

Communications Consumer Panel and ACOD response to DCMS' consultation on a new Broadband Universal Service Obligation (USO)

The Communications Consumer Panel (the Panel) and the Advisory Committee on Older and Disabled People (ACOD) welcome the opportunity to contribute to DCMS' consultation on the introduction of a new broadband USO.

The Panel works to protect and promote people's interests in the communications sector, including the postal sector. We are an independent statutory body set up under the Communications Act 2003. The Panel carries out research, provides advice and encourages Ofcom, governments, the EU, industry and others to look at issues through the eyes of consumers, citizens and microbusinesses.

The Panel pays particular attention to the needs of older people and people with disabilities, the needs of people in rural areas and people on low incomes, and the needs of micro businesses, which have many of the same problems as individual consumers.

Four members of the Panel also represent the interests of consumers in England, Northern Ireland, Scotland and Wales respectively. They liaise with the key stakeholders in the Nations to understand the perspectives of consumers in all parts of the UK and input these perspectives to the Panel's consideration of issues. Following the alignment of ACOD with the Panel, the Panel is more alert than ever to the interests of older and disabled consumers and citizens.

Response

The Panel recognises the effort and investment that has been put into improving broadband coverage and speeds by providers, Government and Ofcom to date. However, whilst this is to be applauded, there are still large gaps in availability of a usable Broadband service - which causes detriment to large numbers of people, often disproportionately so for micro businesses and for the more vulnerable in society. We have long called for the introduction of a USO - a legal 'safety net' - which, as DCMS recognises, will give consumers and micro businesses the right to a good quality broadband service, fit for consumers', citizens' and microbusinesses' needs. We therefore welcome plans for such a USO, and urge its implementation as soon as possible.

The introduction of a USO recognises the vital nature of the relationship between the consumer and the service provided, and so it is vital that the USO is future-proofed. As technological possibilities develop, along with people's usage, requirements in 10 years' time may be fundamentally different from those now. We agree that the inclusion of the

relevant speed in secondary legislation will make it easier to update - with a 'floor' of 10Mbps across the UK, increasing incrementally in line with, or ideally anticipating, consumers' needs.

We welcome the Government's continued push towards digital inclusion, so that people in the margins of the communications market are not left behind. The benefits must be available to all, particularly those who can really benefit, and not just those who are most easily served. We are therefore pleased that digital inclusion is a Government priority. This is necessary to help reduce social isolation; to help people run a business or work from home; and to provide access to education, entertainment and public services, including medical services.

The Panel believes that a technical Broadband USO is vitally important - but on its own it will not solve the availability and digital inclusion problem. The essential elements of a universal service should include factors of access and availability alongside quality of service, transparent information, redress and consumer representation.

In tandem with the USO development we would recommend strongly the development of mechanisms for delivering the above, and the wider outcomes of digital inclusion as expressed in the consultation document. For example, these would include special tariff schemes for low-income consumers (following basic telephony, and other utilities). Measures such as these would make the USO more meaningful and democratic, and will support greater digital inclusion for those who most need some help.

We would caution against the use of a wholly demand-led approach based on current usage. It is almost impossible to predict accurately demand across the UK where some individuals have had their usage constrained by current speed provision and others have yet to go online to any great extent - or even at all. Providers should therefore be incentivised to encourage and support take-up. The Government's aim should be that individuals are not just included, but are able and are encouraged to engage and participate fully; and that UK businesses are able to compete with overseas companies where those countries guarantee specified broadband speeds.

The consultation document states all homes and businesses can now access basic broadband of 2Mbps, but Ofcom's Connected Nations Report¹, December 2015, still showed up to 9% of rural UK receiving speeds of less than 2Mbps (up to 2% of the whole of the UK). We welcome initiatives such as the supply of satellite connectivity to those who would benefit from it - but we are unsure about the take-up and practical impact so far for consumers of the scheme that the Government announced in December 2015 and we therefore believe it is crucial that the USO implementation offers these groups of

¹http://stakeholders.ofcom.org.uk/binaries/research/infrastructure/2015/downloads/connected_nations2015.pdf

consumers the same service as the rest of the UK as speedily as possible. However, it is, we believe, vital that this scheme is widely publicised and that ongoing costs are addressed for those who might encounter difficulty paying for the service. For this commitment to deliver on the intended outcome it is essential that there is no gap between available technical solutions and the consumer experience.

Given the stated intentions behind the proposed USO, we would also encourage Government and Ofcom to think creatively about the way spectrum is licenced, to ensure that spectrum is utilised to best effect as a way of also delivering those intentions. New uses of technology, such as the Internet of Things, which will have many benefits to consumers and micro businesses, will make a USO even more important.

We therefore support the introduction of a new enabling power in primary legislation, which gives the Secretary of State an explicit power to introduce a broadband USO to provide for the functional internet access considered appropriate for today's needs.

We would strongly urge the Government to act without delay to ensure that secondary legislation defining scope, specific requirements and guidance for the design of the USO can be implemented as soon as possible. We would encourage DCMS to liaise with other departments such as BIS and DCLG, to consider the needs of micro businesses and rural communities and to engage with consumer representatives such as the Communications Consumer Panel, who are able to provide independent, evidence-based insight?

Answers to specific questions

1. We do not have any concerns about the introduction of primary legislation setting out the power to introduce a new broadband USO.
2. We agree that speed should be set out in secondary legislation, which will make it easier to update - with a 'floor' of 10Mbps across the UK, increasing incrementally in anticipation of consumers' needs. We will be keen to contribute to a later consultation on the detailed design of the USO. It is also vital that other factors in addition to speed are taken into account and that the USO guarantees consumers and businesses a robust level of reliability, to ensure a good quality experience and not just intermittent, averaged speeds.
3. We believe that the Government should retain accountability, while empowering Ofcom to publicly review the USO. It will be necessary to balance the need for regularity of reviews, to ensure that the USO remains fit for purpose, and the cost to providers, where that cost is ultimately passed on to consumers and businesses. A USO should deliver a legal safety net to allow for access, coverage and affordability of services, to consumers and businesses across the UK and should encourage - and not suppress - take-up of such services.