

EURIM Communications and Regulatory Policy Committee
Delivering Competitive Broadband for the UK - Key Policy Questions

Note for Minister of State Ed Vaizey MP ahead of

Stakeholders Meeting on July 15th 2010

EURIM is an all Party Communications policy group which acts as a forum for key interest groups to debate policy ideas and identify common issues. The Communications and Regulatory Policy Committee examines the EU and UK regulatory framework, in particular the constraints to investment in next generation technology. At its last meeting, the group prepared a list of outstanding policy issues where guidance by HMG would unlock potential public sector driven projects in competitive broadband, by clarifying investment conditions and incentives. These are set out below.

1) Can we assume that the planning basis for the UK rollout of competitive broadband will be the targets in the European Commission's Digital Agenda for Europe, as follows:

- Functional Broadband (minimum 2 mbps) to all EU citizens by 2013
- 30 mbps to all EU citizens s by 2020
- At least 100 mbps to 50% of European households by 2020

Will HMG be interpreting these targets on a pan UK or a regional basis? If they are not supported, what is HMGs proposed strategy?

2) On the basis of these targets, or an equivalent set of objectives, does the Government intend to require that all bids for public funding to deliver 2 mbps functional broadband services should include migration plans to increase service to at least 30 mbps by 2020?

3) How does the Government intend to structure the bidding process for public subsidies? Will this be organised locally, nationally or “flexibly”, with bidders able to, for example, reduce or waive any need for subsidy from central government as part of their business plans? Will there be a target minimum monthly consumer price per MB as part of the bidding conditions?

4) Does the Government intend to facilitate the roll out programme by working with local authorities and service infrastructure providers to identify all facilities available locally for sharing, in order to reduce the marginal cost of broadband provision. Will these be widely drawn, including, for example Electricity, Water, Sewerage, Transport, Education, Health, Defence and Local Government?

5) Does the Government intend to help those planning bids by identifying and disseminating existing case studies regarding the definition of state aid? Should there be guidelines for the “commercial” rates that should be charged to public sector organisations, individuals, voluntary organisations, small firms and “enterprise” customers in order to avoid challenge from those who feel they are being under-cut?.

Will these also cover the state aid issues from rateable valuations (or the power of local authorities to grant exemptions from business rates) where facilities are made available by local authorities or land-owners to enable isolated communities to be served.

6) Does the Government plan to mandate that proposals be carrier, content and technology neutral, meeting standards for open access and inter-operability? If so, which standards will it enforce?

7) What “standards” of quality or service be expected and how will proposals with different characteristics and vulnerabilities be compared?

8) Will the government examine the valuation process that determines the rateable value of new networks, and examine any potential discrepancies by region or type of operator, that may act as an investment disincentive? If so, how will the rating base be determined?

9) Does the Government plan to use broadband usage generated by public sector operators as a consolidated demand base for any publicly supported network? If so, how will government help bring together all those departments and agencies with local and national communications needs in support of specific proposals?

10) The event on 15th July was heavily over-subscribed: over 240 requests for 140 places. How were the places allocated to ensure a balanced participation on the part of potential suppliers? What would be the definition of balance? And how will the process be broadened if that is necessary?