

## Universal Service Commitment - Consumer Principles

### Introduction

The Communications Consumer Panel has developed a set of principles to guide the implementation of the Universal Service Commitment for broadband so that it meets the needs of consumers. The Panel recognises that the job of implementing the Universal Service Commitment is complex. How consumers experience using the internet depends on many factors and is different at different times. Consumers' experiences can be influenced by their internet service provider and in many cases by another provider of the underlying network. They can be influenced too by providers of content and services, by the equipment that they use and by the configuration of the networks and wiring in their homes.

The ultimate test of success for the UK Government's Universal Service Commitment will be whether, despite this complexity, consumers can carry out essential online activities in a reliable and consistent way.

To meet this challenge, the UK will need to work effectively with the Administrations in Northern Ireland, Scotland and Wales so that the benefits envisaged by the Universal Service Commitment are available to consumers in all parts of the UK.

### **Principle 1 - the Universal Service Commitment should enable consumers to carry out the online activities that are essential or will be soon.**

The Universal Service Commitment is intended to ensure that by 2012 consumers in all parts of the UK can obtain a home broadband connection with a download speed of 2 Mb/s. The Communications Consumer Panel believes that this commitment should enable consumers to carry out the online activities that are, or will be shortly, essential and to do so in a reliable and consistent way. Research carried out by the Communications Consumer Panel to find out what consumers currently do online shows that this set of activities includes: finding information; communicating with others; carrying out transactions; and downloading and streaming content using services like iPlayer.

### **Principle 2 - the Government should define the Universal Service Commitment in a way that ensures quality and reliability of service.**

The quality and reliability of service that consumers experience depends on various factors, not all of which are within the control of their broadband service provider. Nevertheless, the Government should ensure that an acceptable level of service is guaranteed by whichever provider is employed to deliver the Universal Service

Commitment. As it is designed to ensure that everyone in the UK can get a minimum level of service, it would not be acceptable for consumers to receive a service with an 'up to 2Mb/s' downstream speed. 'Up to 2Mb/s' would mean that the speed could vary considerably and could often be significantly less than 2Mb/s. This would not enable consumers to carry out the aforementioned activities in a reliable and consistent way. Therefore, Government should define the criteria that the service should meet. For example, one of the criteria might be a specified average speed at the times when most consumers are likely to use the service, i.e. in the evenings or at weekends. The criteria should reflect consumers' needs and so should be informed by existing or additional research.

**Principle 3 - the Government should help consumers to do what they can themselves to optimise their broadband connections.**

Recognising the fact that the reliability and quality of connection depend on a variety of factors, the Government should require the provision of guidance to consumers that helps them to optimise the quality of service that they experience by, for example, fitting an i-Plate or connecting their modem to the main phone socket.

**Principle 4 - the Universal Service Commitment should benefit people in all parts of the UK, using different types of broadband where necessary.**

The Universal Service Commitment should mean that as close as possible to 100 per cent of households in the UK can use the aforementioned services in a reliable and consistent way. It would not be appropriate to use the 98.5 per cent measure of universality that is used in relation to terrestrial broadcast networks. That is a measure of the coverage of a particular type of network and the remaining 1.5 per cent of homes can still receive broadcast television via satellite. Broadband can also be delivered by a variety of means and so almost 100 per cent coverage is feasible. But we recognise that not all consumers will be able to have a fixed broadband connection: a small number will have to accept a reasonable alternative, such as satellite or mobile broadband. At the moment, such alternatives are unlikely to be viewed by consumers as an acceptable alternative to fixed broadband. For instance, satellite can be used to provide broadband to consumers almost anywhere in the UK but the lag in the transfer of data makes streaming content problematic. Nevertheless, satellite or wireless broadband may be a solution in parts of the UK where there is no cost-effective alternative. The Government should ensure that consumers in these parts of the UK understand what services they can expect from the Universal Service Commitment and why they may be different from those included in the wider commitment.

**Principle 5 - the Government should be proactive in identifying the parts of the UK that do not at the moment have a broadband connection with a download speed of 2 Mb/s.**

The Government should take steps to identify the parts of the UK where households do not at the moment have a broadband connection with a download speed of 2 Mb/s and so would benefit from the Universal Service Commitment. This will mean drawing on information provided by network providers and internet service providers, and modelling of existing broadband availability. However, it will not be possible for the Government to

identify all such households using these sources of information. Therefore, it should explore the idea of enabling consumers to register that they wish to benefit from the Universal Service Commitment. It would be advisable to put in place a registration scheme without delay so that the data collected can be factored into the procurement process. It would not be appropriate to rely entirely on a registration scheme because more vulnerable consumers, such as older or disabled people, might not be equipped to take advantage of it. But, the data that it would provide, along with information from the other sources mentioned above, should provide a reasonably robust picture of consumer demand. There should also be an on-going commitment otherwise consumers who do not hear about the scheme or who do not see a need for it initially would miss out. The scheme should not be closed to these consumers on the basis that they did not register in time.

**Principle 6 - consumers who benefit from the Universal Service Commitment should have a choice of service providers.**

The Government should ensure that the service is available on a wholesale basis in such a way that service providers can then compete at the retail level. As a result, consumers who benefit from the Universal Service Commitment should benefit from a choice of service providers and, therefore, should not end up paying more for their broadband service than they would in areas where an equivalent service is provided already by the market.

**Principle 7 - the Government should ensure that the Universal Service Commitment keeps pace with consumer demands.**

The Universal Service Commitment should be future-proofed so that it continues to enable consumers to carry out essential online activities. So in procuring it the Government should ensure that the service available to consumers can be upgraded in a straightforward and cost-effective way. The Government should require the network provider or providers appointed to deliver the universal service commitment to report on an ongoing basis on the quality of service delivered to consumers. It should also set out when it will review the quality of service required to meet the needs of consumers. When carrying out this review, it should examine whether consumers are able to carry out in a reliable and consistent way the online activities that by the time of the review are considered by consumers to be essential. If the speed of connection provided by the Universal Service Commitment has become significantly out of line with the average speed that UK consumers are experiencing, then this will provide a strong indication that they will not be able to carry out essential activities and that it should be upgraded.

**Principle 8 - the Government should deliver the Universal Service Commitment using next-generation broadband where practicable.**

To help ensure that the Universal Service Commitment keeps pace with consumer demands, the Government should implement it in a way which means that where practicable public intervention is not needed subsequently to provide next-generation broadband. The consumers who are expected to benefit from the Universal Service Commitment have already been disadvantaged because the market has not delivered an acceptable level of current-generation broadband. The Communications Consumer Panel

does not wish to see this same group of consumers disadvantaged in the longer term because they live in an area that next-generation broadband will not reach, even with the planned public intervention. This means that in the parts of the UK to which the market is unlikely to rollout next-generation broadband, the Government should aim to deliver the Universal Service Commitment through the provision of next- rather than current-generation broadband. Where this is not feasible, the Government should seek ways to future-proof the Universal Service Commitment for the up-to-10 per cent of consumers who are not expected to be able to access next-generation broadband by 2017. This could be achieved either by ensuring that the service can be upgraded easily or by providing a level of service that will be outdated less quickly, i.e. providing a service with a downstream speed of more than 2Mb/s.