

Broadband Universal Service Obligation: consultation on design

Summary

This consultation from the Department for Digital, Culture, Media and Sport seeks views on the specification for a new broadband Universal Service Obligation that would be set in secondary legislation.

The consultation draws on the detailed technical analysis government commissioned from Ofcom published in December 2016 .

The link to the consultation paper can be found here:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/634016/USO_consultation_document.pdf

Context

This Government is committed to ensuring the UK has world-class digital connectivity. To prepare for this they have a £1.1 billion package of measures to support market delivery of digital networks underpinned by full fibre.

As announced in the Spring 2017 Budget, the government have allocated £200 million to support local bodies in the roll out of full fibre networks in their area, as well as the first investments in 5G mobile technology. In addition, they have recently launched a £400 million investment fund, and are legislating to exempt new full-fibre infrastructure from business rates for a five-year period starting from 1 April 2017.

The Government have made progress in extending superfast broadband coverage. £1.7 billion of public funds is being invested in superfast broadband – which currently covers over 93% of the UK, and we are on track to achieve 95% coverage by the end of 2017.

Main Areas Of Interest

The Government is seeking responses to the following:

- 1) A proposed minimum download speed of at least 10Mbps (Section 3);

- 2) Proposed additional quality parameters of 1Mbps upload speed, minimum standards for latency, a maximum sharing between customers (a 'contention ratio' of 50:1), and data cap of at least 100GB per month (Section 3)
- 3) The technologies which can deliver the USO. Given the proposed specification of the USO, FTTP, FTTC (VDSL and LR-VDSL), fixed wireless and mobile technologies are expected to be in scope, but based on its current capabilities, we expect that satellite is not. (Section 4);
- 4) A proposed cost threshold of £3,400 per premise, and that demand aggregation should be an essential feature of USO implementation to ensure as many people who want to get connected, do get connected (Section 5)
- 5) That there should be uniform pricing for the USO (Section 6);
- 6) That the costs should be met by industry through a cost- sharing mechanism which will be established by Ofcom once the specification for the USO has been set in secondary legislation (Section 7);
- 7) Measures to be taken in designing the USO that will help minimise market distortion (Section 8);
- 8) The current level of market interest in becoming a Universal Service Provider(s) (Section 9);
- 9) Proposed arrangements for monitoring and review of the USO (Section 10).

Provisional Position of NALC

NALC is minded to support these proposals.

In our evidence to the BEIS call for evidence on rural broadband in October 2016 we said the government should honour the Universal Obligation it made in 2015 which was originally promised in June 2010 by then Secretary of State for Jeremy Hunt, who stated: *"We have to make sure the benefits of superfast broadband are available to everyone"*.

We said in our response we were deeply concerned by the announcement made by government earlier that month, pulling back from its original firm promise to roll out a high quality broadband service everywhere, saying that homes and businesses will need to specifically request providers to offer net connections.

We noted that there was a lack of clarity about how the request system would work or who would pay and it has been mooted that the broadband 'have-nots' could be facing a four-year wait.

We said this was simply not acceptable and the Government should regulate to ensure that Open Reach and other service providers are providing a minimum service of 10 MBPS broadband speed in all areas.

Your views

Please e-mail your responses to this consultation to Jessica.Lancod-frost@nalc.gov.uk by **17.00, Monday 2 October 2017.**

Recommended Circulation:	County Associations
	All Member Councils

© NALC 2017