Keith Todd

Chairman
Broadband Stakeholder Group

BSG
Broadband
Stakeholder
Group

The Broadband Stakeholder Group

- Founded by Patricia Hewitt in April 2001
- First report November 2001
- 'Independent' Chairman appointed Feb 2002
- Currently five working groups
    - Strategy & Implementation
    - Regulatory
    - Promotions
    - Content
    - Education
- Mid year stakeholder report this week

BSG
Broadband
Stakeholder
Group

'Broadband Services' definition

'*Always on & ever increasing bandwidth*'

'Always on access provided at work, at home or on the move by a range of fixed line, wireless and satellite technologies to progressively higher bandwidths capable of supporting genuinely new and innovative interactive content, applications and services and the delivery of enhanced public services.' (BSG Nov 2001)

BSG
Broadband
Stakeholder
Group

'The Broadband Services Journey'

Network Telecoms Europe 2002

Vision

‘Ubiquitous affordable broadband services’

Network Telecoms Europe 2002

BSG
Broadband
Stakeholder
Group

UK 2005 Objective

Supporting the UK Government objective of being in the world's leading group of countries with extensive and competitive markets for Broadband Services by 2005

BSG
Broadband
Stakeholder
Group

'The Broadband Services Journey'

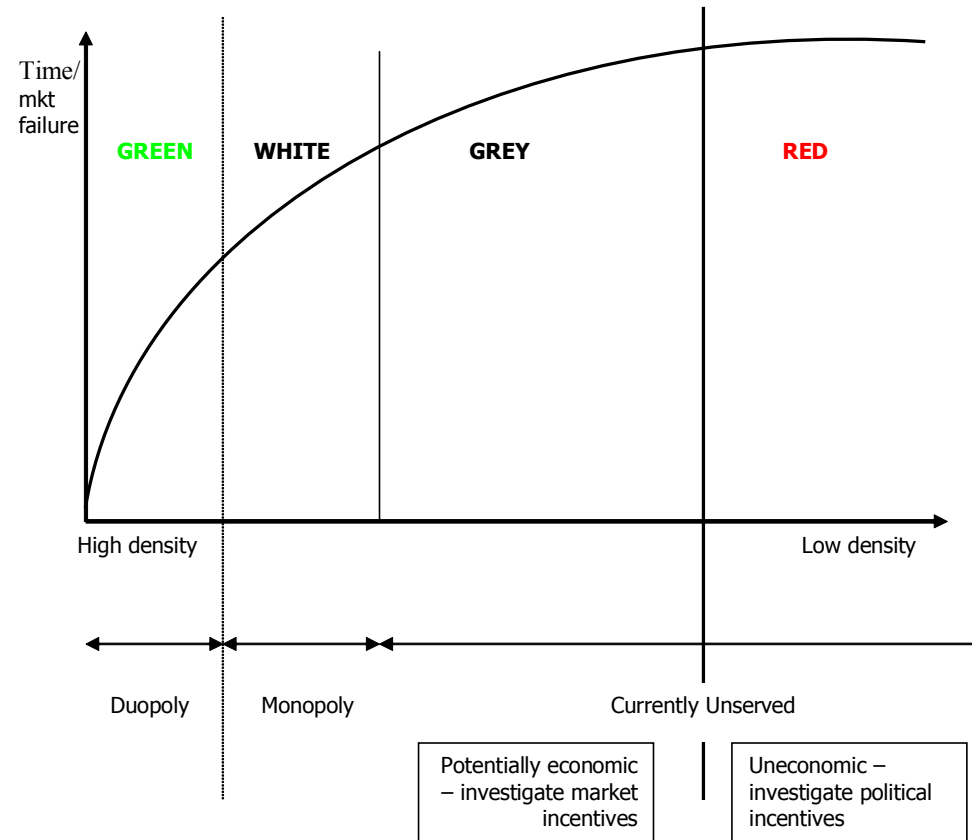Broadband Stakeholder Group

Network Telecoms Europe 2002

'The Broadband Services Journey'

- Asymmetric to symmetric
- Contended to un-contended
- Ever increasing speed
- Ever increasing richness of content
- Transformational change of the way we do things
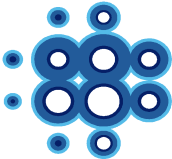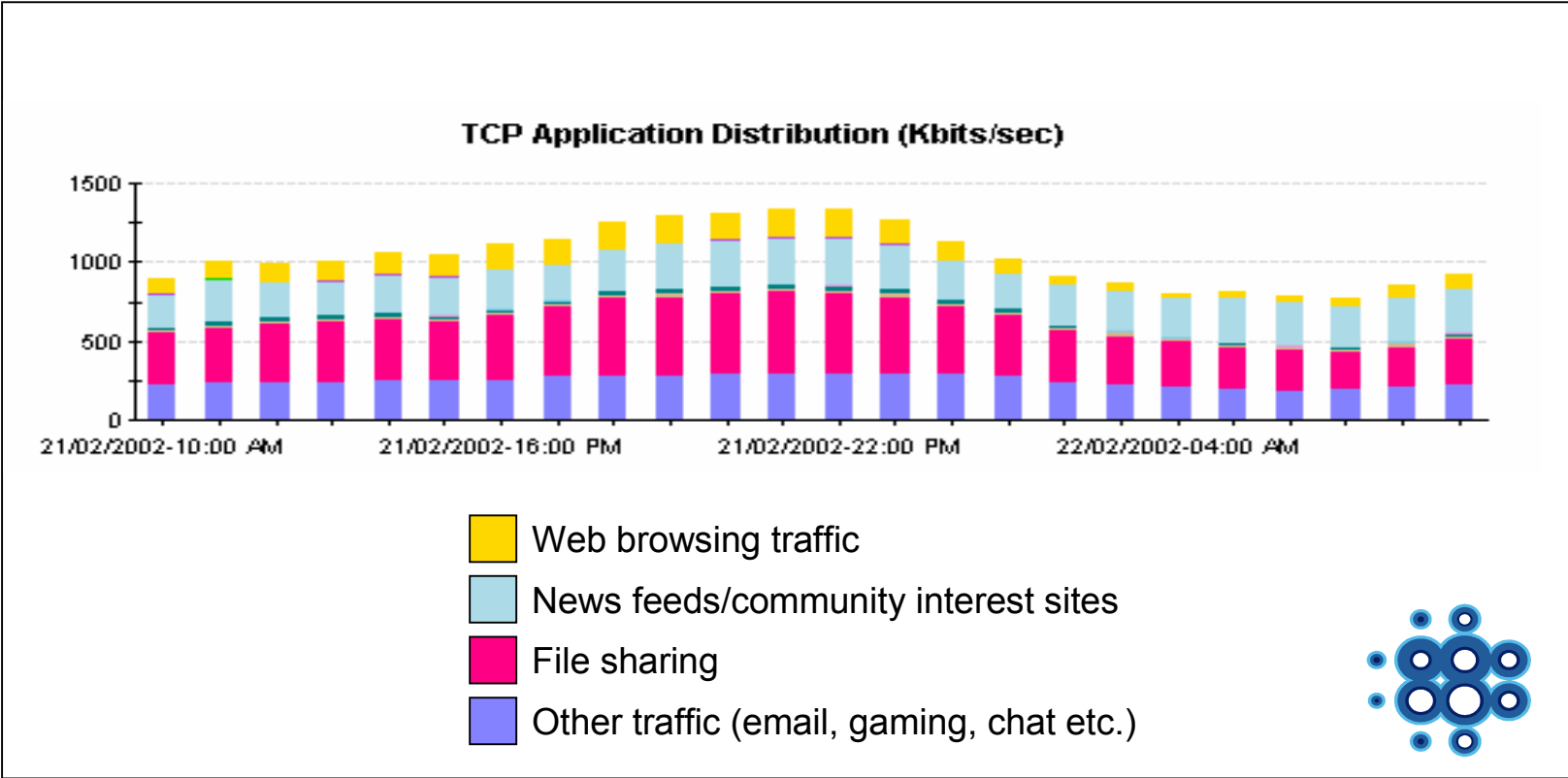
BSG
Broadband
Stakeholder
Group

Where are we ?

- Approximately 600000 broadband customers
- Rising at more than 20000 a week
- Approximately 64% of population within reach
- USA ,Canada, Japan, Korea, Sweden setting the pace
- A detailed UK map of availability is

  needed

BSG
Broadband
Stakeholder
Group

Where are we?: Broadband Availability Map

Time/ mkt failure

GREEN   WHITE   GREY   RED

High density   Low density

Duopoly   Monopoly   Currently Unserved

Potentially economic – investigate market incentives

Uneconomic – investigate political incentives

BSG
Broadband Stakeholder Group

Where are we?: Broadband Network Uses (IP)

TCP Application Distribution (Kbits/sec)

Legend:
- Web browsing traffic
- News feeds/community interest sites
- File sharing
- Other traffic (email, gaming, chat etc.)

BSG
Broadband
Stakeholder
Group

Four Critical path action areas: for the successful deployment of broadband services

1. Agree the conditions precedent

2. 'Nurturing the market' by creating the conditions to encourage competition and sustain market growth (green & white areas)

3. Identify innovative solutions that encourage the deployment of competitive services where there is potential for commercially sustainable broadband services (Grey areas)

4. Develop a plan for areas that the market will not reach (red areas)

BSG
Broadband
Stakeholder
Group

Condition precedents

- That we align behind a common definition of broadband services
- That all stakeholders accept that there is a compelling economic & social case
- That it is a transformational journey
- That it must be central to stake holder's agendas
- That we recognise the need to create an investment friendly environment to compete for scarce capital resources including regulatory barriers
- That it must be market led but that the government should proactively intervene where the market will not deliver either permanently or in the timescales required by the political agenda
- That it must be technology neutral but tech suppliers must innovate to provide affordable offerings that satisfy the mass market

BSG
Broadband Stakeholder Group

'Nurturing the market' by creating the conditions to encourage competition and sustain market growth (green & white areas)

- **OFCOM**

- **Market strategy of stakeholders**
  Product
  Promotion
  Price

BSG
Broadband Stakeholder Group

'Nurturing the market'

OFCOM

- OFCOM will be about 'Broadband services'

- Should have a prime accountability to ensure that the broadband services journey is successful

- While OFCOM must promote competition it must also encourage innovation and investment

- There must be further clarity on how concurrent competition powers are applied

- Must minimise intervention

- There should be no extension of the broadcast content regulation towards the internet.

BSG
Broadband
Stakeholder
Group

Product

- Content issues need to be addressed (e.g. DRM & micro-payments)

- Encouraging the any to any for the free flow of content

- The 'big prize' will be re-engineering around Broadband services

BSG
Broadband
Stakeholder
Group

'Nurturing the market'

Promotion

- 'Killer attitude'

- Clarity of mass market offerings

  'Generation 0'   to 256kbs
  'Generation 1'   256kbs to 2mbs
  'Generation 2'   2mbs to 5mbs
  'Generation 3'   5mbs plus

- Awareness
  - Case studies
  - General
  - Awards

- Key messages

BSG
Broadband
Stakeholder
Group

Nurturing the market:

Key messages

- Broadband Britain is happening
- Broadband is transforming the user experience of the internet
- Broadband transforms competitiveness
- Broadband is about people not technology
- The UK is communications rich

BSG
Broadband
Stakeholder
Group

‘Nurturing the market’

Price

- Good recent progress

- Elasticity of demand

- Price points

BSG
Broadband
Stakeholder
Group

24/06/02   Network Telecoms Europe 2002

Grey areas ..Issues (Identify innovative solutions that
encourage the deployment of competitive services where there is potential for commercially sustainable broadband services)

- Lack of available capital
- Cost of capital
- Rights of way
- Spectrum
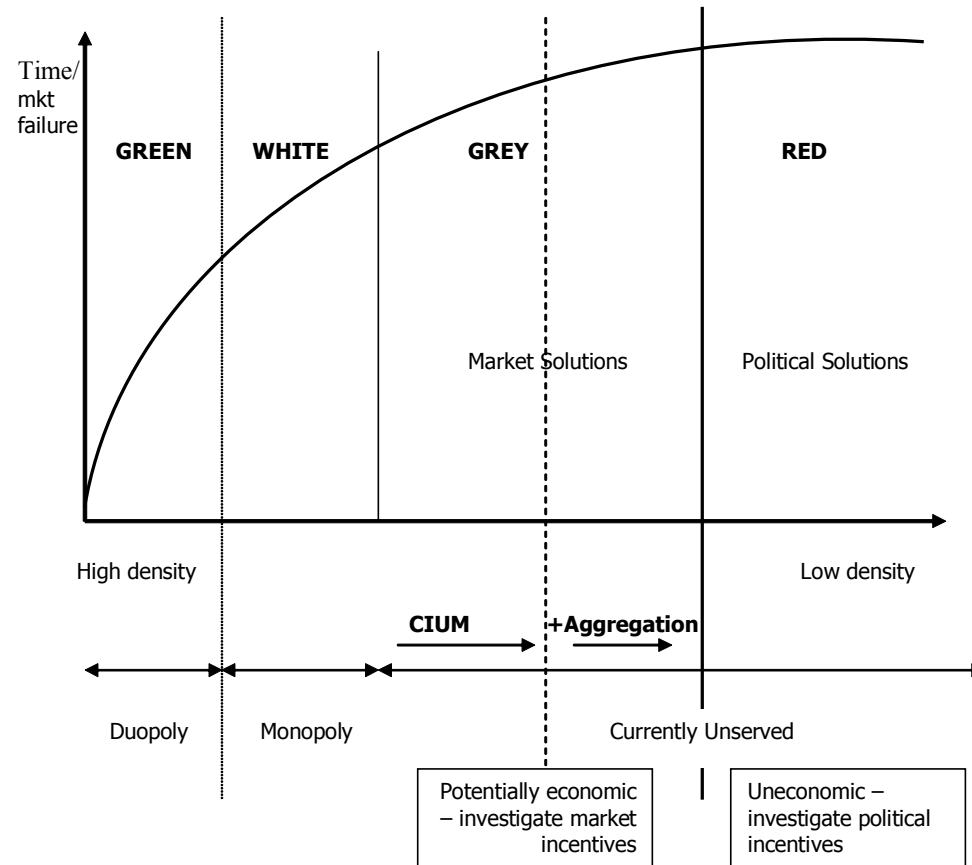- Availability of technology solutions at affordable prices

BSG
Broadband
Stakeholder
Group

Grey areas:
Potential solutions

- Extension of existing suppliers investments e.g. BT DSL

- Additional demand crystallising from the activities to nurture the market

- Public sector aggregation of demand

- Civil infrastructure utility model

- Wireless technologies

- Local communities acting as the catalytic agent

BSG
Broadband Stakeholder Group

Grey areas: Potential solutions

Time/mkt failure

GREEN   **WHITE**   **GREY**   **RED**

Market Solutions   Political Solutions

High density   Low density

CIUM   **+Aggregation**

Duopoly   Monopoly   Currently Unserved

Potentially economic – investigate market incentives

Uneconomic – investigate political incentives

BSG
Broadband Stakeholder Group

Red areas: (Develop a plan for areas that the market will not reach)

- 'Grey area' solutions being extended
- Government intervention
  - Universal service obligation
  - Grants….regional or service based

'This is a political issue'

BSG
Broadband
Stakeholder
Group

Conclusion

- We are on our way on the *'Broadband Journey'*
- One million broadband service users by the end of the year is in sight
- The 'action areas' are clear but all stakeholders must work vigorously to ensure that the objectives are met

'Killer attitude' by all stakeholders and
we will succeed

BSG
Broadband
Stakeholder
Group