

Backbench Business Debate, Thursday 15 December 2016

Countryside Alliance Policy

- **The Countryside Alliance welcomes the Government's commitment to a Universal Service Obligation (USO) for broadband and the inclusion of this in the Digital Economy Bill.**
- **The Countryside Alliance calls for the Government to set out clear plans for how the new 'legal right to broadband' contained in the Digital Economy Bill will work in practice.**
- **The Countryside Alliance calls for more to be done to incentivise private investment in digital infrastructure. It is important that the Government views a USO as one of a range of options to deliver broadband to the last 5%.**

Introduction

- The Countryside Alliance welcomed the announcement of plans for a USO for broadband made by the Government last year, with a commitment to give every household and premises a legal right to a broadband connection of 10Mbit/s.
- The Countryside Alliance welcomed the inclusion of the USO in the Digital Economy Bill. However we believe that more attention needs to be given to how the USO is going to be delivered. What resources has the Government made available for its delivery; what consideration have they given to areas that are hardest to connect; and, what cap will be put on the Government's financial obligation to connect households and premises? Depending on how the Government addresses these issues, there may still be some people who do not benefit from the USO.

Background

- 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. This view is shared by Ofcom and highlighted in their Connected Nations Report published in December 2015.
- Continued poor connectivity in rural areas is a missed opportunity for economic development and these gaps and weaknesses need to be addressed as a priority.
- Nearly half of all premises in rural areas across the UK are still receiving speeds of less than 10Mbit/s. This continues to be a particular problem for many consumers in rural areas. Around 1.5 million, or nearly 50% of, rural premises are connected by lines that are unable to receive speeds higher than 10Mbit/s and one in five rural premises are unable to receive speeds higher than 5Mbit/s.

Opportunities of the USO

- The USO has given rural businesses and farmers hope about the future of broadband in rural areas and should increase options for the delivery of broadband to the last 5%.
- The USO is a welcome step forward in 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.
- As the Universal Service Obligation has become a reality in policy terms and the rollout programmes move forward, the UK Government needs to address the issues faced by businesses and households in the more remote and rural areas of the country in order to ensure the USO is delivered and exceeded where possible. The minimum speed of 10Mbit/s is a good start but it must be flexible and be able to increase to meet the needs of rural communities and businesses as technology and requirements develop.
- The Government has long pledged to deliver a minimum download speed of 2Mbit/s for all through their Universal Service Commitment (USC), although the delivery of this has been repeatedly delayed and often seemed to be in conflict with the goal of ensuring that 95% or more of the UK can access a superfast broadband (24Mbps+) speed by 2017/18. Neither of these are legally binding. It is imperative if the USO is going to be effective, that it is legally binding, which is the key difference.
- The USO would be a complement, not replacement, for the on-going deployment of 2410Mbit/s + capable “*superfast broadband*” services to 95-96% of the UK by 2016/17.

Concerns about the USO

- There has been very little technical detail on what the USO will look like, how the USO will be delivered or what the technical capability will be (e.g. will the 10Mbit/s apply to upload speed as well?). Nor how much it will cost, how it will be funded, and what financial cap will be put on the legal obligation to connect households and premises.
- 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.
- There has been some suggestions that the Government could water down the USO through the use of satellite. In fairness this may be unavoidable for some extremely remote properties, but it must not be used as a default option.
- 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.