



INCA Policy Briefing No.2

August 2010

A regular briefing from INCA on recent developments in next generation broadband infrastructure deployment, regulation and public policy.

Ofcom Consultation on its approach to the UK Communications Infrastructure Report

The Digital Economy Act 2010, which came into force in June of this year, gives Ofcom a new duty to report to the Secretary of State every three years on the UK's communications infrastructure. Ofcom is [consulting](#) on how it should collect data to comply with this duty.

The rationale for this provision in the DE Act was “the increasing importance of monitoring the national communications infrastructure, and the need for both Government and Ofcom to take a broad view of the nation’s needs and any ways in which those needs may not be being met.”¹ A BIS consultation in August 2009 emphasised the importance of investment in “future infrastructure”. Subsequent BIS guidance refers to a “health check” which would “provide Government, industry and consumers with a clear indication of the state of the health of the communications infrastructure”.

The earlier Digital Britain Report spoke of the need for the regulator “to take a broad view of the nation’s needs and gaps” and to keep under review “availability/ coverage of the major communications platforms, to include fixed telecoms, cable, mobile, broadcasting and other platforms, including core, backhaul, spectrum usage and access network capability”.

The Act states that Ofcom must prepare a report which “deals with”:

- the different types of electronic communications network provided in the UK;
- the geographic coverage of the different networks;
- the proportion of the population covered by the different networks;
- the extent to which UK networks share infrastructure;

¹ BIS consultation on proposed new duties for Ofcom, August 2009

<http://www.bis.gov.uk/files/file52538.pdf>

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- the capacity of the different UK networks;
- the preparations made by providers of UK networks for responding to an emergency, including preparations for restoring normal operation of UK networks disrupted by the emergency; and
- the standard of the different UK networks in comparison with electronic communications networks provided in a range of other countries, having regard, in particular, to their coverage and capacity.

There is a similar set of requirements for the provision of communications *services* in the UK.

Ofcom believes that the Act “gives Ofcom discretion to select the networks, services and providers it thinks are appropriate in order to provide this assessment.” But it is not clear to us that such discretion exists in the sparse wording of the Act.

Ofcom “think Government will get most value from the report if we focus our efforts on the most widely available and most commonly used public networks and services and on the largest providers for each.” For each type of network and service in the report, Ofcom is only proposing to consult those communications providers with more than 1% market share in the provision of **each of** the fixed voice, broadband and mobile *services* (no reference to networks). That’s BT, C&W, Everything Everywhere, KCom, O2, Post Office, Sky, Talk Talk, Tesco, Three, Virgin Media, Vodafone.

Ofcom believe this will cover “the vast majority of the market” and therefore give “a good view of the overall UK position”. “We do not think it would be proportionate to attempt to cover all of a market, or report on large numbers of smaller operators. For example, we currently plan to seek information from the six largest fixed broadband service providers, which together account for over 90% of connections.”

They propose to report on cable, copper and satellite networks only, and treat next generation fixed broadband as an “emerging technology”. They consider it would be “burdensome” to ask for data on these networks and so will provide simply a narrative, instead.

The dual objective of the previous and current governments was and is 1) that current generation broadband should be available to everyone; and 2) that next generation access networks should reach a large proportion of the population. By concentrating on the service providers addressing the majority of the country with current generation services, Ofcom is continuing to ignore the **gaps** in infrastructure provision and missing the point of the exercise completely. They propose to relegate next generation networks to a footnote, despite the fact that, by the time the report is submitted in August 2011, they will be only three years away from the government’s stated target of having the best superfast broadband in Europe by 2015.

The deadline for responses is **30 September, 2010**.

Information requests will be sent out in early 2011 and the first report will be submitted to the Secretary of State in August 2011.

We would encourage INCA members and other interested parties to respond to this consultation and urge Ofcom to reconsider what is required.

Ofcom Publish Research into Broadband Speeds

Ofcom have published new research which shows that average fixed line residential broadband speeds have increased by more than 25% over the past year. The average download speed is now

5.2 Mbit/s. However, the move to faster headline speeds has led to a growing gap between advertised speeds and actual speeds delivered. Where “up to 20 or 24 Mbit/s” is advertised on copper DSL, the actual download speed is, on average, 6.5 Mbit/s. Only 2% of customers taking this DSL service received more than 14 Mbit/s.

In contrast, where Virgin Media advertise “up to 20Mbit/s” on cable lines, they deliver an average actual speed of 15.7 Mbit/s. Virgin Media’s “up to 50 Mbit/s” cable service delivers an average download speed of 36-46 Mbit/s.

Rutland Telecom win concession from BT

BT has agreed to change the way it supplies data regarding premises connected to its street cabinets. The information (namely which properties are connected to which street cabinets) has, to date, been provided only on a premises by premises basis, but BT is now promising to offer the information in bulk, automated form on a “regional basis”. This will make it much easier for those wishing to unbundle BT’s sub-loop to compete on a level playing field with BT.

Firstly, operators will have access to the same customer information as BT does, and this will enable them to provide timely and accurate information to prospective customers. Secondly, it will remove the need to give BT advance information that a resident is a potential “prospect” who is looking for faster broadband. BT are given just such a “tip-off” currently when the information has to be requested individually for each customer. So it’s good news in principle, but it will, unfortunately, be some months before the new data is made available by BT.

Virgin Media to trial use of electricity poles

Virgin Media has announced that it will trial “ultra-fast” broadband over existing electricity poles, in the Welsh village of Crumlin, Caerphilly. They have signed a deal with Surf Telecoms, a power distribution company. They are promising speeds of “up to 50 Mbit/s”. Virgin have previously conducted a trial in Woolhampton, Berkshire, using telegraph poles.

Virgin Media is advocating the streamlining of duplicated planning processes, a more transparent way of calculating wayleave payments, access to BT poles and ducts, and clarification of the Electronic Communications Code, in order to improve the viability of duct and pole sharing.

Fibrecity deal with Fujitsu

Fibrecity has announced that Fujitsu will take responsibility for laying the infrastructure that will connect up to one million UK properties to Fibrecity’s network during the next four years. They are beginning the roll-out in Dundee and they hope to give all 68,000 homes and business in the city access to speeds of 100Mbps within 2 years.

Fibrecity has already installed network in Bournemouth and plans to develop networks in Derby, Halton, Nottingham, Plymouth and York. Further cities under consideration for networks include Aberdeen, Belfast, Birmingham, Bristol and Ipswich.

Events

NextGen Roadshow - last in the series - Edinburgh, Wednesday 8 September

Hosted by The Royal Society of Edinburgh and ScotlandIS, the Scotland NextGen Roadshow takes place in Edinburgh at the Edinburgh Conference Centre at Heriot Watt University on Wednesday 8 September.

Speakers at the event will address the key issues and include some of The UK's and Scotland's leading broadband experts such as Professor Michael Fourman - author of the Royal Society of Edinburgh's Digital Scotland interim consultation report (the final report is scheduled to be launched later this year) and Malcolm Corbett - CEO INCA - as well as experts from continental Europe. Edgar Aker, Director of Marketing & Product Management, EMEA, Draka and Klaus Kammermeier Exec. Director Marketing Carrier, EMEA, Corning. A keynote address will also be given by BT's Brendan Dick - MD BT Regions.

Delegates will have the opportunity to learn what action is already taking place in Scotland as well as nationally and internationally, meet key players in the Next Generation community and discuss the future needs of both local businesses and communities for high speed Broadband. Places are limited and priced at £50.00 (to include lunch). You can register here:

<http://www.inca.coop/events/nextgen-roadshow-scotland>

Penrith & Border Broadband Conference

On 18 September, Rory Stewart MP will host a conference on broadband access across his constituency. The Hon. Ed Vaizey, Minister for Broadband, will open the event. Speakers will include INCA's CEO Malcolm Corbett, Bill Murphy, Managing Director NGA BT Group, Chris Smedley, Chief Executive GEO, Bill Davies, Executive Director Blackberry RIM, and representatives of Cumbria's various Community Projects, such as INCA member Cybermoor.

For those interested in attending, visit [Rory Stewart's website](#).

NextGen 10 takes place on 22 and 23 November at the ICC, Birmingham. Registrations will open in September.