



department for  
culture, media  
and sport

# Broadband: Policy and Regulation

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improving  
the quality  
of life for all

# Summary

3 things I want to talk about today

1. Market activity and the 'arms race for speed'
2. Broadband's place at the heart of government policy
3. Policy developments to enable roll-out

# Market activity and the ‘arms race for speed’

## Increasing connectivity levels\*

- 58% of premises have access to superfast broadband
- 86% of premises have access to >2Mbps

*But 14% therefore receive <2Mbps*

## Rising average speeds

- 10% increase between Nov 2010 – May 2011: now 6.8Mbps

## Increasing competition over speed

- VM 100Mbps – 200Mbps / 1.5Gbps; BT 110-300Mbps
- City Fibre Holdings, Hyperoptic, Gigaclear focused on ultrafast speeds

## Increasing focus on mobile

- Smartphone traffic to triple in 2011\*\*
- £150 million government investment

\*Ofcom Infrastructure Report, 2011

\*\*Ericsson, 2011

# Broadband is at the heart of government policy-making

## Supporting European Digital Agenda targets

- 30Mbps for all by 2020
- 50% take-up of 100Mbps by 2020

## Enabling growth

- Doubling speeds equated to 0.3% GDP uplift - equivalent to \$126bn across the OECD\*
- Cornerstone of Enterprise Zone offer

## Delivering localism

- Locally-led delivery plans
- Demand stimulation and registration

# Policy enabling roll-out

## Objectives

- To ensure this country has the best superfast Broadband in Europe by the end of this parliament (2015). 90% superfast, 10% 2Mbps
- To ensure delivery of standard broadband to virtually all communities in the UK within the lifetime of this parliament (2015)
- To ensure the efficient use of funding to deliver superfast Broadband and Standard Broadband
- To assist other Government initiatives which are dependent on customers' ability to access Broadband based services

## Principles & approach

- £530m public investment to unlock further funding
- Technology neutral
- Locally-led delivery plans based on white area modelling
- Overarching procurement framework
- Scorecard to show progress towards targets

# Policy enabling roll-out: update

*Committed to reducing barriers to swift roll-out in 'Britain's Superfast Broadband Future', Dec 2010*

## **BT Infrastructure sharing**

- BT 2<sup>nd</sup> PIA offer – 60% cost reduction in some areas
- Trials at present with a number of Communications Providers

## **Infrastructure sharing with other utilities**

- Seminars held in February & June 2011
- Work being led by Energy Networks Association (ENA)
- Encourage others to follow example of Virgin Media and Western Power

## **Overhead lines**

- Consultation on relaxing restrictions due very shortly

## **Microtrenching and streetworks guidance**

- Due November 2011

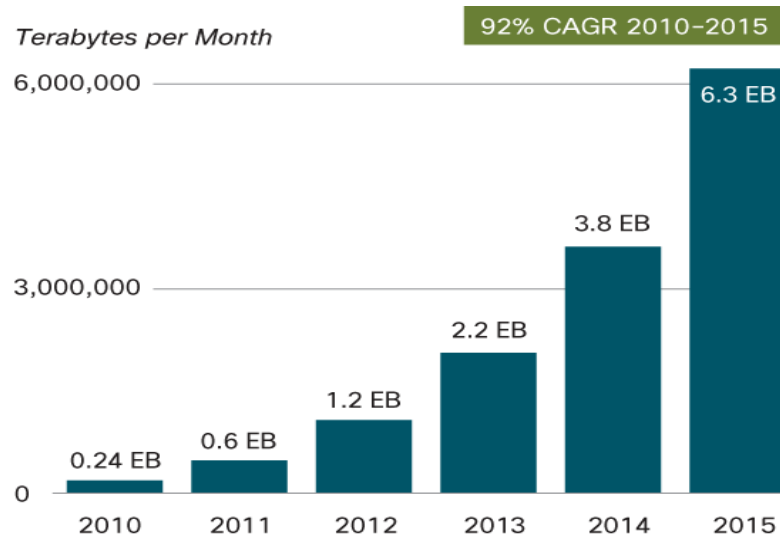
## **Business rates**

- Valuation Office Agency and Broadband Stakeholder Group work due December 2011

## **Wayleaves**

- Law Commission review of ECC began September 2011, consultation summer 2012, due to report early 2013

# Policy next steps: mobile



Source: Cisco VNI Mobile, 2011

*Growth in mobile data traffic*

## PROBLEM

- Mobile data traffic is increasing exponentially.
- Mobile voice and broadband coverage is poorer in rural areas – Scotland, Wales and Northern Ireland have much lower coverage than England

## SOLUTION

- 800MHz/2.6GHz auction will increase capacity.
- Invest £150m in increasing no of masts would allow 99% population voice coverage in UK as a whole and >95% in each nation.

# Thank you