



Report following Remote and Rural Communications Symposium

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Introduction

As part of its wide-ranging reviews of the future of broadcasting, telecommunications and spectrum use across the UK, Ofcom had become keenly aware that remote and rural parts of the UK faced some highly significant and different issues from those affecting metropolitan areas. This symposium had been arranged in order to ensure that Ofcom had a full appreciation of these issues, bringing together those with the most direct experience, from a variety of relevant backgrounds, within the devolved Nations and English Regions particularly.

The Agenda for the day is set out below. For ease of reading, this report summarises the main points made during the discussions under a series of headings, so does not necessarily follow the Agenda. Issues covered by the presenters/panellists appear in normal text; issues reflecting audience discussion are shown *in italics*.

A number of Ofcom reviews are referred to; the full reviews are available on Ofcom's website at www.ofcom.org.uk.

Agenda

- Welcome
- Introduction
- Keynote speech [Finding the balancing point]
- Telecommunications, Broadband and Universal Service Obligation
- Case Study
- The Evidential Base
- Television and Digital Switchover
- Plenary discussion

Background to Ofcom's work

The symposium was seen as an important opportunity for Ofcom, to stimulate debate to inform its thinking on some key issues. The debate was put in context with an overview of relevant issues currently being considered by Ofcom; these issues tended to overlap, so it was imperative, when taking a decision in one area, to take account of the consequences which this could have in another. Indeed, this was part of the rationale for Ofcom, enabling broadcasting, telecommunications and spectrum use across the UK to be looked at through a converged regulator.

Ofcom's PSB (Public Service Broadcasting) Review had looked at the way in which public service broadcasting should be provided, maintained and strengthened in the digital age; in parallel with this, Ofcom had made a report to the Secretary of State on how to achieve digital switchover (including the recommendation for SwitchCo (the body charged with implementing switchover)). In the telecommunications review, the most complex of the three major reviews, Ofcom had prepared the ground for a new regulatory framework for telecommunications in the transition to digital and had tried to identify the key issues. In the spectrum review, Ofcom was looking to liberalise the use of the electromagnetic spectrum, with more freedom for licenceholders to trade their existing spectrum allocations, vary its use, etc. There had been much day to day work (other ongoing projects and case work), much of which affected specific areas, where there was a need therefore to make decisions on the basis of both specific

and general interests. For that reason, Ofcom did not listen only to Parliament and to consumer lobbying, but undertook its own research, including in the devolved Nations.

A single, national, one size fits all approach to communications was considered by Ofcom to be unlikely to work, but nor was letting the market prevail considered likely to be acceptable – broadcasting, and possibly telecommunications, were regarded as national rights, with a desire for equality of access by citizens and consumers. The challenge was in achieving the appropriate balance of interests.

The views of the audience were invited across the whole field of Ofcom's responsibilities. However, there were three particular issues on which Ofcom sought input from the symposium, namely: the universal service obligation ("USO") and how this would operate in remote and rural areas in the digital future; the practical implications of seeking to bring broadband to all communities in the UK; and some specific broadcasting considerations, in particular, Digital Switchover ("DSO"). The first two were of particular relevance to remote and rural communities, and the third raised a number of issues for citizen-consumers in all parts of the UK.

Universal Service Obligation (“USO”) – questions for consideration

The current form of this obligation ensured that basic fixed narrow band voice over services were available at an affordable price to everyone across the UK. BT and the much smaller Kingston Communications were required to provide this; in addition, BT was required to provide a relay service for text services. Ofcom was interested in the underlying policy and economic questions and justification for the USO rules; it was Ofcom’s role to implement the obligations imposed by the Government (the basic framework being set out in a European Union Directive). Ofcom was undertaking a review, looking at three shorter term issues around fixed line USO:

1. the future of payphones;
2. whether the existing light user scheme was the best way of providing the service;
3. whether changes were needed to text relay services.

However, there were also a number of questions surrounding the USO in the digital future which raised difficult economic, social and political considerations.

Many people now relied on mobile phones. Increasingly, the links between the fixed and mobile platforms would converge, both using similar basic technology. In the event of increasing convergence, it should be asked whether it was reasonable to think in terms of a continuation of fixed voice USO, whether it was still worthwhile to provide a fixed line in remote and rural areas that was costly to service and, if so, who should pay for this. There was also a question of whether USO should be extended to broadband; it was Ofcom’s view that there was insufficient broadband take-up to consider imposing this currently but, in the longer term, this might need to be considered.

Other issues surrounded the principle of the uniform national pricing part of the USO (the requirement on BT and Kingston Communications to meet all reasonable requests for fixed voice services at a fixed location, so that all such services were priced the same no matter what the geography). Questions for consideration were whether uniform national pricing should be maintained indefinitely for the future; whether it should be extended to non-voice services; and whether it should continue to be at the sole cost of BT and Kingston Communications. The maintenance of average pricing had significant financial impact on the service providers, but the regulator had taken the view historically that this was not an undue burden on those bearing the cost. There was nothing in principle to prevent de-averaged pricing being offered on services other than fixed voice, provided there was competition.

If BT, for example, was exposed to competition in narrow band fixed voice services, possibly reducing its profitability, this could raise the question of whether BT could/should largely shoulder the burden of USO. It might then be necessary to look at funding the USO, although this was not an option favoured by Ofcom, which would rather that this was seen as an attractive service for an operator to provide given the promotional/advertising opportunities which it presented.

Averaged pricing maintained a level playing field for consumers; however, many operators argued that this was an artificial rigidity in the market. Some also argued that, whilst many services in remote and rural areas were expensive, this might be offset, by cheaper housing for instance, so these issues clearly needed to be looked at in the round. In other words, should the consumer bear the consequences of a choice to live in such an area, or was geographic averaging part of citizenship rights? Others held that, whilst rural, remote living was a choice for some, this was not universally the case.

The final point concerned the provision of public call boxes; there were currently 75,000 of these, mainly used by those with no access to other telephones, including those on low incomes and the young. Questions for decision included the appropriate number which should be provided in the future, and how far BT, in particular, should be required to provide these.

Broadband - rural/urban digital divide

Due to their location, remote and rural areas had a high demand, potentially, for communications services. Yet it was clear from the symposium that there was a strong perception of the “digital divide” between urban and rural areas, a concern that services would be delivered first to urban areas, driven by economics and competition; there was a question of whether and, if so, at what pace, rural areas would keep up with this change.

If the policy set out in Ofcom’s telecommunications review, and other of its initiatives to promote competition and innovation in broadband for the benefit of citizen-consumers and throughout the UK, encouraged operators to invest in new infrastructure (based on LLU (Local Loop Unbundling) and Datastream, for example), there was likely to be a continuing transformation of the market with deployment of new technology, and more diverse, faster and lower priced services. However, for commercial and economic reasons, this competition, investment and innovation was likely to be concentrated initially in the higher density areas in much the same way that the early roll-out of broadband started in urban areas and the roll-out of cable started and ended in urban areas. There were also technical issues, such as line length, meaning that many of the faster speeds planned for the next generation of ADSL (Asymmetric Digital Subscriber Line) would not readily reach rural areas (and was there a socially desirable minimum speed?).

Whilst remote and rural areas would indirectly receive the benefit of service innovation as it was transferred into such areas and prices were likely to continue to fall, there was a question over how quick this “trickle down effect” would be. There was concern that there would continue to be a gap between prices and services available in remote and rural areas and those available in more urban areas; it was asked whether the more remote communities would always be in catch-up mode with their urban counterparts. In the last five years, there had been broadband roll-out to more than six million people; there were currently about 60,000 new customers a week. However, it was recognised that there was market failure in a few places where the market was not supplying broadband and where there was little prospect of commercial deployment for areas outside BT’s own target (but see the section on broadband roll-out below).

Whilst certain of Ofcom’s policies, such as its approach on frequency, would help to create new opportunities for wireless broadband infrastructure deployment in remote and rural areas and would therefore perhaps help to counteract this effect, it was recognised that such initiatives were unlikely to fully offset the gap between remote/rural and urban.

It was asked whether the gap between availability in urban and remote/rural areas should be closed and, if so, when?

Broadband roll-out – national/regional initiatives

The symposium was given details of three successful initiatives to increase coverage and take-up of broadband in remote/rural areas which had not waited for things simply to happen. All had worked in partnership with the private sector and in some cases EU funding had also been provided. The conclusion of these initiatives was that communications technology brought benefits not only to individual citizens and

consumers, but also impacted positively on the wider community, its services and economic development. These particular cases had derived considerable benefit from the involvement of the private sector, and also challenged the usual view of competition.

Scotland had approximately two-thirds (399) of the 600 UK exchanges which were not yet considered commercial to upgrade to broadband. The Scottish Executive had undertaken an open procurement exercise, aiming to deliver affordable broadband access to every Scottish community by the end of 2005. The strategy had seen the Scottish population's access to affordable broadband rise from 43 per cent at launch, to over 93 per cent in February 2005, with an expectation that this figure would reach over 97 per cent by July 2005.

The **actnowcornwall** project had been running for nearly three years. A public-private partnership of investors had been formed (EU funding had also been available). The approach had been initial "pump priming" infrastructure investment (into exchanges), with a focus on "demand stimulation" primarily around SMEs, a major marketing campaign and a very local community engagement. There were now 61 exchanges (85 per cent); with 99 expected by July 2005. 5,400 SMEs had taken up the options provided through actnow. The impact included positive economic impact for SMEs, as well as social, environmental and equal opportunities. It was noted that there had been only one serious player in Cornwall; demand stimulation had allowed continued investment, and it was questioned whether the Universal Service Obligation would allow continued investment in the same way, and whether raw competition could in fact damage broadband viability.

At November 2001, broadband coverage in **Northern Ireland** was 37 per cent (compared with 63 per cent in the UK). At February 2002, broadband take-up was 0.9 per cent of the population in Northern Ireland (1.4 per cent of the population in the UK). The strategy for the Information Age Initiative in Northern Ireland, approved by the Northern Ireland Executive in September 2001, included the promotion of competition in the marketplace, improving accessibility particularly in rural areas, stimulating demand, and addressing the digital divide, social, equality and new TSN (targeting social needs) dimensions. The aim was to be the leading broadband region in the UK, the first with universal coverage. Following a tender process, a contract was awarded in March 2004, at which time 62 exchanges were enabled, providing broadband to 69 per cent of the population. By February 2005, all 191 exchanges planned had been enabled, representing 98 per cent Northern Ireland population coverage (compared with 91 per cent across the UK), with the aim of 100 per cent by December 2005. Take-up was 62,000 broadband users at March 2004, and 150,000 broadband users at February 2005. (The aim was to get coverage for the last 1.5 per cent by wireless broadband services). The Northern Ireland experience reported tangible results on the economy and on jobs, including teleworking and particular benefits for female and part-time workers, and carers.

Is the Northern Ireland initiative a USO?

It was asked whether the Northern Ireland broadband initiative had been a real USO or a Government intervention. The conclusion was that 100 per cent coverage had been a target (rather than a mandatory requirement), so that the achievement of universal service had been aspirational at the outset.

As to whether the Northern Ireland template could be used elsewhere, in that particular case there had been a very positive response from industry to the 100 per cent coverage target, and there had been a critical mass to work with.

The Northern Ireland experience was, however, a good example of how certain issues would have to be thought about in the future, such as whether USO was appropriate, and how to impose obligations (with their associated financial implications) on telecommunications providers (and indeed broadcasters) in a more competitive environment.

Competition versus monopoly in remote/rural/peripheral areas

There was some concern amongst the audience that the BT monopoly still existed in most rural areas, and it was questioned whether it was in longer term interests to roll out communications to remote and rural areas without promoting competition. On the other hand, there were very positive reports of BT's involvement in the broadband roll-out initiatives in particular remote/rural/peripheral areas. Whilst competition was generally to be encouraged as beneficial to citizen-consumers, it was pointed out that, in some individual and specific cases, the risk of a "triopoly" was that nothing would be achieved, and that in such cases there was a trade-off, at least in the short term, and possibly in the longer term also, between competition and provision of services.

Life-style choice

The argument that consumers might have made a choice to live in remote/rural communities, and might, for example, have the benefit of cheaper housing, offsetting the potentially more expensive services in these areas provoked considerable debate and wide opposition. It was pointed out from the floor that for many living in such areas this was not a life-style choice, and that they had lived there for many years. Nor was there necessarily the benefit of lower costs: housing was not necessarily cheaper (in the second home belt particularly), cheap transport was not necessarily available, and public access to broadband at the pub or post office (one suggestion made during the discussion) was not a reality if there was no reasonably accessible pub or post office; thought should be given instead to making broadband cost effective and accessible. There was also a suggestion, however, that there were those who had moved to rural areas who might be commuting to better paid jobs outside the region and that new people coming in with new expectations would bring with them a demand for broadband. Finally, one commentator emphasised that, if the UK wanted to be the most competitive participant in Europe, then it needed to work to make that happen.

Telecommunications – research and evidential base

The symposium was given details of Ofcom's commitment to research and market results. For the studies undertaken in 2004, including Public Service Broadcasting and the Strategic Telecommunications Review, over 75,000 adults were interviewed across the UK; in the tracking study, 1200 of these were interviews with consumers in rural areas. This year Ofcom was investing even further, with an improved tracking study of over 90,000 people across the UK, with at least 1500 interviews in rural areas.

Over 6,000 consumers had been interviewed for research in support of Phase 2 of the Strategic Telecommunications Review (mainly during the second quarter of 2004, although some 2003 data was used for the large business part of the survey). The key market indicators in relation to this sector were usage (access)/ satisfaction/ switching. In the demographic profiles of the four Nations, age was not a huge difference, but there was a difference in the proportion living in rural areas (above the UK average in Wales and Northern Ireland – significantly so in the latter case); the proportion of those households with an income of less than £11,500 per year also differed (above the UK average in Scotland and Wales). The question was whether these profiles were driving different behaviour and attitudes in the communications arena.

Comparative results were given for the four Nations, for rural and urban areas, and for the UK as a whole. Access to voice communications was relatively uniform with a couple of exceptions (fixed line was slightly higher than the UK average in rural areas and personal use of mobile was slightly lower in Scotland). The real difference was in penetration of digital television, internet and broadband. For example, internet access at home was greater in rural areas, whereas broadband internet penetration was less than the UK average. Access to internet at home in Wales was lower than in the UK overall, and there was lower penetration of broadband; at the time of this research, there was also lower penetration of broadband than the UK average in Northern Ireland (although, as reported earlier, Northern Ireland subsequently overtook the UK average). However, digital television was above average penetration in Wales, although less than average in Northern Ireland. Across the board, ownership and access to communications services in Scotland was lower than for the UK overall. It seemed that two main issues were driving the results relating to broadband take-up – cost (both access and hardware), and the fact that many people either did not understand it, or did not see a need for it or benefit from it.

In terms of satisfaction with the product, most consumers questioned were reasonably happy. However, where there was less penetration/availability of broadband, dissatisfaction was higher (i.e. in Northern Ireland, Wales and rural areas), speed being the key driver of satisfaction. Satisfaction with mobile services in rural areas did not appear to be impacted in the same way though (despite poorer reception).

Since most consumers were reasonably happy with what they were getting, most had not switched providers, although there were differences by nation: switching of fixed line and internet service provider in Northern Ireland was less than in the UK as a

whole; switching of fixed line provider was also less in rural areas than in the UK as a whole, but switching of internet services provider was higher in Scotland.

The main driver for switching provider was cost savings; reasons for not switching were inertia and satisfaction, but there were also time considerations. Consumers were prepared to spend 30 minutes looking for alternatives for fixed line services (and two hours on the internet), but expected big savings – up to 75 per cent savings on their current bill, to 30 per cent in the internet arena.

Most consumers were satisfied with the quantity of information for comparing suppliers; it was more a question of how easy it was to compare the information.

[Note: Fuller research data is available in Annex M to Ofcom's Strategic Review of Telecommunications Phase 2 consultative document.]

Digital switchover - background to Ofcom's Involvement

The audience was reminded of the overall framework within which Ofcom operated under the Communications Act 2003, which set out Ofcom's principal duty: to further the interests of citizens in relation to communications matters and to further the interests of consumers in relevant markets, where appropriate by promoting competition; in carrying out its duties, Ofcom would continue to be guided by its regulatory principles. There were two main areas of focus: enabling markets to work effectively, and protecting citizens and consumers where the market would not deliver. Much of the day's discussion reflected that balance.

Progress towards full digital switchover "DSO" was reported. Almost 60 per cent of UK households had switched voluntarily to have digital television on one platform or another; the choice between different platforms had helped to give the sector a boost, and the price of converting to digital was falling. Notwithstanding these figures, Ofcom considered that, without intervention of Government and the regulator, it was unlikely that full switchover could be achieved quickly.

DSO had been proposed, amongst other reasons, because analogue switch-off was needed in order to extend the reach of DTT (digital terrestrial television), DTT offered the most important value to consumers, and Ofcom (and Government) had taken the view that DTT needed to be available to a substantial proportion of UK households. Current DTT coverage was 73 per cent; proposed future coverage 98.5 per cent.

The way in which DSO might be implemented would be for the Government to confirm timing, with a clear public information campaign, and a two-stage switchover in each region, with up to six months of dual broadcasting (analogue channels and BBC2's spectrum being used to launch digital terrestrial services). Ofcom had issued an indicative regional timetable; the dates were dependent on a Government decision on timing, but were based on an assumption that DSO would be completed by 2012. The role of SwitchCo - a consortium of representatives from Government, Ofcom, the broadcasters and transmission companies, was explained.

It was recognised that there were some remaining challenges and questions around DSO, including reception problems (although these should be reduced once DSO was completed), and issues faced by more vulnerable groups in society.

Consumer issues associated with DSO

The symposium was given a summary of potential issues relating to DSO from the perspective of consumers, as identified by Ofcom's Consumer Panel. It was emphasised that, whilst most issues which had been discussed that day were related to voluntary decisions by citizen-consumers, DSO was not.

It was suggested that there were six steps which the consumer needed to take in order to convert to digital television: to be aware of DSO and of available help with this, to obtain access to a digital TV platform, to be able to afford digital television, to make the physical purchase of the equipment, to install and set up the equipment, and to learn to use the equipment.

There were a number of specific hardware issues to be addressed: aerials (4 per cent of households were thought to use a portable aerial for their main television set and 30 per cent for additional sets), apartment blocks (those with communal aerials), functionality of analogue VCRs, and handheld televisions.

There were considered to be five types of potential barriers to arise to an individual's successful take-up of digital television, identified as: information ("I can't understand it"); practical ("I can't do it myself"); financial ("I can't afford it"); usability ("I can't use it" "it scares me"); coverage ("I can't receive a DTT signal").

A number of particularly vulnerable groups had been identified: the over 75s, disabled people, those in low income homes, and those with reduced English literacy. Four principal methods of practical support for those who would not otherwise have this were SwitchCo, local community networks, and local government institutions (as conduits for information), and local retailers/aerial installers. The key was for the community to work in partnership. A financial support scheme was proposed by the Consumer Panel for those currently eligible for TV licence exemptions or concessions (those over 75 or registered blind).

It was reported that the indicative results of research undertaken by the Consumer Panel, due to be published in spring 2005, were that consumers were more positive to DSO when they knew what it was. This research also indicated that there was a high awareness of digital television, but a low awareness of DSO.

During the discussion which followed, it was questioned whether the difficulties in achieving DSO were as significant as suggested. In response, the view was put forward that this issue would be very difficult for many (though not all) older people, and particularly for older and disabled people living alone, with no readily available help. However, on the positive side, the creation of SwitchCo, and the working together of broadcasters, Ofcom, the Consumer Panel and Government to the timetable (once agreed), gave others confidence that, notwithstanding the challenges, the task was manageable.

[Note: Ofcom has established the Consumer Panel to advise on the consumer interests in the markets it regulates, as required under the Communications Act 2003. The Consumer Panel is independent of Ofcom and operates at full arm's length from it. The Consumer Panel's report "Supporting the most vulnerable consumers through digital switchover" is available on its website at www.ofcomconsumerpanel.org.uk. The results of the Consumer Panel's research ("Consumers and the communications market: where we are now") were published on 10 May 2005 and are also available on the Panel's website.]

Case study DSO

As a case in point, the symposium was given details of a trial in Ferryside and Llansteffan, Wales, for the conversion of a complete community from analogue television to digital television, well in advance of the UK wide switchover.

Switchover would affect every TV set and VCR, and all premises in the trial area - participants were not selected volunteers, though they were provided with basic digital reception equipment free of charge (not a precedent for UK switchover). The analogue signals would be switched off permanently, creating the first all-digital community in the UK.

The question would be whether the community could connect and use digital equipment in place of analogue, and many practical issues were expected to be learnt from the trial, which was a joint project between Government and broadcasters. Practical support was provided by all of the parties represented on the Project Steering Board, and included arrangements for local retailer support to assist with provision of equipment, for service engineers to help with installations, and for a 'Trial helpline'; they had also worked with the 'support services' within the community (family/friends/vicar/Community Council) to provide special help to those less able to install their own equipment.

The conclusion so far (at the date of the symposium), was that the experience had been a positive one for most triallists, and the target switch-off date remained the end of March 2005.

[Postscript: Analogue switch-off did in fact take place in these communities in March 2005.]

Other Issues

A number of other issues relating to Ofcom's work were raised during the course of the symposium; for convenience they are grouped together here.

Broadcasting - television

Reference had already been made to Ofcom's review of public service broadcasting; as part of this, a model had been proposed for the Nations and Regions. Digital television and broadband offered significant new opportunities to improve the provision of local, regional and national content. The proposals for the Nations and Regions included protection of what was currently in place where appropriate and ensuring more production outside London over time. The proposed PSP (public service publisher) would sit alongside other content providers and would play a large role in enhancing content, which would be distributed through a range of digital and pay-on-demand platforms; it would also have a particular role in local and community services.

Broadcasting - radio

Digital radio was also a key part of Ofcom's work; at the time of the symposium, Ofcom's Radio Review Phase 1 proposals were out for consultation. So far as prospects for digital radio were concerned, there were currently over 1.3 million DAB (Digital Audio Broadcast) receivers (100 million radio receivers in total), but it was rolling out and there was consumer interest. Ofcom supported the further development of DAB, and had made proposals for new spectrum capacity, for local and national multiplexes. Coverage after spectrum allocation would reach nearly 100 per cent, but there was no specific roll-out date in prospect as yet.

Whilst some commercial rural FM licences were to be awarded, FM relied on large communities. However, community radio did not; at February 2005 192 applicants had shown an appetite to participate in the new community radio services.

Annual Plan

These significant areas of work would continue during Ofcom's next financial year; a key element was communications in the Nations and Regions. Planned key developments over the next year were set out in the 2005/06 Annual Plan; the consultative Plan had been issued in January 2005 and publication of the final Plan was anticipated in April 2005.

[Postscript: Ofcom's Annual Plan 2005/06 was published on 12 April 2005.]

Media literacy, content and communications

The Ofcom definition of "media literacy" is "the ability to access, understand and create communications in a variety of contexts". However, a concern was expressed from the audience that broadcasters would be able to dictate choice of content, and that the Ofcom definition of media literacy was too limited to address this. It was said that consumers needed to engage on content, and that there was a need to facilitate life-long learning.

Some focused on the importance of getting the public information message right in relation to new technology and the way in which this could be used; there was also a suggestion that Ofcom should do more itself in terms of ensuring public awareness, rather than offering encouragement to others to do this.

It was made clear that Ofcom certainly viewed media literacy as important, but that it considered that other measures were more appropriate for ensuring appropriate content (such as Public Service Broadcasting proposals). So far as communication of new technology was concerned, Ofcom had taken the view that others were better placed to do that, but it would consider further its role in that area.

Staying with the content theme, one commentator underlined the need for consumers to have equality of access to all communications services, regardless of whether they lived in rural or urban areas, and expressed the view that Ofcom was not putting forward a vision of what the citizen could look forward to. It was suggested that the provider would provide the content it chose and it was asked whether there was any reason why consumers could not have total choice of content.

There was also a comment that one of the drivers for broadband take-up was content, so that consumers felt that they had a reason to connect.

In response to these points there was further reference to public service broadcasting. Telecommunications were different because they were essentially a privatised area, and room to manoeuvre on USO was limited. However, there were things which Ofcom could do to help: events such as today's symposium, and its forthcoming work in the Nations and Regions; broadband and USO were significant issues and it should be ensured that they were debated up and down the country. The role of competition should not be under-estimated, although the example of Cornwall, where it was thought that a second provider would have divided the market, should also be borne in mind.

Coverage issues

A number of very specific broadband coverage issues were raised, not appropriate to report here, but which underlined the broader question of how to develop broadband, etc. in less economically attractive areas.

Communications in rural areas – a problem or an opportunity?

This question was asked because the commentator felt that much of what had been said at the symposium seemed to imply that communications issues in remote and rural areas were a problem, and reflected a centralist mind set.

Ofcom's view was that, whilst it was not possible to escape the fact that there were issues arising from the structure of the sector, the focus should be on the opportunities; once these had been identified, then it was a question of getting down to detail, which was one reason for events such as today's.

Converged approach

Reference was made to Ofcom's creation as a converged regulator, but the view was expressed that many in industry sectors still tended to focus on their own areas without yet acknowledging the implications of convergence. The economics of

convergence needed to be considered, and it was important to look at the infrastructure to enable convergence to be delivered on it; once they focused on a converged economic model, these groups might find that the economics worked.

The connection between content and infrastructure was considered an important point, ensuring that relevant content was available for broadband distribution/interaction, and not just television. One of Ofcom's tasks was to look across the sectors and spot the links. The question was how far it was possible to go in determining the technology that needed to be available in different parts of the UK – Ofcom's preference was to take a more technologically neutral approach.

State aid rules

There was a request to ensure that state aid rules allowed full use to be made of such aid in more remote communities.

Follow up

Ofcom intended to arrange a further symposium on remote and rural issues in the south-west of England in the spring of 2006.

Ofcom