Oxford Media Convention 2010

21 January 2010

Our digital future: can Britain's digital infrastructure compete?

On 21 January 2010 Anna Bradley, Chair of the Communications Consumer Panel, spoke at the Oxford Media Convention parallel panel *'Our digital future: can Britain's digital infrastructure compete?'* The session was chaired by Dr Damian Tambini, Panel member and senior lecturer, department of media and communications, London School of Economics. Other speakers were:

- John Cass, Director, Creative Industries KTN;
- Jock Given, professor of media and communications, Swinburne University's Institute for Social Research, Melbourne;
- Ilse Howling, Managing Director, Freeview; and
- Kip Meek, Chair, Ingenious Consulting

The session focused on two key questions:

- Will the UK government's universal service commitment ensure that all households have access to a 2Mbps connection by 2012?
- Will Britain's digital infrastructure compete globally? And will this bring an end to the UK digital divide?

Anna's contribution included the following points:

1. What is the USC for?

We need to be clear about what the universal service commitment is for. Research by the Communications Consumer Panel into people's attitude to the internet, *Not Online Not Included,* showed that citizens and consumers think that the internet has become essential to fully participate in society. In committing to universal broadband the government is recognising this, establishing something that is essential and therefore should be available to everyone at some basic level alongside other essential services like energy and water. This means that we need to establish a level of provision that ensures everyone can do what most people are doing, but not something that allows everyone to do what the most engaged digital consumers are doing.

2. Will the universal service commitment ensure that everyone has 2 Mbps by 2012?

This is still up for grabs. It depends on important decisions to be made by the procurement agency. The procurement agency should have been set up in September but this has been delayed and government has still not finalised the shape and scope of this agency. Once in place, the agency will need to:

1. Define universal: the Digital Britain report says that the priority will be delivering '2Mbps to virtually every household in the UK', but what about those it doesn't cover, what alternatives will be available for them?

2. Define what 2Mbps means. Hopefully this will not be defined as an 'up to' speed. The up-to speeds that broadband providers currently advertise are rarely delivered in practice. Research by Ofcom in 2009 found that fewer than one in ten (9 per cent) of the people they sampled on 8Mbit/s headline packages received actual average speeds of over 6Mbit/s and around one in five (19 per cent) received, on average, less than 2Mbit/s.

In fact, the Panel believes that this should not be defined in terms of speed at all. We think that the commitment should be defined in a way that is meaningful to consumers. Rather than having to understand the differences between up to, average and minimum speeds consumers need to know which services and activities they will be able to use reliably. These should be services and activities that people value and which they think are necessary to participate fully in society.

Describing the commitment in terms of services rather than speeds means that consumers will know whether or not they are receiving the universal service commitment, and will allow consumers to seek redress in the event that they aren't.

3. Will 2Mbps be enough?

2Mbps will emphatically not be enough. Research by the Communications Consumer Panel shows that 2Mbps will provide enough bandwidth for today, because it is enough to access those services and applications that most people currently use. But the way people use the internet is changing rapidly and newer applications are likely to require faster speeds. NGA would deliver this, and the Digital Britain report also contained a commitment to subsidise the roll out of next generation broadband to the 'final third', who will not be reached by commercial roll-out alone. But delivering the final third commitment is more complicated than the Universal Service Commitment. The case for the USC is clearly made as a result of an existing market failure that has demand and supply dimensions. We do not have a market failure justification for intervention in relation to NGA, in this area government is making a political decision to try to address a market failure we are sure will happen, but hasn't yet.

If the NGA final third fund doesn't go ahead, we need to ensure that the Universal Service Commitment is future proofed. To do this, we need to apply an ongoing consumer test, based both on the average speed the general population have and on a basket of services that consumers consider everyone should have access to for participation in society.

4. Will this solve the digital divide?

This depends on the answers to all the above issues. It also depends on addressing not just the supply side failure, but the demand side failure too. The work of the Digital Participation Consortium, led by Ofcom, and of Martha Lane Fox, the Champion for Digital Inclusion, will both be very important in helping to address this.

Good quality online public services could also play an important role in giving people a reason to get online. However, to do this they will need to be built around users, rather than solely on the areas that will provide the biggest savings to government.

There are lots of other things that could incentivise people too, and areas where people need help to overcome the barriers. The Panel has been doing some work to understand what people need to get online and participate, including developing a framework for digital participation based on a

review of the evidence about what people themselves say they need to get online and participate. We will be publishing this, along with some qualitative research that we hope will bring the framework to life, in Spring this year.