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# **From Pipe Dreams to Reality**

Matt Yardley  
BSG, 9 July 2007

# Ed Richards

*What level of coverage do we have for broadband now? **99.6%!***

*How much public money was necessary to do that? **Zero!***

*Would it have been a waste of taxpayers money to spend it on supporting rollout? **Yes! Next generation is the same in my view.** It may well be that in due course we feel that a public subsidy ends up being necessary some years down the line but its definitely not where you start.*

# Draw the ladder to scale !

- Total investment by LLUers in UK
  - ◆ < £1bn
- National FTTH
  - ◆ ~ £15bn
- *“Next generation is the same in my view”*
  - ◆ No !!!

# NGA suggests a move to higher layer access



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Not a national  
solution



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Not a national solution



Economics don't work



Connectivity

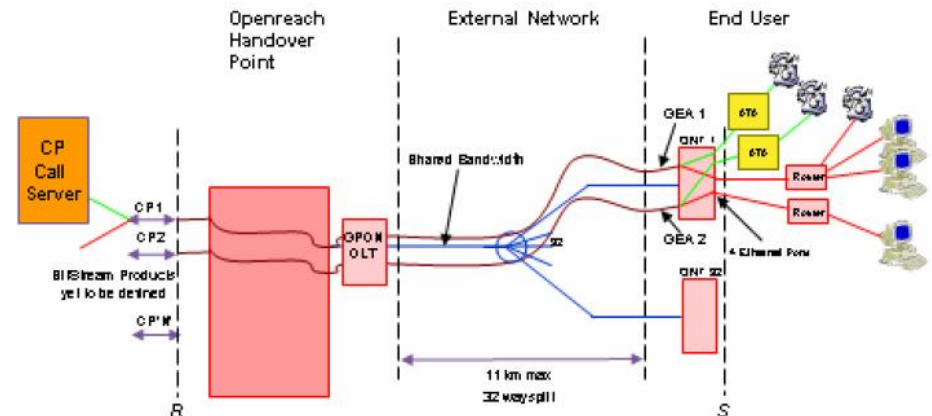
# PON practically ensures this move too



## Openreach Services delivered over Fibre To The Premises (FTTP)

### Consultation Document

Briefing: GEN004/07 refers  
Issue: Issue 1  
Date: 28<sup>th</sup> March 2007



\* Openreach product from R to S  
\* B01 B1S team product offered to CPs





# Competition is then about 3 Ps

- Get the
  - ◆ product family right
  - ◆ pricing right
  - ◆ processes right
- Easy to say, will take a long time to resolve
  - ◆ so start now
- “Stranded assets” may be an issue, but transitory

# Murdoch on broadband

*“Circulation and advertising revenues are ebbing away everywhere...proportional to broadband penetration.”*

# Is NGA the answer to national HDTV from PSBs?

## BBC, ITV, Channel 4 plot single broadband TV player

Project Kangaroo is go

By [Chris Williams](#) → [More by this author](#)

Published Thursday 14th June 2007 13:42 GMT

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The UK's terrestrial broadcasters are reportedly in talks to establish a single platform for on-demand TV to broadband devices. The BBC, ITV, and Channel 4 are said to be aiming to create a "one-stop shop", open to other channels too, which would allow legal broadband viewing from one programme.

According to *The Guardian*, the plan is dubbed "Project Kangaroo" and will "do for broadband what Freeview did for digital television". It is expected to operate like Joost, perhaps hinting at some P2P element.

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The talks have included discussions with the Digital Television Group - the coalition that controls Freeview - about loading Project Kangaroo software into set-top boxes, to allow maximum penetration. That would put it in direct competition with BT's Freeview/on-demand offering, Vision, as well as with Sky and Virgin Media.

The Kangaroo trio all already have individual on-demand players: Channel 4 has 4oD, ITV's launch of its 30-day catch up service is imminent, while the BBC's controversial iPlayer has been in development for three years.

There's no word on a schedule for Project Kangaroo, and Channel 5 isn't involved at the moment, so it'll likely be a while before we can enjoy archived episodes of *Touch the Truck*.

The *Guardian* astutely notes that Project Kangaroo could put a fly in Ofcom's quango ointment. One of the mooted aims of the regulator's £100m "[public service publisher](#)" [wheeze](#) is an open platform for delivering TV over broadband. ®

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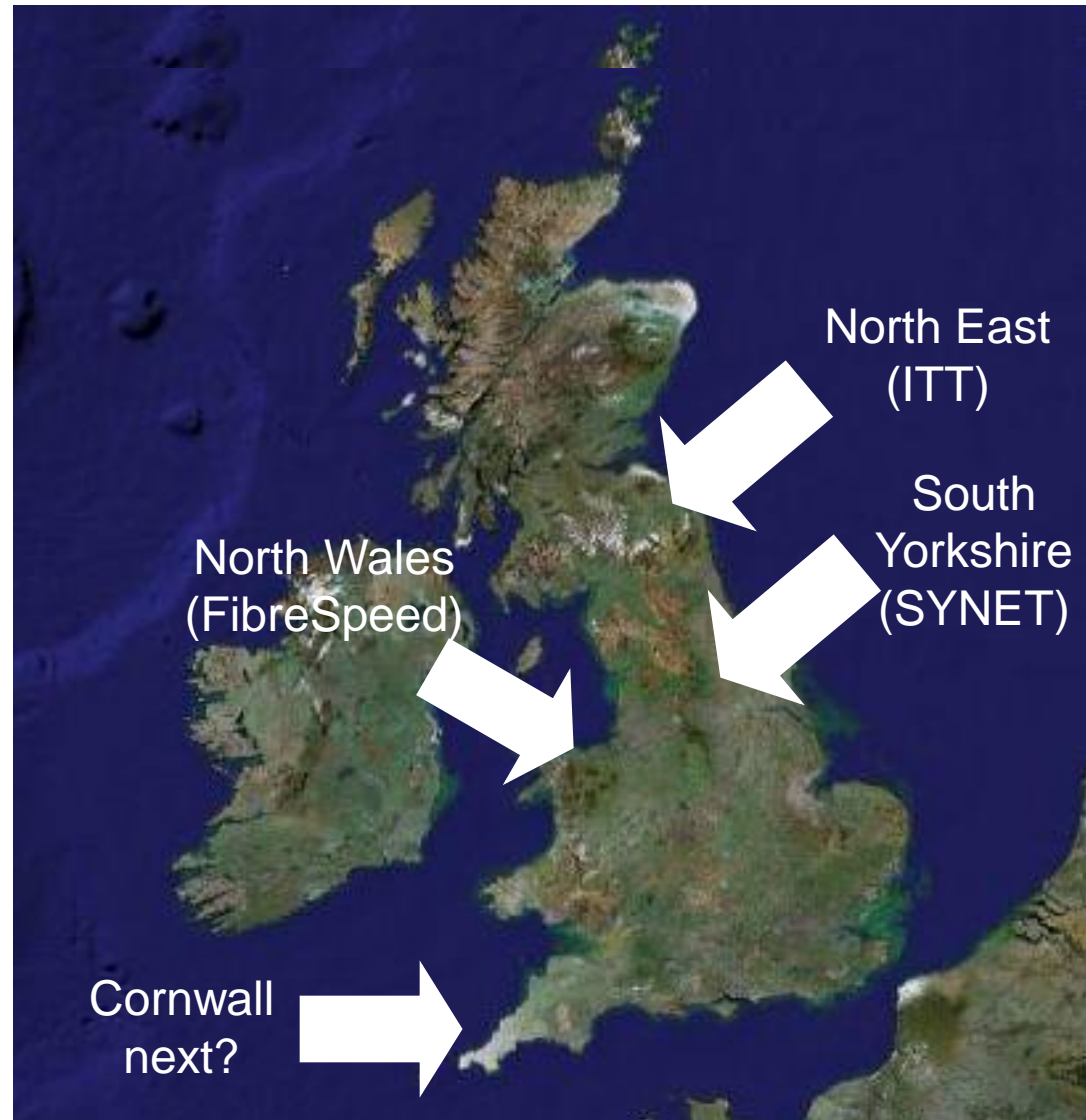
# NGA: £5 per line per month investment

- £15 bn
- 25m lines
- 10 years

# Is 'indirect' funding the only way ?

- Difficult to see retail price increases supporting NGA
- Are indirect means viable ?
  - ◆ advertising fees
  - ◆ (non-discriminatory) content distribution fees
  - ◆ other 'kick-backs', e.g. transaction fees

# Finally, NGA from the edge ?



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