakeholders – on a regular basis to ensure that it remains at an acceptable level in the future.
- 3 Government should have a continuing role in reviewing and setting the USO and in ensuring that it is delivered.

Business Exmoor Community Interest Company 09183882
Registered address: 22 The Parks Minehead Somerset TA24 8BT

By way of further observation, BE considers that special case contracts are an inefficient way of delivering what should be a universal broadband service, partly because they are too small to make use of available economies of scale and partly because they are managed locally on an ad hoc basis. The Phase 2 Airband contract being delivered through Connecting Devon and Somerset within the Exmoor and Dartmoor National Park Areas is a case in point where the service provision will not be universal in terms of coverage – partly because it has a limited contract area in the first place and partly because it is utilising fixed wireless technology where line of sight is required. Such small scale special case contracts also make it more difficult for individuals and community groups to obtain access to (or funding for) other means of broadband provision because it will be deemed that funds have already been allocated and spent in that area so that it is no longer a priority.

BE also notes that, in view of the distances involved in rural areas, the existing copper cable technology is not capable of delivering acceptable broadband speeds now and, as demand increases over time, that technological gap will only increase. Sections of the copper network are also old and in poor repair and are therefore expensive to maintain. Despite the Government's professed neutrality on technology, BE would urge the Government to do whatever is necessary to encourage the infrastructure providers to advance the replacement of the entire copper cable network with fibre as soon as possible with the goal of a universal broadband provision based on fibre to the premises.

Yours sincerely,



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Universal Service Obligation – DCMS consultation

Response from Vodafone UK

We agree with the Government that the UK should aim for a Gigabit Society. We think it is possible for both consumers and businesses to have access to technology that can deliver 1 Gigabit per second combined with significant improvements in upload speed. To achieve this we need investment in fibre to the home and business premise (FTTP). This is also essential if the UK wants to have world leading 5G mobile networks. But it isn't possible if we don't reform the current regulatory environment to create the competitive conditions to make investment more attractive to a range of communication providers. This is what the Digital Communications Review needs to tackle but in short we need a legally separate independent Openreach (even if it remains within the BT Group) that produces statutory accounts and is able to make investment and technology decisions on behalf of all its customers who pay to use this network to deliver access to the internet to UK consumers and businesses. This needs to be coupled with a new access regime, including dark fibre that encourages more competition at the network level.

As we stated in our pre-consultation response (attached as Annex 1), we agree that good quality ultrafast broadband is essential for consumers and the economy, irrespective of whether you live in a city, town or the countryside. If a Universal Service Obligation (USO) is required to enable this, then Vodafone would support it.

Vodafone agrees that universal broadband is a necessity, and availability limitations based on geographic proximity to a BT exchange that was built 50 or 60 years ago should be addressed. Building networks is expensive; access networks are most efficient when provided to customers in high density. It is of no surprise that BT has chosen not to provide broadband infrastructure ubiquitously throughout the country when returns diminish where customer distance increases and density decreases. However arguing that some areas are not economic to serve belies the fact that BT's profitability of its access business has outperformed the Return on Capital one might expect from a regulated business. A common understanding of the terms 'uneconomic' is important.

Funding

Understanding the costs associated with delivering universal broadband is key to the success of this policy. Historically BT (and KC in the Hull area), has fully funded the cost of the voice USO. In doing so, the benefits such as brand awareness as well as increased revenues, were taken into account when assessing net costs and benefits. However the last time this assessment was made, BT was a fully integrated business, Openreach did not exist and the concept of equivalence – where all wholesale customers are provided with the same products and services - did not exist.

We now have structures where BT's retail and network access functions are very separate organisations, and indeed Ofcom intends will become legally separate organisation in the near future, and as a result, netting off market benefits with network costs would be inappropriate.

Any attempt to cost the policy, must take account of the market as a whole. To suggest that some areas are uneconomic to provide, either any broadband or broadband at a particular designated specification,

should take account of the profitability of wholesale fixed network access. Frontier Economics¹ has estimated that BT's wholesale access markets products have over-recovered its WACC by over £6.5bn in the last 10 years. Whilst we are not suggesting a policy which 'claws back' any of this over-recovery, it does suggest that Openreach is operating in markets with high levels of profitability, but has chosen to limit its investments in some areas of the country. It feels therefore that if any specific levy or allowance is made for universal broadband funding, a full understanding and establishment of the underlying cost base needs to take place, to ensure that Openreach cannot both enjoy excess profits from areas that it has deemed to be commercially viable and at the same time enjoy a subsidy of some form, in other areas of the country.

A Transition to Fibre

USO policy should not be seen as a way of delivering a minimum level of service that will quickly become outdated. Changing the USO definition or requirement on a regular basis should not be an expectation; therefore any service should include a level of future proofing, rather than just providing a backstop service. How this service is defined is important and we will respond to Ofcom's consultation on this matter. Crucially, a USO could be used to support the transition from copper to Fibre-to-the-premise (FTTP); such a policy intervention would drive fundamental change to the cost economics, and as such would need to be properly ring fenced and accountable.

One of the problems that has driven the need for consideration of a universal broadband policy is the investment strategy of BT and Openreach. Openreach has deployed technologies that upgrade existing copper local loops. This works best where the copper lengths are shorted and customers are clusters around distribution points. However technical limitations means such upgrades cannot be used to provide broadband universally, therefore in order to provide universal broadband, a more fundamental investment in infrastructure may be required. Fibre based infrastructure could deliver more than the proposed 10Mb/s service and would provide decades of future proofed investment. In these circumstances we could see that investments if properly ring fenced and identified as such, could be made through regulated price adjustments.

However, establishing policy that gives rights to consumers to demand a service that is not commercially available is a significant market intervention – something that should not be taken lightly without understanding the impact across the market as a whole. For this reason we support DCMS's detailed analysis, being taken in conjunction with Ofcom, before detailed policy is established.

Consultation Questions

Q1: Do you have any concerns about the approach that has been set out here?

Detailed considerations need to be given to the costs, legal structures, accountability and forward looking requirements of the policy being put in place. For this reason we believe the detail should be defined in processes executed by Ofcom in a manner similar to their execution of Market Reviews today, where the outcome is a designation of SMP with remedies.

¹ <http://mediacentre.vodafone.co.uk/pressrelease/frontier-economics-report-into-bt-overcharging/>

Q2: We do not propose to specify speed in primary legislation. Should speed be specified in primary or secondary legislation?

As previously discussed, the detail should not be prescribed in primary legislation. What is right for today will not be right for tomorrow. 'Functional Broadband Internet Access' would appear to be what we are trying to achieve, with interpretation and guidance being periodically reviewed. However if DCMS chooses to go down a route that requires considerable funding, then infrastructure and service characteristics should be intrinsic, in order that the investment is properly future proofed.

Q3: In terms of giving the Secretary of State a power to direct Ofcom to review the USO, should Government have a continuing role in the USO, or should this be a matter for Ofcom?

The USO could be used on a one off basis, to set in place policy to rebuild the UK's infrastructure by setting clear standards or solutions to be delivered. This would require Government policy intervention. If on the other hand, the USO will not expect step changes in technology or funding models, we would expect that Ofcom would more readily have the tools available to undertake this work, assuming appropriate legal structures are put in place.

Vodafone UK, April 2016

For further information:

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ANNEX 1

A NEW BROADBAND UNIVERSAL SERVICE OBLIGATION

Vodafone UK response to initial questions from DCMS

NB: Some of the contents in this document are highly commercially sensitive because they include details of our network roll out plans. This information is highly confidential and if it were to enter the public domain and/or were to be disclosed to our competitors would cause significant damage to our business as well as potentially impacting competition in the market. Accordingly, this information is being disclosed to you and your department on the basis that you will treat it as strictly confidential. Any further disclosure will require our prior written consent and we reserve the right to redact the information we have provided in this letter in order to protect the confidentiality of the commercially sensitive elements. In the event that you receive any specific disclosure requests, including under the Freedom of information Act, we would expect you to notify us prior to any disclosure so that we have the opportunity to make further submissions regarding what information should and should not be disclosed.

INTRODUCTION

Context of any USO and the need for fibre

Vodafone agrees that good quality broadband is essential for consumers and the economy irrespective of whether you live in a city, town or the countryside. If a Universal Service Obligation (USO) can help the UK achieve this objective then Vodafone would certainly support it. The challenge is to ensure that the quality of the broadband connection can deliver the services that consumers or locally based small businesses need today but also crucially into the future. What we need is a policy regime that results in consumers and small businesses being offered a range of services from different providers that fulfil their connectivity needs – not one that locks us in to a monopoly network delivered through legacy technology to meet short term financial goals.

A USO has to support the Government's wider strategic objectives when it comes to ensuring the UK has the digital infrastructure it needs for the future. We can't afford another individual policy objective developed and delivered in isolation from broader strategic considerations. A 10Mb/s USO is a bold objective and requires new and bold thinking, rather than incremental more of the same.

We believe the current plans for broadband using the legacy BT Openreach copper network are not good enough for the country's future connectivity needs. Progress has been made over the last five years in building digital networks in the UK, but a key question over the next five years is not just whether this will be enough in terms of the coverage we need, but crucially whether it meets the capacity the UK needs for the future.

Ofcom's 2014 Infrastructure Report shows that the amount of data downloaded increased by 93% from the previous year alone; Cisco predicts global Internet traffic in 2019 will be equivalent to 64 times the volume of the entire global Internet in 2005. It is estimated that 4G demand for data will increase by six times over the next four years - we already see our 4G customers using 4 times the data of those using 3G. This means that any USO can't be introduced in isolation; it must support the delivery of world class digital infrastructure.

It is unclear what the exact demands will be for the internet at home and at work into the future, it is clear however that the UK will need to be able to deliver a better internet service than exists today and that the existing model will struggle to deliver future connectivity needs. It is also clear that our predictions are



likely to be an underestimate and we need to ensure that we build infrastructure that can cope with future demand. We only want to build this network infrastructure once; we don't want to make the mistakes of the last five years by investing in old legacy infrastructure that will require regular updates and renewals.

Today the only nationally available network is BT Openreach. The BT Openreach network runs from telephone exchanges to mobile masts and also to the green street cabinets which connect to homes. More than 500 service providers, including BT itself and Vodafone, pay BT Openreach to connect their own customers' homes and businesses to the internet, and to enable their customers to make phone calls. In Vodafone's case, this involves us paying hundreds of millions (around 20% of our network costs) to a direct competitor. The last mile of this network that connects to houses and premises is largely made up of the legacy copper network originally designed for telephone calls. Traditional copper wires, however, restrict internet speeds as they have limited capacity (or bandwidth) to carry data, and they have higher fault rates.

What is clear is that the BT Openreach copper network can only deliver up to 76Mbps (with many household and businesses receiving a much worst service even in towns and cities coupled with reliability issues due to the reliability of copper wires) and the likelihood of 24mbps in most rural areas to 95% (currently 83% have superfast fibre) of households isn't going to be enough in spite of over £1.5bn public subsidy to BT through the BDUK programme. BT only committed to fully fund superfast broadband coverage to two thirds of the UK prior to the BDUK programme investment of taxpayers money.

BT's answer is to sweat the legacy copper network further using "G-Fast". This is just a modernisation of the old copper network, instead of a rollout of next generation fibre optic networks to premises, even though Fibre to the Premise (FTTP) is future-proofed and upgradable and has significantly lower fault rates and higher customer satisfaction. It is also proven technology. BT's version of G.Fast is still a Fibre to the Cabinet (FTTC) technology and is as yet unproven. It will not fully solve future capacity problems as it suffers from the same challenges we face today with the quality of connection from the cabinet to the home. However the real problem is that we are reliant on BT innovation alone to come up with G.Fast rather than creating a market where investment could open up more options. BT has limited financial incentive to move on from copper because of the revenue it continues to generate from it.

The UK and Government policy now needs to be looking how it can create the conditions to move on from the legacy copper network. The UK should aim for a Gigabit Society by 2030 with both consumers and businesses having access to technology that can deliver 1 Gigabit per second combined with significant improvements in upload speed.

To achieve this we need investment in fibre to the home and business premise (FTTP) and to ensure the UK has world leading 5G mobile networks. Without FTTP, 5G could be delayed or suboptimal as fibre backhaul becomes an even greater facilitator of 5G roll-out than for 4G because of the higher bandwidth usage that 5G will enable.

Japan, Korea and Singapore are already delivering FTTP infrastructure with the USA enabling development of a strong mobile broadband sector and beginning to turn to FTTP network roll-out. Recent research by OECD shows that local FTTP networks in Sweden helped to deliver a 10% increase in fibre penetration resulting in 1.1% higher employment and greater business creation.

If we want a successful digital economy and an efficient public sector we need network infrastructure that can support cloud technologies, the Internet of Things/Machine-to-Machine, including innovations like smart cars. For example, KMPG estimates that connected and autonomous vehicles in the UK alone could resulting in a +1% impact on UK GDP and 345,000 total jobs created in the UK automotive manufacturing and adjacent industries.



To ensure the UK has the digital infrastructure it needs for the future, we need more FTTP to homes and businesses, including small business. Currently less than 1% of the UK has FTTP with very limited plans to improve on this for the reasons we have outlined above.

We believe that BT Group is benefiting more from owning Openreach than the Openreach network and its customers benefit from BT's ownership. Despite the Openreach network generating healthy revenues for BT from other communication providers paying to use the network and receiving public subsidies from tax payers via BDUK, BT's investment in the network hasn't delivered fibre to the home to any meaningful scale. Research from Frontier Economics has estimated that BT has made an excess return of £6.5bn over the last 10 years on prices regulated by Ofcom.

For a successful USO to work, we think that these wider considerations need to be taken into account. Reforming the market and regulatory environment in the following way will help the USO achieve its objectives and ensure we move from copper to fibre. Clearly the Ofcom Digital Communications Review and Government's own Digital Strategy need to tackle these issues as part of a co-ordinated strategy. In particular, we believe reform is needed in two key areas:

- Openreach should be structurally separated from BT to allow it to invest in delivering an effective infrastructure for the whole telecommunications industry. Vodafone and other communication providers could then consider investing in an independent Openreach. Ofcom should refer this issue to the Competition and Markets Authority (CMA) to investigate fully whether to introduce structural separation to ensure we meet the future demand for connectivity. This is the most viable way to tackle this issue, as the CMA has wider powers to assess and remedy structural problems in markets.
- The current access regulations need to be reformed to mirror the best in Europe and open up BT Openreach and provide better access to its competitors – including its network infrastructure (ducts, poles and dark fibre). Other countries in Europe have managed to do this under the existing regulatory regime (called Physical Access Infrastructure (PIA)). (Spain and Portugal are leading examples). The Broadband Cost Reduction Directive will not be able to deliver the access we need, we will need a reformed PIA regime that is workable and the best in Europe leading to better access to the UK telecoms providers with Significant Market Power (SMP).

Moving from copper to fibre to support ultra-fast broadband

A USO must help and not hinder the transition from copper to FTTP. Consideration of introducing such an obligation has to fit into this context. If a USO supports the current model which ultimately means subsidising BT to upgrade the existing copper network either by public subsidy or worse by forcing the rest of the telecoms industry to pay BT to do it, this would be counterproductive and actively work against the UK making the transition from copper to fibre. It is important to remember that Vodafone and the other communications providers that use Openreach pay substantial amounts to do so with currently extremely limited influence on how this money is invested back into the network if at all. The Openreach revenues which amount to around £5bn pa account for over 40% of the total EBITDA for BT Group. 69% of the total industry EBIT is generated by BT. Research from Frontier Economics has estimated that BT has made excess return from the industry on Ofcom's regulated prices of £6.5bn over the last 10 years; £800m last year alone.

It needs to be recognised that the introduction of a broadband Universal Service Obligation (USO) is an acknowledgement of market failure. It is a significant step which should not be undertaken without an assessment of the impact on competition in the telecommunications market. Any policy plans for a USO for broadband in the UK need to recognise the context in which broadband is currently delivered.



It is currently impossible to deliver a national broadband service in the UK without using BT Openreach. Digital networks are largely built by private investment rather than state intervention – with BDUK being a notable exception. A USO is essentially an intervention in the market and Government needs to predict the impact it will have on future investment decisions to ensure that impact is positive. We note that the Government is also developing a National Broadband Investment Fund which is aiming to expand investment opportunities for alternative networks that can deliver ultra-fast broadband (around 100Mbps minimum). A USO that reduces the barriers to invest alone without also ensuring that this investment is made into post copper technological innovation carries the danger of just entrenching the current copper world because the barriers will always be lowered for BT before all other parties because of its position in the market and because it controls the Openreach network. This will therefore result in little true competition for the USO and a de facto monopoly being further entrenched by BT on top of the remonopolisation we are already seeing, in part backed up by the BDUK state subsidy that has helped BT to secure upwards of 70% of connections in the emerging superfast broadband market on the Openreach network, putting it on track to regain a monopoly and reverse the competition stimulated in 2005 through local loop unbundling.

Lack of fibre makes commercially viable rollout unachievable

The assumption that “technology neutral” means commercially competitive business cases are viable is wrong. This isn’t to say that other technologies can’t deliver the desired connectivity, for example mobile broadband, but it is the case that these technologies will need to be supported by fibre connections and if this is reliant on using BT Openreach or BT Wholesale directly for backhaul under the current commercial and regulatory regime, a large majority of these other solutions are likely to prove uneconomic to build and run. Clearly BT could potentially use its takeover of EE to offer mobile broadband as a USO solution but it will then become even more important that the access regime and structure of the Openreach network is reformed to ensure BT can’t offer itself better products than it offers the rest of the industry. A BT/EE solution will result in an acceleration of BT’s remonopolisation and is very likely to remain based on the legacy copper network.

Fibre is the ultimate future proof technology, unlike existing fixed copper networks, which are distance-constrained, fibre, has almost no distance or bandwidth limitations. However a subsidy to build fibre, whether all the way to the home or to a distribution point close to the home, should be not be used to inadvertently provide free extra fibre to the party being subsidised. For instance, if BT Openreach were to receive a USO subsidy, given the cost of building fibre is not in the material but in the works needed to install it, it would likely install more fibre than was needed for the USO project. This would therefore likely result in any spare fibre being charged to external customers at regulated prices, but being used internally, essentially for free. This means that without any additional checks and balances or structural remedies, EE would be able to have unlimited backhaul capacity provided to its base stations, whilst Vodafone and other communications providers would pay real money at prices that include a margin, for using an asset that had been paid through a subsidy. This cross subsidy into competitive markets should not be allowed.

Network subsidy

As previously discussed, any subsidy is likely to be used to extend fibre network reach. Hidden, buried underground, highly technical and not particularly interactive at a human scale, its forgivable to want to gloss over this and assume that there is little commercial activity involved in providing it. This is untrue. Infrastructure of this type, sunk, fixed networks, is the source of BT’s dominance in consumer and business markets across the UK. Their lack of fibre networks in some parts of the country does not reduce their dominance, but merely underlines, the lack of ability for market entry.



However, using USO funding to address failure in consumer broadband markets should ensure that the intangible benefits² are factored in or neutralised. One way in which intangible benefits can be neutralised is to ensure that BT's brand cannot benefit from any Universal Service designation by separating out the network arm of BT in order to receive the subsidy, thereby ensuring that the retail arm of BT is not perceived as the *only* supplier, whereas it is the network arm that is in receipt of the funding. Whatever funding arrangements are in place, there is no doubt that intangible benefits to BT need to be assessed and addressed.

Consumer rights

The current voice USO places an obligation to supply voice services to consumers upon request. In the UK, the USO has always been placed on BT (and KCom in Hull) and, despite variations and changes to UK and European law, has never been reviewed or challenged. One of the most significant changes has been the internal separation of BT's network business, Openreach, from BT's consumer facing arm. BT Consumer has the operational obligation to access the USO liability, but Openreach internally has the means to deliver it. This works because the obligation sits with BT plc, which both Openreach and BT Consumer are in reality part of.

However, we assume it is inconceivable that in a post-Openreach market a broadband USO will be structured such that it gives a wholesale *and* retail market monopoly to BT. The question of how, in that context, consumer rights are structured is an important one.

Vodafone's experience in other markets

Vodafone is investing in FTTP in Spain, Portugal and Ireland, enabled by regulatory and industrial policy. Effective, detailed PIA regulation means that we can provide superior services for our customers. For instance, in Spain we offer a package of fixed and mobile telephone, IPTV, and a guaranteed broadband speed of 300 Mbps for £1 less than the price of a package of only 76 Mbps broadband connection and fixed telephony via Virtual Unbundled Loop Access in the UK.

In Spain, services provided on our network have more than 50% fewer incidents than those provided on the incumbent's network, and we fix 87% of incidents on our network within 24 hours.

In New Zealand, the equivalent of BT Openreach (Chorus) is structurally separated. The result is a fibre roll out programme committed to covering 80% of premises, capable of 100 Mbps with an upgraded capability to 1Gbps. More than half the investment over the last year has come from communications providers other than Chorus, including from Vodafone (£250m).

The New Zealand Government's equivalent of BDUK is called the Rural Broadband Scheme (RBS). Through this programme, Vodafone New Zealand has delivered superfast wireless internet access to nearly 300,000 homes so far. RBS will have ensured that 90 percent of households and businesses have access to broadband capable of minimum peak speeds of 5 Mbps, using a combination of fixed line and fixed wireless technologies. We are delivering speeds reaching 100Mbps or more in some areas.

² <http://www.oecd.org/daf/competition/sectors/45036202.pdf>



SPECIFIC QUESTIONS

1. What is the size and nature of the gap the USO could fill? For example:

a) The current footprint of your network, and how will this develop, and by when.

At present, our mobile network provides indoor coverage of 10Mbps to just under 69% of the population (this figure is confidential and not for publication). However, it is unlikely that in the current market and under the current regulatory model that we could offer the sort of unlimited data bundles that consumers would need at home at a price they would be willing to pay due to the cost of backhaul as well as other costs outlined elsewhere in this paper, including spectrum, rent and constraints in the planning system.

Vodafone's investment programme

Vodafone is currently in the middle of a major investment programme (including investing £1bn this year) to bring mobile internet services to 98% of the UK population across 3G and 4G. But the current regulatory and policy environment will result in this mobile internet coverage being well below 10Mbps in many of those areas where the USO is likely to impact. This is not a technological problem as 4G can achieve superfast even ultra-fast speeds way above 10Mbps but as discussed above, the major constraint will be backhaul, the vast majority of which we currently purchase from BT as the only option in most semi urban and rural areas. There are other policy and regulatory barriers which would need to be tackled, including planning permission, cost of rent and rates for mobile sites and cost and availability of spectrum.

We have also launched our own domestic fixed broadband product but, like the other fixed providers but we are reliant on BT for the kind of reach and quality we are able to deliver.

Moving to 5G

As we eventually move from 4G to 5G, the role of backhaul will be even more important. Even though 5G is unlikely to be rolled out before 2020, it is vital that we plan now so that we have the infrastructure platform over which to deliver it given the time it will take to roll out.

To achieve this we need greater access to fibre across the country, to ensure the maximum value of 5G spectrum and technology is delivered to customers. .

5G and future generations of mobile connectivity will be a complementary, ubiquitous technology to fibre; they will require fibre backhaul to unleash their full potential. The risk for the UK is that without a fibre policy, 5G could be delayed as fibre backhaul becomes an even greater facilitator of 5G roll-out than for 4G because of the higher bandwidth usage that 5G will enable.³

The demands of consumers and businesses are increasingly wireless and mobile. Customers want to be connected anytime, anywhere. SMEs and larger businesses want to provide an improved level of customer service that is enabled by mobile connectivity and the ability to work effectively outside of the office. SMEs also testify that mobility provides greater agility and increased productivity. 5G offers enormous potential for UK industry and will help deliver a new wave of innovation in digital networks, which will benefit many industry sectors. It promises ultra-low latency services such as telemedicine and safety infrastructure for intelligent transportation. The internet of things promises to become a reality with 5G through its capacity to enable massive connectivity-based services such as remote monitoring, remote tracking, and factory management.

³ The world's first deployment of 4G took place in Stockholm where there is virtually 100% fibre coverage, which helped reduce the cost of 4G deployment, Area Swedish ICT, Stokab, as socio-economic analysis – Summary, 2013



In the future, 5G connectivity is expected to deliver in excess of 1 Gigabit per second connectivity for specific services. This potential can only be fulfilled with high-capacity fibre backhaul connecting mobile base stations. A significant increase in the number of small cell sites will be required. Research commissioned by Vodafone shows that from 2016 a capacity crunch for urban macro sites and a significant proportion of rural sites with microwave backhaul will begin.⁴

Where fibre is widespread, the availability of fibre makes extending fibre to base stations far more feasible and efficient. This is well illustrated by the example of 4G in Stockholm where the world's first 4G deployment took place helped by the virtually 100% fibre coverage⁵,

A fibre policy can provide a clear direction towards the Gigabit Society and support the timely deployment of 5G. It is clearly important that the UK doesn't end up with just one viable 5G monopoly network operator represented by a merged BT/EE. This would be extremely unlikely to result in the UK leading the world in 5G and in limited choice for customers and businesses.

b) Any capacity limitations, commercial or technology dependencies for this expansion.

FTTP

The barriers to Vodafone rolling out fibre to the premise are largely regulatory which has allowed BT to dominate the market and so have made investment in FTTP unattractive in the UK. We are investing in FTTP in Spain, Portugal and Ireland, enabled by regulatory and industrial policy and effective, workable PIA regulation means that we can provide superior services to our customers.

Mobile broadband

Aside from what can be delivered over any particular radio frequency band, there are no significant technological barriers. As an example of the role that mobile broadband can play, our technical teams have managed to achieve well over 100Mbps in London. As said previously, the barriers are in fact connected with the regulatory and policy environment in which communications providers are operating. For example, the economics of delivering mobile broadband in the UK are challenging. This becomes more so when attempting to deliver services to rural areas where the rate of return is even lower. Across all mobile operators, around half of masts do not return a profit and our rate of return on capital is less than 1%. This is in part because of the high cost of delivering services. Everything from spectrum licences to backhaul and from planning permission to rent is stacked against the return operators make. As an illustration, Vodafone currently pays hundreds of millions of pounds to BT Openreach which means around 20% of our network costs are being paid to a direct competitor.

Clearly the structure of delivery costs for any USO needs to take into account the substantial costs already being paid to BT across the rest of the industry. Other costs also have a direct impact on our ability to roll out our network. The out-of-date property law that governs our agreements with landlords results in our industry paying substantially higher rent than other infrastructure-based industries on which people depend. For example, the rent on an electricity pylon would be around £270 per annum whereas for a mobile mast it could be over £7,500, and higher still in an urban area.

c) The location of premises unable to access 10Mbps.

As we have outlined elsewhere, the reason there are premises that cannot access these speeds is not technological, but rather a result of the market and regulatory structures currently in place. We have set out the reasons why there are challenges in deploying mobile broadband in certain areas as well as the

⁴ Analysys Mason, Mobile backhaul market: Phase 1 report, 2014.

⁵ Area Swedish ICT, Stokab, as socio-economic analysis – Summary, 2013.



way in which the regulatory structure for fixed broadband is holding us back from the competitive market which could deliver the fibre broadband backbone the UK needs to as many places as possible.

d) The factors that might influence commercial decisions to invest in these areas.

There are three major factors that determine the commercial viability of a geographic market: market size; cost to install and cost to operate. Reducing costs and or increasing revenues changes the viability of any individual business.

These factors have an influence on whether or not investment is made and what the level of any investment is. The truth is that investing in broadband in the UK is expensive. It is expensive to build the infrastructure required, it often takes too long to get permission for the necessary equipment, we often pay many times more in rent than other comparable industries, on top of which, to actually deliver the kinds of services across the network that our customers expect, we are obliged by the current setup to handover hundreds of millions of pounds to a direct competitor as well as paying substantial spectrum fees to HMG.

All of these factors could to a greater or lesser degree be influenced now by policy makers in order to enhance the investment case for other operators to come in and provide a diverse and competitive broadband market.

However the intangible benefits of USO will accrue asymmetrically. A new entrant will not accrue as much benefit as BT; and therefore this needs to be taken into account when looking at subsidy levels.

2. What role might different technologies play, and how might they work together? Including whether technologies can be upgraded over time at low cost.

There is a clear role for a mix of technologies in delivering broadband. For many people, superfast mobile internet is a reliable and effective way of getting broadband, especially in areas where the fixed broadband infrastructure is not in place. The advent of 4G has meant that people can access the mobile internet at speeds equivalent to those which many people have from their fixed provider. The development and eventual delivery of 5G services will deliver an even faster mobile internet experience.

As we have said earlier, the kinds of speeds that can be achieved by any mobile service are dependent on the speed of backhaul available and for this we are dependent on BT Openreach.

As already highlighted Vodafone has also launched our own domestic fixed broadband product but, like the other fixed providers, we are reliant on BT for the kind of reach and quality we are able to deliver.

3. What is the most efficient and effective way to fund this? Including:

a) How could costs be fairly distributed across industry?

The costs of funding any USO should go hand in hand with reform of the current market structure. If Ofcom decides to leave the current structure in place then it would be inappropriate for the industry to pay for investment in an asset that remains in the control of and part of the market valuation of a competitor. In no other market or sector would there be an expectation that such an explicit tax would be handed to a competitor to spend. . Effective structural market reform could trigger some further interesting solutions such as an Openreach pricing set at a level that provides explicit returns that are reinvested in the fibre networks – however this would be contingent on Openreach becoming a separate organisation.

b) What are customers willing to pay for?

We shouldn't assume that customers will be willing to pay a substantial premium for ultra-fast broadband services. We need to ensure that competition keeps prices to the consumer competitive and as importantly keeps pressure on the communication providers to keep innovating in service delivery to ensure efficient operating costs.

Our concern is currently there is little incentive to drive through efficiencies and the very use of a copper network will mean that it will remain expensive to deliver broadband because copper is more expensive to run and is a more inefficient technology, for example it requires more exchanges as part of the network. Also there is limited incentive for BT Openreach to drive efficiencies in the current market model where it is both supplier and competitor to the communication providers who pay to use the legacy network as it is constituted today.

c) What are customers' priorities? For example, do they prioritise reliability over speed?

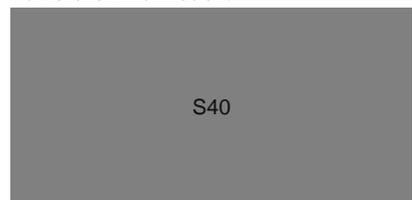
Customers need both reliability and speed; any network should be built to deliver both. It is inconceivable that a subsidised network would aspire to be technically constrained. What needs to be recognised is that consumers will notice poor network quality in a world when they are watching TV and films through broadband connections. We also need to recognise the number of devices that a household will increasingly want to connect to the internet probably via Wi-Fi - not least mobile phones, tablets, laptops, Smart TVs, set top boxes and M2M enabled devices like smart meters. Most households will have multiple devices which in isolation may only require a relatively small amount of band-width but if all connected together represent a greater challenge to a legacy copper network. This demand will only increase between now and 2020.

3. How might this be delivered through an industry-led solution?

The UK telecommunications industry is incredibly competitive, with market players competing with each other to deliver the best possible outcomes to their customers. In the case of Vodafone, as we have outlined above, not only do we compete with BT, but we are also a major customer of their network division, Openreach. We have no choice but to buy services from Openreach as they are the only supplier in the majority of the UK. Given the competitive intensity in the market, we do not believe a purely industry-led approach is viable (or indeed possible with the Competition Law implications). However an approach with a neutral third party supplier is likely to be viable, but this would require Openreach to be separate from BT.

Vodafone UK
January 2016

For further information:



Annex 1: Comparison of fixed access technologies

Technology	Status	Max speed (download /	Typical speed	Latency	Max distance	Consistency of performance
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		upload)				
ADSL2+	Wide deployment	Up to 24Mbps/3.3Mbps	8-15Mbps	8-36ms	5000m	<ul style="list-style-type: none"> • “Speed up to” only • Actual performance not consistent across users • Actual performance highly variable and dependent on distance, weather conditions, quality of copper, external noise
FTTC-VDSL	Wide deployment	Up to 100Mbps/25Mbps	20-50Mbps	5-10ms	1500m	
FTTC-VDSL vectoring	Early deployment	Up to 100Mbps/50Mbps	20-50Mbps	8ms	1500m	
G.Fast	In development	Up to 500Mbps/500Mbps		<2.5ms ⁸	200m	<ul style="list-style-type: none"> • Around 10Mbps drop for every 100m on vectored VDSL⁶ • Around 200Mbps drop for every 50m on G.Fast⁷
Cable DOCCSIS 3.0	Wide deployment	Up to 1.6Gbps/200Mbps	100Mbps	~1ms	50km	Consistent and reliable performance for all users
Cable DOCCSIS 3.1	In development	Up to 10Gbps/1.5Gbps		~1ms	50km	
FTTH-GPON	Wide deployment	Up to 2.5Gbps/1.25Gbps	1Gbps	<1.5ms	20km	<ul style="list-style-type: none"> • Consistent and reliable performance for all users • Fibre good for at least 30 years, upgradable by changing electronics
FTTH- NG PON2	In development	Up to 10Gbps/10Gbps		<1.5ms	20km	

⁶ See ALU: <https://techzine.alcatel-lucent.com/boosting-vdsl2-bit-rates-vectoring>

⁷ See Adtran: <https://www.adtran.com/web/fileDownload/doc/32246>

⁸ Latency between the premises to the central office.

techUK response to the Government Consultation on

‘A New Broadband Universal Service Obligation’

April 2016

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techUK | Representing the future

About techUK

techUK is the trade association for the digital technology industries. We represent the companies that deliver the digital economy from healthcare, transport, public services to financial services, defence, communications and entertainment. 900 companies are members of techUK. By shaping crucial developments such as the Internet of Things and 'smart', they are defining today the world that we will live in tomorrow. Collectively they employ more than 800,000 people, about half of all tech sector jobs in the UK. These companies range from leading FTSE 100 companies to new innovative start-ups. The majority of our members are small and medium sized businesses.

Representing companies right across the digital communications infrastructure value chain from fixed, wireless / mobile and satellite operators, network and equipment suppliers, as well as technology and component makers, techUK is in an ideal position to provide a cross industry perspective on the issues raised in this consultation.

Overview response

Overall position

1. techUK very much supports the underlying aims encompassed in this consultation, in terms of ensuring both,
 - 'world class' connectivity in the UK to maximise economic and social opportunities, and
 - (the prime focus of this consultation) digital inclusion so that every UK individual and organisation is able to avail themselves of the increasing benefits that the internet and online world brings.

However our member companies have strong misgivings about the proposed Universal Service Obligation as a mechanism to achieve its declared objectives.

World class broadband

2. Broadband (fixed and mobile) connectivity underpins the digital economy, which in turn holds the key to our wider economic prospects as well as in tackling many of societies' challenges. Thus we support the Government's ambition to ensure that the UK's communications infrastructure continually evolves to provide fit for purpose connectivity to facilitate our economic and societal ambitions for the 2020s. However although part of the 'equation', we believe that 'world class' is not solely about headline broadband speeds. For us, it is more about the quality of experience and functionalities needed for individuals and businesses to derive benefits from the online world – whether of a social, societal or economic nature. A study conducted for Ofcom¹ suggests that quality of experience for consumers improves with increasing access speeds up to 8-10 MBps. Beyond this, there is only a marginal benefit from further increases in speed until connections of 40 MBps and above are reached when there is a small improvement relating to consistency. Clearly customer expectations may well increase over time, as technological capabilities develop and innovative

¹ Actual Experience PLC for Ofcom, [Internet performance Evaluation](#)

new services appear. A study² by the Broadband Stakeholder Group (BSG) suggests that the median household will require a download speed of at least 19 Mbit/s by 2023. Similarly, as reported in the consultation document, another study on broadband speed requirements of SMEs conducted by BSG³ estimated that the median downstream demand for small businesses (recognising the associated wide variety of business activity and thus broadband usage) would rise from 5 MBps in 2015 to 8.1 MBps in 2025.

3. On the other hand, overall fixed and mobile data volumes continue to escalate [stats here]. It is vital that the communications infrastructure, especially for backhaul networks) continue to evolve to accommodate the demand. These trends suggest that a mix of technologies for communications infrastructure is needed alongside a steadily increasing penetration of fibre into the infrastructure. Thus world class connectivity should be a broad based concept composed of

- a range of broadband speed availabilities and price, as a component of a set of measures on quality of experience
- technology neutrality enabling a variety of technologies including fixed line (fibre, copper, cable), fixed wireless access, mobile and satellite solutions to tackle the diverse range of connectivity challenges / opportunities, and
- variability according to population density and geography in terms of choice of technologies, speeds (albeit above the baseline level discussed below), numbers of service providers and set up costs, . This is not dissimilar to the geographic variations in the size of houses or access to medical services.

4. Establishing and maintaining next generation communications infrastructure is a high investment activity. It is therefore vital that Government both at central and local levels do everything possible to reduce costs and maximise investment incentives in order to maximise commercial viability to as wide an area across UK as possible.

UK current position

5. Thanks to substantial industry investment, reinforced by public funding, significant momentum has been built in the availability of (superfast) broadband: superfast broadband (30 MBps) is available to 90 % of premises (compared to xx % in yyyy) and this is expected to reach 95 % next year. The knock on effect of this is that availability at the lower baseline of 10 MBps will be somewhat higher than 95 % by the same time frame. 4G mobile broadband from at least one mobile network is already available to 98 % of premises (from at least one mobile network operator) and this coverage is expected to be available from all 4 operators next year. As a result, UK has the highest superfast coverage and the fastest roll out of 4G mobile broadband networks in Europe.

6. Furthermore, satellite operators, particularly those with Ka-band satellite systems such as those operated by techUK members Avanti Communications, Inmarsat and ViaSat can today provide these businesses and citizens with ubiquitous high quality,

² Broadband Stakeholder Group/Rob Kenny, [Domestic Demand for Bandwidth](#)

³ Broadband Stakeholder Group, 'The Broadband Requirements of small business in the UK'

reliable and increasingly affordable broadband solutions. Services offered have various headline download speeds typically ranging from 5Mbps to 24Mbps and data allowance options from 5 to 100Giga Bytes per month. These services cater for all types of users from those light users requiring access for emails and web browsing to heavy users who will use the service for streaming and the download of data heavy files.

7. The best way to ensure that this momentum continues is by making sure that the policy and regulatory environment maximises investment incentives for industry and the rolling out of the commercial networks out as far out as possible. We therefore welcome current Government initiatives on cost reduction (eg. on reducing red tape in the planning regime, enabling access to public sector land and roof tops, ensuring a pro industry philosophy by local government interlocutors) but we need to see tangible results for industry.

9. However as discussed below, the Universal Service Obligation goes 'against the grain' of this thrust and threatens to divert focus away from the task of maintaining momentum on widespread availability of next generation broadband networks. In addition the proposal for a demand-based approach (at an individual household level) could well result in inefficient use of funding available in requiring a potentially fragmented response from service providers.

Digital inclusion and universality

8. With internet and online services playing an increasingly crucial role in our working and social lives, digital inclusion is a priority. Universal availability of broadband services such that everyone is able to access at least a baseline set of electronic activities such as keeping in touch with friends and family via social media, watching video on demand, conducting online purchases, and interacting with public services. techUK wholeheartedly supports the principle of universality, as a baseline / 'safety net' functionality.

9. In achieving universal access to broadband an equal, if not more important, priority is to redouble efforts to ensure that everyone has the confidence and skills to benefit from the internet and online services. In numbers, there are more people digitally 'self-excluded' in areas with reasonable broadband coverage than those unable to access broadband at speeds greater than 10 MBps. Government should do more on this too.

Conclusions

10. As stated above there is a broad consensus across techUK members that the Universal Service Obligation (USO) is not the right mechanism for achieving the baseline universality discussed above. On the part of Government, the best means to do this is to follow through on its cost reduction initiative it has started to reduce the cost of implementing and maintaining next generation broadband networks and deliver results. Work should be undertaken to estimate the extent by which this will further reduce the number of households without access to the baseline broadband speed. The cost reduction initiative should be more strongly outcome focussed to bring down the above 'excluded' premises to below say 150,000.

11. For the remaining hardest to reach premises, wireless and satellite solutions represent the best approach. As stated earlier, Satellite services are fast evolving

(eg. high through put satellites) and provide ready ubiquitous coverage consistent with the baseline 10 Mbps speed and potentially higher. [Typical set up costs to install satellite broadband to households is around £ 300-400 with monthly subscriptions ranging from £ 15 to £ 40 depending on data usage. With the number of households without access to broadband services above the baseline reduced to an absolute minimum satellite and wireless broadband solutions are an effective means of covering the remainder]

12. In recognising the externalities to be gained from broadband availability, Government was right to grasp the nettle in terms of providing public funding to boost the superfast broadband coverage from around 75 % to the current 95 % or so. The same logic suggests that there is a strong case for public funding to close the above final gap.

[We welcome Government's recent moves to remove the barriers network operators face in deploying networks. These barriers include delays in obtaining planning consents and difficulties in gaining access to sites. Reform of the Electronic Communications Code is urgently required and we welcome Government's proposals to table legislation later this year.
UKBN is concerned that this intervention could act as a dampener for private sector investment.
]

Response to questions

Q1: Do you have any concerns about the approach that has been set out here?

As stated in para 1, techUK supports the notion of universality. However we do not support the USO mechanism.

Q2: We do not propose to specify speed in primary legislation. Should speed be specified in primary or secondary legislation?

techUK's current position is that the baseline speed for the expectation on universal access to broadband should be specified in secondary legislation rather than in primary.)

Q3: In terms of giving the Secretary of State a power to direct Ofcom to review the USO, should Government have a continuing role in the USO, or should this be a matter for Ofcom?

Yes. Universality is very much associated with societal objectives and so it is right that the Secretary of State has a continuing role on policy towards universality. In terms of reviewing any objectives towards universality to take account of developments in user demand and evolutions in technology and services, techUK's position is that this should be compatible with the industry and technology cycles for upgrading broadband networks. A set time period for reviews could disturb and undermine these industrial processes.

April 2016

Dear Sir/Madam,

Universal Service Obligation Consultation

FSB welcomes the opportunity to respond to the above named consultation.

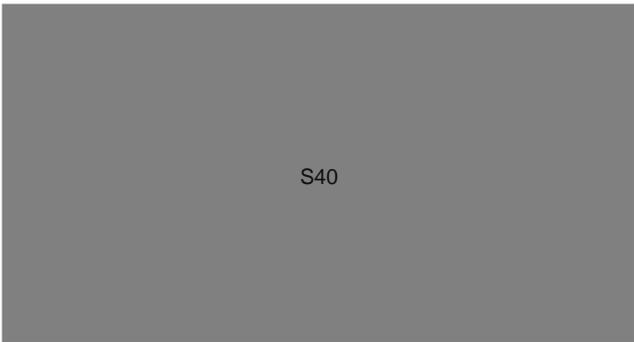
FSB is the UK's leading business organisation. It exists to protect and promote the interests of the self-employed and all those who run their own business. FSB is non-party political, and with around 200,000 members, it is also the largest organisation representing small and medium sized businesses in the UK.

Small and medium-sized businesses make up 99.9 per cent of all businesses in the UK, and make a huge contribution to the UK economy. They account for 47 per cent of private sector turnover and employ 60 per cent of the private sector workforce.

Digital connectivity is a key priority for many small businesses. Despite the progress made through the BDUK programme, it is clear that more needs to be done to ensure all businesses have access to fit-for-purpose digital connectivity. A Universal Service Obligation at 10 Mbps which explicitly includes small business premises would help create a basic level of connectivity for small businesses, and is an initiative which FSB has campaigned for since 2014.

We trust that you will find our comments helpful and that they will be taken into consideration.

Yours sincerely,



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FSB response to the Universal Service Obligation consultation

April 2016

FSB has called for the introduction of a Universal Service Obligation (USO), set at 10Mbps, since July 2014.^{1,2} We welcomed the announcement last year that the Government would introduce this by 2020.³

As referenced above, FSB has published several reports on small businesses and the digital economy. The evidence in these reports – which form the basis of our response to this consultation – were gathered via an independent research agency from a survey panel of over 5000 small business owners. During the course of our research for the report released in September 2015, we also interviewed over 60 small business owners to identify their requirements.

Q1: Do you have any concerns about the approach that has been set out here?

We support the strategic direction set out in the consultation document. While this consultation primarily focuses on the legislative strategy for delivering a USO, we do however have some concerns which should be addressed in order for the full benefits of the USO to be delivered.

Our research has demonstrated that almost all businesses viewed both a fixed and mobile connection as being important to their business. Small businesses use the internet to connect with new and existing customers, suppliers and employees, and increasingly use the internet to expand the range of their potential market.

Small businesses which are able to effectively use digital technology are more likely to grow, employ additional staff and to be more productive. If the Government is able to bring the benefits of digital connectivity to all small businesses, there would be clear benefits for the UK economy.

There are however changes which need to be made in order for this growth to be achieved. Our main suggestions for improving the USO include:

- Explicit inclusion of small businesses
- Awareness raising
- Inclusion of upload speeds

¹ FSB, The Fourth Utility, July 2014. Available at <http://www.fsb.org.uk/docs/default-source/fsb-org-uk/policy/assets/fsb-the-fourth-utility-paper.pdf?Status=Master&sfvrsn=0>

² FSB, Reassured, optimised, transformed, September 2015. Available at [http://www.fsb.org.uk/docs/default-source/Publications/reports/fsb-telecoms-report---september-2015\(2\).pdf?sfvrsn=0](http://www.fsb.org.uk/docs/default-source/Publications/reports/fsb-telecoms-report---september-2015(2).pdf?sfvrsn=0)

³ FSB Press Release, November 2015. Available at <http://www.fsb.org.uk/media-centre/press-releases/fsb-encouraged-by-government-commitment-to-faster-broadband-for-all>

Small business premises should be explicitly included within the USO

Ofcom's finding that small businesses have lower availability of superfast broadband compared to residential properties is not addressed within this consultation document.

In the Connected Nations report, published in December 2015, Ofcom published the following findings demonstrating that small business premises (excluding sole traders) have lower availability than residential premises:

Table One: Coverage of superfast broadband for small businesses compared to all premises⁴

	Superfast coverage for different sized SMEs, premises				
	Total superfast coverage, premises	1 or more employee, premises	Micro (excl. sole traders)	Small	Medium
UK	83%	68%	69%	62%	59%
England	84%	69%	71%	62%	59%
Scotland	73%	55%	56%	53%	50%
Wales	79%	66%	66%	66%	62%
Northern Ireland	77%	66%	64%	71%	75%

Similarly they found that the availability of superfast broadband for business parks was significantly lower than residential availability. They also estimated that only 54% of small businesses based within business parks were able (in August 2015) to access speeds of over 10Mbps.

⁴ Ofcom, Connected Nations, December 2015. Available at http://stakeholders.ofcom.org.uk/binaries/research/infrastructure/2015/downloads/connected_nations2015.pdf

Table Two: Broadband performance and superfast broadband coverage in business parks⁵

	Average download speed (all broadband products)	Availability of superfast broadband, % premises	
		In a postcode with any superfast coverage	In a postcode with 100% superfast coverage
All UK postcodes	29Mbit/s	95%	81%
Business parks	15Mbit/s	92%	56%

Ofcom also currently estimate that 18 per cent of small businesses will not have access to superfast broadband by the end of 2017.

Small businesses are disproportionately likely to not have access to superfast broadband and this gap will likely continue without further policy interventions. Leased lines of course do offer one solution, but the expense of these products is prohibitive for most small businesses. Leased lines generally offer service levels in excess of small business requirements, meaning that leased line products are not cost-effective for the majority of small businesses.

It is clear therefore that any new Universal Service Obligation must explicitly include both small business premises and business parks. Without this explicit recognition, the clear benefits that a Universal Service Obligation would have for the wider economy will likely be missed.

Awareness raising should also be included within the strategy

One concern we have is the limited focus placed on demand stimulation via awareness raising. Our research found last year that only 36 per cent of small businesses were aware that superfast broadband is available in their area. This is below the 56 per cent availability of superfast broadband which Ofcom found at the time.

This suggests that significant numbers of small businesses who may find superfast broadband beneficial do not take it up for the simple reason that they do not understand how to find out whether it is available or not. Others may not realise that a business will need to upgrade their contract in order to access superfast broadband.

⁵ Ofcom, Connected Nations, December 2015. Available at http://stakeholders.ofcom.org.uk/binaries/research/infrastructure/2015/downloads/connected_nations2015.pdf

A USO based on creating the legal right to request a minimum level of service will only be effective if corresponding action is taken to make small businesses (and other consumers) aware that they have this right.

Simply creating a legal right to request a 10Mbps connection, without promoting this right, will therefore not be effective.

Communications providers should be required to advertise this right, with local councils and national Government also playing a role in raising awareness. FSB is willing to work with other stakeholders to promote awareness of the USO when appropriate.

Upload speeds are also important to small businesses

A final concern FSB has with the above strategy is the sole focus given to download speeds. Whilst these are of obvious importance, low upload speeds can also cause significant frustrations for smaller businesses.

The BSG model referred to in the consultation document not only looked at download requirements for small businesses, but also upload, and found that significant and growing numbers of small businesses will not have access to infrastructure which delivers suitable upload speeds.⁶

Any USO should be designed to meet consumer demand across different facets of consumer experience. Including upload speeds within the USO could therefore improve the value of the obligation.

Q2: We do not propose to specify speed in primary legislation. Should speed be specified in primary or secondary legislation?

While 10Mbps is likely sufficient as a backstop for most small businesses at present, it is also clear that download speed requirements have risen significantly in recent years, and are likely to continue to escalate in future.

We agree with the Government's proposals that secondary legislation would be preferable in order to permit greater flexibility in raising the USO in future. We would also suggest setting out a long term path for raising the USO in line with consumer demand. This could be adjusted by future Governments where needed to maintain download speed targets at an appropriate level.

Q3: In terms of giving the Secretary of State a power to direct Ofcom to review the USO, should Government have a continuing role in the USO, or should this be a matter for Ofcom?

⁶ BSG, Broadband requirements of small businesses, September 2015. Available at <http://www.broadbanduk.org/wp-content/uploads/2013/01/Small-Business-Connectivity-Requirements.pdf>

We would prefer that Ofcom take responsibility for monitoring, reviewing and delivering the USO.

For further information, please contact:

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UKCTA RESPONSE

DCMS CONSULTATION - A new broadband Universal Service Obligation (USO)

Introduction

1. UKCTA is a trade association promoting the interests of competitive fixed-line telecommunications companies competing against BT, as well as each other, in the residential and business markets. Its role is to develop and promote the interests of its members to Ofcom and the Government. Details of membership of UKCTA can be found at www.ukcta.com. UKCTA welcomes the opportunity to respond to this consultation since the subject matters which it encompasses are of fundamental importance to our member companies.

2. The Consultation poses three questions to respondents. We have provided answers to each of these below but also wish to make some more general points: -
 - Any decision to designate a USO must be technology neutral since favouring one technology over others would inevitably distort market driven solutions.
 - We believe it is likely that in assessing the case for introducing a broadband USO, the Government will conclude that a funding gap exists. Given that this is a political objective, and given that commercial entities would most likely pass on any resulting levy to customers and identify the same as being government derived, we believe that public funding of the USO is the least problematic option for bridging the gap.
 - We are concerned that setting an implementation date prematurely is likely to have unnecessarily disruptive effects on industry's efforts to deliver faster services. We are currently in a time of great change when industry is already investing and innovating – at present fibre investments are being made by KCom, Virgin, Sky, TalkTalk and Gigaclear to name but a few.
 - The USO has the potential to distort the market and therefore every effort should be made to minimise this. The USO should seek to strengthen rather than undermine alternative infrastructure investment and avoid a repeat of the BDUK process which in our view simply reinforced an incumbent monopoly.
 - Finally, given the Government considers that primary legislation is needed to enable Ofcom to introduce a broadband USO the sole purpose of this legislation should be to confirm the legal powers. It should then be left to Ofcom how best to design any USO scheme. In consultation with industry.

DCMS Consultation questions

Q1. Do you have any concerns about the approach that has been set out here?

3. Subject to the general points made above, and within the narrow confines of the question of needing to legislate in order to provide for legal certainty we do not have any additional concerns at this stage.

Q2. We do not propose to specify speed in primary legislation. Should speed be specified in primary or secondary legislation?

4. We do not consider that it is appropriate to include any details on the relevant qualifying headline broadband speeds, nor should the legislation define the technology to be used. We believe that functional internet access (considered appropriate for today's needs) should be defined by the regulator at the time of its USO assessment, in consultation with industry. We intend to respond to Ofcom's consultation on this matter.¹

Q3. In terms of giving the Secretary of State a power to direct Ofcom to review the USO, should Government have a continuing role in the USO, or should this be a matter for Ofcom?

5. We do not consider that it is appropriate for the Secretary of State to be given the power to direct Ofcom to review the proposed broadband USO, nor indeed the broader USO obligations.
6. The broadband USO assessment should be driven by evidence base rather than by political considerations. In our view Ofcom is best placed to conduct such an assessment.
7. Clearly the Government remains a key stakeholder in the process, the broadband USO is a political initiative. As noted above we believe that the Government, as author of the objective, has an obligation to fund its delivery, but we believe that the independent NRA is better placed to handle the detailed implementation of the scheme in order to best meet the Government's policy objectives.

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¹ Ofcom (2016), Designing the broadband universal service obligation, Call for inputs, 7 April 2016, available at: <http://stakeholders.ofcom.org.uk/consultations/broadband-USO-CFI/>

UKspace input to the Department of Culture, Media and Sport – “A NEW BROADBAND UNIVERSAL SERVICE OBLIGATION CONSULTATION”

This response to the Department of Culture, Media and Sport (DCMS) – “A New Broadband Universal Service Obligation Consultation” is submitted on behalf of UKspace

About UKspace:

UKspace is the trade association of the UK space industry and has been its leading voice for over 30 years. It represents the interests of industry with: the UK government, parliament and national and international stakeholders.

Our Role:

- Acting as the leading voice of the UK space industry;
- Growing the UK’s share of the global space market, by promoting the best commercial, political and public environment for the UK space industry;
- Promoting greater awareness in government, the media, the public and other key stakeholders of the wide-ranging benefits from one of the UK’s most innovative, high skilled and value-adding sectors;
- Acting as the focal point for any organisation commercially involved in space systems and related services in the UK;
- Providing the primary forum for industry dialogue with the UK government and with other national and international stakeholders; and
- Supporting the space SME community

For more about UKspace please see: <http://www.ukspace.org/>

Introduction

Following years of investment in broadband infrastructure, many parts of the UK are still to fully take up the benefit from good coverage, speed and price packages for broadband delivery. Satellite delivered broadband has a significant role to play in providing broadband services that will help the UK meet its Universal Service Obligation (USO) and not just in the last 5% (circa 1 million households).

UK satellite operators Avanti Communications and Inmarsat (together with other European Satellite Operators) have already made significant (multiple billion dollar) investments to

provide wholesale and retail satellite delivered broadband services to the UK either directly or through networks of distribution partners.

This satellite coverage is ubiquitous and reaches almost every premise across the UK.

Ukspace believe that the DCMS should focus more on providing the right quality of experience to consumers at a price they are willing to pay, than delivering superfast services that, in rural areas, fewer want or can afford. DCMS should consider how future policy and the regulatory environment can enable each alternative technology to the incumbent fibre network to be included and to play to their relative strengths, in order to connect everyone in the UK.

The speed of the USO should be based relative to the reality of market supply conditions of broadband services to the worst case areas in the UK at the time of setting the limit. For example, it would not be appropriate to baseline the USO on the speed of say fibre connectivity if these services were not currently available in the areas with the least connectivity. The USO should be baselined on the speed of the technologies that can reliably supply these regions at the time of the review. The reality is that for the majority of these remote and rural locations today is that technology is satellite delivered broadband.

Whilst satellite delivered broadband can deliver peak download services of over 20 Mbps, a key role it can play is in fully enabling a Universal Service Obligation service at a more sensible 5 to 10 Mbps to the unconnected, maximising the numbers addressable with the available capacity.

In consideration of the above UKspace therefore recommends that the USO should today be set at a speed of between 5 to 10 Mbps. We consider this target to be achievable and should be the baseline requirement.

1. Consultation Questions and Response:

Q1: Do you have any concerns about the approach that has been set out here?

- 1.1. UKspace are concerned that DCMS and/or Ofcom must be seen to set the speed of the USO speed relative to the reality of market supply conditions of broadband services to the worst case areas in the UK at the time of setting the limit.
- 1.2. It would not be appropriate to baseline the USO on the speed of say fibre connectivity if these services are not currently reliable and widely available in the areas with the least connectivity.
- 1.3. The USO should therefore be baselined on the speed of the technologies that can reliably supply these worst-case regions at the time of the review. That is for the majority of remote and rural locations today that technology is satellite delivered broadband.
- 1.4. Whilst satellite delivered broadband can deliver download services of over 20 Mbps the greatest role it can play is in fully enabling a Universal Service Obligation service at 5 to 10 Mbps to the unconnected.
- 1.5. UKspace respectfully therefore suggests that the USO should today be set at a speed of 5 to 10 Mbps.

Q2: We do not propose to specify speed in primary legislation. Should speed be specified in primary or secondary legislation?

1.6. UKspace has no express view as to whether or not the USO should be set in primary or secondary legislation

Q3: In terms of giving the Secretary of State a power to direct Ofcom to review the USO, should Government have a continuing role in the USO, or should this be a matter for Ofcom?

1.7. UKspace has no express view as to whether or not the Secretary of State should be given the power to direct Ofcom to review the USO, or should Government have a continuing role in the USO, or should this be a matter for Ofcom.

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UKspace: promoting space jointly with ADS and techUK

UKB Networks' Response to DCMS' Consultation on a New Broadband Universal Service Obligation

Introduction

UKB Networks (UKBN) welcomes this opportunity to respond to the Government's consultation on a new broadband universal service obligation (USO). We also welcome the opportunity to respond to Ofcom's consultation on the design of the USO. We recognise the social and economic benefits of broadband to consumers and we support the overall policy goal of universal broadband coverage.

UKBN's own network covers more than 600,000 homes and businesses and we have ambitious plans for growth. The Relish wireless broadband network in Central London provides low-cost, fast broadband for Londoners and delivers connectivity for many of the capital's not-spots or "white areas". We plan to build Relish networks in other major cities and towns.

In Swindon, we are delivering superfast connections to 20,000 premises as part of BDUK's National Broadband Scheme

We also provide FTTP solutions to multi-tenanted urban buildings such as the Barbican (where we deliver the fastest broadband speeds in London¹) and to other housing campuses such as military bases, student halls of residence and nurses' quarters.

Government should facilitate continued private sector investment

UKBN and a number of other operators are engaged in network build or expansion with private sector funding - evidence that investors see an opportunity in the UK for attractive returns. Recent public announcements include: Virgin Media are investing £3bn to extend their network to around 60% of the UK²; Gigaclear is set to spend £50m on providing FTTP to 40,000 extra homes³; and Hyperoptic plan to reach over 500,000 premises within the next two years.⁴ Point Topic said in a recent report: *"It is arguably boom time for superfast broadband infrastructure and take-up in the UK."*⁵

We welcome Government's recent moves to remove the barriers network operators face in deploying networks. These barriers include delays in obtaining planning consents and difficulties in gaining

¹ Source: www.thinkbroadband.com

² <http://about.virginmedia.com/press-release/9467/virgin-media-and-liberty-global-announce-largest-investment-in-uks-internet-infrastructure-for-more-than-a-decade>

³ <http://www.gigaclear.com/gigaclear-valued-at-115m-following-24m-new-equity-investment/>

⁴ <https://www.hyperoptic.com/news/hyperoptic-secures-50-million-investment/>

⁵ Point Topic, "Superfast UK: expanding networks and demand", a report from UK Plus, September 2015

access to sites. Reform of the Electronic Communications Code is urgently required and we welcome Government's proposals to table legislation later this year.

We also welcome Ofcom's and the Government's statements that Openreach should be subject to a new set of rules to allow other broadband providers to have access to their ducts, poles and fibre.

UKBN is concerned that this intervention could act as a dampener for private sector investment.

Government should consider extending the Basic Broadband Scheme

UKBN notes that there is a Universal Service Commitment in the BDUK Phase 1 contracts to provide "Basic Broadband" via what is effectively an end user voucher scheme. We recognise that this is distinct from a Universal Service Obligation. The USC Basic Broadband scheme provides access to subsidised satellite (and in some areas wireless) broadband services. *UKBN believes that Government should consider whether the Basic Broadband Scheme could be adapted and extended, through the use not only of satellite but also of other technologies such as wireless access, to meet the 10 Mbps USO obligation.* UKBN's concern is that a plethora of overlapping Government schemes would likely result confusion amongst consumers, leading to low take-up and an unsuccessful outcome.

Government should not intervene too early

The USO should not "double-up" on the already significant public investment in providing connectivity for BDUK areas. Commercial and BDUK-supported superfast roll-outs are planned to reach at least 95% of premises by 2017. It is Government's intention that funding received back by the BDUK scheme via "clawbacks" in the contracts should be reinvested to make the superfast broadband footprint bigger. During an evidence session with the Culture, Media and Sport Select Committee, Chris Townsend said that superfast broadband coverage will likely go beyond the 95% originally envisaged by the scheme, potentially reaching 97% of premises.

It is therefore important that the USO scheme should not come into force until all of the planned BDUK schemes have been completed and a fuller picture of connectivity gaps is available.

The USO specification should clarify that customers in a BDUK intervention area who can already receive superfast broadband from a BDUK provider should not have the option of asking for a 10Mbps connection under the USO scheme instead.

Urban areas are unlikely to require intervention

A considerable proportion of the 1 million premises identified in the consultation document are likely to be in urban areas. UKBN believes it is unlikely that there will be a case for intervention in these densely populated areas as there is significant evidence to suggest there will be sufficient privately funded investment in those locations. UKBN's wireless and fibre networks in London is just one example. We are already providing broadband in former not-spots such as the Barbican and Soho.

Government's new Broadband Investment Fund may encourage other providers to invest further in cities. Clearly there would be State Aid issues to consider if USO funding were made available in urban areas.

A technology neutral approach should be adopted

There is no "one-size fits all" technology approach that will deliver 100% connectivity. A variety of technological solutions will be required, which might include copper, fibre, wireless (using licensed and unlicensed spectrum) and satellite connections. The most financially and technically viable solution will need to be tailored to each individual area.

UKBN welcomes the Government's recognition that any USO should be technologically neutral and agrees that the most cost effective method should be used.

"Industry" funding could impact consumers

The Government has expressed a preference for an industry funded USO, a matter on which Ofcom is currently consulting. This raises the question of which elements of industry should contribute to the fund. If, for example, demand is being driven by video streaming or other applications, should content providers or application service providers contribute to the cost? To the extent that such charges would be passed on to consumers in the form of an additional charge, it could deter take-up in price-sensitive households, with unwelcome social policy side effects. Public funding, on the other hand, creates the right incentives to set realistic parameters and deliver a cost effective scheme.

Consultation questions

Q1: Do you have any concerns about the approach that has been set out here?

At this stage it is difficult to comment on whether the USO should be managed through secondary legislation with the Ofcom review process still on-going. Further detail on elements including the scale and scope of the USO, the funding mechanism to be used, and the designation of USPs will need to be clarified before the Government's approach can be judged to be appropriate.

Q2: We do not propose to specify speed in primary legislation. Should speed be specified in primary or secondary legislation?

UKBN agrees that the speed of the USO should be one of the specifications that is contained in secondary legislation. This would allow it to be more easily adapted to changing technological developments and consumer expectations. Of course the impact of any increase in speed will depend on how the scheme is designed and how the market has developed.

Q3: In terms of giving the Secretary of State a power to direct Ofcom to review the USO, should Government have a continuing role in the USO, or should this be a matter for Ofcom?

UKBN believes it is appropriate for the Government to have a continuing role in the USO as digital connectivity is an important matter of public policy. However, Parliament should retain proper scrutiny of the scheme and Ofcom should continue to play a leading role through its advice, research and consultations. We welcome the opportunity to respond to Ofcom's current consultation on this matter.